2013 PROPOSED PLAN AND EXECUTIVE BUDGET SUMMARY

CITY OF MILWAUKEE

STATE OF WISCONSIN

Tom Barrett
Mayor

Department of Administration
Budget and Management Division

Sharon Robinson
Administration Director

Mark Nicolini
Budget and Management Director

Budget and Management Staff

Thomas J. Bell
William Christianson
Crystal E. Ivy
Quinn Doheny
Jennifer Meyer
Eric C. Pearson
Dore Marie Rozwadowski
Bryan J. Rynders
Aaron Szopinski
Dennis Yaccarino

GUIDE TO BUDGET DOCUMENTS

PLAN AND BUDGET SUMMARY

A document containing a fiscal summary of the 2013 budget; a budget forecast for Milwaukee; detailed narrative descriptions of each department's mission, services, outcome measures and related activities; and a summary of appropriations by expenditure category. This document is printed annually in proposed and final form as follows: the *Proposed Plan and Executive Budget Summary* contains the Mayor's Executive Budget as presented to the Common Council for review. The *Plan and Budget Summary* contains the budget as adopted by the Common Council.

BUDGET

The official City of Milwaukee line-item budget provides a listing of all appropriation accounts by department and is published after the final budget adoption.

SIX-YEAR CAPITAL PLAN

A presentation of the city's six year capital program. Includes details on planning, financing, infrastructure, and urban development undertakings involved in the capital plan and is published the spring following budget adoption.

To obtain copies of the: *Proposed Plan and Executive Budget Summary, Plan and Budget Summary, Budget, and the Six Year Capital Plan* contact the:

Budget and Management Division
City Hall - Room 603
200 East Wells Street
Milwaukee, Wisconsin 53202
(414) 286-3741
(414) 286-5475 (Fax)

or

Visit the Budget and Management website at:
www.milwaukee.gov/budget

BUDGET AND PLANNING PROCESS

City Strategic Plan

Citywide Objectives
Citywide Strategies

↓

Unified Strategic Plans and Budget

Department Objectives
Department Strategies
Department Performance Measures
Department Annual Budget

↓

Annual Budget

Executive Budget

↓

Adopted City Budget

Calendar Date	Activity
January - March	Departments Prepare Plans, Objectives, and Performance Measures
Mid-March	Departments Receive Budget Materials
May 8*	Plans and Budget Requests Due
July	Mayor's Public Hearings on Plans and Budgets
July - September	Mayor's Executive Plan and Budget Review
September 27**	Plan and Budget Submitted to Common Council
Mid-October	Legislative Hearings
October 25 and 26	Finance and Personnel Committee Budget Amendment Days
November 2***	Common Council Action on Budget

* Second Tuesday in May
** Legal Deadline September 28
*** Legal Deadline November 14

ELECTED OFFICIALS

Mayor ..... Tom Barrett
City Attorney ..... Grant F. Langley
City Comptroller ..... Martin Matson
City Treasurer ..... Spencer Coggs

COMMON COUNCIL

President ..... Willie L. Hines, Jr.

DISTRICT	ALDERMEN
First	Ashanti Hamilton
Second	Joe Davis Sr.
Third	Nik Kovac
Fourth	Robert J. Bauman
Fifth	James A. Bohl, Jr.
Sixth	Milele A. Coggs
Seventh	Willie C. Wade
Eighth	Robert G. Donovan
Ninth	Robert W. Puente
Tenth	Michael J. Murphy
Eleventh	Joseph A. Dudzik
Twelfth	Jose G. Perez
Thirteenth	Terry L. Witkowski
Fourteenth	Tony Zielinski
Fifteenth	Willie L. Hines, Jr.

MUNICIPAL JUDGES

Branch 1 ..... Valarie A. Hill
Branch 2 ..... Derek C. Mosley
Branch 3 ..... Philip M. Chavez

TABLE OF CONTENTS

Overview of the 2013 Proposed Executive Budget 1

Budget Summary Tables

2013 Proposed Budget and Tax Rate Compared to Prior Year 7

Comparison by Budget Sections Between 2013 Proposed Budget Versus 2012 Adopted and 2013 Requested Budgets, Revenues, Tax Levies, and Resulting Changes 8

Property Tax Rate and Levy Comparison (Graphs) 11

General City Purposes Spending and Authorized Positions (Graphs) 12

Change in Positions 13

Estimated Full Time Equivalents O&M Funded 14

Estimated Full Time Equivalents Non-O&M Funded 15

Estimated Full Time Equivalents All Funding Sources 16

Comparison of 2013 Proposed Expenditures and Funding Sources with Prior Years 17

Summary of Borrowing Authorizations (Including School Purposes) 22

City of Milwaukee Organization Chart 23

City Budgets Under the Control of the Common Council 25

Property Tax Supplemented Funds

A. General City Purposes 27

B. Provision for Employes' Retirement Fund 146

C. Capital Improvements 154

D. City Debt 165

F. Common Council Contingent Fund 169

Special Revenue Funds

G. Parking Fund 172

H. Grant and Aid Fund 177

I. Economic Development Fund 179

J. Water Works 181

K. Sewer Maintenance Fund 186

M. County Delinquent Tax Fund 190

Borrowing Authorizations General Obligation Bonds or Short Term Notes 191

Clarification of Intent 193

Tax Levy to Rate Conversion Table 195

ALPHABETICAL LISTING

2013 Proposed Budget and Tax Rate Compared to Prior Year 7

Administration, Department of 29
Annuity Contribution, Employer's Share 146
Assessor's Office 34

Board of Zoning Appeals (Special Purpose Account) 134
Borrowing Authorizations (General Obligation Bonds or Short Term Notes) 191

Capital Improvements 154
Change in Positions 13
City Attorney 38
City Debt 165
City Treasurer 135
Clarification of Intent 193
Common Council City Clerk 48
Common Council Contingent Fund 169
Comparison of 2013 Proposed Expenditures and Funding Sources With Prior Years 17
Comparisons by Budget Sections Between 2013 Proposed Budgets Versus 2012 Adopted Budgets and 2013 Requested Budgets, Revenues, Tax Levies, and Resulting Changes 8
Comptroller 51
County Delinquent Tax Fund 190

Deferred Compensation Plan 152
Department of City Development 41

Economic Development Fund (Special Revenue Account) 179
Election Commission 54
Employee Health Care Benefits (Special Purpose Account) 132
Employee Relations, Department of 56
Employes' Retirement System 149
Estimated Full Time Equivalents O&M Funded 14
Estimated Full Time Equivalents Non-O&M Funded 15
Estimated Full Time Equivalents All Fund Sources 16

Fire and Police Commission 60
Fire Department 65
Fringe Benefit Offset 138

General City Purposes Spending (Graphs) 12
Grant and Aid Fund (Special Revenue Account) 177

Health Department 69
Housing Authority of the City of Milwaukee (HACM) 46

ALPHABETICAL LISTING Continued

Library 77

Mayor's Office 83
Milwaukee Economic Development Corporation (MEDC) 47
Municipal Court 87

Neighborhood Improvement Development Corporation (NIDC) 47
Neighborhood Services, Department of 91

Organization Chart, City of Milwaukee 23
Overview of the 2013 Proposed Executive Budget 1

Police Annuity and Benefit Fund 146
Police Department 98
Port of Milwaukee 103
Positions Ordinance, Reference 194
Property Tax Rate and Levy Comparison (Graphs) 11
Property Tax Supplemented Funds Summary of Expenditures (Under Control of the Common Council) 25
Provision for Employes' Retirement Fund (Pensions) 146
Public Works, Department of
- Administrative Services Division 105
- Infrastructure Services Division 108
- Operations Division (Buildings and Fleet, Forestry, and Sanitation) 116
- Parking Fund (Special Revenue Account) 172
- Sewer Maintenance Fund (Special Revenue Account) 186
- Water Works (Special Revenue Account) 181

Redevelopment Authority of the City of Milwaukee (RACM) 46
Revenues, Detailed Listing 143

Salary Ordinance, Reference 194
Social Security Tax 146
Source of Funds for General City Purposes 139
Special Purpose Accounts Analysis 124
Special Purpose Accounts Summary 127
Special Revenue Funds Summary 171
Summary of Borrowing Authorizations (Including School Purposes) 22

Tax Levy to Rate Conversion Table 195
Tax Stabilization Fund Withdrawal 142

Worker's Compensation (Special Purpose Account) 129

THE VALUE OF MILWAUKEE

Milwaukee is a cohesive, talent rich, diverse, safe and economically vibrant community. It is nationally recognized for its manufacturing, arts, recreation, museums, academic institutions, revitalized lakefront and rivers, beautiful neighborhoods and well-maintained housing.

Milwaukee is the economic hub of the southeast region and entire state of Wisconsin, the "Fresh Coast City" that is rising fast in national stature and prominence. It is a premiere center for advanced manufacturing, fresh water research and development, clean and green technology, health care, biomedical technology and financial services. These core industries spur productivity, innovation, heightened rates of business formation and growth, a strong and growing entrepreneurial climate, and a boost in Milwaukee's national and global competitiveness. Milwaukee's dynamic and accessible markets attract people, business and investment in large and increasing numbers, and its transportation system is a gateway for tourism, conventions, commerce, business growth and economic development.

OUR VISION FOR MILWAUKEE

We want Milwaukee to become an even more desirable place to live and work. Our vision is a Milwaukee where opportunity is abundant and accessible to all citizens - a Milwaukee where:

- Neighborhoods are safe, healthy, thriving and culturally rich;
- Children are empowered with the tools they need to reach their full potential, including a superior education;
- Citizens have equal access to good family supporting jobs and benefits; and
- Our environment and economy support and sustain the quality of life for this generation and the next.

MISSION

The mission of city government is to enhance the safety, prosperity, and quality of life of all of our citizens by working directly and through partnerships with our community stakeholders.

City government is dedicated to delivering services at a competitive cost and achieving customer satisfaction and responsiveness to citizens. This enables the city to deliver the highest quality services possible to residents and businesses. These services enhance the value of Milwaukee by:

- Building safe and healthy neighborhoods;
- Increasing investment and economic vitality throughout Milwaukee;
- Improving workforce development and connecting more citizens to family supporting jobs;
- Helping children succeed, prepare for post-secondary education, and meet their full potential;
- Promoting racial, social and economic equity for all citizens; and
- Sustaining, enhancing and promoting Milwaukee's natural environmental assets.

OVERVIEW OF THE 2013 PROPOSED EXECUTIVE BUDGET

The 2013 proposed budget marks the beginning of an essential transition that will affect service delivery and finances over the next four years. This transition is intended to restore the city budget to ongoing structural balance by the end of 2016. Recent initiatives to manage debt, develop a strong employer's pension reserve, increase cost recovery for various services, and restructure employee health care benefits will help enable this transition to occur without disrupting essential service levels.

Fiscal Context

Structural balance refers to a government's capacity to fund existing expenditures over time with its projected ongoing revenues. The difference between existing expenditures and ongoing revenues is typically referred to as a "structural gap."

Changes in State Shared Revenue policy and the growing costs of employee health care benefits caused challenges to structural balance dating back to the mid-1990's. However, more recent events have heightened these challenges and have resulted in a more severe structural gap. Current projections indicate that over the next four years the city needs to reshape its revenue and expenses to achieve $65-$75 million of structural improvement by the end of 2016.

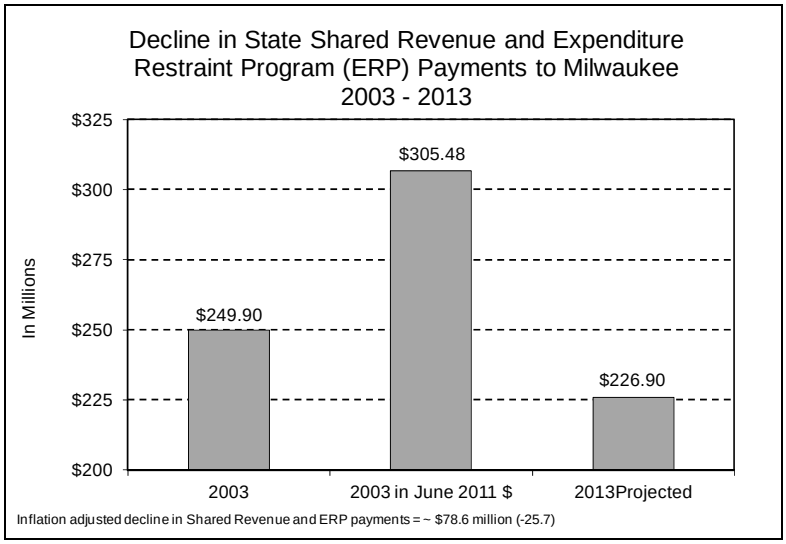
The two most serious components of the structural gap are as follows:

- Funding for pension obligations is the single largest driver of the emerging structural imbalance. The City's Employes' Retirement System (CMERS) is responsible for providing retirement security to 11,960 retired employes and their beneficiaries, as well as 10,767 currently employed and 4,114 inactive plan members. The Plan has been and remains one of the best funded Public Employee Retirement System (PERS) plans in the United States. Plan benefits are funded primarily through the return on investments. Approximately 20% of Plan financing comes from the member contributions (many of which are employer-paid); and the employer's contribution.

  Between 1996 and 2009 the Plan's extremely well funded status enabled it to be financed without employer contributions. However, the 2007-2008 Global Financial Crisis (GFC) has altered CMERS finance for the foreseeable future. Investment losses that occurred during 2008 resulted in a required contribution of $49 million from the city for the 2010 budget. Improved funding status eliminated the contribution requirement for the 2011 and 2012 budgets. The city made voluntary contributions to the Employer's Reserve of $44 million during these two years. During 2013, a city employer contribution of $59.3 million, plus $1.4 million from the Water Works, is required. Current projections indicate the contribution amounts could grow to $68 million annually for the foreseeable future.

- State funding reductions for Shared Revenue and Transportation Aids have reduced the city's fiscal capacity significantly. As Figure 1 illustrates, inflation adjusted Shared Revenue (including Expenditure Restraint Program aid) has declined $78.6 million since 2003 ($23 million in nominal terms). Transportation Aids have declined $3.1 million in nominal terms in just two

Figure 1



years. The decline in State revenues has resulted in an increased proportion of the city's operating budget to be financed from local sources.

These factors, combined with other ongoing circumstances, require a concerted effort on several fronts in order to restore structural balance. Fortunately, prior decisions have resulted in a fiscal context that is sound enough to allow for these changes to be made over multiple years in a planned, non-crisis driven, fashion.

Restoring Structural Balance: Resizing, Restructuring, and Reinvesting

The City of Milwaukee's business model was based on conditions that have grown increasingly different over the last 20 years. This model was based on the assumption of annual Shared Revenue increases, a relatively modest proportion of the budget being allocated to health care and pension fringe benefits, and a growing local tax base.

This legacy business model is in need of modification given that the foundation on which it was based is no longer operative. City government can continue to deliver on its mission to make Milwaukee a good place to live, work, and invest. However, it needs to innovate so that the costs of service can be sustainable in the context of growing benefit obligations that far outpace projected revenue growth.

Successful innovation cannot rely on "across-the-board" budget cutting. City government needs to choose its priorities carefully and implement them in a manner that increases productivity. The 2013 proposed budget calls for a four year Plan to eliminate the structural gap through a strategy that combines Resizing, Restructuring, and Reinvesting. This strategy integrates cost reduction with organizational changes, technology, and capital improvements. The strategy addresses city financial issues as well as operations. The three elements of the strategy are described as follows:

- **Resizing**: Current projections indicate that city government will need to operate on a somewhat smaller overall scale. By 2016 it's likely that total FTEs will decrease between 400-600 FTEs. However, the city will preserve the capacity to deliver its most essential service levels, and it is expected the process will not require layoffs.

- **Restructuring:** Opportunities exist to increase productivity and reduce staffing levels through technology, automation, and functional consolidations. Realigning staff within organizations can generate a multiplier effect by focusing the more highly skilled personnel on the most essential core functions. The city will expand on existing arrangements to collaborate with other local governments and the private sector to reduce service delivery costs. Restructuring will also extend to financial matters, with an emphasis on stabilizing annual funding requirements, reducing the potential for volatility in annual budgets, and decreasing the reliance on levy supported debt finance to support capital improvements.

- **Reinvesting:** In many cases effective resizing and restructuring require investments in equipment, data applications, process improvements, and people. The city's strategy will include these investments over the next four years in both the operating and capital budgets.

Following a discussion of the city's financial strategy and the 2013 proposed budget "bottom line, this overview will provide examples of how the "3 R" strategy will be applied over the next four years to help achieve structural balance and mission delivery.

2013 - 2016 Financial Strategy

Effective planning begins by identifying factors that pose challenges and opportunities to financial objectives. The Administration's two primary financial objectives are:

- Provide mission critical city services through annual budgets that limit the impact of tax levy and municipal service charge changes on the typical residential property to 3% or less a year.
- Manage long term obligations such as core infrastructure, debt, and pension benefits in a manner that stabilizes ongoing funding requirements and minimizes transfer to future generations.

The Budget and Management Division has identified the following factors that will help the city overcome challenges and achieve these financial objectives through a 2013-2016 financial plan:

1. The Common Council has approved a health care benefits cost containment strategy that includes 12% employee premium sharing; cost sharing provisions that are expected to reduce unnecessary utilization; and a wellness initiative designed to help reduce and manage chronic health problems in an appropriate manner. In addition, the city's decision to self-fund completely for health insurance benefits reduced the program baseline by $6 million. As Figure 2 indicates, this strategy reduced the 2012 budget by $25 million versus trend. Current projections indicate a 2% increase for 2013, which is about 1/4 of the pre-2012 annual trend increase. If post-2013 annual growth is held to 4%, three year savings of $15 - $17 million through 2015 would occur, compared to the previously existing trend.

Figure 2

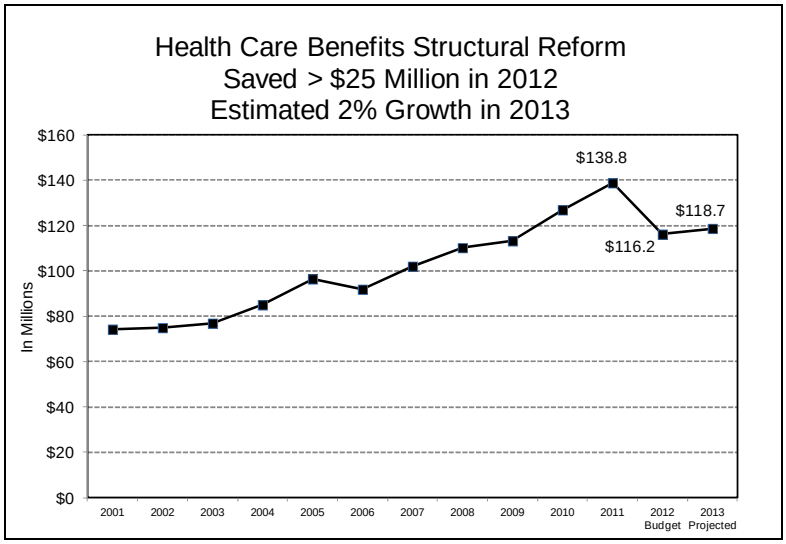
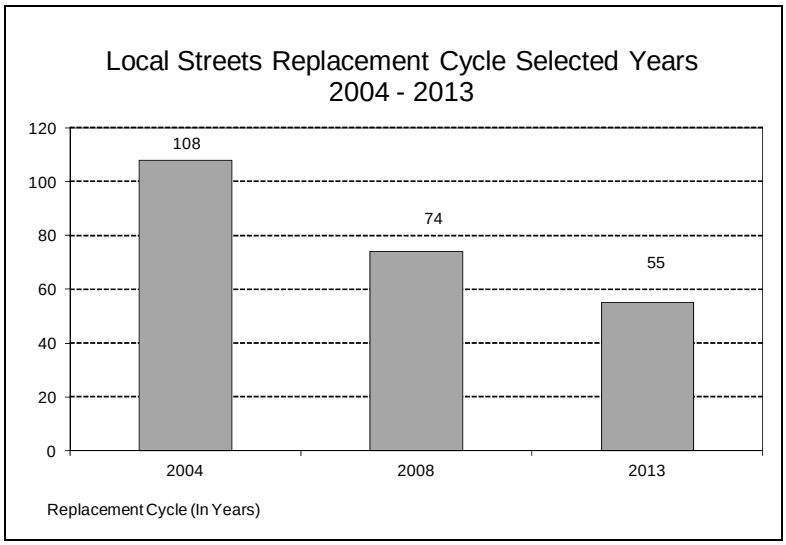


Figure 3



2. The city has made substantial improvements to the replacement cycles for several core infrastructure programs relative to 2004, while stabilizing the annual debt service levy. Preserving the city's infrastructure so that it functions adequately is necessary to avoid future destabilizing budget impacts. The 2013 proposed budget includes $16.5 million for the Local Street Program, including $1.5 million for a "high impact" local street initiative that will focus on segments with high traffic counts and that serve employment and commercial centers. This 15% increase to city funding for this program will support a 55 year replacement cycle for 2013, compared to a 108 year replacement cycle in 2004. Based on projected funding for the Local Roads Improvement Program, the 2014 budget will generate a 53 year replacement cycle.

3. The city's debt service levy has stabilized over the last three budgets and is expected to remain within 1% annual increases during the four year period. The city's annual new levy-supported borrowing authorizations over the last four years have remained at essentially the same level as in 2004, an inflation adjusted decrease of 18%.

4. During 2012 the city worked with its actuary to develop a stable employer contribution policy with the objectives of funding obligations responsibly while decreasing year-to-year contribution volatility. Preliminary results indicate that a "blended" contribution rate of 18% as a percentage of total covered payroll is sufficient to fund normal cost and reduce unfunded liability. Under this approach, the actuary will review the percentage of payroll rates and recommend changes, if appropriate, every five years. Legislation to be proposed regarding this initiative will also include eliminating the "full funding limit." This provision will ensure that the city budgets for the normal cost of pension benefits even if the Plan's funded ratio exceeds 102%. The actuarial analysis indicates that over time this policy should result in essentially the same funded status as would occur if the current policy were continued. The new contribution policy would take effect for the 2014 budget contribution.

Each of these four items demonstrates how financial restructuring can improve the city's structural balance and provide a more stable fiscal environment. This proactive approach will enable the city to manage the four-year transition, and avoid highly disruptive service impacts in any single year.

2013 Proposed Budget Bottom Line

The 2013 proposed budget includes a levy increase of $2.4 million, which is an increase of approximately 1% over the 2012 adopted budget. However, because residential property values have declined more than non-residential values, the owner of a typical residential property will experience an estimated city tax levy decrease of $43, compared with 2012. The 2013 proposed municipal service fees will increase by $17 for the typical residential owner. On a combined basis, the 2013 proposed levy and municipal service charge changes result in a decreased cost of $26 to the typical residential property owner, compared with 2012.

