

## **FISCAL REVIEW SECTION – LEGISLATIVE REFERENCE BUREAU**

### **Executive Summary: 2006 Proposed Budget – Mayor's Office**

1. Total budgetary authority for the Mayor's Office increases \$115,512 or 11% to \$1,165,922 from the \$1,050,410 authorized in 2005. The substantial changes are reflected in salaries and fringe benefits. (Page 1)
2. Total authorized positions and O&M FTEs remains constant at 14 and 12.50, respectively. (Pages 1 and 2)
3. The 2006 Proposed Budget does not list position authority and funding for an UASI Emergency Government Coordinator (B) position that was authorized in Common Council Resolution 050600 on September 27, 2005. (Page 2)
4. The 2006 Proposed Budget provides \$43,961 for Total Operating Expenditures, compared to \$43,450 provided in 2005. (Page 3)
5. In general, Reimburse Other Departments is the only operating expenditure to decrease, from \$4,200 in 2005 to \$1,611 in 2006, due to accounting changes and decreased reliance on interoffice mail delivery services. (Page 3)
6. In 2006, funding for Information Technology Services resumes at \$1,400, after receiving no funding in 2005. (Page 3)
7. Although new initiatives are not directly funded in the 2006 Proposed Budget Mayor's Office, they are credited to Mayor Barrett throughout the Budget Office's summary and within the mayor's speech delivered to the Common Council on September 27, 2005. (Page 4)

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**2006 Proposed Budget Summary: Mayor's Office**

<b>Expense Category</b>	<b>2004 Actual</b>	<b>2005 Budget</b>	<b>% Change</b>	<b>2006 PROPOSED</b>	<b>% Change</b>
Operating	\$912,009	\$1,050,410	15.18%	\$1,165,922	11%
Capital	0	0	-	0	-
Positions	15	14	(6.67%)	14	-

As the City's Chief Executive Officer, the Mayor is responsible for assuring that the laws of the State and the ordinances of the City are observed and enforced, and that all officers of the City discharge their respective duties. In addition, the Mayor is responsible for the executive direction of the City's operating departments.

**Departmental Mission**

To enable the citizens of Milwaukee to prosper and achieve a high quality of life and to allow the City to serve as the economic, social and cultural hub of the metropolitan area by effectively managing City government, providing community leadership, and advancing Milwaukee's interest with other governments.

**Historical Information**

1. In 2004, Personnel Cost Adjustment was calculated at 8% of salaries, or \$-54,257 to reflect an estimated -0.29 reduction in mayoral FTEs. The reduction reflected 3.5 months of salaries and fringes paid to former Acting Mayor/Common Council President Pratt from the Common Council/City Clerk budget during his appointment as mayor.

The 2004 Budget also downgraded 2 full-time Staff Assistant to the Mayor positions, from SG 7 to SG 2, a decision that was reversed in 2005 by Resolution.

2. Mayor Barrett was sworn into office on April 20, 2004. In his state of the city address, he outlined a campaign to build a "New Milwaukee", calling for:
  - Directing city resources toward creating jobs and strengthening neighborhoods
  - Making Milwaukee safe for every resident
  - Showing residents that city services are customer services
  - Having an education system that helps children and respects taxpayers
3. In 2005, the mayor began working on the 286-CITY initiative, a single number access to city government through a DPW phone bank that will be fully implemented in 2006.

## 2006 Budget Highlights & Issues

Total budgetary authority for the Mayor's Office increases \$115,512 or 11%, to \$1,165,922 from the \$1,050,410 authorized in 2005. The substantial changes are reflected in salaries and fringe benefits.

### ***Personnel Changes:***

1. Total authorized personnel remains at 14 units and O&M FTE's remains at 12.50 units. Direct labor hours (DLH), a performance measure, is no longer reported for the purpose of adopting annual budgets.
2. Funding for Net Total Salaries and Wages increases by \$51,246 or 6.94%, from \$738,868 authorized in 2005, to \$790,114 proposed in 2006. Increases are based on representation status and consistent with labor agreements adopted by Common Council resolution.
3. On 9/27/2005, the Common Council adopted Resolution 050600, thereby authorizing application, acceptance and funding of a \$2,431,772 Urban Areas Security Initiative continuing grant program that historically funded efforts of the Health, Police and Fire departments.

In Resolution 050600, \$160,000 of the \$2,432,772 UASI grant is allocated for Salaries (\$119,484) and fringe benefits (\$40,516) for a newly created UASI Emergency Government Coordinator (B) position in the Mayor's Office from 10/1/2005 to 3/31/2007. Budget form BMD-2 does not provide for position authority, funding, or footnotes for this position. The 2006 Proposed Budget and positions ordinance should be amended to create the necessary authority in 2006.

### ***Accounting Changes***

4. Personnel Cost Adjustments, as a percentage of salaries, should reflect the amount of salary appropriations anticipated to be unexpended as a result of staff turnover or other changes. In 2006, the department proposes to not expend 2% of salaries, compared to 4% in 2005 and 8% in 2004. The highest adjustment, in 2004, was attributed to (1) the installation of a newly elected administration and (2) 2004 budget amendments that reduced several position salary classifications (see table).

