

**2009 budget address
September 24, 2008**

Good morning President Hines, members of the Common Council, City Attorney Langley, Comptroller Morics, City Treasurer Whittow, members of the Cabinet and honored guests and residents of our great City.

Before we get started today, I want to welcome a very special guest to the Chamber.

Earlier this week, Will Allen, co-founder and Chief Executive Officer of GROWING POWER, was one of 25 people awarded a \$500,000 “genius grant” by the John D. and Catherine T. MacArthur Foundation, an award recognizing “exceptional merit and promise for continued and enhanced creative work.” – a remarkable achievement.

The Growing Power headquarters and Community Food Center at 5500 W. Silver Spring Drive, originally established as Will’s Roadside Stand, is the last operational farm and greenhouse in the City of Milwaukee.

People of all ages can tour the urban farm, participate in hands-on activities, and learn about sustainable food practices among the 20,000 plants and vegetables, thousands of fish, worm depository, beehives, and host of livestock and poultry.

Growing Power was established with the vision of “inspiring communities to build sustainable food systems that are equitable and ecologically sound, creating a just world, one food-secure community at a time.”

The Growing Power staff and volunteers express this commitment through Growing Power’s Youth Corps program, its school gardens, community gardens, City Market Basket program, and participation in food policy initiatives.

We are very fortunate in Milwaukee to be the home of this innovative program.

I want to recognize Mr. Allen for his incredible achievements and thank him for his commitment to our great city.

Each year I come before you to present my Executive Budget. For a variety of reasons, the 2009 budget is the toughest we have faced.

Unfortunately, rising costs for fuel and healthcare combined with last winter’s wallop on southeast Wisconsin have only compounded an already difficult situation.

In fact, rising costs are not matched with rising state shared revenues.

Since 2003, we have experienced a decline in inflation-adjusted state shared revenue of over \$61 million. This is a big reason why we are where we are today.

Some may disagree on a variety of issues but on state shared revenues, I know we are in full agreement, and we must work together to reverse this destabilizing trend.

We are at a point in our nation's history where major financial institutions are collapsing.

There is an air of uncertainty that hangs over this entire nation.

Everyone is tightening their belt: the state, businesses, families and yes, the City.

For months now, I have been working with the budget office to identify budget cuts and revenues that, when taken together, will provide residents with security and essential services at a reasonable cost.

Two weeks ago, I came to you with a proposal to bring more revenue to the city to pay for essential services.

I understand why you decided to withhold action on those proposed fee increases.

Context is important. Today I will provide that context.

Today I am presenting to you a balanced budget. It contains approximately \$20 million in cuts and the elimination of 180 full-time equivalent positions.

Let me be clear on this point: This is not my preferred budget.

Although this might seem confusing to some, the fact that new revenues need to be authorized and certified prior to submission of the executive budget leaves me no choice but to speak today to my preferred budget.

Believe me, I would much prefer to introduce a budget with revenues, expenditures and cuts all at one time.

My preferred budget, with the fee increases, keeps the total impact on residents below the rate of inflation. It maintains our strong level of police. It keeps our libraries open.

My preferred budget maintains essential public works services. It eliminates 100 full time equivalent positions and cuts \$13 million in spending.

That is the core of my preferred budget.

At a time when we are experiencing significant reductions in crime, I do not want to cut the police department.

Together we have funded the highest strength level since the year 2000 and supported the Chief's efforts to have more data-driven deployment and response strategies.

Because of all that we've seen double digit decreases in violent crime.
I don't want to turn back now when we still have so much more progress to make.

I want to make sure that Chief Flynn and his command staff have the resources they need to manage crime and build on the progress they've made in neighborhoods.

In this budget cycle, when job training, literacy skills and other needs are at their greatest, I don't want to close neighborhood libraries.

Do we have to look at how neighborhood library services are delivered and how the old model might not be meeting today's needs? Absolutely.

That's why I directed Library staff and DCD staff to work with Alderman Hamilton and the Villard Avenue partnership to develop a model for a new library that includes senior housing and a new community learning center.

That's far better than abandoning the Villard Avenue neighborhood.

I have had over 1300 contacts on the possible closing of Neighborhood Libraries.
1300 people who do not want their neighborhood library closed. I would rather work with them than simply closing their library doors.

I don't want to have to make any further cuts to the important quality-of-life services like brush collection, street light burn time and pruning which are already being reduced.
These are not inconsequential services.

I want to continue the successes we've seen with our graffiti abatement program and Business Improvement Districts.

My preferred budget increases the levy and fees 4.8% for the average homeowner.
That means the owner of a median priced home will pay \$71.63 more in 2009 – less than \$6 per month and less than the current rate of inflation.

Milwaukeeans understand that services come at a cost and our citizens rightly expect that we cut as much as possible before we spend their hard earned money.

As I said earlier, in my preferred budget I've made \$13 million in spending cuts.
The budget freezes cost-of-living adjustments for managers and eliminates over 100 positions.

I've worked with Paula Kiely, the City Librarian to change the Library staffing model and modify hours at neighborhood libraries to save over \$1.5 million in expenses.

I made the difficult but necessary decision to eliminate one Engine Company and reduce staffing from five to four on the remaining Ladder Companies.

I want to thank Chief Holton for his leadership of one of the best departments in the country.

I understand his disappointment and the disappointment of the rank and file with the proposed cuts but I appreciate deeply the Chief's willingness to work together in these difficult times.

At DPW, I pushed for Energy Efficiency programs that will save over \$200,000 in energy costs and eliminated heavy construction debris collection.