The 2013 proposed budget includes a reduction of more than $13 million to department operating and special fund expenditures, compared to 2012. This includes a proposed reduction of 112 funded Full Time Equivalents (FTEs) positions. The proposed amount of levy supported GO is $74.7 million, which is approximately the same nominal level as contained in the 2004 budget.

The 2013 proposed budget continues previous restructuring efforts and implements new initiatives designed to save money without reducing service levels. Some of the most notable are included below:

Examples of Restructuring and Reinvesting Initiatives

1. The City of Milwaukee Fire Department has saved approximately $3 million over the last three years through modifying its use of special duty pay. Although the department has reduced the number of companies operating over the last three years, these savings are "over and above" those budget reductions and have not affected service levels.

   This progress continues in the 2013 proposed budget. The Fire Department has developed a new approach to the training of personnel to become Advanced Life Support paramedics. The revised approach includes a predictable training schedule that lessons impacts on fire services and minimizes special duty hiring. This restructuring is expected to save approximately $732,000 without affecting service levels or the quality of training. The savings will help enable a very strong capacity for responding to fire service and emergency medical service calls for service.

2. The Milwaukee Police Department has focused its deployment strategies on real time data regarding crime occurrences and risks. This approach has contributed to an estimated decline in violent crime of 32% since 2007. The 2013 proposed budget reflects a restructuring that will involve the Police Department in the patrol of County Parks on a planned basis. In return, the Milwaukee County Executive has agreed to propose a $1,663,000 annual payment to the city in consideration of patrol services on the lakefront and in several County parks inside city limits, and for 9-1-1 cellular phone telecommunications services.

3. The Department of Public Works (DPW) operates solid waste programs that are the foundation of city government's role in maintaining a sustainable environment. Program objectives include diversion of waste from landfills as well as the daily focus on neighborhood cleanliness. In recent years reductions to the State recycling grant, increases in State imposed garbage tipping charges, and the impact of rising health care and pension expenses on labor costs have placed considerable pressure on the primary program revenue source, the Local Solid Waste Charge.

   The 2013 proposed budget initiates a process of reinvesting in solid waste services to improve productivity and reduce workers' compensation exposure. The budget includes $500,000 to purchase three fully automated pieces of equipment that will enable one person to complete weekly garbage collection routes, as opposed to the current two person staffing. Each route that is successfully converted to one person operation should save approximately $77,000 annually, providing for a two year payback period. DPW is currently testing five automated routes and is evaluating semi-automated collection and the impacts on bulky garbage collection services, as well as snow and ice operations. This restructuring initiative may require some changes in service delivery in order to be effective. DPW is committed to formalizing an automated truck implementation plan for the 2014 budget deliberations.

4. The city's Development Center will undergo a major restructuring with reinvestment in additional resources to support local economic development. This strategy will expedite plan review, streamline permit and plan examination processes, improve customer service, ensure consistent application of building and development codes, and improve the integration of construction inspection with plan examination. This involves the transfer of 19 positions and $1.7 million in funding from the Department of City Development to the Department of Neighborhood Services. In addition, four new positions are created with funding of $257,680.

5. Information technology plays an essential role in supporting city government operations and communications. The 2013 proposed budget includes an information technology consolidation initiative which will reorganize certain functions currently under DPW operation by transferring them to the Department of Administration (DOA). This initiative includes savings of approximately $130,000 from DOA's baseline budget.

Conclusion

The 2013 proposed budget applies prior and new initiatives to resize, restructure, and reinvest in city operations and finances. This approach should enable the city to achieve ongoing structural balance by the end of 2016. The city's disciplined priority setting, prudent development and use of reserves, and innovative approaches to health care and pension benefit plan design and financing will pay enormous dividends. A planned approach to achieving structural balance will enable the city to continue its important mission of making Milwaukee a good place to live, work, and invest.

2013 PROPOSED BUDGET AND TAX RATE COMPARED TO PRIOR YEAR

PURPOSE OF EXPENDITURE AND FUNDING SOURCE	2012 ADOPTED BUDGET	2013 PROPOSED BUDGET	CHANGE 2013 MINUS 2012 ADOPTED	2012 ADOPTED	2013 PROPOSED	CHANGE 2013 MINUS 2012 ADOPTED
A. GENERAL CITY PURPOSES						
1. Budget (Expend. Auth.)	$590,373,797	$581,344,872	$-9,028,925			
2. Non Tax Levy Funding	475,143,060	484,449,460	9,306,400			
3. Tax Levy Funding	115,230,737	96,895,412	-18,335,325	$4.30	$3.98	$-0.32
B. EMPLOYEE RETIREMENT						
1. Budget (Expend. Auth.)	$87,566,061	$125,999,240	$38,433,179			
2. Non Tax Levy Funding	29,549,911	46,301,227	16,751,316			
3. Tax Levy Funding	58,016,150	79,698,013	21,681,863	$2.16	$3.27	$1.11
C. CAPITAL IMPROVEMENTS						
1. Budget (Expend. Auth.)	$113,456,700	$103,930,900	$-9,525,800			
2. Non Tax Levy Funding	112,431,700	102,880,900	-9,550,800			
3. Tax Levy Funding	1,025,000	1,050,000	25,000	$0.04	$0.04	$0.00
D. CITY DEBT						
1. Budget (Expend. Auth.)	$294,741,146	$342,016,610	$47,275,464			
2. Non Tax Levy Funding	226,004,576	274,248,688	48,244,112			
3. Tax Levy Funding	68,736,570	67,767,922	-968,648	$2.56	$2.78	$0.22
F. CONTINGENT FUND						
1. Budget (Expend. Auth.)	$5,000,000	$5,000,000	$0			
2. Non Tax Levy Funding	0	0	0			
3. Tax Levy Funding	5,000,000	5,000,000	0	$0.19	$0.21	$0.02
SUBTOTAL (A+B+C+D+E+F)						
1. Budget (Expend. Auth.)	**$1,091,137,704**	**$1,158,291,622**	**$67,153,918**			
2. Non Tax Levy Funding	**843,129,247**	**907,880,275**	**64,751,028**			
3. Tax Levy Funding	**248,008,457**	**250,411,347**	**2,402,890**	**$9.25**	**$10.28**	**$1.03**
G. PARKING FUND						
1. Budget (Expend. Auth.)	$55,829,554	$51,901,107	$-3,928,447			
2. Non Tax Levy Funding	55,829,554	51,901,107	-3,928,447			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
H. GRANT AND AID						
1. Budget (Expend. Auth.)	$63,846,247	$69,363,873	$5,517,626			
2. Non Tax Levy Funding	63,846,247	69,363,873	5,517,626			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
I. DEVELOPMENT FUND						
1. Budget (Expend. Auth.)	$7,703,639	$7,912,216	$208,577			
2. Non Tax Levy Funding	7,703,639	7,912,216	208,577			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
J. WATER DEPARTMENT						
1. Budget (Expend. Auth.)	$97,315,968	$101,211,400	$3,895,432			
2. Non Tax Levy Funding	97,315,968	101,211,400	3,895,432			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
K. SEWER MAINTENANCE FUND						
1. Budget (Expend. Auth.)	$94,685,124	$102,108,548	$7,423,424			
2. Non Tax Levy Funding	94,685,124	102,108,548	7,423,424			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
M. COUNTY DELINQUENT TAXES FUND						
1. Budget (Expend. Auth.)	$12,300,000	$11,300,000	$-1,000,000			
2. Non Tax Levy Funding	12,300,000	11,300,000	-1,000,000			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
SUBTOTAL (G+H+I+J+K+M)						
1. Budget (Expend. Auth.)	**$331,680,532**	**$343,797,144**	**$12,116,612**			
2. Non Tax Levy Funding	**331,680,532**	**343,797,144**	**12,116,612**			
3. Tax Levy Funding	**0**	**0**	**0**	$0.00	$0.00	$0.00
TOTAL (A thru M)						
1. Budget (Expend. Auth.)	**$1,422,818,236**	**$1,502,088,766**	**$79,270,530**			
2. Non Tax Levy Funding	**1,174,809,779**	**1,251,677,419**	**76,867,640**			
3. Tax Levy Funding	**248,008,457**	**250,411,347**	**2,402,890**	**$9.25**	**$10.28**	**$1.03**

Tax Rates and Assessed Value - 2013 rate column is based on an estimated assessed value of: $24,352,427,185 as of August 22, 2012.

COMPARISONS BY BUDGET SECTIONS BETWEEN 2013 PROPOSED BUDGET VERSUS 2012 ADOPTED AND 2013 REQUESTED BUDGETS, REVENUES, TAX LEVIES, AND RESULTING CHANGES

	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
A. General City Purposes					
Appropriations					
Salaries and Wages	$347,776,602	$359,860,045	$344,951,923	$-2,824,679	$-14,908,122
Fringe Benefits	153,339,677	150,777,579	144,676,913	-8,662,764	-6,100,666
Operating Expenditures	73,532,288	77,299,632	72,197,023	-1,335,265	-5,102,609
Equipment Purchases	6,387,625	7,714,246	6,155,393	-232,232	-1,558,853
Special Funds	7,173,899	7,496,205	8,093,532	919,633	597,327
Special Purpose Account Miscellaneous*	25,969,383	19,035,683	16,847,001	-9,122,382	-2,188,682
Workers Compensation Special Purpose Accounts	13,334,000	13,900,000	14,400,000	1,066,000	500,000
Employee Health Care Special Purpose Accounts	116,200,000	121,000,000	118,700,000	2,500,000	-2,300,000
Fringe Benefit Offset	-153,339,677	-150,777,579	-144,676,913	8,662,764	6,100,666
Total Appropriations	$590,373,797	$606,305,811	$581,344,872	$-9,028,925	$-24,960,939
Funding Sources					
General City Revenues	$461,376,060	$459,561,900	$466,108,115	$4,732,055	$6,546,215
Tax Stabilization Fund Withdrawal	13,767,000	13,000,000	18,341,345	4,574,345	5,341,345
Property Tax Levy	115,230,737	133,743,911	96,895,412	-18,335,325	-36,848,499
Total Revenues	$590,373,797	$606,305,811	$581,344,872	$-9,028,925	$-24,960,939
B. Employee Retirement					
Total Appropriations	$87,566,061	$131,792,858	$125,999,240	$38,433,179	$-5,793,618
Funding Sources					
Non-Property Tax Revenue	$29,549,911	$45,835,248	$46,301,227	$16,751,316	$465,979
Property Tax Levy	58,016,150	85,957,610	79,698,013	21,681,863	-6,259,597
Total Revenues	$87,566,061	$131,792,858	$125,999,240	$38,433,179	$-5,793,618
C. Capital Improvements					
Total Capital Improvements Program					
Appropriations	$113,456,700	$153,459,965	$103,930,900	$-9,525,800	$-49,529,065
Funding Sources					
1. **Borrowing** (General Obligation)					
a. New	$74,308,100	$97,061,965	$74,714,900	$406,800	$-22,347,065
b. Carryover	(118,467,986)	(115,698,810)	(115,698,810)	(-2,769,176)	(0)
2. **Borrowing** (Tax Incremental Districts)					
a. New	$22,000,000	$38,500,000	$11,000,000	$-11,000,000	$-27,500,000
b. Carryover	(137,942,604)	(56,222,323)	(56,222,323)	(-81,720,281)	(0)
3. **Special Assessments** (Internal Borrowing)					
a. New	$1,065,600	$2,451,000	$2,209,000	$1,143,400	$-242,000
b. Carryover	(1,911,319)	(2,380,800)	(2,380,800)	(469,481)	(0)
4. **Cash Financed**					
a. From Revenues	$15,058,000	$14,962,000	$14,957,000	$-101,000	$-5,000
b. Vehicle Registration Fee**	0	0	0	0	0
c. From Tax Levy	1,025,000	485,000	1,050,000	25,000	565,000
d. Total Cash Financed	16,083,000	15,447,000	16,007,000	-76,000	560,000
Total Revenues (Capital Improvements)	$113,456,700	$153,459,965	$103,930,900	$-9,525,800	$-49,529,065
D. City Debt					
Total Appropriations					
(Includes Borrowing for Milwaukee Public Schools)	$294,741,146	$343,016,610	$342,016,610	$47,275,464	$-1,000,000
Funding Sources					
Revenues	$171,102,058	$215,536,001	$219,736,001	$48,633,943	$4,200,000
TID Increments	24,336,886	22,107,453	22,107,453	-2,229,433	0
Delinquent Tax Revenue	30,565,632	32,405,234	32,405,234	1,839,602	0
Property Tax Levy	68,736,570	72,967,922	67,767,922	-968,648	-5,200,000
Total Revenues	$294,741,146	$343,016,610	$342,016,610	$47,275,464	$-1,000,000

	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
F. Common Council Contingent Fund					
Total Appropriations	$5,000,000	$5,000,000	$5,000,000	$0	$0
Funding Sources					
Total Revenue (Property Tax Levy)	$5,000,000	$5,000,000	$5,000,000	$0	$0
Subtotals (Items A through F)					
City Budget Appropriations	$1,091,137,704	$1,239,575,244	$1,158,291,622	$67,153,918	$-81,283,622
Less: Non-Property Tax Revenues	$843,129,247	$941,420,801	$907,880,275	$64,751,028	$-33,540,526
Property Tax Levies	$248,008,457	$298,154,443	$250,411,347	$2,402,890	$-47,743,096
Special Revenue Accounts (Items G through M)					
G. Parking					
Total Appropriations	$55,829,554	$51,357,708	$51,901,107	$-3,928,447	$543,399
Funding Sources					
Current Revenues	$22,447,000	$22,097,300	$22,097,300	$-349,700	$0
Capital Improvements from Reserves	5,000,000	5,000,000	5,000,000	0	0
Withdrawal from Reserves	4,592,554	819,408	1,912,807	-2,679,747	1,093,399
Citation Revenue and Processing	23,000,000	22,000,000	22,000,000	-1,000,000	0
New Borrowing	790,000	1,441,000	891,000	101,000	-550,000
Other Funding (Carryover Borrowing)	(2,984,764)	(2,225,792)	(2,225,792)	(-758,972)	(0)
Total Revenues	$55,829,554	$51,357,708	$51,901,107	$-3,928,447	$543,399
H. Grant and Aid					
Total Appropriations	$63,846,247	$61,363,873	$69,363,873	$5,517,626	$8,000,000
Funding Sources					
Grantor Share	$63,846,247	$61,363,873	$69,363,873	$5,517,626	$8,000,000
Total Revenues	$63,846,247	$61,363,873	$69,363,873	$5,517,626	$8,000,000
I. Economic Development					
Total Appropriations	$7,703,639	$8,912,216	$7,912,216	$208,577	$-1,000,000
Funding Sources					
BID Assessment/Excess TID Revenue	$7,703,639	$8,912,216	$7,912,216	$208,577	$-1,000,000
Total Revenues	$7,703,639	$8,912,216	$7,912,216	$208,577	$-1,000,000
J. Water Works					
Appropriations					
Operating Budget	$72,597,968	$75,473,700	$76,661,400	$4,063,432	$1,187,700
Capital Improvements Program	9,320,000	13,850,000	13,850,000	4,530,000	0
Debt Service (Principal and Interest)	6,208,000	5,250,000	5,250,000	-958,000	0
Capital Funding from Retained Earnings	9,190,000	5,450,000	5,450,000	-3,740,000	0
Total Appropriations	$97,315,968	$100,023,700	$101,211,400	$3,895,432	$1,187,700
Funding Sources					
Current Operating Revenues	$77,727,000	$78,186,000	$78,186,000	$459,000	$0
Non-Operating Revenues	7,130,000	6,950,000	6,950,000	-180,000	0
Proceeds from Borrowing	8,690,000	8,000,000	8,000,000	-690,000	0
Use of Retained Earnings	3,768,968	6,887,700	8,075,400	4,306,432	1,187,700
Other Funding (Carryover Borrowing)	(4,020,000)	(12,710,000)	(12,710,000)	(8,690,000)	(0)
Total Revenues	$97,315,968	$100,023,700	$101,211,400	$3,895,432	$1,187,700
K. Sewer Maintenance					
Appropriations					
Operating Budget	$50,735,124	$54,279,584	$57,598,548	$6,863,424	$3,318,964
Capital Improvements Program	43,950,000	41,500,000	44,510,000	560,000	3,010,000
Total Appropriations	$94,685,124	$95,779,584	$102,108,548	$7,423,424	$6,328,964
Funding Sources					
Sewer User Fee	$27,589,039	$28,140,129	$28,389,121	$800,082	$248,992
Storm Water Management Fee	23,815,129	24,301,011	25,720,339	1,905,210	1,419,328
Charges for Services	1,391,530	1,782,830	1,782,830	391,300	0
Miscellaneous Revenue and Retained Earnings	4,379,426	6,455,614	8,156,258	3,776,832	1,700,644

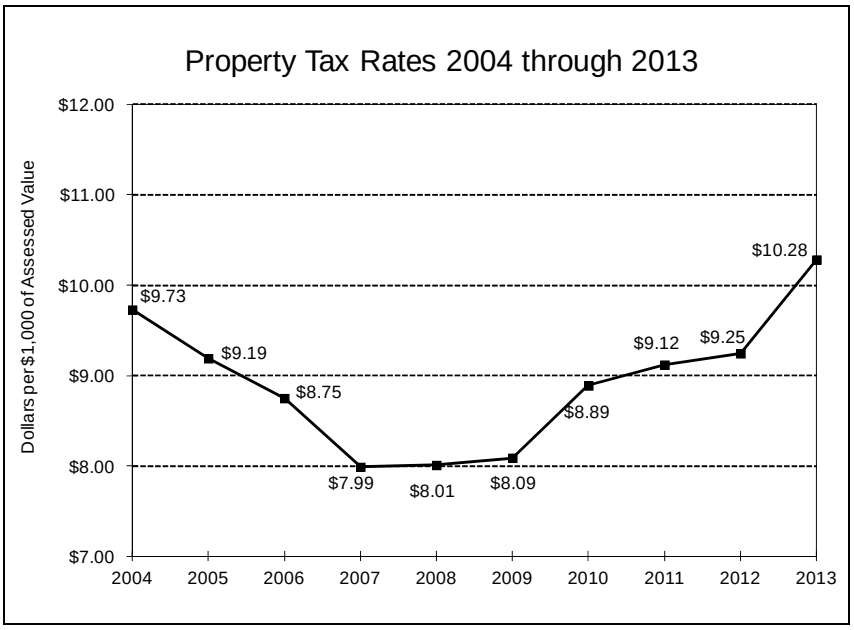
	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
Other Funding (Carryover Borrowing)	(52,998,573)	(65,903,581)	(65,903,581)	(12,905,008)	(0)
Proceeds from Borrowing	37,510,000	35,100,000	38,060,000	550,000	2,960,000
Total Revenues	$94,685,124	$95,779,584	$102,108,548	$7,423,424	$6,328,964
M. County Delinquent Taxes					
Appropriations					
Operating Budget	$12,300,000	$11,300,000	$11,300,000	$-1,000,000	$0
Total Appropriations	$12,300,000	$11,300,000	$11,300,000	$-1,000,000	$0
Funding Sources					
Operating Revenue	$12,300,000	$11,300,000	$11,300,000	$-1,000,000	$0
Total Revenues	$12,300,000	$11,300,000	$11,300,000	$-1,000,000	$0
Subtotals Special Revenue Account Budgets (Items G through M)					
Total Budgets	$331,680,532	$328,737,081	$343,797,144	$12,116,612	$15,060,063
Total Revenues (Non-Property Tax)	$331,680,532	$328,737,081	$343,797,144	$12,116,612	$15,060,063
Grand Totals (Items A through M)					
Budget Appropriations	$1,422,818,236	$1,568,312,325	$1,502,088,766	$79,270,530	$-66,223,559
Less: Non-Property Tax Revenues	$1,174,809,779	$1,270,157,882	$1,251,677,419	$76,867,640	$-18,480,463
Property Tax Levies	$248,008,457	$298,154,443	$250,411,347	$2,402,890	$-47,743,096

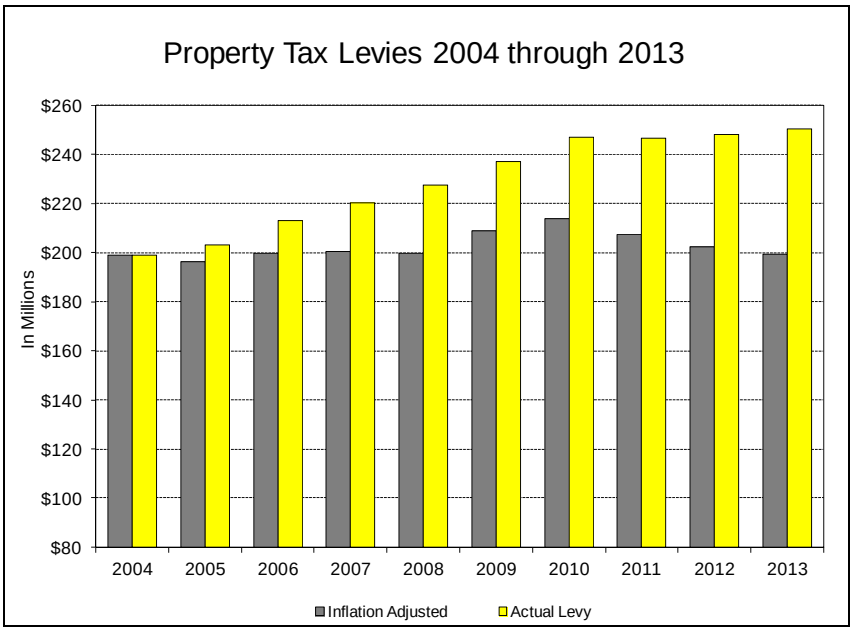
Note: All adopted budgets for governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance reserved for tax stabilization. For budget purposes, the fund balance reserved for tax stabilization is reflected as other financing sources. However, for accounting purposes it is reflected as part of the overall fund balance.

* The Wages Supplement Fund appropriation for pending labor agreements is shown in this table under "Salaries and Wages" but is budgeted under "Special Purpose Accounts Miscellaneous" in the line item budget.

PROPERTY TAX RATE AND LEVY COMPARISON

The graphs below show property tax rates and levies for the City of Milwaukee from 2004 through the 2013 proposed budget. The 2013 proposed tax rate of $10.28 is $1.03 higher than the 2012 rate of $9.25. The 2013 proposed tax levy of $250.4 million is $2.4 million or 0.97% higher than the 2012 levy. The property tax rate has increased by $0.55 from $9.73 in 2004 to the 2013 proposed rate of $10.28. During this same period, the "real" or inflation adjusted property tax levy has increased by $0.2 million.

