

Office of the Comptroller

October 2, 2006

Michael J. Daun

John M. Egan, C.P.A. Special Deputy Comptroller

W. Martin Mories, C.P.A.

Craig D. Kammholz

Timothy R. Sheehy Milwaukee Metropolitan Association of Commerce 756 North Milwaukee Street, Suite 400 Milwaukee, WI 53202

Dear Mr. Sheehy:

As I discussed with you in passing, at the September 20th meeting of Milwaukee Common Council's Finance and Personnel Committee, I presented my 2006 Comparative Revenue and Expenditure Report. At that meeting it was suggested that I forward the report to you and request that I present to you the findings of the report.

The attached report is an analysis of the City of Milwaukee and nine other comparable cities' audited financial data. The report compares, on a per capita basis, the City of Milwaukee's revenue sources with nine similar cities to Milwaukee. An analysis is also included on the revenue structure of Wisconsin's State and local governments with the per capita averages of all US State and local governments. The report also groups City of Milwaukee's expenditures by several functional classifications compared to other peer cities.

Like other cities, the City of Milwaukee provides a variety of services to its citizens. businesses, and visitors. The fact cannot be ignored that we are in a competitive business with other peer cities. If citizens or businesses perceive that they are not getting value for the tax dollars they are paying they can and will "vote with their feet." Likewise, if we drastically curtail the services we provide, and our competitors do not, leaving our infrastructure deteriorating, or our health or public safety efforts at a level far below our competition, we will neither attract new growth nor retain the citizens and businesses we have now. The market basket of services we provide our citizens and how these services are funded can and should be compared to our competition as one measure of how effectively we are doing our jobs.

I encourage you to review this report. If possible I would like the opportunity to provide a presentation of this report to your organization at your earlier convenience. I will be following up in the next few days on this matter.

Very truly yours.

W. MARTIN MORICS

Comptroller

CC: Mayor Tom Barrett

Finance and Personnel Committee Members

Mark Nicolini, Budget Director

Sharon Cook, Intergovernmental Relations Director

Enclosure

WMM:cdk