Our efforts to push for increased Medicaid reimbursements for Health Department clinics will save the City \$846,000 and going to online permitting at DCD will save us over \$140,000.

These are just some of the examples of efficiencies and cuts. Without the revenues, more cuts will come, many more cuts.

And because the Police, Fire and Public Works Departments represent over 80 percent of the City's operating budget, the cuts will hit hardest in those departments.

\$3.4 million in cuts to the Milwaukee Police Department will force the elimination of 56 sworn officers. An entire police recruit class.

I oppose that cut.

\$1.4 million in additional cuts to the Milwaukee Fire Department will affect staffing flexibility and close a second engine company.

I oppose those cuts.

\$564,000 in cuts at the Department of Public Works will further reduce street light burn time, add a second year to the decreased tree pruning schedule and eliminate curbside brush collection.

I oppose those cuts.

Without this revenue, Special Purpose Accounts will be reduced by \$148,500, cutting funding for Business Improvement Districts and eliminating funding for graffiti abatement.

Funding will be eliminated for Hartung Quarry.

These cuts are unacceptable to me.

Over the past four years, because of some hard choices and management decisions, we have been able to stave off some of the impending service cuts with minimal increases in taxes and fees.

When I came to City Hall, I demanded increased accountability and challenged my Department heads to do more with less

.
Together with the Council and a team of committed professionals dedicated to service, we have accomplished much.

Thanks to Chief Flynn and his staff, the Milwaukee Police Department has undergone an overhaul that has improved efficiency, made better use of resources and generated success in neighborhood crime reduction.

Though partnerships with the City's IT department and the use of private assistance, the Milwaukee Police Department has utilized real-time data to drive deployment strategies and shift resources where they are most needed.

Implementing the Differential Response program to handle citizen needs has put more cops on the street and put duty-disability officers back to work.

The Department of Public Works has changed solid waste collection practices to save money and made improvements in its fleet to have more energy efficient vehicles.

By eliminating media holds at neighborhood libraries, 2008 circulation is up as more items are now on the shelves for check out when patrons visit. Not only is there a better selection for our customers, but we were able to save 2 ½ positions.

The Library also implemented a "ready-to-read" program – Books 2 Go – which reaches 75 child care centers in Milwaukee, with an average of 565 children and 110 adults per month.

This important program ensures pre-schoolers are ready to learn to read in kindergarten.

The Milwaukee Health Department, through a strong partnership with MPS has increased immunization rates from 71% to 83%.

The Health Department's innovative Nurse-Family Partnership with Columbia St. Mary's and the University of Wisconsin has now completed one year of home visits with first-time pregnant women focusing on improving the health, well-being and self-sufficiency of low-income, first-time parents and their children.

In this first year, the nurses have provided 824 educational and supportive home visits to 69 teens and women who have had 34 babies.

If not for these and the many other efficiencies we've undertaken, our situation today might be much worse

Together, we've been able to make progress on many issues central to our mission in city government.

Just this week Milwaukee was ranked the 12th most environmentally sustainable city in the nation, recognizing the work throughout the City to maintain healthy air, water, parks and other economic and quality-of-life categories.

We are more fuel efficient in our fleet. We reduced energy usage and developed a stormwater ordinance to protect our local waterways and foster green urban development.

And we are just getting started.

We are in the midst of our public outreach campaigns for recycling, composting, and water conservation.

And soon we will unveil an updated bike plan that will make it more attractive for people ride their bikes, people like Alderman Nic Kovak.

The 2009 Proposed Budget continues progress that we have initiated on our local infrastructure.

The combined capital improvements budget total for local streets, street lighting and traffic controls increases by almost \$5.4 million over last year – a 39% increase.

I am proposing two new electrical service crews in DPW that will improve the timeliness of response to outages. These two new crews will be scheduled for weekends, which will reduce overtime expense and reduce the backlog of work for the following week.

I want to thank Alderman Joe Dudzik for his continued push to find greater efficiencies in the Department of Public Works.

My proposed budget also includes \$300,000 for the Summer Youth Employment program. I have said time and time again how important it is to give high school students a taste of their future through employment opportunities that expose them to careers and jobs they might not otherwise consider.

But even more than that, more than giving them the opportunity to earn a few dollars, I feel that we, as adults, have a moral responsibility to create hope in the lives of the young people in this community. That is exactly what this program does.

Also, I've worked with Alderman Michael Murphy to propose a new Water Intern Partnership to help develop young people for careers with public and private water employers.

We are investing \$2 million in automated materials processing and check out at the Central Library which will improve overall efficiency.

I've put \$375,000 in my budget for customized job training for businesses firms, including those seeking to expand in the 30th Street Industrial Corridor, something I've worked closely with Aldermen Wade, Hamilton and Davis.

These are just some of the highlights.

In all, my preferred budget represents my vision for this city during these difficult times.

Here, in this room this morning, we don't know when the economy will turn around. We don't know if or when the state's commitment to shared revenue will be renewed or if the state and federal governments will invest more in our aging infrastructure.

What we do know is that Milwaukee is a great City.

Our residents are hard working, industrious people who have weathered good times and bad.

Most of us would like to do more. The reality is we have limited resources.

I understand and recognize the challenges of voting on revenue increases without the full picture.

I'd like to work with you to improve the process for future budgets.

It is my hope now, that with all the information before you, you will have the context in which to make decisions in the best interests of all in our community.

Despite differences we may or may not have, at the end of the day we must govern. I know you take that role as seriously as I do. And to do so properly let's share in the confidence that we can work together to move our great city forward and create a safer, stronger, healthier Milwaukee for all our residents.

My door is always open and I look forward to working with each of you.

Thank You.