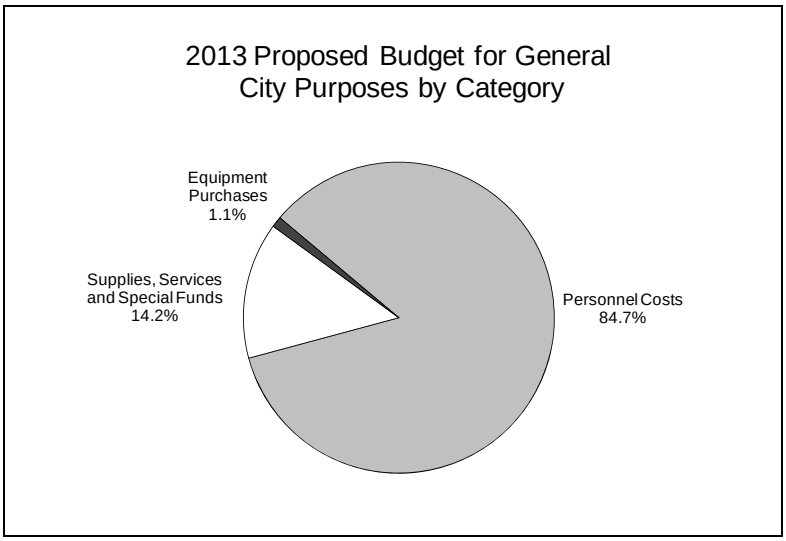




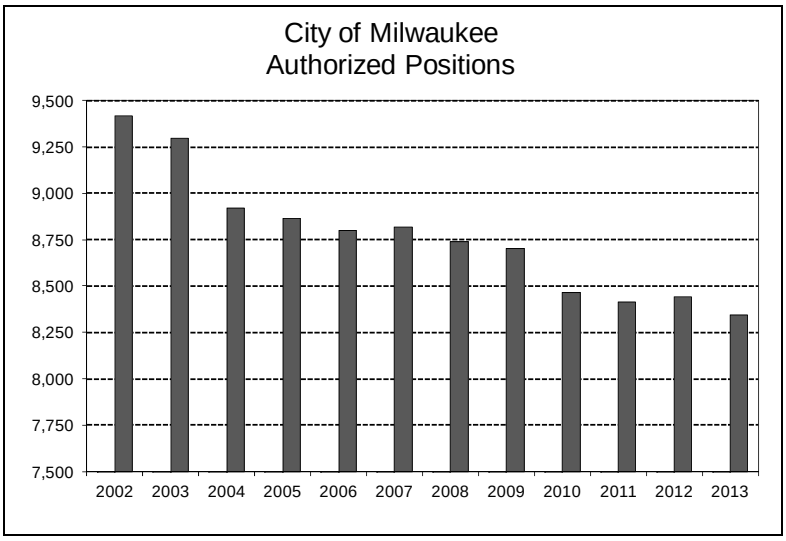
GENERAL CITY PURPOSES SPENDING

The pie chart below depicts the proportions of general city purposes spending allocated to Personnel Costs (84.7%), Supplies, Services, and Special Funds (14.2%), and Equipment Purchases (1.1%) in the 2013 proposed budget.

It should be noted that the 2013 proposed budget funds approximately $8.7 million of major equipment purchases in the capital budget.



The following bar graph indicates changes in authorized positions from 2002 to 2013. Funding for personnel costs (which include salary and wages) relates directly to the number of positions authorized citywide. Excluding temporary and seasonal staff, the 2013 proposed budget reflects a net decrease of 96 positions from 2012 levels (8,442 in 2012 to 8,346 in 2013).



CHANGE IN POSITIONS

	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
General City Purposes					
Administration, Department of	114	113	140	26	27
Assessor's Office	56	56	56	0	0
City Attorney	63	63	63	0	0
City Development, Department of	163	158	142	-21	-16
Common Council City Clerk	112	112	112	0	0
Comptroller's Office	67	67	67	0	0
Election Commission	2,156	823	829	-1,327	6
Employee Relations, Department of	73	73	76	3	3
Fire and Police Commission	21	21	21	0	0
Fire Department	1,022	1,033	1,015	-7	-18
Health Department	268	259	252	-16	-7
Library	377	377	372	-5	-5
Mayor's Office	14	14	14	0	0
Municipal Court	42	42	42	0	0
Neighborhood Services, Department of	251	246	269	18	23
Police Department	2,904	2,901	2,872	-32	-29
Port of Milwaukee	37	37	37	0	0
Public Works, Department of **(Total)**	(2,299)	(2,305)	(2,276)	(-23)	(-29)
Administrative Services Division	58	58	46	-12	-12
Infrastructure Services Division	803	802	794	-9	-8
Operations Division	1,438	1,445	1,436	-2	-9
Special Purpose Account	11	11	11	0	0
Treasurer's Office	60	58	58	-2	0
Unified Call Center	21	15	0	-21	-15
General City Purposes Total	**10,131**	**8,784**	**8,724**	**-1,407**	**-60**
General City Purposes Total *	**7,986**	**7,965**	**7,905**	**-81**	**-60**
Pensions					
Deferred Compensation	2	2	2	0	0
Employees' Retirement System	52	53	53	1	0
Pensions Total	**54**	**55**	**55**	**1**	**0**
Parking Fund	122	120	120	-2	0
Sewer Maintenance Fund	164	164	146	-18	-18
Water Works	367	371	371	4	0
Subtotal Budgeted Positions	**10,838**	**9,494**	**9,416**	**-1,422**	**-78**
Less Temporary Positions	2,396	1,064	1,070	-1,326	6
Total Budgeted Positions	**8,442**	**8,430**	**8,346**	**-96**	**- 84**

* Does not include Election Commissioners and Election Commission temporary election workers (2,145 in 2012 and 819 in 2013) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
O&M Funded

	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
General City Purposes					
Administration, Department of	72.05	72.45	90.35	18.30	17.90
Assessor's Office	42.55	42.55	40.55	-2.00	-2.00
City Attorney	55.98	57.00	57.00	1.02	0.00
Common Council City Clerk	92.40	92.40	91.65	-0.75	-0.75
Comptroller's Office	50.16	50.16	49.16	-1.00	-1.00
Department of City Development	41.35	41.85	27.15	-14.20	-14.70
Election Commission *	7.00	7.00	7.00	0.00	0.00
Employee Relations, Department of	45.00	43.90	46.90	1.90	3.00
Fire and Police Commission	11.60	11.60	11.60	0.00	0.00
Fire Department	1,006.96	1,027.00	1,006.67	-0.29	-20.33
Health Department	144.21	144.21	141.56	-2.65	-2.65
Library	298.48	298.57	287.06	-11.42	-11.51
Mayor's Office	11.50	11.50	10.50	-1.00	-1.00
Municipal Court	36.38	36.40	35.40	-0.98	-1.00
Neighborhood Services, Department of	182.50	184.30	204.30	21.80	20.00
Police Department	2,674.73	2,674.73	2,684.53	9.80	9.80
Port of Milwaukee	21.00	21.00	21.00	0.00	0.00
Public Works, Department of **(Total)**	(994.09)	(994.59)	(954.73)	(-39.36)	(-39.86)
Administrative Services Division	45.94	46.00	39.55	-6.39	-6.45
Infrastructure Services Division	298.27	298.85	280.46	-17.81	-18.39
Operations Division	649.88	649.74	634.72	-15.16	-15.02
Special Purpose Accounts	3.00	4.00	4.00	1.00	0.00
Treasurer's Office	29.37	28.60	27.44	-1.93	-1.16
Unified Call Center	18.00	15.00	0.00	-18.00	-15.00
General City Purposes Total	**5,838.31**	**5,858.81**	**5,798.55**	**-39.76**	**-60.26**
Pensions					
Deferred Compensation	2.00	2.00	2.00	0.00	0.00
Employees' Retirement System	41.50	42.50	42.50	1.00	0.00
Pensions Total	**43.50**	**44.50**	**44.50**	**1.00**	**0.00**
Parking Fund	119.75	117.75	117.75	-2.00	0.00
Sewer Maintenance Fund	108.05	108.05	103.65	-4.40	-4.40
Water Works	346.70	344.38	344.38	-2.32	0.00
Grand Total	**6,456.31**	**6,473.49**	**6,408.83**	**-47.48**	**-64.66**

* Election Commission does not include temporary election workers (16.11 FTEs in 2012 and 1.81 FTEs in 2013) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
Non-O&M Funded

	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	2013 REQUESTED
General City Purposes					
Administration, Department of	35.80	33.15	39.25	3.45	6.10
Assessor's Office	0.00	0.00	0.00	0.00	0.00
City Attorney	2.07	2.00	2.00	-0.07	0.00
Common Council City Clerk	3.00	3.00	2.00	-1.00	-1.00
Comptroller's Office	9.34	9.34	9.34	0.00	0.00
Department of City Development	88.65	82.15	82.85	-5.80	0.70
Election Commission	0.00	0.00	0.00	0.00	0.00
Employee Relations, Department of	8.60	8.60	8.60	0.00	0.00
Fire and Police Commission	1.80	1.80	1.80	0.00	0.00
Fire Department	6.84	3.00	4.00	-2.84	1.00
Health Department	114.10	105.60	101.85	-12.25	-3.75
Library	22.32	19.82	19.82	-2.50	0.00
Mayor's Office	0.00	0.00	0.00	0.00	0.00
Municipal Court	0.00	0.00	0.00	0.00	0.00
Neighborhood Services, Department of	39.00	36.20	39.20	0.20	3.00
Police Department	80.78	77.78	54.48	-26.30	-23.30
Port of Milwaukee	0.00	0.00	0.00	0.00	0.00
Public Works, Department of **(Total)**	(380.78)	(379.86)	(387.71)	(6.93)	(7.85)
Administrative Services Division	10.77	9.50	4.10	-6.67	-5.40
Infrastructure Services Division	299.14	298.35	308.74	9.60	10.39
Operations Division	70.87	72.01	74.87	4.00	2.86
Special Purpose Accounts	0.00	0.00	0.00	0.00	0.00
Treasurer's Office	0.00	0.00	0.00	0.00	0.00
Unified Call Center	0.00	0.00	0.00	0.00	0.00
General City Purposes Total	**793.08**	**762.30**	**752.90**	**-40.18**	**-9.40**
Pensions					
Deferred Compensation	0.00	0.00	0.00	0.00	0.00
Employees' Retirement System	0.00	0.00	0.00	0.00	0.00
Pensions Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Parking Fund	0.00	0.00	0.00	0.00	0.00
Sewer Maintenance Fund	24.95	24.95	11.35	-13.60	-13.60
Water Works	5.46	8.95	8.95	3.49	0.00
Grand Total	**823.49**	**796.20**	**773.20**	**-50.29**	**-23.00**

ESTIMATED FULL TIME EQUIVALENTS
All Funding Sources

	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
General City Purposes					
Administration, Department of	107.85	105.60	129.60	21.75	24.00
Assessor's Office	42.55	42.55	40.55	-2.00	-2.00
City Attorney	58.05	59.00	59.00	0.95	0.00
Common Council City Clerk	95.40	95.40	93.65	-1.75	-1.75
Comptroller's Office	59.50	59.50	58.50	-1.00	-1.00
Department of City Development	130.00	124.00	110.00	-20.00	-14.00
Election Commission *	7.00	7.00	7.00	0.00	0.00
Employee Relations, Department of	53.60	52.50	55.50	1.90	3.00
Fire and Police Commission	13.40	13.40	13.40	0.00	0.00
Fire Department	1,013.80	1,030.00	1,010.67	-3.13	-19.33
Health Department	258.31	249.81	243.41	-14.90	-6.40
Library	320.80	318.39	306.88	-13.92	-11.51
Mayor's Office	11.50	11.50	10.50	-1.00	-1.00
Municipal Court	36.38	36.40	35.40	-0.98	-1.00
Neighborhood Services, Department of	221.50	220.50	243.50	22.00	23.00
Police Department	2,755.51	2,752.51	2,739.01	-16.50	-13.50
Port of Milwaukee	21.00	21.00	21.00	0.00	0.00
Public Works, Department of **(Total)**	(1,374.87)	(1,374.45)	(1,342.44)	(-32.43)	(-32.01)
Administrative Services Division	56.71	55.50	43.65	-13.06	-11.85
Infrastructure Services Division	597.41	597.20	589.20	-8.21	-8.00
Operations Division	720.75	721.75	709.59	-11.16	-12.16
Special Purpose Accounts	3.00	4.00	4.00	1.00	0.00
Treasurer's Office	29.37	28.60	27.44	-1.93	-1.16
Unified Call Center	18.00	15.00	0.00	-18.00	-15.00
General City Purposes Total	**6,631.39**	**6,621.11**	**6,551.45**	**-79.94**	**-69.66**
Pensions					
Deferred Compensation	2.00	2.00	2.00	0.00	0.00
Employees' Retirement System	41.50	42.50	42.50	1.00	0.00
Pensions Total	**43.50**	**44.50**	**44.50**	**1.00**	**0.00**
Parking Fund	119.75	117.75	117.75	-2.00	0.00
Sewer Maintenance Fund	133.00	133.00	115.00	-18.00	-18.00
Water Works	352.16	353.33	353.33	1.17	0.00
Grand Total	**7,279.80**	**7,269.69**	**7,182.03**	**-97.77**	**-87.66**

* Election Commission does not include temporary election workers (16.11 FTEs in 2012 and 1.81 FTEs in 2013) due to staffing fluctuations between election and non-election years.

COMPARISON OF 2013 PROPOSED EXPENDITURES AND FUNDING SOURCES WITH PRIOR YEARS BY MAJOR BUDGET SECTIONS AND SUBSECTIONS

SECTION 1. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

	2010 ACTUAL** EXPENDITURES	2011 ACTUAL** EXPENDITURES	2012 ADOPTED BUDGET	2013 PROPOSED BUDGET	CHANGE 2013 PROPOSED VERSUS 2012 ADOPTED
A. General City Purposes					
1. Budgets for General City Purposes					
Administration, Department of	$8,293,104	$7,911,880	$8,966,213	$9,934,290	$968,077
Assessor's Office	4,882,226	4,321,532	4,627,225	4,397,696	-229,529
City Attorney	8,210,601	7,677,150	7,629,058	7,472,224	-156,834
City Development, Department of	4,611,604	4,402,677	4,682,014	3,097,335	-1,584,679
City Treasurer	3,086,252	3,134,126	3,063,379	2,877,619	-185,760
Common Council City Clerk	8,353,234	8,272,253	8,555,215	8,331,668	-223,547
Comptroller	5,182,133	5,059,695	5,652,900	5,201,535	-451,365
Election Commission	2,023,588	1,460,730	2,912,189	1,371,679	-1,540,510
Employee Relations, Department of	4,958,222	4,547,106	4,541,064	4,492,713	-48,351
Fire and Police Commission	1,058,400	1,218,887	1,300,016	1,303,784	3,768
Fire Department	103,017,840	105,360,530	105,025,041	103,731,566	-1,293,475
Health Department	13,657,277	12,288,838	13,161,487	12,605,493	-555,994
Library	22,274,169	21,506,485	22,699,974	21,680,838	-1,019,136
Mayor's Office	1,203,561	1,227,168	1,215,279	1,101,366	-113,913
Municipal Court	3,456,311	3,437,745	3,505,745	3,297,997	-207,748
Neighborhood Services, Department of	15,345,280	15,466,734	17,236,668	19,883,426	2,646,758
Police Department	237,834,824	236,850,036	236,229,306	237,412,185	1,182,879
Port of Milwaukee	4,555,798	4,480,849	5,018,503	4,714,315	-304,188
Public Works Department (Total)	(120,076,323)	(122,840,992)	(123,518,599)	(116,873,984)	(6,644,615)
Administrative Services Division	4,855,582	4,815,997	4,533,496	3,851,355	-682,141
Infrastructure Services Division	38,270,164	37,748,379	39,508,604	37,285,058	-2,223,546
Operations Division	76,950,577	80,276,616	79,476,499	75,737,571	-3,738,928
Special Purpose Accounts	151,357,129 *	164,034,592 *	163,659,514	156,240,072	-7,419,442
Unified Call Center	0	256,159	514,085	0	-514,085
Fringe Benefit Offset	-145,155,953	-152,762,403	-153,339,677	-144,676,913	8,662,764
Total Budgets for General City Purposes	$578,281,923 **	$582,993,761 **	$590,373,797	$581,344,872	$-9,028,925

* Special Purpose Account expenditures do not include wage supplement funding; these funds are reflected in departmental expenditures.

2. Source of Funds for General City Purposes					
Revenues					
Taxes and Payment in Lieu of Taxes	$16,547,593	$16,926,577	$16,147,300	$16,519,800	$372,500
Licenses and Permits	12,948,031	13,285,855	12,647,600	13,337,900	690,300
Intergovernmental Revenue	270,938,831	273,239,399	259,501,500	259,575,900	74,400
Charges for Services	102,363,468	108,700,962	103,920,603	109,351,115	5,430,512
Fines and Forfeitures	5,422,461	5,076,199	5,304,000	5,129,000	-175,000
Miscellaneous Revenue	41,080,041	36,274,952	38,855,057	38,194,400	-660,657
Fringe Benefits	27,827,185	26,712,213	25,000,000	24,000,000	-1,000,000
Total Revenues	$477,127,610	$480,216,157	$461,376,060	$466,108,115	$4,732,055
Tax Stabilization Fund Withdrawals	$13,070,000	$14,600,000	$13,767,000	$18,341,345	$4,574,345
Property Tax Levy	86,187,127	111,574,808	115,230,737	96,895,412	-18,335,325
Total Financing for General City Purposes	$576,384,737	$606,390,965	$590,373,797	$581,344,872	$-9,028,925
B. Employees' Retirement					
1. Budgets for Employees' Retirement					
Firemen's Pension Fund					
Pension Contribution	$49,109	$40,748	$45,000	$36,000	$-9,000
Lump Sum Supplement Contribution	145,584	122,471	115,000	100,000	-15,000
Policemen's Pension Fund					
Pension Contribution	$329,672	$268,667	$209,000	$221,538	$12,538
Lump Sum Supplement Contribution	0	0	30,000	30,000	0
Employees' Retirement Fund					
Pension Contribution	$49,034,656	$0	$0	$59,310,000	$59,310,000
Administration	19,089,917	20,244,217	26,823,322	24,546,844	-2,276,478
Employers' Share of Employees' Annuity Contribution	17,415,288	22,878,684	15,904,000	4,100,000	-11,804,000
Annuity Contribution Employer's Reserve Fund	7,000,000	17,350,000	25,000,000	18,400,000	-6,600,000

	2010 ACTUAL** EXPENDITURES	2011 ACTUAL** EXPENDITURES	2012 ADOPTED BUDGET	2013 PROPOSED BUDGET	CHANGE 2013 PROPOSED VERSUS 2012 ADOPTED
Social Security					
Social Security Tax	$18,235,854	$18,159,920	$18,007,000	$17,742,000	$-265,000
Former Town of Lake Employees' Retirement Fund					
Pension Contribution	$7,273	$7,273	$7,300	$7,300	$0
Deferred Compensation	$1,239,952	$1,230,216	$1,425,439	$1,505,558	$80,119
Total Budgets for Employees' Retirement	$112,547,305 **	$80,302,196 **	$87,566,061	$125,999,240	$38,433,179
2. Source of Funds for Employees' Retirement					
Fringe Benefits Pension	$1,081,015	$1,142,103	$1,251,774	$1,268,449	$16,675
Charges to Retirement Fund	18,826,314	19,875,599	26,442,698	24,172,534	-2,270,164
Charges to Deferred Compensation	1,239,952	1,230,216	1,425,439	1,505,558	80,119
Charges to Other Governmental Units	790,616	0	350,000	871,686	521,686
Miscellaneous Revenue/Reserve Fund	7,074,032	74,400	80,000	18,483,000	18,403,000
Property Tax Levy	81,844,193	60,012,663	58,016,150	79,698,013	21,681,863
Total Financing for Employees' Retirement	$110,856,122	$82,334,981	$87,566,061	$125,999,240	$38,433,179
C. Capital Improvements					
1. Budgets for Capital Improvements					
Special Capital Projects or Purposes	$2,502,951	$964,589	$11,022,000	$8,510,000	$-2,512,000
Administration, Department of	1,459,890	1,307,220	600,000	1,875,000	1,275,000
City Attorney	0	0	0	0	0
City Development, Department of	29,474,648	25,046,714	29,176,000	17,435,000	-11,741,000
Common Council City Clerk	758,363	0	40,000	117,500	77,500
Election Commission	37,660	0	0	0	0
Employee Relations, Department of	21,635	0	0	0	0
Fire and Police Commission	357	0	0	0	0
Fire Department	1,162,095	3,354,721	3,424,000	3,403,000	-21,000
Health Department	219,590	430,626	450,000	435,000	-15,000
Library	2,579,639	5,015,122	2,577,000	3,743,000	1,166,000
Municipal Court	457,837	132,442	0	0	0
Neighborhood Services, Department of	0	48,169	0	0	0
Police Department	3,737,768	5,308,880	1,502,000	7,375,700	5,873,700
Port of Milwaukee	204,698	1,108,133	225,000	1,075,000	850,000
Public Works, Department of (Total)	(51,357,726)	(31,485,604)	(64,440,700)	(59,961,700)	(4,479,000)
Administration Division	411,384	742,288	1,220,000	500,000	-720,000
Infrastructure Services Division	37,829,657	25,156,879	52,981,700	49,589,700	-3,392,000
Operations Division	13,116,685	5,586,437	10,239,000	9,872,000	-367,000
Total Budgets for Capital Improvements (Other than Parking, Water Works and Sewer Maintenance)	$93,974,857 **	$74,202,220 **	$113,456,700	$103,930,900	$-9,525,800
2. Source of Funds for Capital Improvements					
General Obligation Borrowings					
New Borrowing	$67,823,143	$50,692,806	$74,308,100	$74,714,900	$406,800
Carryover Borrowing	0	0	118,467,986 (a)	115,698,810 (a)	-2,769,176 (a)
Tax Increment District Public Improvements					
New Borrowing	$19,405,821	$19,481,319	$22,000,000	$11,000,000	$-11,000,000
Carryover Borrowing	0	0	137,942,604 (a)	56,222,323 (a)	-81,720,281 (a)
Anticipated Special Assessments					
New Authorizations	$1,313,474	$973,431	$1,065,600	$2,209,000	$1,143,400
Carryover Special Assessments	0	0	1,911,319 (a)	2,380,800 (a)	469,481 (a)
Capital Improvement Revenues					
Cash Revenues	$4,932,112	$2,670,955	$15,058,000	$14,957,000	$-101,000
Property Tax Levy	500,307	383,709	1,025,000	1,050,000	25,000
Total Financing for Capital Improvements (Other than Parking, Water Works and Sewer Maintenance)	$93,974,857 *	$74,202,220 *	$113,456,700	$103,930,900	$-9,525,800

(a) Reiteration of prior year's authority does not affect budget totals.

* Does not include school board expenditures.