	<b>2004 Adopted</b>	<b>2005 Adopted</b>	<b>2006 Proposed</b>	<b>2-Yr. Change</b>
No. Authorized Positions	15	14	14	(1)
Salaries before adjustments	\$717,966	\$769,654	\$806,238	\$88,272
Personnel Cost Adj. (Pct of Salaries, rounded)	(\$54,257) 8%	(\$30,786) 4%	(\$16,124) 2%	(\$38,133) n/a
O&M FTE's	13.21	12.50	12.50	(0.71)

## Operating Expenditure Total

5. In 2006, the Proposed Total Operating Expenditures increases by \$511 or 1.17% to \$43,961, compared to \$43,450 provided in 2005.
6. In 2006, the Mayor's Office anticipates using \$12,000 General Office Expense funding for the following purchases:
  - > Supplies; \$ 8,000
  - > Subscriptions; \$ 1,000
  - > Postage Expenses; \$ 3,000
  - > Total \$ 12,000
7. The remaining Operating Expenditure budget lines will provide for:
  - Non-vehicle equipment rental: Copies (\$1,700)
  - Information Technology Services: Novell software and maintenance (\$1,400)
  - Property Services: Telephones (\$14,500)
  - Other Operating Services: Travel (\$6,400), Equipment repairs (\$150), Outside printing (\$3,200), and Miscellaneous (\$3,000)
  - Reimburse Other Depts.: Printing CRD (\$600), Mail service internal (\$311), Record retention (\$700)
8. Beginning in 2003, DOA-ITMD services are no longer reimbursable expenses, a budget category that decreased each year since as costs are reassigned to various budget lines:

### REIMBURSE OTHER DEPARTMENTS

Category	2003	2004	2005	2006
Telephone services *	\$14,000	\$13,500	\$	
Postage **	3,400	2,800	600	
Printing	2,000	2,725	3,000	600
Record Retention	207	400	600	700
Mailroom Services	3,400	0		311
Additional Record Retention & Printing Services	1,594	0		
Adjust 2003 requested to 2004 adopted	<u>149</u>	<u>0</u>		
<b>Totals</b>	<b>\$24,750</b>	<b>\$19,425</b>	<b>\$4,200</b>	<b>\$1,611</b>

\* Beginning in 2005, Telephone Service moved to Property Services. In general, Telephone Service increases from \$13,500 in 2004 to \$14,200 in 2005.

\*\* In 2005, US Postage costs are partially fund under General Office Expenses (\$3,000) and Reimburse Other Depts (\$600), and fully funded under Other Operating Services - Miscellaneous in 2006.

## Equipment Purchases

9. None.

## Capital Improvements Projects – Special Purpose Accounts - Grants and Revenues

10. None.

### ***New Initiatives / Programs Proposed for Yr-2006***

The Mayor may direct the implementation of the following initiatives, although their funding is not included in the 2006 Proposed Budget for the Mayor's Office.

- **Housing Trust Fund:** In presenting the 2006 Proposed Budget before the Common Council, Mayor Barrett announced continued efforts to support a Housing Trust Fund, but did not suggest funding sources.
- **Control Borrowing:** To resolve structural imbalances, the mayor propose transfers of tax levy supported debt to enterprise funds whose principal revenues come from user fees. (BMD Summary, pp. 3-4, p. 122) Dollar for dollar, such transfers may require rate increase and/or withdrawals from the Fund's retained earnings. Currently, the three enterprise funds are the Sewer Maintenance Fund, Milwaukee Water Works, and DPW – Parking Fund. The Common Council authorizes the implementation of retail water rates once set by the Public Service Commission but maintains no control over wholesale water rates.
- **Regional Economic Development Initiative:** A \$12 million, five year, seven county economic development and regional marketing campaign initiative is proposed, requiring an initial \$100,000 city contribution through a new special purpose account. (BMD Summary, p. 85)
- **Accountability Initiative:** To improve accountability, Mayor Barrett proposes applying management control models similar to the cities of New York (COMSTAT) and Baltimore (CITISTAT). Each model is a separate initiative, both designed to improve accountability through periodic reviews of performance data collection, setting of strategies, and improving oversight of department operations. Discussion and review panels will included the mayor, senior administrators, and/or key management staff. Project costs are not contained in the 2006 Proposed Mayor's Office Budget. (BMD Summary, p. 25, p. 85)
- **Land Management:** To offset the reduction in CDBG funding for the Redevelopment Authority, an agency administered by DCD but whose budget is not under the control of the Common Council, the mayor proposes creating and funding a new Land Management special purpose account at \$200,000. The goal is to expand low and moderate income housing. (BMD summary, pp. 132-133)
- **Office of Sustainability:** Through private foundations and grant support, the administration proposes realigning responsibilities to create a new office of sustainability to enact recommendations of the Mayor's Green Team related to the city's performance on environmental matters. (BMD summary, pp. 24-25) To date, the Mayor's Green Team has not presented the Common Council with findings and recommendations to support the establishment of this office.

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