



Tom Barrett
Mayor, City of Milwaukee

November 21, 2006

Dear Council Members:

I developed the 2007 Proposed Executive Budget in the context of improving our fiscal circumstances while continuing to respond to community needs at a reasonable cost of service increase. My Proposed Budget also improved the prospects for future sustainability by reducing tax levy-supported new borrowing, prioritizing ongoing operational expenditures, and proposing a limited set of targeted revenue increases.

I want to thank the members of the Common Council for their overwhelming support of my priorities. These priorities included increased police staffing to its highest strength level since 2000; financing capacity for major redevelopment initiatives; increased infrastructure funding; new public health and fire safety initiatives; the Drivers License Restoration project; and a \$2 million Tax Stabilization Fund withdrawal to offset the cost of future legal liabilities.

I also appreciate the Council's support for a charge pertaining to large special collections. It became apparent to me that these collections represent a service level we can no longer fund completely through the tax levy. Although my 2007 Proposed Budget submittal included legislation enacting this change, my Proposed Budget was balanced without any revenue from this charge. In fact, the Comptroller did not include any revenue associated with this charge in my Proposed Budget. I expected that if the Council were to approve this proposed charge, that any resulting 2007 revenue would simply flow to the Tax Stabilization Fund and help bolster our 2008 fiscal outlook. This result would have been consistent with the Comptroller's expressed interest in fiscal sustainability.

Subsequent to the Council's adoption of legislation that included the special collections charge, the Comptroller chose to use his discretionary authority to recognize 2007 budget revenue from my proposed charge, even though such revenue was not part of my Budget Proposal nor required to adjust for any other projected revenue shortfall. Unfortunately, the Council has chosen to use this new revenue to fund a level of staffing in the Fire Department that is neither programmatically necessary nor fiscally sustainable. Therefore, this letter contains a veto of the Council's addition of nine firefighters and related funding of \$608,120 that came to pass through amendment # 88.

I would also note that I have been actively pursuing a school safety initiative with the Police Chief and Superintendent of Schools. As you are aware, Milwaukee Public Schools (MPS) adopted a budget that provides \$1 million for school safety and school

based student and family services. The School Board acted after I had submitted my 2007 Proposed Budget and well into the Common Council's budget deliberation process.

We intend to launch a pilot project in January, 2007 and, if it proves successful at controlling school violence, expand the effort in September at the start of the 2007-08 school year. The pilot project will involve police officers patrolling a specific cluster of schools as well as having officers working directly with school personnel. The initiative would operate under a cost sharing agreement between the City and MPS. If the Council sustains my veto and adopts my recommended substitute action, it will become financially feasible to support an expanded school security initiative in the 2007-08 school year.

For this reason my veto also includes the Common Council Contingent Fund. My recommended substitute action would increase the 2007 funding level for the Contingent Fund to \$5,800,000, an increase of \$300,000 above the adopted level. This increased funding would be available for the fall 2007 school security program if the Council chooses to support such an initiative. My substitute action allows the Council to be a full partner in the evaluation and potential funding of a school security program by providing an additional \$300,000 in the Common Council Contingent Fund, as opposed to the Police Department budget. Since Contingent Fund appropriations require a three-quarters affirmative vote of the entire Common Council, the Mayor and Common Council would need to forge a strong consensus in order to fund the school security initiative in 2007.

Veto of Items Contained in Common Council Amendment #88

To restore minimum staffing of 5 personnel per day on 3 Ladder companies in the Fire Department.

I am vetoing Common Council Amendment #88, which restores position authority, funding and FTEs for 9 Firefighter positions.

The 2007 Proposed Budget decreased staffing on eight of sixteen ladder companies from five personnel to four. While the Proposed Budget changed the staffing levels on these apparatus, it continued higher staffing levels (five personnel) for the department's special teams units and for half of its ladder companies. The amendment adopted by the Common Council would increase staffing to five personnel on three additional ladder companies for a cost of \$608,120 by adding authority for an additional nine firefighters. In addition, fringe benefit costs would add almost \$207,000 of expenditures in 2007 which are not reflected in the tax levy impact of this amendment. The total impact of this amendment has a major impact on future budget sustainability.

No policy-based argument has been made regarding the restoration of five-person staffing for the three ladder companies. The staffing levels in the Proposed Budget comply with industry standards (National Fire Protection Association) and the Milwaukee Fire Department continues to be staffed at higher levels than fire departments in other cities of our size. The reduction will not decrease response times for the department, and the Milwaukee Fire Chief would still have enough capacity to send the same (or a greater) number of personnel to respond to fire incidents.