	2010 ACTUAL** EXPENDITURES	2011 ACTUAL** EXPENDITURES	2012 ADOPTED BUDGET	2013 PROPOSED BUDGET	CHANGE 2013 PROPOSED VERSUS 2012 ADOPTED
D. City Debt (Including School Purposes)					
1. Budget for City Debt					
Bonded Debt (Principal)	$186,780,117	$331,960,073	$246,731,434	$300,015,000	$53,283,566
Bonded Debt (Interest)	33,318,284	37,184,872	51,909,142	47,258,307	-4,650,835
Bonded Debt (Fees)	392,000	444,221	450,000	400,000	-50,000
Bonded Debt (Issuance Expenses)	1,314,257	1,040,564	1,575,000	1,390,000	-185,000
Subtotal	$221,804,658	$370,629,730	$300,665,576	$349,063,307	$48,397,731
Less: Prepayment					
Prepayment Deduction (PDAF)	$-5,400,000	$-4,900,000	$-4,500,000	$-5,500,000	$-1,000,000
Special Assessment	-1,950,000	-1,677,907	-1,424,430	-1,546,697	-122,267
Total Budget for City Debt (a)	$214,454,658 **	$364,051,823 **	$294,741,146	$342,016,610	$47,275,464

Milwaukee School Board

(a) Included in city debt amounts above are the following amounts for school purposes not controlled by the Common Council.

2010	$17,593,929	
2011	$15,947,420	
2012	$15,149,361	(est.)

2. Source of Funds for City Debt					
Revenues	$91,809,584	$242,334,770	$171,102,058	$219,736,001	$48,633,943
TID Increments from Prior Year	23,659,994	24,834,453	24,336,886	22,107,453	-2,229,433
Delinquent Tax Revenues	29,866,600	27,673,793	30,565,632	32,405,234	1,839,602
Property Tax Levy	69,118,480	69,208,807	68,736,570	67,767,922	-968,648
Total Financing for City Debt	$214,454,658	$364,051,823	$294,741,146	$342,016,610	$47,275,464
F. Common Council Contingent Fund					
1. Budget for Common Council Contingent Fund					
Common Council Contingent Fund	[$4,098,228] *	[4,910,689] *	$5,000,000	$5,000,000	$0
2. Source of Funds for Common Council Contingent Fund					
Property Tax Levy	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$0

* 2010 and 2011 experience shown for informational purposes only.
Expenditure experience represents transfers and expenditures authorized by resolution.

Subtotal Budget Authorizations Common Council Controlled Purposes					
(Except Water and Special Revenue Accounts)	$999,258,743	$1,101,550,000	$1,091,137,704	$1,158,291,622	$67,153,918
Non-Tax Levy	$758,020,267	$885,800,002	$843,129,247	$907,880,275	$64,751,028
Tax Levy	$242,650,107	$246,179,987	$248,008,457	$250,411,347	$2,402,890
Subtotal Financing for (Estimated Revenues) Common Council Controlled Budgets					
(Except Water and Special Revenue Accounts)	$1,000,670,374	$1,131,979,989	$1,091,137,704	$1,158,291,622	$67,153,918
Special Revenue Accounts Sections G through M					
G. Parking					
1. Budget for Parking Program					
Operating and Maintenance Expense	$26,227,986	$25,696,917	$27,629,397	$26,960,107	$-669,290
Transfer to General Fund	22,287,000	22,787,000	20,410,157	18,500,000	-1,910,157
Transfer to Pension Fund	0	0	2,000,000	0	-2,000,000
Capital Improvement Program	1,859,376	1,523,462	790,000	1,441,000	651,000
Capital Improvements to be Financed from Available Cash Reserves	0	0	5,000,000	5,000,000	0
Total Budget for Parking Program	$50,374,362 **	$50,007,379 **	$55,829,554	$51,901,107	$-3,928,447
2. Source of Funds for Parking Operations					
Parking Permits	$3,927,789	$3,899,683	$3,912,000	$3,888,000	$-24,000
Meters	5,112,303	4,937,172	5,118,000	4,946,000	-172,000
Rental and Lease of Facilities	7,449,221	7,078,422	7,367,000	7,488,300	121,300
Towing of Vehicles	3,783,053	3,489,643	3,700,000	3,500,000	-200,000
Vehicle Disposal	1,483,048	1,641,417	1,550,000	1,600,000	50,000
Miscellaneous	817,189	608,485	800,000	675,000	-125,000
Subtotal Financing of Parking Operations	$22,572,603	$21,654,822	$22,447,000	$22,097,300	$-349,700
Other Funding Sources					
Withdrawal from Reserves	$847,892	$3,731,172	$4,592,554	$1,912,807	$-2,679,747
Citation Revenue	25,094,491	23,097,923	23,000,000	22,000,000	-1,000,000
Miscellaneous	0	0	0	0	0

	2010 ACTUAL** EXPENDITURES	2011 ACTUAL** EXPENDITURES	2012 ADOPTED BUDGET	2013 PROPOSED BUDGET	CHANGE 2013 PROPOSED VERSUS 2012 ADOPTED
Capital Improvements to be Financed from Available:					
Cash Reserves	$0	$0	$5,000,000	$5,000,000	$0
New Borrowing	1,859,376	1,523,462	790,000	891,000	101,000
Carryover Borrowing	0 (a)	0 (a)	2,984,764 (a)	2,225,792 (a)	-758,972 (a)
Subtotal Other Funding Sources	$27,801,759	$28,352,557	$33,382,554	$29,803,807	$-3,578,747
Total Financing for Parking	$50,374,362	$50,007,379	$55,829,554	$51,901,107	$-3,928,447
(a) Reiteration of prior year's authority does not affect budget totals.					
H. Grants and Aids Projects (Except Capital Projects)					
1. Budget for Grants and Aids Projects					
Grantor Share (Non-City)	$72,012,434	$78,677,026	$63,846,247	$69,363,873	$5,517,626
Total for Grants and Aids Projects	$72,012,434 **	$78,677,026 **	$63,846,247	$69,363,873	$5,517,626
2. Source of Funds for Grants and Aids Projects					
Grantor Share (Non-City)	$72,012,434	$78,677,026	$63,846,247	$69,363,873	$5,517,626
Total Financing for Grants and Aids Projects (Except Capital Projects)	$72,012,434	$78,677,026	$63,846,247	$69,363,873	$5,517,626
I. Economic Development Fund					
1. Budget for Economic Development Fund					
Business Improvement Districts	$8,954,507	$8,097,342	$7,703,639	$7,912,216	$208,577
Total Budget for Economic Development Fund	$8,954,507	$8,097,342	$7,703,639	$7,912,216	$208,577
2. Source of Funds for Economic Development Fund					
Business Improvement District Assessments	$8,977,025	$8,097,342	$7,703,639	$7,912,216	$208,577
Total Source of Funds for Economic Development Fund	$8,977,025	$8,097,342	$7,703,639	$7,912,216	$208,577
J. Water Works					
1. Budget for Water Works, Department of Public Works					
Operating Budget	$76,892,805	$72,227,528	$78,805,968	$81,911,400	$3,105,432
Capital Improvements Program	16,825,681	12,170,208	9,320,000	13,850,000	4,530,000
Deposits to Special Accounts (Retained Earnings)	16,831,549	13,800,358	9,190,000	5,450,000	-3,740,000
Total Expenditures and Deposits	$110,550,035 **	$98,198,094 **	$97,315,968	$101,211,400	$3,895,432
2. Source of Funds for Water Works					
Operating Revenue	$68,497,180	$77,634,977	$77,727,000	$78,186,000	$459,000
Non-Operating Revenue	5,998,920	8,392,909	7,130,000	6,550,000	-580,000
Proceeds from Borrowing	0	11,625,000	8,690,000	8,000,000	-690,000
Retained Earnings/Miscellaneous	36,053,935	545,208	3,768,968	8,475,400	4,706,432
Total Source of Funds for Water Works	$110,550,035	$98,198,094	$97,315,968	$101,211,400	$3,895,432
K. Sewer Maintenance					
1. Budget for Sewer Maintenance					
Operating Budget	$43,993,920	$43,396,115	$50,735,124	$57,598,548	$6,863,424
Capital Budget	41,172,721	31,433,967	43,950,000	44,510,000	560,000
Deposit to Retained Earnings	0	10,859,013	0	0	0
Total Budget for Sewer Maintenance	$85,166,641 **	$85,689,095 **	$94,685,124	$102,108,548	$7,423,424
2. Source of Funds for Sewer Maintenance					
Sewer User Fee	$27,611,980	$27,147,793	$27,589,039	$28,389,121	$800,082
Storm Water Fee	22,602,412	22,866,090	23,815,129	25,720,339	1,905,210
Charges for Services	1,821,279	1,773,909	1,391,530	1,782,830	391,300
Miscellaneous Revenue	2,039,415	4,881,653	3,006,421	2,882,623	-123,798
Retained Earnings	0	0	1,373,005	5,273,635	3,900,630
Proceeds from Borrowing	37,929,849	29,019,650	37,510,000	38,060,000	550,000
Total Source of Funds for Sewer Maintenance	$92,004,935	$85,689,095	$94,685,124	$102,108,548	$7,423,424
M. Delinquent County Taxes					
1. Budget for Delinquent County Taxes					
Delinquent County Taxes and Tax Certificate Purchases	$11,716,384	$11,362,381	$12,300,000	$11,300,000	$-1,000,000
Total Budget for Delinquent County Taxes	$11,716,384	$11,362,381	$12,300,000	$11,300,000	$-1,000,000

	2010 ACTUAL** EXPENDITURES	2011 ACTUAL** EXPENDITURES	2012 ADOPTED BUDGET	2013 PROPOSED BUDGET	CHANGE 2013 PROPOSED VERSUS 2012 ADOPTED
2. Source of Funds for Delinquent County Taxes					
Purchase of Milwaukee County Delinquent Taxes	$11,716,384	$11,362,381	$12,300,000	$11,300,000	$-1,000,000
Total Source of Funds for Delinquent County Taxes	$11,716,384	$11,362,381	$12,300,000	$11,300,000	$-1,000,000
Subtotal Budget Authorization for Special Revenue Accounts	$338,774,364	$332,031,317	$331,680,532	$343,797,144	$12,116,612
Subtotal Estimated Revenues for Special Revenue Accounts	$345,635,175	$332,031,317	$331,680,532	$343,797,144	$12,116,612
Total All Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,338,033,107	$1,433,581,317	$1,422,818,236	$1,502,088,766	$79,270,530
Total Financing Revenues of Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,346,305,549	$1,464,011,306	$1,422,818,236	$1,502,088,766	$79,270,530

** Expenditures include funding carried over from prior year.

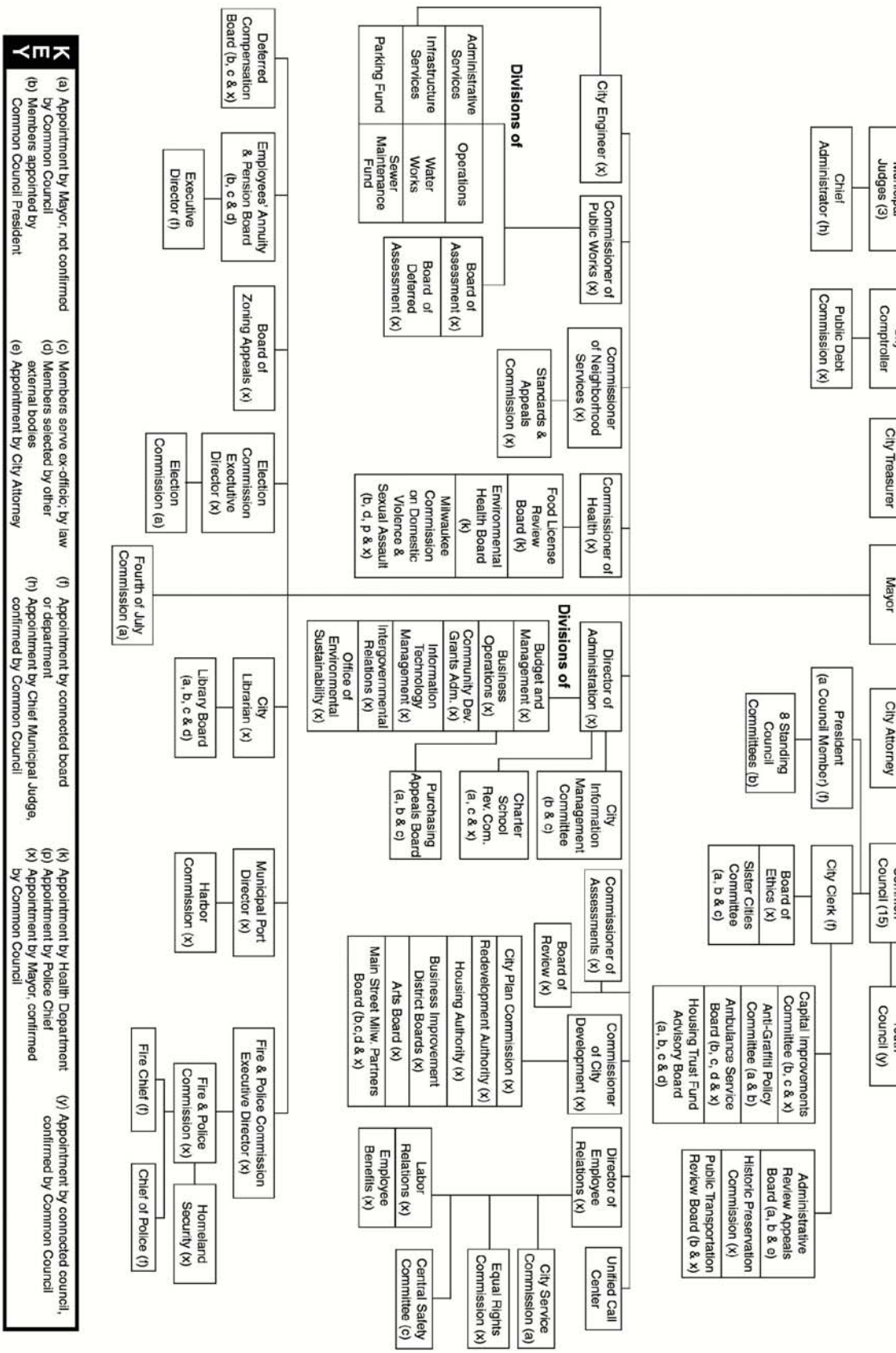
SECTION II. SUMMARY OF BORROWING AUTHORIZATIONS
(Including School Purposes)

	2011	2012	2013
General Obligation Bonds or Short Term Notes			
New Borrowing			
General City Purposes	$74,656,897	$75,098,100	$75,605,900
Schools	2,000,000	2,000,000	2,000,000
Subtotal New Borrowing	**$76,656,897**	**$77,098,100**	**$77,605,900**
Carryover Borrowing*	(96,217,031)	(127,452,750)	(123,924,602)
Subtotal	**$76,656,897**	**$77,098,100**	**$77,605,900**
Special Assessment Borrowing			
New Borrowing	$545,200	$1,065,600	$2,209,000
Carryover Borrowing*	(3,680,449)	(1,911,319)	(2,380,800)
Subtotal	**$545,200**	**$1,065,600**	**$2,209,000**
Contingency Borrowing			
New Borrowing	$150,000,000	$200,000,000	$200,000,000
Carryover Borrowing*	(0)	(0)	(0)
Subtotal	**$150,000,000**	**$200,000,000**	**$200,000,000**
Tax Incremental District Borrowing			
New Borrowing	$22,000,000	$22,000,000	$11,000,000
Carryover Borrowing*	(164,297,654)	(137,942,604)	(56,222,323)
Subtotal	**$22,000,000**	**$22,000,000**	**$11,000,000**
Delinquent Taxes Borrowing			
New Borrowing	$28,000,000	$37,000,000	$37,000,000
Carryover Borrowing*	(0)	(0)	(0)
Subtotal	**$28,000,000**	**$37,000,000**	**$37,000,000**
Revenue Anticipation Borrowing			
New Borrowing	$400,000,000	$400,000,000	$400,000,000
Carryover Borrowing*	(0)	(0)	(0)
Subtotal	**$400,000,000**	**$400,000,000**	**$400,000,000**
Water Works Borrowing			
New Borrowing	$4,045,000	$8,690,000	$8,000,000
Carryover Borrowing*	(11,600,000)	(4,020,000)	(12,710,000)
Subtotal	**$4,045,000**	**$8,690,000**	**$8,000,000**
Sewer Maintenance Fund Borrowing			
New Borrowing	$33,933,000	$37,510,000	$38,060,000
Carryover Borrowing*	(21,040,802)	(52,998,573)	(65,903,581)
Subtotal	**$33,933,000**	**$37,510,000**	**$38,060,000**
Total All Borrowing			
New Borrowing	$715,180,097	$783,363,700	$773,874,900
Carryover Borrowing*	(296,835,936)	(324,325,246)	(261,141,306)
Total	**$715,180,097**	**$783,363,700**	**$773,874,900**

* Not included in budget totals, reiteration of prior years authority.

CITY OF MILWAUKEE ORGANIZATION CHART

Source: City Clerk's Office • September 2012



I. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

PROPERTY TAX SUPPLEMENTED FUNDS
SUMMARY OF EXPENDITURES

EXPENSE CATEGORY	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
A. General City Purposes	$582,993,761	$590,373,797	$606,305,811	$581,344,872	$-9,028,925	$-24,960,939
B. Employees' Retirement	80,302,196	87,566,061	131,792,858	125,999,240	38,433,179	-5,793,618
C. Capital Improvements	74,202,220	113,456,700	153,459,965	103,930,900	-9,525,800	-49,529,065
D. City Debt	364,051,823	294,741,146	343,016,610	342,016,610	47,275,464	-1,000,000
F. Contingent Fund	[4,910,689] *	5,000,000	5,000,000	5,000,000	0	0
TOTAL	$1,101,550,000	$1,091,137,704	$1,239,575,244	$1,158,291,622	$67,153,918	$-81,283,622

* Contingent Fund experience shown for informational purposes only. Expenditure experience represents transfers to other expense categories and is not included in the total to prevent double counting.

A. GENERAL CITY PURPOSES

1. BUDGET APPROPRIATIONS AND EXPENDITURES

DEPARTMENT OF ADMINISTRATION

EXECUTIVE SUMMARY

MISSION: To make Milwaukee one of the Nation's most attractive cities in which to live, work, and do business.

OBJECTIVES: Limit the proportion of the 2013-2016 city tax levies allocated to debt service and employer pension contributions to 60% or lower, in a fiscally responsible manner.

Increase the ongoing level of external, non-stimulus funding available for achieving strategic objectives at $2 million annually.

Increase efficiency in citywide operation information technology.

Increase the impact of energy efficiency on the city's private sector economy.

STRATEGIES: Implement a stable employer pension contribution policy that is consistent with actuarial principles.

Establish a four year city budget Stabilization Plan that is based on resizing, restructuring, and reinvesting in city operations.

Implement programs that increase the number of new EBE firms located in Milwaukee.

Increase the ME2 program efforts to include city owned and foreclosed property.

Collaborate with other city departments to consolidate redundant information systems and reduce costs of technology operations.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	63.46	72.05	72.45	90.35	18.30	17.90
FTEs - Other	28.33	35.80	33.15	39.25	3.45	6.10
Total Positions Authorized	114	114	113	140	26	27
EXPENDITURES						
Salaries and Wages	$4,176,406	$4,633,770	$4,669,438	$5,277,960	$644,190	$608,522
Fringe Benefits	2,092,833	2,316,886	2,241,330	2,535,374	218,488	294,044
Operating Expenditures	565,324	813,557	844,257	830,856	17,299	-13,401
Equipment	16,695	12,000	18,100	25,100	13,100	7,000
Special Funds	1,060,622	1,190,000	1,215,000	1,265,000	75,000	50,000
TOTAL	$7,911,880	$8,966,213	$8,988,125	$9,934,290	$968,077	$946,165
REVENUES						
Charges for Services	$118,796	$117,900	$75,700	$75,700	$-42,200	$0
Miscellaneous	460,754	320,300	380,400	380,400	60,100	0
TOTAL	$579,550	$438,200	$456,100	$456,100	$17,900	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Department of Administration (DOA) provides planning, policy, and management functions that assist the Mayor, Common Council, and city departments. Through these efforts, DOA supports numerous strategic goals and objectives. Key functions include providing analysis and recommendations on fiscal issues that affect the city, developing the annual city budget, influencing local, state and federal government policy actions, increasing grant funding, distributing grant funding to city agencies and neighborhood organizations, managing citywide procurement processes, supporting the growth of emerging and local businesses, and developing strategic policy for environmental sustainability. Key initiatives include decreasing budget instability and improving the city's fiscal condition, establishing more intergovernmental and multi-jurisdictional cooperation, and making city government operations more energy efficient.

STRATEGY IMPLEMENTATION

Fiscal Sustainability: City government must balance the quality of service delivery with its cost in order to achieve value for property owners, residents, and business firms. A key DOA goal is improving the city's fiscal sustainability. DOA's long term objective is to increase the level of non-property tax, non-municipal service fee revenues as a proportion of the General Fund budget by 2% annually. During 2012 the city experienced a step backward, as the 2013-2015 State Budget imposed a net loss of approximately $14 million in State aids and grants.

As a result of declines in State Shared Revenue, state imposed municipal levy limits, and the State Transportation Aids Program, increasing local own source revenue is necessary to improve the city's long term fiscal sustainability. The Milwaukee Civic Partnership Initiative, new grant efforts, new investment strategies for pooled cash, and creating the Employer's Reserve Fund all address this goal.

Between 1996 and 2009, a surplus in the City of Milwaukee Employees Retirement System (CMERS) allowed the city to finance pension benefits without making an annual employer contribution. As a result of investment losses from the Global Financial Crises, the CMERS "funded ratio" fell below 100% for the 2010 budget. In 2010, the Pension reserve fund was established to help mitigate the looming pressures of the city's pension obligations. During 2012 the Department of Administration collaborated with the Employee's Retirement System to initiate a revised approach to investing the Employer's Reserve Fund. This reserve was developed to manage potentially destabilizing impact of future pension contributions.

RESIZE, RESTRUCTURE, AND REINVEST

Administrative Centralization of Information Management and Technology: The 2013 proposed budget proposes to consolidate two areas of information technology and management under the Information Technology and Management Division (ITMD). In 2013, networking, telecommunications, and Information Technology application development and support functions move from the Department of Public Work Technical Services Section to ITMD. This restructuring continues along the established path of a more centralized approach to IT development and maintenance. This restructuring will:

1. Align City's IT organization and structure with national public sector best practices.
2. Establish clear accountability and responsibility for the operation of IT systems and network communications.
3. Enable the future of telephony and mobile devices to develop in an integrated manner with enterprise IT systems and applications.
4. Improve the overall IT environment related to security and data integrity.
5. Provide IT focus on enterprise wide needs and service delivery.
6. Realize an immediate opportunity for significant reduction in ITMDs baseline budget (-$130,000 +fringe).
7. Generate various economies of scale, especially in the area of help desk and application support.
8. Reduce risk through uniformity and standardization of IT systems and applications.
9. Strengthen DPWs department focus on their core lines of service.

As part of the continued efforts to consolidate IT functions under ITMD, the Business Operation Division network support position is also moved under ITMD.

The Unified Call Center (UCC) provides residents with access to city information and non-emergency services through a single phone number, and is intended to provide transparent information about city service delivery, and improve the productivity of the city workforce. In 2013, the UCC is re-established as a section under the Information and Technology Management Division. This move furthers the goals of the city by housing this critical telephony, information, and communication tool under the umbrella of information and technology management. Better integration of the UCC into the enterprise systems and programming of ITMD will ensure policymakers needs and goals are met in the next step of this multi-phased endeavor.

Business Operations Division: In 2012, the Business Operations Division stopped supporting enterprise printing services. The 2013 proposed budget reduces 1.5 non-O&M FTEs and corresponding vacant position authority as a result of this change.

Environmental Sustainability: The DOA Office of Environmental Sustainability (OES) through its own initiatives, and in collaboration with partners, seeks to create a sustainable city through closer strategic alliance with Milwaukee's businesses, community and environmental advocacy groups, and philanthropic organizations. The OES mission is to position Milwaukee as a leader in environmental sustainability by advocating economic development policies that incorporate the "triple bottom line" of sustainable development; people, planet and profits. The OES has worked with over 30 manufacturers to improve performance and cut costs. They provide strategies for homeowners and businesses to build stronger, more efficient bottom lines. The 2013 proposed budget reinvest tax levy funding for 1.4 FTEs in OES that were jeopardized by a loss of grant funding. These dollars support the successful efforts of the OES programming.

Community Development Grant Administration: In 2013 the Community Development Grant Administration takes over as lead agency for the Continuum of Care grant. A special fund establishes administrative support for grant management activities in the amount of $50,000.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	0.70	-0.70	Environmental Sustainability Director	Reinvest levy funding for successful environmental initiatives.
	0.70	-0.70	Environmental Sustainability Program Manager	
-1		-1.00	Grant Monitor	Restructure due to reduced Community Block Grant funding.
-1		-1.00	College Intern	
-1		-1.00	Graduate Intern	
-1		-1.00	Document Services Manager	Restructure due to elimination of enterprise printing services.
-1		-0.50	Document Services Assistant	
-1	-1.00		Systems Analyst/Project Leader	Resize section enabled by IT consolidation.
1	1.00		Telecommunications Manager	Restructure network and communication functions and position from DPW to Information Technology and Management Division.
1	1.00		Telecommunications Engineer (Y)	
1	1.00		Telecommunications Analyst Project Leader	
1		1.00	Communications Facilities Coordinator	
3	1.00	2.00	Telecommunications Analyst Senior	
1	1.00		Applications Programmer	Restructure DPW Applications Programmer under ITMD.
1	1.00		IT Support Services Supervisor	Restructure DPW IT support functions and positions under ITMD.
1	1.00		IT Support Specialist Lead	
2	2.00		IT Support Specialist Senior	
1	1.00		IT Support Specialist	
1	1.00		IT Support Associate	
1	1.00		Unified Call Center Manager	Auxiliary authority.
1	1.00		UCC Call Center Supervisor	
1	1.00		UCC Customer Service Representative IV	

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
1	1.00		Administrative Assistant II	
10	2.00	8.00	UCC Customer Service Representative III	Auxiliary authority.
4			UCC Customer Service Representative III	
	0.90	-1.65	Various Positions	Miscellaneous adjustment.
26	**18.30**	**3.45**	**Totals**	

ASSESSOR'S OFFICE

EXECUTIVE SUMMARY

MISSION: Assure public confidence in the accuracy, efficiency, and fairness of the assessment process and ensure the equitable distribution of the city's property tax levy.

OBJECTIVES: Improve customer service and transparency in assessment operations.

Increase assessment accuracy, reducing the need for appeals and changes to final property tax revenues.

STRATEGIES: Utilize technology to control operating costs and increase transparency and accuracy of information.

Actively monitor foreclosures and other housing market trends to assure ongoing assessment accuracy.

Utilize technology to increase ease of accessing, acquiring and understanding information.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	45.64	42.55	42.55	40.55	-2.00	-2.00
FTEs - Other	0.74	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	56	56	56	56	0	0
EXPENDITURES						
Salaries and Wages	$2,583,020	$2,595,199	$2,631,378	$2,582,658	$-12,541	$-48,720
Fringe Benefits	1,295,093	1,297,600	1,315,689	1,218,340	-79,260	-97,349
Operating Expenditures	310,296	578,426	578,426	440,698	-137,728	-137,728
Equipment	0	0	0	0	0	0
Special Funds	133,123	156,000	156,000	156,000	0	0
TOTAL	$4,321,532	$4,627,225	$4,681,493	$4,397,696	$-229,529	$-283,797
REVENUES						
Charges for Services	$513,925	$300,000	$500,500	$500,500	$200,500	$0
TOTAL	$513,925	$300,000	$500,500	$500,500	$200,500	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Assessor's Office is responsible for uniformly and accurately assessing the value of taxable property in the City of Milwaukee. The city seeks to deliver services in a manner that achieves customer satisfaction and distributes the cost of service as equitably as possible. Accurate assessments ensure that all areas of the city and classes of property pay an equitable share of taxes based on their value.

The Assessor's Office has focused on improving its valuation systems by maximizing technology to ensure quality at a reduced cost. Recent technology improvements have focused on providing public information and assistance. Using technology has dramatically increased the availability of property information via the Internet, helping both

potential buyers and sellers of property, and has significantly reduced the number of assessment objections and telephone inquiries for the Assessor's Office.

Since 2008, a historic increase in foreclosures has presented serious challenges to accurate and equitable assessments. From 2009 to 2011, foreclosures in the city increased nearly tenfold, from 126 to 1,204. Each foreclosure requires additional work by the Assessor's Office to determine the property's condition, ownership, and how the foreclosure affects the surrounding values in its specific neighborhood. Foreclosures impacted nearly $100 million of the city's property tax base in 2011, and effort must be taken to ensure valuations are not affected by the disparity in sales prices between foreclosures and traditional arms length sales.

The Assessor's Office is also currently engaged in litigation with several property owners over valuation disputes under Wisconsin Statute §74.37. These valuations have been appealed both through the Board of Review and state courts. While the Assessor's valuations have substantially stood in the cases decided to date, litigation requires considerable resources and labor hours.

Trends in foreclosures and litigation of valuation appeals have required the Assessor to adjust staffing and rely more on both outside services and technology to preserve the quality of assessments and their responsiveness to the public.

Figure 1

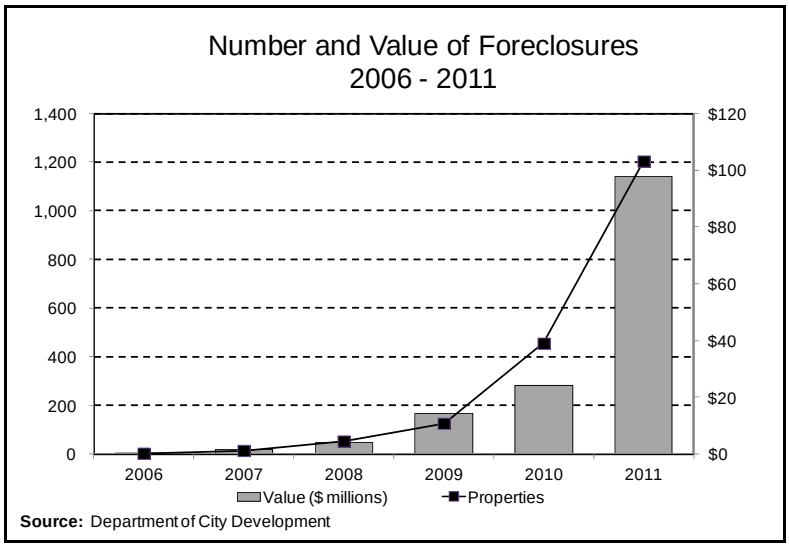
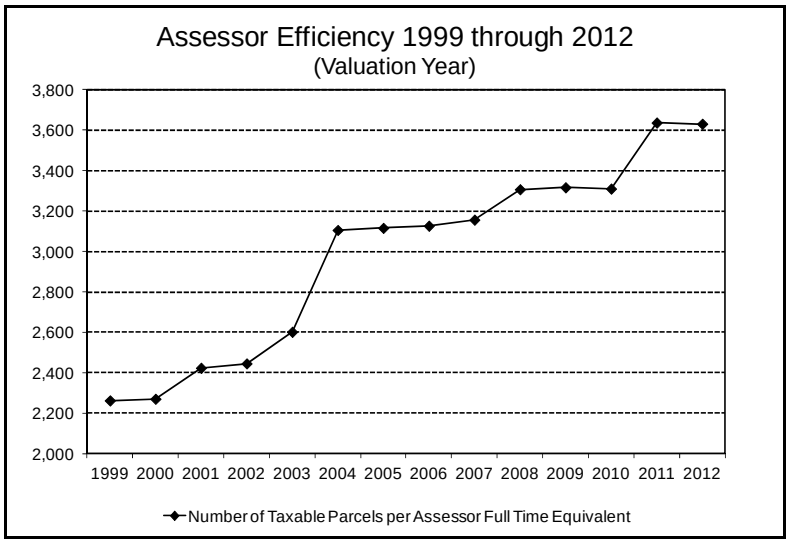


Figure 2



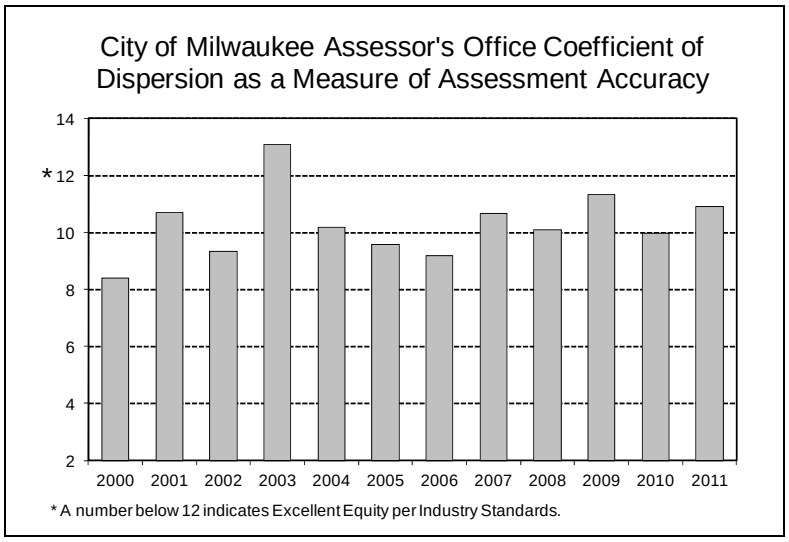
STRATEGY IMPLEMENTATION

The performance of the Assessor's Office in producing fair, accurate, and equitable assessments is measured statistically in a number of ways. One key statistic is the assessment ratio, which compares the assessed value of sold homes with their sale prices. The Assessor's Office exceeded its goal of residential assessments being within 96% of sales prices in 2011. As shown in Figure 1, foreclosures of all kinds increased substantially from 2008 to 2011. Increases in foreclosures and non-arms' length transactions from 2008 through 2011 complicated the housing market and the assessment process. The maintenance of a 96% assessment ratio reflects continued assessment accuracy in a complicated housing market.

The Assessor's Office has used technology, strong recordkeeping, and other efficiency improvements to increase its productivity by 61% between the 1999 and 2012 assessment years (see Figure 2). These improvements have occurred with taxable land parcels increasing by 7,000 and FTE staffing levels decreasing 35%.

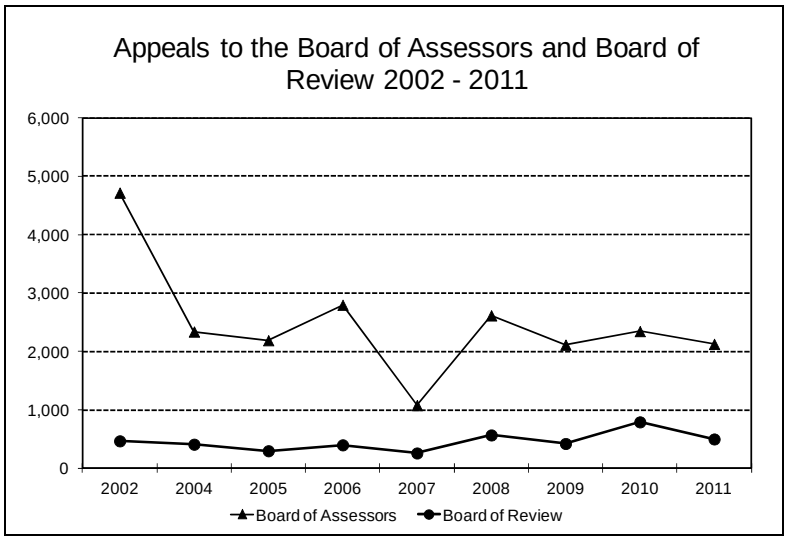
The coefficient of dispersion and the Price Related Differential (PRD) further test the uniformity of assessments. The coefficient of dispersion measures the tendency of assessments to reflect sales values for the year (see Figure 3). For example, if the target is an assessment level of 100%, and the coefficient of dispersion is 10, this means that the average assessment is within 10% of that 100% target. For the 2011 valuation year, the Assessor's coefficient of dispersion was 10.92.

Figure 3



The PRD is a statistical measure used to determine if assessments are favoring one class of homeowners over another. If this differential is greater than 1, the assessment is regressive (advantageous to those with higher property values); if it is less than 1, the assessment is progressive (advantageous to those with lower property values). The Assessor's Office had a PRD of 1.01 for the 2011 assessment cycle, indicating a high degree of accuracy and fairness in valuing property.

Figure 4



The Board of Assessors and the Board of Review hear assessment appeals, affording property owners the opportunity to voice concerns or contest an assessment. In recent years, efforts have focused on improving assessment accuracy, providing public information and education, and increasing access to assessment and sales data to reduce the number of appeals. These efforts have resulted in a significant reduction in appeals since 1988, and appeals have remained at relatively low levels in recent years despite swings in the housing and commercial development market (see Figure 4).

The City of Milwaukee had nearly 7,000 tax exempt properties in 2011 with an estimated exempted value over $5.5 billion. To protect the city's tax base, the Assessor's Office critically reviews all tax exemptions on an ongoing basis to ensure that all exempt properties continue to serve the public good and provide the services that rendered them tax exempt. The Assessor's Office has also worked with some non-profit organizations and colleges and universities to have these organizations provide Payments in Lieu of Taxes (PILOTs) as part of agreements related to new development.

RESIZE, RESTRUCTURE, AND REINVEST

Total spending by the Assessor's Office will decrease by 5% ($229,529) from the 2012 adopted budget and decrease by 6% ($268,012) from 2011 actual spending. Net of fringe benefits, operating spending is reduced 4.5% ($150,269) from the 2012 adopted budget.

The Assessor gains savings from allowing two service contracts to expire in 2013 and conducting this work using current city staff. In addition, two positions are held vacant in 2013. This reduction is made possible in part by ongoing investment and improvements to the Assessor's technology infrastructure and valuation system.

As staffing is reduced, the office faces a number of challenges for 2013 and future years. The Wisconsin Department of Revenue will be changing its value equalization process beginning in 2013. The new process puts more responsibility on municipal assessors by moving to an auditing procedure rather than its current practice of independently determining municipal values across the state for value equalization purposes. This includes implementing a new reporting system for local units of government, which the Assessor must accommodate. Ongoing litigation under Wisconsin Statute §74.37 for several high value properties continues to occupy staff time in both the Assessor and City Attorney's office.

The Assessor's Office has outlined a number of ways to reallocate staff and resources to manage both normal business and increased reporting and litigation workload. In 2013, work done under contract for personal property assessment and the valuation system will be handled by current staff. The Assessor plans to reclassify an existing position to meet increasing need for GIS and systems expertise, and will add outside counsel under contract to support the Board of Review in conducting appeal hearings. In 2005, the Common Council approved an Appraisal Fee to be attached to certain building and construction permits, and the applicable permits were expanded in 2011. The fee has generated revenue to offset the office's costs in assessing new properties and changes to existing properties in the city.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	-1.00		Accounting Assistant II	Hold vacant in 2013 in order to balance the budget.
	-1.00		Property Appraiser	
0	**-2.00**	**0.00**	**Totals**	

CITY ATTORNEY

EXECUTIVE SUMMARY

MISSION: Provide legal services and meet the city's legal needs in accordance with the City Charter and statutory requirements.

OBJECTIVES: Protect the city's interests in litigation.

Reduce nuisances that detract from neighborhood quality of life.

Manage risk so that liabilities do not disrupt finances.

STRATEGIES: Maintain active partnerships with city departments so that legal strategies are consistent with operational needs.

Continue to implement the Community Prosecution program to abate nuisances.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	54.59	55.98	57.00	57.00	1.02	0.00
FTEs - Other	1.63	2.07	2.00	2.00	-0.07	0.00
Total Positions Authorized	63	63	63	63	0	0
EXPENDITURES						
Salaries and Wages	$4,816,646	$4,767,705	$4,792,704	$4,743,124	$-24,581	$-49,580
Fringe Benefits	2,383,020	2,383,853	2,300,498	2,276,700	-107,153	-23,798
Operating Expenditures	416,760	427,500	424,500	407,400	-20,100	-17,100
Equipment	60,724	50,000	45,000	45,000	-5,000	0
Special Funds	0	0	0	0	0	0
TOTAL	$7,677,150	$7,629,058	$7,562,702	$7,472,224	$-156,834	$-90,478
REVENUES						
Charges for Services	$805,234	$781,000	$826,000	$826,000	$45,000	$0
TOTAL	$805,234	$781,000	$826,000	$826,000	$45,000	$0

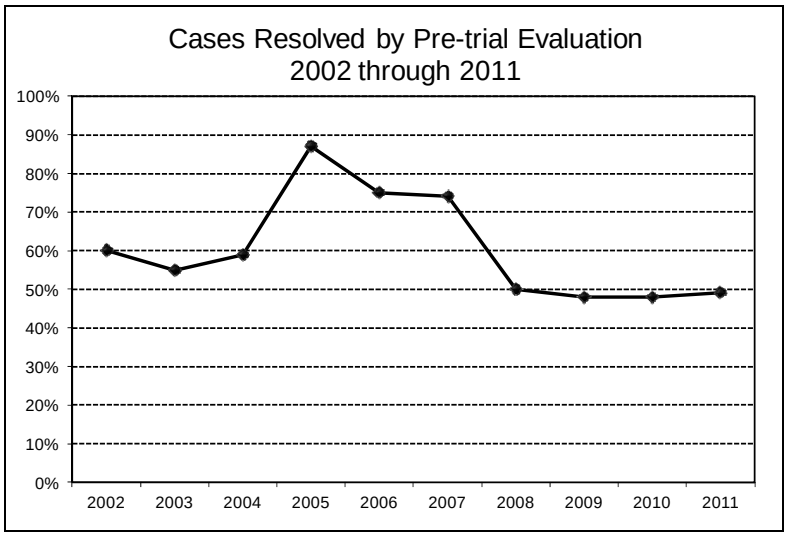
DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The City Attorney's Office supports the city's goals of building safe and healthy neighborhoods and improving fiscal capacity. It supports these goals by effectively prosecuting ordinance violations, abating nuisances through community prosecution and related efforts, and minimizing financial liabilities resulting from claims and lawsuits.

The City Attorney is a publicly elected official and conducts all of the legal business for the city and its "clients" including departments, boards, commissions, and other city government agencies. The City Attorney's Office handles litigation and maintains a docket of cases to which the city may be a party, provides legal advice and opinions, and prepares and examines legislation for the Common Council. In addition, the City Attorney drafts all legal documents required for conducting the business of the city, collecting claims and delinquencies, and prosecuting city ordinance violations.

STRATEGY IMPLEMENTATION

Figure 1



The City Attorney's primary objective is to protect the legal interests of the City of Milwaukee. The department measures achievement of this objective in two ways. The first is the percent of cases resolved by pre-trial evaluation. After a defendant has passed through intake, the City Attorney's Office tries to resolve the case without further court appearances. If cases can be resolved in this manner, court time can be used for more serious offenses. As shown in Figure 1, in 2011 49.2% of cases were resolved by pre-trial evaluation.

The second measure is the percent of claims filed three years prior that result in lawsuits. When claims between the city and claimant cannot be resolved they expose the city to increased liability and additional time spent in court. Therefore, it is in the best interests of the city to minimize the number of claims that proceed to litigation. However, claimants have three years after filing a claim to file a lawsuit. In 2011, 7.1% of claims filed three years prior resulted in lawsuits.

The City Attorney's Office improves residents' quality of life by prosecuting ordinance violations and abating nuisance issues. The Community Prosecution Unit of the City Attorney's Office collaborates with community agencies and other City of Milwaukee departments to abate nuisance properties, eliminate known drug and gang houses, investigate problem licensed premises, and prosecute prostitution activity. Community prosecutors actively assist the Police Department by focusing on problem properties in specific neighborhoods. The unit includes assigned Police Officers, an inspection team from the Department of Neighborhood Services, and City Attorney staff. In 2011, 724 general nuisance referrals have been opened, closed, or are being actively investigated and monitored.

RESIZE, RESTRUCTURE, AND REINVEST

Position Change: The 2013 proposed budget funds one Assistant City Attorney position previously authorized as an Auxiliary position. This position is funded to assist with the increased workload for 74.37 tax assessment cases.

Special Purpose Accounts: The City Attorney's Office utilizes various Special Purpose Accounts to manage the city's legal issues. These funds support ordinance enforcement, payment of legal claims and settlements, insuring the city against loss, expert witnesses, and receivership obligations. The 2013 proposed budget provides $1.2 million for the Damages and Claims Fund for anticipated liability exposure. The Collection Contract Fund is funded at $885,000. Policy premiums of $440,000 are required for the Local Government Insurance Fund. The Outside Counsel/Expert Witness Fund maintains funding of $430,000 to prepare for upcoming lawsuits. The Nuisance Abatement Fund funds costs to abate commercial or residential properties that have been officially declared a nuisance. In 2013, costs are anticipated to be funded through a carryover from 2012.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	1.00		Assistant City Attorney	Convert Auxiliary position to funded position.
	0.02	-0.07	Various Positions	Miscellaneous adjustments.
0	**1.02**	**-0.07**	**Totals**	

DEPARTMENT OF CITY DEVELOPMENT

EXECUTIVE SUMMARY

MISSION: Improve the quality of life in Milwaukee by guiding and promoting development that creates jobs, builds wealth, and strengthens the urban environment.

OBJECTIVES: Increase the amount of net new construction in the community by 1/2 of 1% or more annually.

Become ranked in top 30 of 50 largest cities by showing an upward trend in job growth by 2013.

STRATEGIES: Reduce the impact of high rates of residential foreclosures on Milwaukee neighborhoods.

Improve marketing of city owned property for redevelopment and regional marketing of commercial real estate opportunities.