The 2007 Proposed Budget funded the Fire Department by priority area and community needs. Fire service calls represent an increasingly small portion of the Department's overall responses - 22% in 2005. Of that 22%, or 14,065 calls for service, only 33 fire calls went to greater than one alarm and 10 of those calls went beyond the second alarm. During the Finance and Personnel Committee's review of the Fire Department's budget, Chief Wentlandt stated that staffing levels on these apparatus were not the key factors in public or firefighter safety in the city.

By comparison, my Proposed Budget provided full funding for the 12th M.E.D. unit and addresses the growing need in our community for increased Emergency Medical Service responses - 51,091 calls for service in 2005. The Milwaukee Fire Department has produced a positive impact on survival rates for penetrating trauma incidents through its EMS program. With the implementation of the 12th MED Unit, the Milwaukee Fire Department has been better able to meet national response standards and have a greater impact on the health and safety of our citizenry.

The staffing reduction included in my proposal was a carefully thought out, fact-based, strategic decision that will not result in any firefighter layoffs nor have any adverse effect on response times, firefighter safety, or the ability of the Fire Department to fulfill its core mission. For those reasons, I ask that you sustain my veto and support a staffing level for the Fire Department that protects both the interests of the taxpayers and the need to maintain a high level of public safety services. My recommended substitute action restores firefighter positions and related funding to the level that I proposed for the 2007 Executive Budget.

As I have noted, my veto also affects the funding level for the 2007 Common Council Contingent Fund. If this veto is sustained, I have recommended that the Council establish a funding level of \$5,800,000 for the Contingent Fund through substitute action. The increase of \$300,000 could be reserved via Council resolution for the school security initiative and eventually appropriated to the Police Department if we reach agreement on the contents of such a program. In addition, if the Council sustains my veto and adopts my recommended substitute action, there will be a reduction of \$308,120 to the 2007 property tax levy as adopted on November 10. This would establish a final tax levy of \$219,770,828 for 2007 and a tax rate of \$7.99.

Based on the above reasons, I ask that you sustain my veto and adopt my recommended substitute action.

Respectfully submitted,



Tom Barrett
Mayor of Milwaukee

FIRE DEPARTMENT & COMMON COUNCIL CONTINGENT FUND

A. DISAPPROVAL ACTION

The Mayor disapproves of the following budget line(s) in the 2007 budget: (which were affected by Common Council Amendment #88 which restored minimum staffing of 5 personnel per day on 3 ladder companies and adds 9 Fire Fighter positions) and the Common Council Contingent Fund.

<u>BMD-2</u> <u>Page and</u> <u>Line No.</u>	<u>Item Description</u>	<u>2007 Positions</u> <u>or Units</u>	<u>2007 Amount</u>
	SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES		
	FIRE DEPARTMENT		
	FIREFIGHTING DIVISION DECISION UNIT		
	SALARIES & WAGES		
190.3-11	Firefighter	496	\$26,978,554
190.4-3	Firefighter	69	--
190.4-8	Overtime Compensated** (Special Duty)	--	\$3,142,082
190.4-20	O&M FTE'S	1046.82	--
190.5-12	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	\$21,529,333
370.1-3	FRINGE BENEFIT OFFSET	--	\$-121,507,468
	SECTION I.F.1. BUDGET FOR COMMON COUNCIL CONTINGENT FUND		
480.1-8	Total Budget for Common Council Contingent Fund	--	\$5,500,000

In lieu of the above disapproved item I recommend adoption of the following substitute action:

B. SUBSTITUTE ACTION

<u>BMD-2 Page and Line No.</u>	<u>Item Description</u>	<u>2007 Positions or Units</u>	<u>2007 Amount</u>
	SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES		
	FIRE DEPARTMENT		
	FIREFIGHTING DECISION UNIT		
190.3-11	Firefighter	487	\$26,475,740
190.4-3	Firefighter	78	--
190.4-8	Overtime Compensated** (Special Duty)	--	\$3,036,776
190.4-20	O&M FTE'S	1037.82	--
190.5-12	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	\$21,322,573
370.1-3	FRINGE BENEFIT OFFSET	--	\$-121,300,708
	SECTION I.F.1. BUDGET FOR COMMON COUNCIL CONTINGENT FUND		
480.1-8	Total Budget for Common Council Contingent Fund	--	\$5,800,000

C. COMBINED EFFECT OF ACTIONS A & B ABOVE:

1.	Budget Effect	=	\$-308,120
2.	Levy Effect	=	\$-308,120
3.	Rate Effect	=	\$-.011