Identify 20 acres for spot acquisition or brownfield redevelopment.

Improve neighborhood appearance and vitality by continuing the Healthy Neighborhoods and Targeted Investment Neighborhood programs.

Continue façade and retail investment fund grants to catalyze small businesses and improve neighborhood commercial corridors.

Continue the Earn & Learn Summer Youth Employment program.

Develop the Life Ventures Partnership program to connect youth with information about jobs and careers.

Incorporate bioswales and other passive stormwater retention into the urban landscape.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	61.53	41.35	41.85	27.15	-14.20	-14.70
FTEs - Other	68.49	88.65	82.15	82.85	-5.80	0.70
Total Positions Authorized	204	163	158	142	-21	-16
EXPENDITURES						
Salaries and Wages	$2,609,354	$2,819,913	$2,840,710	$1,948,233	$-871,680	$-892,477
Fringe Benefits	1,398,504	1,409,957	1,363,541	935,152	-474,805	-428,389
Operating Expenditures	240,143	266,000	266,000	138,950	-127,050	-127,050
Equipment	0	0	0	0	0	0
Special Funds	154,676	186,144	144,670	75,000	-111,144	-69,670
TOTAL	$4,402,677	$4,682,014	$4,614,921	$3,097,335	$-1,584,679	$-1,517,586
REVENUES						
Charges for Services	$406,535	$417,300	$448,900	$448,900	$31,600	$0
Licenses and Permits	696,869	545,100	590,000	590,000	44,900	0
Miscellaneous	380,364	250,000	381,000	381,000	131,000	0
TOTAL	$1,483,768	$1,212,400	$1,419,900	$1,419,900	$207,500	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Department of City Development (DCD) supports the city's goals to increase investment and economic vitality throughout the city and to build safe and healthy neighborhoods. DCD has a wide range of responsibilities in housing, planning, development, business assistance, real estate, and marketing. These responsibilities and the department's corresponding goals are designed to meet the specific needs of various segments of the population, including entrepreneurs, job seekers, and city residents.

STRATEGY IMPLEMENTATION

DCD provides incentives for the growth of employment opportunities and supports private investment that grows the city's tax base. The department utilizes four key approaches to accomplish its mission:

- Direct financial assistance to small businesses,
- Use of Tax Incremental Financing,
- Partnerships with organizations that represent businesses and employers, and
- Redevelopment project management.

Development in the Menomonee Valley: The few remaining parcels and properties currently unused in the Menomonee Valley continue to be targeted for development and investment through various DCD programs. In 2013 and 2014, J.H. Ahern and Sprouted Bakehouse will be opening new facilities. The joint project of the city, State of Wisconsin, and Urban Ecology Center to create a new park on the Hank Aaron Trail will be completed in 2013.

30th Street Industrial Corridor: Work continues on site preparation and remediation in the 30th Street Industrial Corridor, including planning work on the Esser Paint site and the marketing of residential sites for redevelopment on the eastern side of the corridor. The initial infrastructure at the Century City site will also be completed in 2013, allowing those sites to be marketed for redevelopment opportunities.

Small Businesses: The main employers in any community are existing small businesses. In 2012, DCD continued its commitment to the growth of jobs and local industry in Milwaukee through financial and technical assistance provided to small and mid-sized businesses. This assistance comes from the various funds and programs under DCD's control, including facade grants, loan programs, and other grants.

Through TIDs and these small business programs, DCD reported the following accomplishments in 2011.

- Jobs created: 534
- Jobs retained: 1,382
- New housing constructed: 503
- Investment leveraged: $269 million
- 88 vacant lots sold that generated $12 million in expected investment

In 2013, DCD will use its economic development "toolbox" to encourage private investment throughout Milwaukee, with an emphasis on the Park East Corridor, Reed Street Yards, the 30th Street Industrial Corridor, central city residential neighborhoods and commercial corridors, 27th and Wisconsin Avenue, underused industrial properties, and the Memonomee Valley.

Earn & Learn Program: DCD also administers the Earn & Learn program. Earn & Learn assists young people in making a successful transition to adulthood by providing opportunities to develop work readiness skills while they earn wages working in government, community and faith based organizations and private sector businesses. In 2011, DCD placed 132 youth in City of Milwaukee internships and partnered with MAWIB to place 2,275 youth in private and non-profit internships.

Foreclosures: The City of Milwaukee and a broad coalition of partners are working to address the problem of foreclosures. These comprehensive efforts address the foreclosure problem in several ways:

- Prevention efforts - expand outreach efforts and increase education for homeowners and potential homebuyers.
- Intervention efforts - assist homebuyers facing foreclosure.
- Stabilization efforts - address vacant and abandoned properties in city neighborhoods.

Foreclosures in Milwaukee increased tenfold from 2008 to 2011, including properties foreclosed by the city for non-payment of taxes via the *in rem* foreclosure process. In addition to Mayor Barrett's Milwaukee Foreclosure Partnership Initiative and the Milwaukee Common Councils' Special Joint Committee on the Redevelopment of Abandoned and Foreclosed Homes, DCD is adding resources in 2013 to mitigate the adverse economic impact of foreclosed properties on city neighborhoods and the local economy.

The 2013 proposed budget adds one position to work specifically on foreclosed properties in the city's real estate portfolio, and adds $150,000 in capital funding dedicated to bringing city owned foreclosures up to code and on to the market. Neighborhood Stabilization Program funds will also support ongoing work by the city, community organizations, and lenders to move bank owned foreclosures back to owner occupied status.

RESIZE, RESTRUCTURE, AND REINVEST

In the wake of the prolonged recession, economic development on all levels is increasingly vital to the city's mission. DCD is making a number of changes in the 2013 proposed budget to align resources to meet challenges and generate the most value possible for Milwaukee residents and businesses.

In addition to the staffing and increased funding to handle foreclosed properties, DCD will use tax levy funding to replace reduced grant funds supporting small housing rehab projects rather than reduce staffing in these programs. In support of business and commercial site development, DCD recently added a position solely for outreach and promotion of sites in the city to existing manufacturing firms. To keep focus wholly on economic development initiatives, operation of the Permit Center will be moved from DCD to the Department of Neighborhood Services in 2013. (See the Department of Neighborhood Services section of the *2013 Proposed Plan and Executive Budget* for more information.)

The capital budget also reflects commitment to the spectrum of development activities, including small business assistance, environmental remediation, and affordable housing development. In addition to the projects above, major development efforts for 2013 include construction of the new East Library, completion of the Water Accelerator building, completion of the North End II apartments on the Park East site, and the final phases of $34 million in Neighborhood Stabilization Program initiatives.

CAPITAL PROJECTS

Advanced Planning Fund ($150,000): Funding supports land use, engineering, marketing and economic studies related to economic and real estate development activities. Plans updated and developed in 2013 include Downtown, 76th and Brown Deer Road, and updating of the 1998 Menomonee Valley Plan.

Neighborhood Commercial District Street Improvement Fund ($600,000): This funding provides a match to Business Improvement District loans to improve the streetscapes and the required city match for approved CMAO projects.

Tax Increment Districts (TIDs): The 2013 proposed budget provides the following TID borrowing authority:

- **New Borrowing for Potential New TIDs ($10 million):** This portion provides funding authority for potential new TIDs created in 2013. These TIDs will still undergo approval through the Joint Review Board, Mayor, and

Common Council. An amount of $67.2 million in previously authorized borrowing authority will be carried into 2013.

- **Developer Revenues ($3.7 million):** Provides budget authority to pay the increment on current developer financed TIDs. There are offsetting revenues for these payments.
- **Capitalized Interest ($1 million):** Provides budget authority to pay for interest costs associated with TID borrowing for the first two years of debt service payments.

Healthy Neighborhoods Initiative ($150,000): This initiative provides funding for the city to cooperate with local neighborhood organizations and foundations to promote investment in some of Milwaukee's stronger neighborhoods. Funds are available for various projects including general home improvement and small scale neighborhood projects.

Façade Program ($500,000): This funding supports façade improvement grants to businesses throughout the city aimed at keeping neighborhood commercial corridors viable.

Brownfield Program ($500,000): This funding supports brownfield cleanup, and provides funds to match Federal grant funds for environmental remediation.

Housing Infrastructure Preservation Fund ($450,000): This program funds improvements to housing the city has obtained through foreclosure. The intent is to make necessary improvements to housing that currently is not habitable but worthy of rehabilitation and either historically or architecturally significant. Use of the fund will prevent further deterioration of properties with a high potential for resale and renovation, and will reduce negative impacts of such properties on neighborhoods.

In Rem Property Maintenance ($150,000): This funding supports code compliance, rehab, and other work done on tax foreclosed properties owned by the city in order to make them livable and marketable.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1			Office Assistant II	Eliminate unfunded positions.
-1			Planning Director	
1	1.00		Program Assistant II	Add position created in 2012.
	1.00		Economic Development Specialist	Fund budgeted position for 2013.
1	0.50	0.50	Real Estate Development Services Manager	Move position to 50% city funded to reflect workload.
1		1.00	Redevelopment and Special Projects Manager	Change funding from RACM to CDBG/NSP grant funding.
1	1.00		In Rem Property Disposition Manager	Move position to 100% city funded to reflect workload.
	0.25	-0.25	Finance and Administration Manager	Shift from grant to O&M funding.
	0.25	-0.25	Budget and Reporting Manager	
	0.40	-0.40	Community Outreach Liaison	Shift from capital to O&M.
	0.40	-0.40	Housing Rehab Specialist	Shift to O&M from grant funded.
		-0.50	Housing Rehab Specialist	Reduced due to NSP funding changes.
		-0.50	Office Assistant IV	
		-1.00	Housing Program Specialist	
-1	-1.00		Permit and Development Center Manager	Positions moved to Department of Neighborhood Services as part of Development Center relocation.
-1	-1.00		Operations Manager Development Center	
-2	-2.00		Plan Examiner III	
-5	-5.00		Plan Examiner I	
-1	-1.00		Mechanical Plan Examiner III	
-1	-1.00		Mechanical Plan Examiner II	
-3	-3.00		Program Assistant II	
-3	-3.00		Office Assistant III	
-2	-2.00		Office Assistant IV	
-4		-4.00	HACM Various Positions	Miscellaneous adjustments.
-21	**-14.20**	**-5.80**	**Totals**	

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE (HACM)

The Housing Authority of the City of Milwaukee is a body politic and corporate of the State of Wisconsin and is responsible for construction, management, provision of safe, affordable, and quality housing with services that enhance residents' self-sufficiency. HACM is administered by a seven member Board of Commissioners. Members are appointed for staggered terms by the Mayor and confirmed by the Common Council.

HACM's principal funding source is the federal government through various programs administered by the U.S. Department of Housing and Urban Development (HUD). HUD provides an operating subsidy to help offset the difference between the expenses associated with managing public housing and the revenues received from 30% of resident's income (rental revenue). The Housing Authority anticipates additional reductions in future federal funding associated with the transition to asset based management. The Housing Authority continues to look for additional opportunities to maximize its resources.

HACM activities include:

- Low rent public housing management;
- Rent Assistance Program (Section 8);
- Development and rehabilitation;
- Affordable housing; and
- Homeownership and self-sufficiency services.

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE (RACM)

The Redevelopment Authority is an independent corporation created by state statute in 1958 and derives its powers solely from state law. The Redevelopment Authority's relationship with the City of Milwaukee is more particularly described in the audited financial statements of the Redevelopment Authority.

A board whose members are appointed by the Mayor and confirmed by the Common Council oversees the Redevelopment Authority. The Redevelopment Authority relies upon the Department of City Development for the professional, technical, and administrative support necessary to carry out its mission. This is accomplished through an annual cooperation agreement with the City of Milwaukee, with operating funds provided through the city's CDBG program for:

- Management of financial affairs;
- Land use planning and urban design guidance;
- Real estate acquisition and disposition;
- Relocation assistance for displaced families and businesses;
- Property management and environmental investigation; and
- Housing and economic development project management.

The mission of the Redevelopment Authority is to eliminate blighting conditions that inhibit neighborhood reinvestment; foster and promote business expansion and job creation; and facilitate new business and housing development. Toward that end, the Redevelopment Authority:

- Prepares and implements comprehensive redevelopment plans;
- Assembles real estate for redevelopment;
- Is empowered to borrow money, issue bonds, and make loans; and
- Can condemn property (eminent domain) in furtherance of redevelopment objectives.

MILWAUKEE ECONOMIC DEVELOPMENT CORPORATION (MEDC)

The Milwaukee Economic Development Corporation is a non-stock, non-profit organization formed in 1971 to promote economic development for the benefit of the citizens of the City of Milwaukee. The principal objective of the corporation is to benefit the community by fostering the increase of employment opportunities and expansion of business and industry within the metropolitan Milwaukee area. The corporation uses its own funds to finance projects to achieve that objective. The corporation is exempt from federal and state income taxes under a provision of Section 501(c) (3) of the Internal Revenue Code.

A 27 member Board of Directors including the Mayor, the Comptroller, the President of the Common Council, 2 council members, and 13 representatives of the business community oversee MEDC's activities. MEDC's board has delegated authority for policy actions to its Executive Committee that consists of the Mayor, the Comptroller, the President of the Common Council, one Council member, and six representatives of the business community.

Some services are provided to MEDC by the city through an agreement that is reviewed periodically. The city is reimbursed for any personnel and resources provided to the corporation under this agreement. MEDC uses its resources, as well as those of the Small Business Administration, to make financing available to businesses promising to create job opportunities and new investment in Milwaukee. The programs available through MEDC include:

- SBA 504 Debenture Program
- Second Mortgage Program
- Land Development Program
- Target Loan Program
- Partnership Loan Program
- Capital Access Program

NEIGHBORHOOD IMPROVEMENT DEVELOPMENT CORPORATION (NIDC)

The Neighborhood Improvement Development Corporation is a non-profit corporation established by the city in 1973 for the purpose of performing activities that assist and encourage reinvestment in residential property as part of an overall neighborhood economic stabilization strategy. NIDC programs encourage investments by private lending institutions and property owners by providing financial assistance in the form of grants, rehabilitation loans, and other financial incentives. NIDC also acts as a developer to stabilize and encourage neighborhood housing markets, it provides technical assistance, and it serves as a liaison between community based organizations, city departments, and residents.

NIDC is headed by a nine member Board of Directors, which includes at least four city residents. Federal funding supports many NIDC programs (received through the Community Development Block Grant program) and NIDC has also obtained financial support for its programs through local foundations and corporations.

NIDC's key neighborhood redevelopment strategy is its Targeted Investment Neighborhood (TIN) program. The TIN program is a neighborhood revitalization strategy in which NIDC, working with neighborhood partners, focuses resources in a defined geographic area in an effort to stabilize and increase owner occupancy, strengthen property values, and assist property owners in improving the physical appearance and quality of life in their neighborhood.

COMMON COUNCIL CITY CLERK

EXECUTIVE SUMMARY

MISSION: Establish city policy and law, oversee the administration of city government, adopt the annual budget, ensure the delivery of services to constituents, and provide the public with information about the duties and actions of city government.

OBJECTIVES: Efficiently deliver city government information in a user friendly, understandable manner.

Manage an equitable and efficient licensing system that supports business operations while providing adequate protections for the public.

STRATEGIES: Use technology to reduce costs while increasing the productivity and efficiency of legislative constituent services and improving public access to government actions and meetings.

Streamline licensing operations as part of a new license information system and improve customer service with the use of Internet transactions.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	85.49	92.40	92.40	91.65	-0.75	-0.75
FTEs - Other	1.68	3.00	3.00	2.00	-1.00	-1.00
Total Positions Authorized	114	112	112	112	0	0
EXPENDITURES						
Salaries and Wages	$4,977,628	$5,043,320	$5,062,917	$4,999,279	$-44,041	$-63,638
Fringe Benefits	2,513,030	2,521,660	2,430,200	2,399,654	-122,006	-30,546
Operating Expenditures	728,592	862,000	879,100	880,100	18,100	1,000
Equipment	27,664	29,200	35,800	29,200	0	-6,600
Special Funds	25,339	99,035	82,435	23,435	-75,600	-59,000
TOTAL	$8,272,253	$8,555,215	$8,490,452	$8,331,668	$-223,547	$-158,784
REVENUES						
Charges for Services	$5,209,126	$5,143,400	$5,257,900	$5,457,900	$314,500	$200,000
Licenses and Permits	4,081,194	2,333,000	4,124,100	4,124,100	1,791,100	0
TOTAL	$9,290,320	$7,476,400	$9,382,000	$9,582,000	$2,105,600	$200,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The mission of city government is to enhance the safety, prosperity, and quality of life of Milwaukee's citizens. Departments support this mission through the legislation and regulations enacted by the Common Council and using the resources the Council adopts through the annual budget.

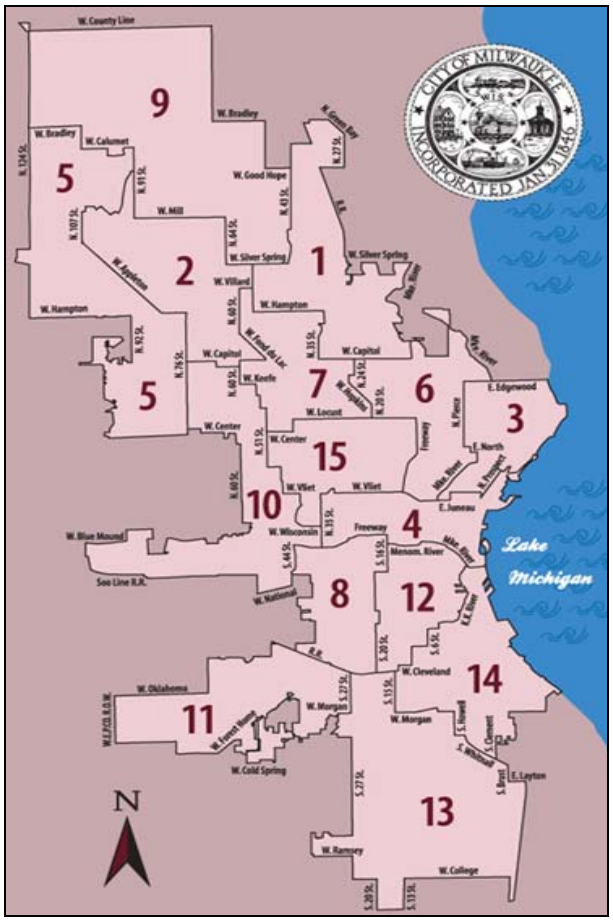
The Common Council City Clerk's Office performs city government and licensing functions in an efficient, fair manner. In addition, the department maintains accurate and up-to-date records of city government actions and ordinances, and keeps constituents informed of the actions of their Council representatives. The City Clerk's Office

also administers and assists in investigating many of the city's various license applications, and collects license revenues.

The Common Council constitutes the legislative branch of city government. The 15 members represent geographically distinct districts (see Map 1) and are currently in the last year of their four year terms. The City Clerk's Office supports the Council and other general operations of city government through four areas: the Central Administration Division, the Public Information Division, the Legislative Reference Bureau, and the License Division.

Central Administration staff provides general administrative support functions for the department, staffs Council and committee meetings, and assists Council members in their work with constituents. The Public Information Division produces public relations material and operates the city's cable television channel. Legislative Reference Bureau staff author and analyze legislative initiatives; review and make recommendations on fiscal matters; and maintain a library of books, reports, periodicals, newspapers, and online databases. The License Division registers lobbyists and administers various licenses, including liquor, bartender, home improvement and other occupational licenses.

Map 1



Legislative Information: The city's Legislative Research Center website has been updated over the last three years, providing a more user friendly system that increases the ease in which constituents and city officials can find city ordinances, legislative acts, and Council actions. The site includes video records of Council and committee meetings, and text records of files.

RESIZE, RESTRUCTURE, AND REINVEST

The Common Council City Clerk's 2013 operating budget totals $8.3 million, a 2.7% decrease from the 2012 budget. The City Clerk's budget has been reduced from its request to stay within budgetary constraints. The salary of two positions were adjusted downward to reflect actual workload and to meet budgetary goals.

LIRA System Upgrade: The 2013 proposed capital budget includes $117,000 for an upgrade to the License Information Reporting and Administration (LIRA) System. The upgrade will give applicants the ability to file and renew applications online. Applicants will also be able to check the status of their application without having to directly contact the License Division. This upgrade will allow citizens to attach positive or negative comments to an application, and view client, application and license records online.

Loss of Grant Funding: In 2012, the City Clerk's Office received approximately $65,000 in grant funding from the city's Me2 and Milwaukee Shines programs for graphic design work. This grant funding is reduced in the 2013 proposed budget to $15,111.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	-0.25		Legislative Coordinator Senior	Adjusted to reflect FTE status of incumbent.
	-0.50		Research and Analysis Manager	Position not expected to be filled.
		-1.00	Various Positions	Reduced grant funding.
0	**-0.75**	**-1.00**	**Totals**	

COMPTROLLER

EXECUTIVE SUMMARY

MISSION: Fulfill the responsibilities of the independently elected Comptroller of the City of Milwaukee.

OBJECTIVES: Improve the city's financial system and processes.

Maintain the city's high quality credit and manage debt in a manner that supports improvements to the fiscal environment.

STRATEGIES: Provide independent fiscal, financial and program analysis, revenue estimation and auditing.

Process, maintain, and report on financial position, operating results, and cash flow projections to ensure accurate, efficient, and reliable financial operations.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	47.91	50.16	50.16	49.16	-1.00	-1.00
FTEs - Other	7.17	9.34	9.34	9.34	0.00	0.00
Total Positions Authorized	67	67	67	67	0	0
EXPENDITURES						
Salaries and Wages	$3,259,019	$3,511,933	$3,386,338	$3,260,564	$-251,369	$-125,774
Fringe Benefits	1,629,510	1,755,967	1,625,442	1,565,071	-190,896	-60,371
Operating Expenditures	144,988	370,000	417,500	360,900	-9,100	-56,600
Equipment	21,430	15,000	80,000	15,000	0	-65,000
Special Funds	4,748	0	0	0	0	0
TOTAL	$5,059,695	$5,652,900	$5,509,280	$5,201,535	$-451,365	$-307,745
REVENUES						
Charges for Services	$489,251	$375,000	$430,000	$430,000	$55,000	$0
TOTAL	$489,251	$375,000	$430,000	$430,000	$55,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

One of the city's goals is to deliver services at a competitive cost and improve its fiscal capacity. This requires that the city's financial operations are accurate, efficient, and reliable.

The City of Milwaukee Comptroller, an elected official, is responsible for managing the city's financial operations. The Comptroller's duties include general and grant accounting, payroll, debt issuance and management, and auditing. The Comptroller also provides general oversight of city activities to ensure compliance with Generally Accepted Accounting Principles (GAAP) and various other regulations imposed by city ordinance, state law, or grant contract.

The Comptroller advises city policymakers on financial matters and provides leadership and advice to city sponsored committees including the Common Council's Finance and Personnel Committee. The Comptroller also

holds positions on the Wisconsin Center District Board, Charter School Review Committee, Pension Board, Pabst Theater Board, City Information Management Committee, Milwaukee Economic Development Corporation, Neighborhood Improvement Development Corporation, Summerfest, Purchasing Appeals Board, and the Deferred Compensation Board.

The Public Debt Commission is the superintendent for city debt issuance. Responsibility includes determining the timing, structuring, call provisions, and similar aspects of both city general obligation and revenue anticipation borrowings. The Commission also oversees the Public Debt Amortization Fund, which includes investment and the annual withdrawal. The Commission is comprised of three city residents appointed by the Mayor and confirmed by the Common Council. The Comptroller serves as the ex-officio secretary and staff to the Commission.

STRATEGY IMPLEMENTATION

A core function of the Comptroller's Office is to provide accurate budgeted revenue estimates. With a few exceptions, the Comptroller has estimated revenues within 2% of actual revenues.

However, if the Comptroller's revenue estimates are too conservative, the Mayor and Common Council must make other fiscal changes to ensure a balanced budget. This may include reducing budget appropriations further than necessary, increasing the property tax levy higher than necessary, or making a larger withdrawal from the Tax Stabilization Fund (TSF). If actual revenues are higher than the Comptroller's revenue estimates, the surplus revenue is deposited in the TSF. The TSF withdrawal, in effect, recoups the unrecognized revenue from the prior budget. Use of the TSF is a prudent and responsible fiscal measure that minimizes property tax levy volatility.

Variances in TSF withdrawals are strongly affected by revenues that exceed estimates. The higher that actual revenue amounts exceed the Comptroller's estimates, the larger the TSF balance that is available to withdraw. In 2011, General Fund revenues exceeded the Comptroller's estimate by $10.5 million or 1.8 %. This additional revenue contributes to the TSF balance for 2013 budget purposes.

Another core function of the Comptroller is to conduct audits. Copies of major audit reports are provided on the Comptroller's web page.

The Comptroller's Office performs four major types of audits, including:

- Financial audits to determine if financial records are accurate and proper controls are in place.
- Compliance audits to determine if departments comply with funding or regulatory guidelines.
- Program audits to determine if a program is operated in the most efficient and effective manner.
- Information technology audits to ensure that controls and security measures are in place to protect the city's technology networks and systems.

City operations rely on official accounting records. Without accurate and reliable information on accounts payable, accounts receivable and payroll, the city could not meet its obligations, bills would go unpaid, city employees would not receive paychecks, and important services could not be provided.

Reliable accounting records help the city determine its present financial position and guide its future direction. Timely, reliable, and accurate accounting records are essential to the delivery of important public services such as garbage collection and public health services. Systematic audits of the accounting system warrant against failures in important information by ensuring that accurate accounting records are being kept.

The Comptroller also manages the city's debt. The Comptroller's goal is to retain the city's high "investment grade" bond ratings and maintain low borrowing costs. Low borrowing costs produce direct benefits to the

taxpayer. The city continues to maintain high investment grade ratings of Aa2 from Moody's and AA from Standard & Poor's.

These ratings have been maintained during the recent slow economic growth and decreased state aids. As the ratings indicate, the city's capacity to meet its financial commitments on outstanding obligations is strong. The ratings reflect a combination of moderate overall debt burden, rapid debt repayment, manageable capital needs, strong growth in assessed value, and a diverse tax base. The city also assists in keeping the overall debt burden affordable by controlling the level of annual debt issued.

OTHER SERVICE AND BUDGET CHANGES

The Comptroller's Office continues to experience increased workload due to new Government Accounting Standards Board (GASB) accounting requirements, changes in auditing standards, increased grant financial administration, increased demand for both financial analysis and internal audits, and the growing complexity of the bond market.

Investment of Pooled Cash: In 2012, responsibility for investing the city's idle pooled cash was returned to the Treasurer's Office from the Comptroller's Office. This reverses an initiative in the 2012 budget which placed the responsibility with the Comptroller's Office. An amount of $56,000 is shifted from the Comptroller's Office to the Treasurer's Office in the 2013 proposed budget to pay for the services of the private fund manager.

Staffing Change: The 2013 proposed budget converts the Functional Applications Manager Senior position to an unfunded Auxiliary position. The duties of this position will be reassigned to other employees. This change reduces salaries by $85,000.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&MFTEs	Position Title	Reason
-1	-1.00	0.00	Functional Applications Analyst Senior	Position moved to Auxiliary.
1			Functional Applications Analyst Senior	
0	**-1.00**	**0.00**	**Totals**	

ELECTION COMMISSION

EXECUTIVE SUMMARY

MISSION: Build public trust in the democratic process and encourage registration and voting.

OBJECTIVES: Conduct fair, accurate, and transparent elections.

STRATEGIES: Conduct the required primary and general elections in 2013.

Process timely and accurate election results to the public and election oversight agencies.

Adjust operations to Wisconsin state law changes including voter identification requirements and redistricting of elector boundaries.

Increase the availability of committed and highly trained poll workers.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	12.49	23.11	8.81	8.81	-14.30	0.00
FTEs - Other	0.14	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	19	2,156	823	829	-1,327	6
EXPENDITURES						
Salaries and Wages	$769,019	$1,811,359	$877,643	$870,867	$-940,492	$-6,776
Fringe Benefits	265,206	152,000	177,072	185,412	33,412	8,340
Operating Expenditures	426,505	948,830	329,960	315,400	-633,430	-14,560
Equipment	0	0	0	0	0	0
TOTAL	$1,460,730	$2,912,189	$1,384,675	$1,371,679	$-1,540,510	$-12,996

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Election Commission manages all aspects of public elections in the City of Milwaukee. The Commission registers potential voters and establishes approximately 200 polling locations with appropriate workers, supplies, and ballots on election days. The Commission also administers the statutory obligations for elected officials and potential candidates for citywide offices including the nomination process and campaign finance reporting. The Commission's website includes voter eligibility requirements, registration instructions, and an interactive polling location feature.

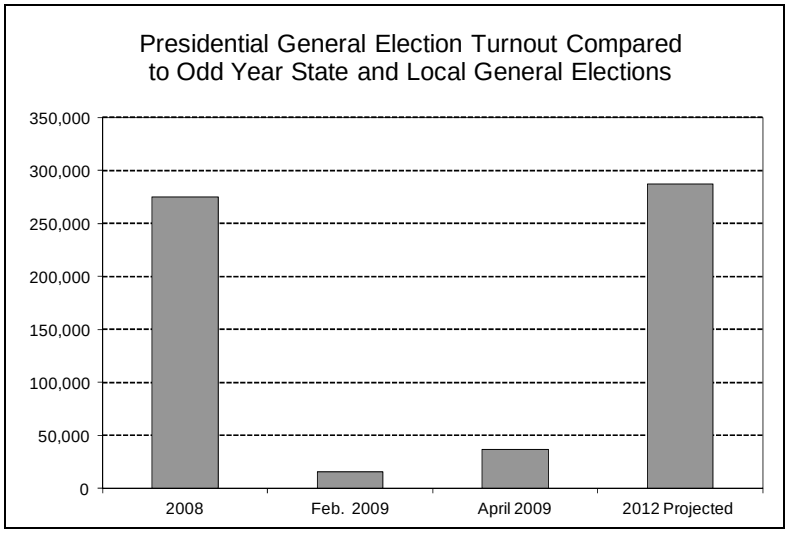
Two elections generally occur in odd numbered years such as 2013, which includes primary and general elections for state wide and local elections. The 2013 proposed budget funds these elections based on the comparable election workload in 2009.

STRATEGY IMPLEMENTATION

The Election Commission has recruited and retained an outstanding pool of poll workers to assist with elections. Milwaukee's 181 polling locations require sufficient staffing on Election Day in order to check-in registered voters, conduct election day registration, monitor activity at the voting machines and fulfill other duties. Chief Inspectors manage polling site activities and ensure compliance with election law.

In 2011 and 2012, the Election Commission successfully implemented a redistricting process and the resulting operating and logistical modifications. The effort was a well coordinated enterprise in conjunction with the City Clerk's Office and other agencies.

Figure 1



The Election Commission also successfully met the challenges imposed by the Government Accountability Board certified recall elections, and the evolving legal requirements of Voter Identification laws.

RESIZE, RESTRUCTURE, AND REINVEST

Since the 2013 elections will have relatively low turnout compared to Presidential election years (see Figure 1), positions and funding for temporary staff, poll workers, and ballots are decreased in 2013.

The Election Commission also reclassified several positions to restructure its administrative functions and bring in-house expertise to records, data, and Statewide Voter Registration System management.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	-1.00		Administrative Assistant III	Positions restructured to reflect new operational enhancements.
-1	-1.00		Management Services Specialist	
2	2.00		Election Services Specialist	
-1,327	-14.30		Election Inspector	Reduction in temporary positions based on anticipated 2013 workload.
-1,327	**-14.30**	**0.00**	**Totals**	

DEPARTMENT OF EMPLOYEE RELATIONS

EXECUTIVE SUMMARY

MISSION: Provide for a productive, healthy, and diverse workforce.

OBJECTIVES: Provide an organizational framework to recruit, select, classify, compensate, develop, and reward employees in compliance with applicable employment laws and regulations.

Develop and implement recruitment and examination practices that yield a qualified and diverse candidate pool for city management.

Reduce the growth rate in health care costs, improve quality of care, and employee accountability and responsibility for care.

Enhance safety in city departments and control associated expenditures.

STRATEGIES: Work with city departments to implement and monitor personnel practices associated with changes from Wisconsin Act 10.

Ensure all recruitment and testing activities comply with applicable standards and employment regulations in an effective and efficient manner.

Work with city departments to review, change or modify, and implement staffing and operational changes to streamline operations and reduce costs.

Implement the Management Training Program to attract professionals that are interested in public service careers.

Facilitate and coordinate the leadership development program to provide managers with knowledge and skill sets for operations and workforce management.

Finalize the implementation of the position control application.

Assess the impact of switching from an insured HMO plan to a self funded model and continue to explore additional opportunities regarding health care benefits and health care delivery systems.

Implement changes to the Risk Management Program including centralizing data analysis functions in DER and enhancing the overall effectiveness of safety plans.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	47.76	45.00	43.90	46.90	1.90	3.00
FTEs - Other	3.14	8.60	8.60	8.60	0.00	0.00
Total Positions Authorized	73	73	73	76	3	3
EXPENDITURES						
Salaries and Wages	$2,768,324	$2,679,711	$2,672,982	$2,712,982	$33,271	$40,000
Fringe Benefits	1,360,260	1,339,857	1,283,031	1,302,231	-37,626	19,200
Operating Expenditures	330,446	464,592	428,500	388,500	-76,092	-40,000
Equipment	24,533	23,904	39,000	20,000	-3,904	-19,000
Special Funds	63,543	33,000	69,000	69,000	36,000	0
TOTAL	$4,547,106	$4,541,064	$4,492,513	$4,492,713	$-48,351	$200
REVENUES						
Charges for Services	$186,501	$170,000	$182,000	$182,000	$12,000	$0
Miscellaneous	261,694	150,000	279,400	279,400	129,400	0
TOTAL	$448,195	$320,000	$461,400	$461,400	$141,400	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Department of Employee Relations (DER) provides human resources support to city agencies and the Milwaukee Public Schools with the goal of attracting, retaining, and motivating a competent and diverse workforce. DER meets this goal while complying with state and federal employment laws and civil service rules. It does this through four primary service areas:

- Employee Relations;
- Compensation and Employee Benefits;
- Staffing; and
- Worker's Compensation and Safety.

DER also staffs the City Service Commission, a civilian body that ensures compliance with civil service rules and applicable state statutes. The department also provides support to the city's Equal Rights Commission.

STRATEGY IMPLEMENTATION

Recruitment, Staffing, and Selection: The Staffing Services Section recruits and tests candidates for employment based on the rules of the City Service Commission and the Fire and Police Commission. In 2011, DER processed 8,964 applications, conducted 124 exam sessions and approved over 2,569 individuals for hiring eligible lists.

In 2013, DER anticipates replacing the Applicant Tracking Management System with a more robust system that will streamline recruitment, examination and certification processes. It is anticipated that the new system will automate the requisition and certification functions allowing department's greater and more immediate access to candidate information. The division will also implement internal protocols to more efficiently and effectively work with departments to minimize delays in the completion of job analyses and recruitment plans, the development of examination announcements and test components, and test administration activities.

Compensation and Pay Practices: In 2013, DER will recommend changes to compensation and pay practices to address internal equity and pay compression challenges stemming from wage freezes over the last several years. This review will include recommending pay progression practices based on skills and competencies in lieu of

seniority or years of service considerations. The division will also work on identifying and recommending pay administration practices that tie our salary structures and compensation levels to the labor market to try to address recruitment and retention difficulties.

Management Training Program: The City of Milwaukee is a corporation with more than 6,500 employees and a $1.5 billion annual budget yet has no corporate program to attract new managerial talent to the city. Attracting qualified entry level candidates is increasingly important as more city managers near retirement eligibility. The 2013 proposed budget funds a new Management Training Program funded at $65,000. This funding combined with available carryover funding of $40,000 from 2012, will enable the hiring of at least three trainees during 2013.

The program's purpose is to attract talented entry level professionals to pursue careers in public service with the City of Milwaukee. The program will enable the city to recruit and hire such individuals for up to two years in various assignments until permanent placement opportunities are available. The purpose is to encourage college graduates to remain in or migrate to Milwaukee after graduation and apply their professional skills locally. The program can also reduce the recruitment period needed to fill entry level vacancies, as it will establish a civil service eligible list that multiple departments can use to fill appropriate positions.

Succession Planning: In 2013, DER will create a viable succession planning model for departments to use to better anticipate and be prepared for turnover and retirements. Succession planning is the process of identifying and developing internal people with the potential to fill key leadership positions in a department as they become available. Additional goals of a succession planning model are to improve employee commitment and retention, address career development expectations of current employees, and reduce the increasing difficulty and cost of recruiting external employees for key positions.

Post Act 10 Assessment and Evaluation: The migration of terms and conditions of employment from collective bargaining agreements to the Milwaukee Code of Ordinances and the Salary Ordinance will require DER to continue to monitor the impact of changes and to work with city agencies to ensure compliance with requirements established under the Meet and Confer Ordinance and applicable rules of the City Service Commission. Training sessions for managers and supervisors started in 2012 will continue throughout 2013 on an as needed basis and negotiations will be conducted with certified labor groups in accordance with applicable state statutes.

Position Control: Position management is a tool in the PeopleSoft HRMS system to better monitor the filling of budgeted positions. This initiative is a joint effort between DOA, the City Clerk's Office, and DER. The application allows the Budget and Management Division, DER, and departments to quickly identify which positions are filled, vacant, or under filled. The architecture for position management was created by ITMD. The Department of Public Works, the Police Department, and the Fire Department are finalizing their entries in order to launch the Position Management tool in spring 2013.

Health Care: In 2013, DER will continue to assess the impact of shifting from an insured HMO to a self-funded plan. DER will review and analyze one full year of utilization data with 12% employee premium share and higher deductibles and co-insurance payments. This analysis will also include a review of the city's comprehensive wellness effort currently engaging approximately 90% of employees and spouses. In 2013, DER will work with the Budget and Management Division to explore additional opportunities regarding health care benefits and health care delivery systems including potential collaboration opportunities with other taxing units and the viability of implementing a site based clinic model that could:

- Provide more convenient access to primary care to reduce inappropriate emergency room utilization.
- Offer greater emphasis on preventive care and disease management to reduce costs.
- Reimburse providers on a salaried basis (as opposed to Fee-For-Service) to focus economic incentives on the health of the patient (as opposed to units of production).

Worker's Compensation: DER will work to enhance the overall effectiveness of the Workers' Compensation Risk Management Program implemented in 2009. This initiative placed the responsibility for accident prevention and hazard control with operating departments by requiring the development of Safety Plans, the identification of the cause and nature of injuries and the implementation of safety control measures. It is anticipated that starting in 2013 DER will perform all the data collection and analysis, including identifying key elements of exposure data and key metrics for benchmarking the city's worker's compensation performance. DER will also work with departments to develop department specific accident exposure data and provide a Safety Report Template to streamline plan documentation and completions. Centralizing data collection and analysis within DER will allow operating departments to focus on the reasons and contributing factors for the rise or decline of accidents. It will also give departments more time to develop prevention and control initiatives to ensure sustained improvement in reducing hazards and training employees.

Collaboration with Other Taxing Units: DER will explore opportunities for collaboration with Milwaukee County in the areas of Clerical Testing, Pre-Employment Drug Screenings and Medicals, Employee Assistance Program, and Employee Training.

RESIZE, RESTRUCTURE, AND REINVEST

The 2013 proposed budget includes $47,000 in reductions from various equipment and operating expense accounts.

Substantial changes in labor relations have resulted from Wisconsin Act 10. Only eight bargaining units have certified, and with the exception of negotiations with the three public safety unions, the permissible scope of negotiations for those units has narrowed considerably. In addition to performing labor relations work in connection with the three protective services unions and bargaining for base wages with the general city unions, Labor Relations staff will focus on meeting requirements under the city's Meet and Confer Ordinance and on addressing employee relations matters such as grievances under the city's Disciplinary Grievance Process and the Workplace Safety Grievance Procedure. The staff will also continue to be involved in handling post ACT 10 policy issues including compensation and pay administration practices, health care benefit changes, and other leave administration changes.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
3	3.00		Management Trainee	New employment initiative.
	-1.10		Various Positions	Miscellaneous adjustments.
3	**1.90**	**0.00**	**Totals**	

FIRE AND POLICE COMMISSION

EXECUTIVE SUMMARY

MISSION: To ensure that the Fire and Police departments are prepared to protect the lives and property of Milwaukee citizens.

OBJECTIVES: Ensure the quality and effectiveness of Fire and Police department policies, practices, and outcomes.

Ensure that complainants are heard and satisfied with the citizen complaint program.

Improve community relations and enhance public confidence.

Improve the diversity of the Police and Fire departments.

Prevent, respond to and recover from major disruptive events.

STRATEGIES: Perform policy review and analysis concerning police and fire services including crime reduction strategies, fire prevention and suppression, and citizen complaints.

Conduct a viable citizen complaint program to address allegations of employee misconduct.

Monitor and audit complaints and investigations conducted by the Fire and Police departments.

Improve communications with the public and continue to promote opportunities for citizen interaction with the Fire and Police Commission.

Promote diverse public service departments.

Increase community awareness of Homeland Security and Emergency Government Mission.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	15.18	11.60	11.60	11.60	0.00	0.00
FTEs - Other	1.57	1.80	1.80	1.80	0.00	0.00
Total Positions Authorized	21	21	21	21	0	0
EXPENDITURES						
Salaries and Wages	$642,669	$727,299	$739,158	$727,614	$315	$-11,544
Fringe Benefits	321,335	363,650	354,796	349,255	-14,395	-5,541
Operating Expenditures	179,747	127,167	235,057	151,415	24,248	-83,642
Equipment	3,349	4,300	2,900	2,900	-1,400	0
Special Funds	71,787	77,600	93,600	72,600	-5,000	-21,000
TOTAL	$1,218,887	$1,300,016	$1,425,511	$1,303,784	$3,768	$-121,727

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

One of the city's goals is to build safe and healthy neighborhoods. The Police and Fire departments are key to supporting this goal. The Fire and Police Commission (FPC) provides oversight to these departments and supports their operations. This helps ensure that these departments are effective in protecting the lives and property of Milwaukee's residents and businesses.

The Fire and Police Commission is comprised of a Board of seven part time citizen Commissioners and a full time professional staff led by an Executive Director. The Commissioners and the Executive Director are appointed by the Mayor and approved by the Common Council. The Commission's authority and responsibility, including policy oversight, citizen complaints, disciplinary appeals, and recruitment and testing, are specified in Wisconsin Statute 62.50 and in the Milwaukee City Charter.

The Commission conducts policy reviews of Fire and Police department operations, appoints and promotes department personnel and prescribes general policies and standards. The Commission's judicial function includes hearing appeals from departmental disciplines, investigating citizen complaints filed against department members, and conducting citizen complaint hearings.

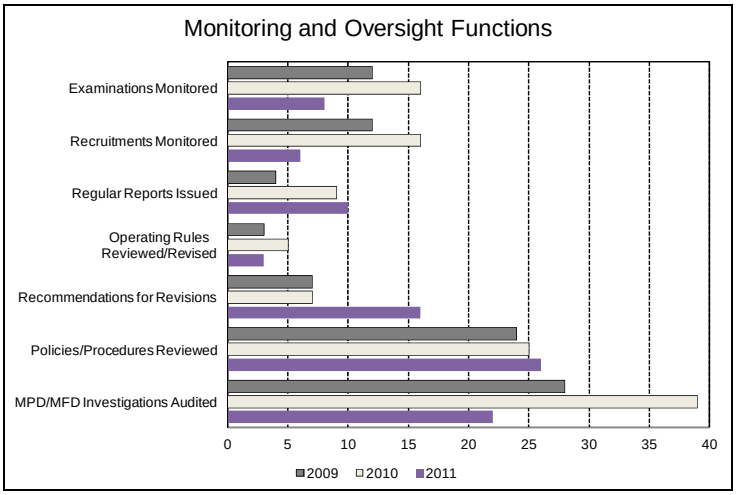
STRATEGY IMPLEMENTATION

Crime Reporting Data: In 2012, heightened public scrutiny of the Police Department's reporting of crime statistics developed when it was discovered that misreporting of the data had occurred over a number of years. The Commission has developed a systemic approach to analyze the crime reporting data and the department policies and procedures to determine the extent of the misreporting and correct the errors. The Commission is conducting a review of the police crime statistics and internal operations of the Police Department with the assistance of expert consultants. The consultant's report and findings will be published and used as a guide for determining further corrective actions to be taken to prevent future misreporting occurrences**.**

Policy Oversight: The Fire and Police Commission's primary responsibility is policy oversight. The Commission has a statutory responsibility to oversee and prescribe the policies and standards of both the Fire and Police departments. This oversight authority is ultimately exercised by Board action but is also exercised by Commission staff through regular monitoring and research of Fire and Police department operational initiatives and disciplinary actions (see Figure 1).

In 2011, the Commission partnered with the University of Wisconsin Milwaukee to conduct an analysis of MPD's use of force incidents. This analysis will be ongoing through 2012 and the data and report conclusions will serve as a foundation for future analysis and reporting. The Commission also issued a report on the use of force incidents involving firearm discharge. In 2011 the Commission continued its analysis of vehicle pursuits. The data from this report and previous reports will be used for future analysis of MPD policies, procedures and training. In 2012, the Commission will provide periodic summaries of officer involved shootings and an evaluation of taser deployment and usage by the MPD. In addition, the Commission is completing the construction of a software program and database that will track the use of force for each

Figure 1



individual police officer throughout their career.

Citizen Complaints: The Commission is required to provide a viable citizen complaint process and has authority to independently investigate and discipline department employees up to and including termination from employment for acts of misconduct. A person may file a complaint directly with the Commission against a department employee for specific acts of inappropriate conduct. Complaints can be initiated in writing, in person, by telephone, by fax, by e-mail, through the Commission's website, and through recognized community referral organizations. This increase in accessibility has resulted in a higher volume of complaints and improved community confidence in the complaint process (see Figures 2 and 3). The Commission independently investigates complaints and refers them to the citizen board for disciplinary action when rule violations are identified.

Figure 2

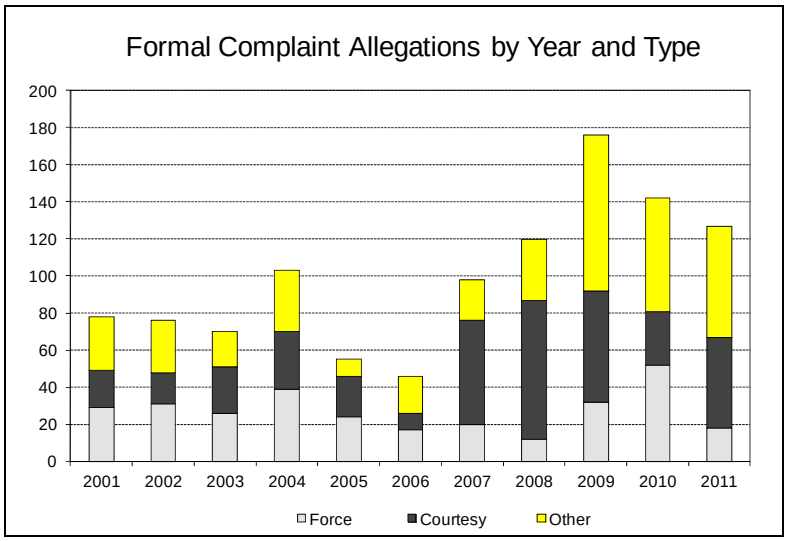
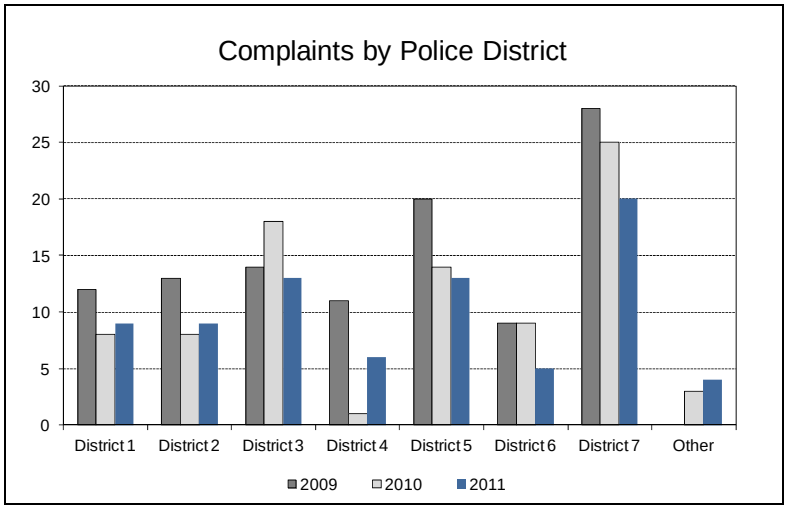


Figure 3



The citizen complaint process has four goals:

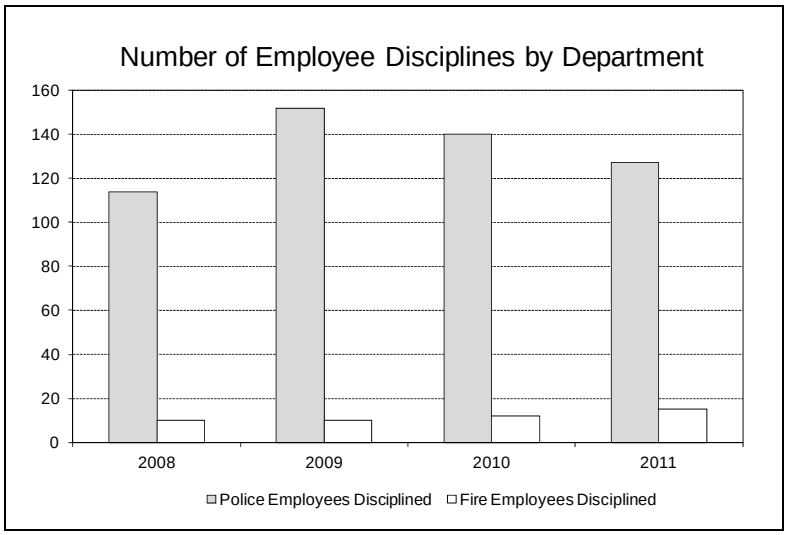
- Increase transparency and community confidence in the complaint process.
- Provide an independent system to receive, investigate, and discipline members for misconduct.
- Analyze complaints to identify both individual and systemic trends and patterns within the Police and Fire departments.
- Monitor and audit complaints and discipline investigations conducted by the Fire and Police departments to ensure a fair and thorough process.

The current complaint process has significantly shortened the time needed to resolve a complaint from an average of 270 days in 2008 to 21 days in 2011. The Commission strives to resolve all citizen complaints in 90 days or less. The complaint process also includes a mediation program. Mediation facilitates a non-adversarial approach for complaint resolution and offers complainants the chance to better understand and be directly involved with the resolution. The Commission utilizes trained mediators to assist with the process and more efficiently handle the anticipated mediation caseload. In 2011, the Commission began providing mediation for complaints filed directly with the Police Department in addition to complaints filed with the Commission.

The Commission periodically monitors and audits complaint investigations regardless of whether the complaint is filed with the Commission or with the Fire and Police departments. The ability to capture trends and patterns and identify critical elements of a particular investigation is an important function of the Commission in providing proper oversight. Trends are examined from investigations that result in discipline or are ultimately dismissed.

The monitoring function uses data collected from the intake investigation screening process to evaluate the quality of investigations and recommend improvements to existing procedures. The Commission will use its monitoring authority in addition to its authority to discipline employees as tools to accomplish the mission of providing a transparent and effective citizen complaint investigation process.

Figure 4

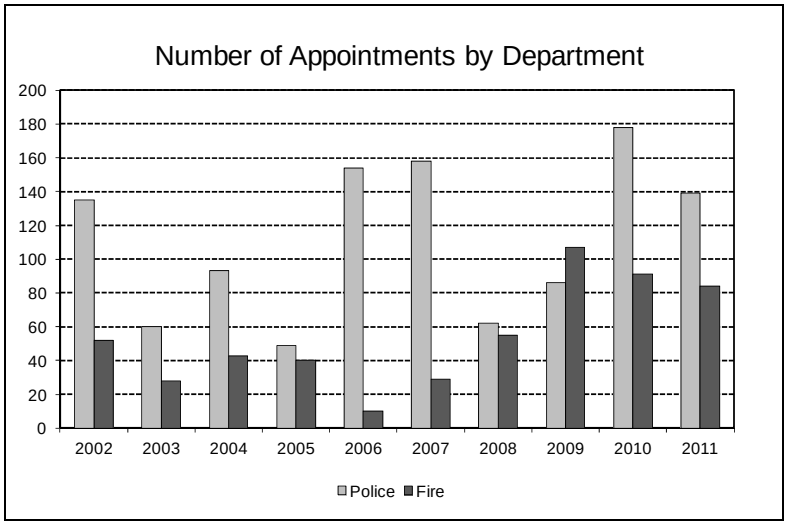


Disciplinary Appeals: Members of the Fire and Police departments may appeal to the Commission if they believe they have been unfairly dismissed, demoted, or suspended for more than five days by their department chief. Disciplinary appeals are decided by the Board, who may elect to sustain, modify, or deny the chiefs' action. The Commission tracks and monitors disciplinary actions that have been filed and resolved (see Figure 4). With statutory changes and new internal procedures in place to make the appeals process more efficient, the Commission has eliminated a longstanding backlog and resolves current appeals within 90 to 120 days.

Community Relations: A critical strategy of the Commission is to expand community outreach and education efforts. The Commission's outreach plan focuses on regular interaction with the public through enhanced communication methods such as periodic meetings held in various community locations. The Commission strives to improve the amount of information that is available to the public by providing additional reports and issue papers.

In 2012, the Commission built upon website enhancements to provide timely and pertinent information such as Board meeting materials, trial outcomes, and policy reviews. The Commission will continue to leverage a network of advocates and community partners to augment the citizen complaint process by offering additional help and advice to individuals who file complaints. The Commission is also working to improve response rates on periodic citizen surveys of complainants.

Figure 5



Recruitment and Testing: The Commission has a longstanding commitment to ensure the public safety workforce is representative of the Milwaukee community. In addition to chief selection, in 2011, the Commission assumed responsibility for recruitment, testing and hiring of sworn personnel, dispatchers, and telecommunicators from the Department of Employee Relations. Recruitment and testing for other civilian positions continues to be delegated to the Department of Employee Relations.

The Commission is responsible for developing and administering a variety of examinations, including written, physical ability and oral tests, background

investigations, medical and psychological examinations, and drug screening. Applicants who pass all components are placed on an eligible list and hired according to their total score. Fire Fighters and Police Officers are hired at intervals for training classes while other entry level positions are filled as vacancies occur (see Figure 5). When the position of chief becomes vacant in either department, the Commission determines qualifications, solicits applications, and appoints a new chief. Department chiefs are hired for four year terms, renewable at the Commission's discretion. In 2012, the Chief of Police was appointed to a second four year term.

In 2012, the FPC will see testing completed for Police Lieutenant, Fire Fighter, and Fire Equipment Dispatcher.

The industry standard for a job analysis is every two to four years, with examination modifications each year of test administration, particularly in technology driven areas. With some limited exceptions, there has been no complete job analysis done for most promotional positions for the past 15 years. The examinations have remained rather static over this time period, while the job position and duties have changed substantially in some cases. For this reason, the majority of the positions filled by the Fire and Police Commission would benefit from a job analysis and new test development. However, job analysis and test development can be time consuming and the Fire and Police fields are traditionally litigious in regards to test development. Due to time constraints and the nature of hiring in these fields, it is common to engage outside consultants to assist with both processes. Outside consultants can reduce the timeline of a project, add best practice history from other municipalities and their own experience, and also provide expert testimony if litigation occurs.

Emergency Management and Homeland Security (OEMHS): OEMHS operations are supported almost entirely by federal grant funding rather than tax levy funds. OEMHS is responsible for coordinating emergency planning, disaster preparedness, and response training for the City of Milwaukee and its partners in the adjoining five county region (Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties), known as the Milwaukee Urban Area Security Initiative (UASI). UASI evaluates the needs of all regional partners and jurisdictions, prioritizes those needs, and accesses available funding for initiatives and projects throughout the region. In 2011 OEMHS managed and provided oversight for more than $4.1 million in regional UASI funding and expenditures.

During 2011, OEMHS coordinated damage assessment and successful application for disaster funding in response to the February blizzard, created a City of Milwaukee Emergency Operations Task Force, established a regional Incident Management Team (IMT) to coordinate response and recovery activities, initiated and coordinated the federally funded creation of a City Comprehensive Emergency Management Plan (CEMP), and secured over $400,000 in Port security grant funding

RESIZE, RESTRUCTURE, AND REINVEST

The 2013 proposed budget for the Fire and Police Commission is approximately $1.3 million.

The FPC will work with consultants in 2012 to develop new job descriptions and examinations for the following Milwaukee Police Department positions:

- Lieutenant,
- Sergeant and
- Detective.

The cost of this project is approximately $150,000 and should be completed by the spring of 2013.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES - None

FIRE DEPARTMENT

EXECUTIVE SUMMARY

MISSION: Prevent loss of life, limit fire related property damage, and improve the chances of survival from life threatening medical circumstances.

OBJECTIVES: Limit fire related deaths to less than ten per year.

Maintain a 95% recovery rate from penetrating trauma.

Decrease vacant structure fires by 10% in 2013.

STRATEGIES: Increase the percentage of residential properties with working smoke detectors.

Achieve average response times to fire suppression and Advanced Life Support calls that are better than national standards.

Manage staffing in a manner that limits the impact of resource constraints on the number of companies that can operate on a daily basis.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	1,025.05	1,006.96	1,027.00	1,006.67	-0.29	-20.33
FTEs - Other	7.50	6.84	3.00	4.00	-2.84	1.00
Total Positions Authorized	1,026	1,022	1,033	1,015	-7	-18
EXPENDITURES						
Salaries and Wages	$68,693,158	$68,238,570	$72,337,104	$68,185,965	$-52,605	$-4,151,139
Fringe Benefits	30,976,338	30,707,357	31,104,955	29,319,965	-1,387,392	-1,784,990
Operating Expenditures	5,486,227	5,567,165	5,826,781	5,649,156	81,991	-177,625
Equipment	117,571	325,269	309,500	309,500	-15,769	0
Special Funds	87,236	186,680	200,880	266,980	80,300	66,100
TOTAL	$105,360,530	$105,025,041	$109,779,220	$103,731,566	$-1,293,475	$-6,047,654
REVENUES						
Charges for Services	$6,194,806	$5,829,400	$5,781,000	$5,781,000	$-48,400	$0
TOTAL	$6,194,806	$5,829,400	$5,781,000	$5,781,000	$-48,400	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Fire Department contributes to safe and healthy neighborhoods through fire prevention programs, fire safety programs, and timely and effective response to calls for service. These three dimensions reduce the number of fires, remove people safely from fires and other hazards, protect property, and provide for appropriate medical care.

The Fire Department serves the residents of Milwaukee and West Milwaukee through 36 firehouses that are structured into four organizational bureaus. In addition to fire suppression and emergency medical services, some

bureaus contain the Dive Rescue, Hazardous Materials (HazMat), and the Heavy Urban Rescue Team (HURT) special teams.

STRATEGY IMPLEMENTATION

The Fire Department contributes to the Mayor's goal of providing safe and healthy neighborhoods through the provision of effective fire prevention and suppression, emergency medical services, and specialized rescue programs.

Response Time: The Milwaukee Fire Department uses response time and geographical coverage data to locate and operate fire suppression and medical services units. As Figure 1 indicates, the department has impressive rates for the most critical types of fire and EMS calls. These are the calls where quick response is most critical to saving lives. Average response time to fires was 3 minutes 16 seconds in 2011, and improved to 3 minutes 4 seconds through July of 2012.

Indicators tracked through the AIM program show that the Advanced Life Support responses provided by the Milwaukee Fire Department have a positive impact on survival rates for penetrating trauma incidents. In 2011, of the 198 stabbings incidents responders treated, 98.46% survived. Of the 133 gunshot wound related EMS responses, 91% of the victims survived. See Figure 2 for 2011 data on service responses.

Figure 1

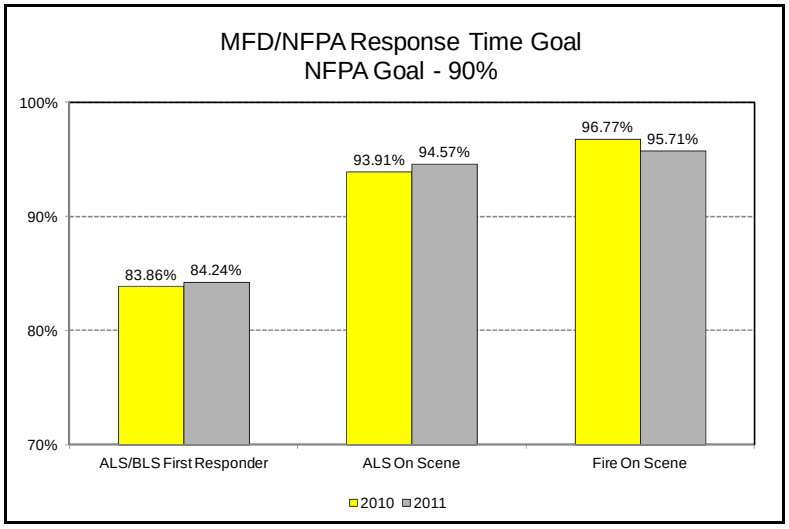
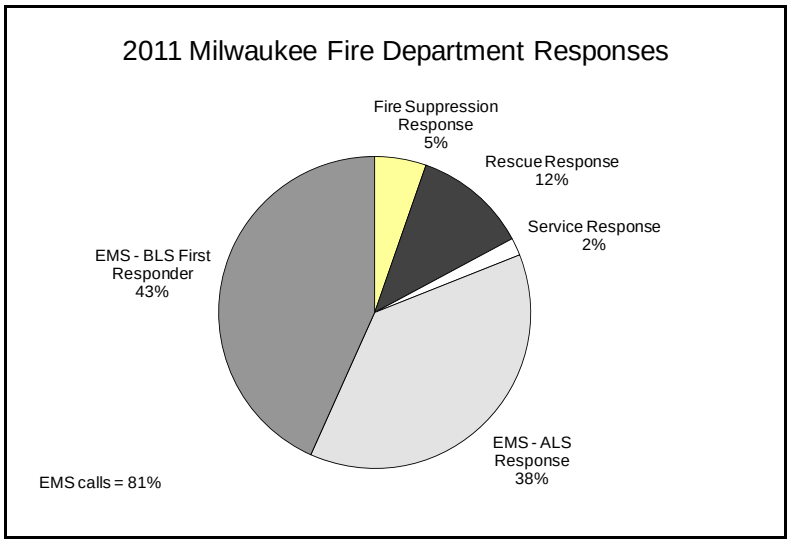


Figure 2



Fire Prevention and Safety: The department's community programs emphasize fire prevention because fewer fires create fewer situations where a fire death could occur. Fire Fighters Out Creating Urban Safety (FOCUS) involves Fire Fighters going door-to-door to install smoke detectors, replace batteries, and distribute fire prevention and medical services information in the areas of the city with the greatest incidence of fire. The department's FOCUS program contributes to operational smoke detectors in one and two family dwellings. Data indicates a relationship between operational smoke detectors and lower fire deaths.

In 2011, the department made 10,295 fire prevention contacts to residents in one and two family dwellings. Education programs include Sesame Street, Elder Safe, the Survive Alive House, and the Mobile Survive Alive Houses and have reached over 170,000 residents in 2011. These programs teach children and adults how to react when there is a fire in the home, including proper escape procedures and calling 9-1-1.

RESIZE, RESTRUCTURE, AND REINVEST

The Fire Department will continue to deploy resources sufficient to achieve fire suppression and emergency medical responses that are superior to national standards. The 2012 salary savings were reinvested and enabled the MFD to keep an additional company in service throughout this year. The 2013 proposed budget includes continuing operational resizing. The Rescue Squad tested in 2012 is reallocated to more effective EMS resources and an additional Fire Service apparatus is removed each day from service. Department restructuring continues with various special duty management controls including improved vacation scheduling, return to work, and safety programs.

The City of Milwaukee Fire Department has saved approximately $3 million over the last three years through modifying its use of special duty pay. Although the department has reduced the number of companies operating over the last three years, these savings are "over and above" those budget reductions and have not affected service levels.

This progress continues in the 2013 proposed budget through changes in the County Paramedic Training program and a new approach to the training of personnel to become Advanced Life Support paramedics. The revised approach includes a predictable training schedule that lessons impacts on fire services and minimizes special duty hiring. This restructuring is expected to save approximately $732,000 without affecting service levels or the quality of training.

The Milwaukee Fire Department also recently participated in an academic review of the citywide emergency medical services (EMS) structure. Taxpayers are supporting a nationally recognized program that incorporates strong public investment in both public and private sector service delivery.

The 2013 proposed budget also invests in Fire Fighter safety through an improved replacement cycle of gear and equipment. The Fire Cadet program increases to 26 positions, continuing efforts to enhance department diversity. The Budget and Management Division will work closely with the Fire Department to monitor accounts and update policymakers on resource availability.

CAPITAL PROJECTS

The 2013 capital budget supports the major equipment and facilities maintenance needs of the Fire Department in terms of major equipment and facilities maintenance. The budget includes $3,403,000 in capital funding that will be used for replacement of major fire suppression and EMS apparatus, building upgrades, and for generators to provide an auxiliary power supply.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-2	-2.00		Fire Fighter	Technical corrections.
-2	-2.00		Fire Lieutenant	
1	1.00		Fire Captain	
-1	-1.00		Fire Captain	Eliminate 2012 Rescue Squad and reduce one additional Fire Service Company.
-5	-5.00		Fire Lieutenant	
-3	-3.00		Heavy Equipment Operator	
-9	-9.00		Fire Fighter	
1	1.00		Database Specialist	
13	13.00		Fire Cadet	Increase in program.
	6.71	-2.84	Various Positions	Miscellaneous adjustments based on Special Duty experience.
-7	**-0.29**	**-2.84**	**Totals**	

HEALTH DEPARTMENT

EXECUTIVE SUMMARY

MISSION: To improve and protect the health of individuals, families, and the community.

OBJECTIVES: Control the spread of communicable disease.

Reduce the proportion of children with lead poisoning.

Reduce injuries, disabilities, and deaths due to violence.

Prevent the spread of food borne disease.

Reduce the infant mortality rate.

Improve immunization compliance within Milwaukee Public Schools to 90% by 2014.

STRATEGIES: Improve immunization compliance within Milwaukee Public Schools (MPS), and collaborate with community organizations on strategies to reduce sexually transmitted diseases and HIV in the city.

Abate lead paint hazards in contaminated residential housing within the city.

Promote food safety and sanitation.

Reduce infant mortality and provide nursing and social support to at-risk families.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	142.84	144.21	144.21	141.56	-2.65	-2.65
FTEs - Other	83.31	114.10	105.60	101.85	-12.25	-3.75
Total Positions Authorized	272	268	259	252	-16	-7
EXPENDITURES						
Salaries and Wages	$6,725,844	$7,415,181	7,421,740	$7,181,700	$-233,481	$-240,040
Fringe Benefits	3,358,119	3,707,590	3,562,435	3,447,216	-260,374	-115,219
Operating Expenditures	1,970,184	1,682,716	1,736,455	1,680,577	-2,139	-55,878
Equipment	1,620	5,000	5,000	5,000	0	0
Special Funds	233,071	351,000	316,000	291,000	-60,000	-25,000
TOTAL	$12,288,838	$13,161,487	$13,041,630	$12,605,493	$-555,994	$-436,137
REVENUES						
Charges for Services	1,297,353	$909,900	927,200	$927,200	$17,300	$0
Licenses and Permits	641,731	2,618,900	522,400	522,400	-2,096,500	0
TOTAL	$1,939,084	$3,528,800	$1,449,600	$1,449,600	$-2,079,200	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Milwaukee Health Department supports the city's goals of building safe and healthy neighborhoods and helping children succeed, prepare for post secondary education and meet their full potential.

The department focuses on improving the public's health through implementing educational programs, developing policies, administering services, and conducting research. It promotes health care equity, quality, and accessibility. The department operates from three health centers, as well as the municipal building, and a satellite office within the new UWM Zilber School of Public Health.

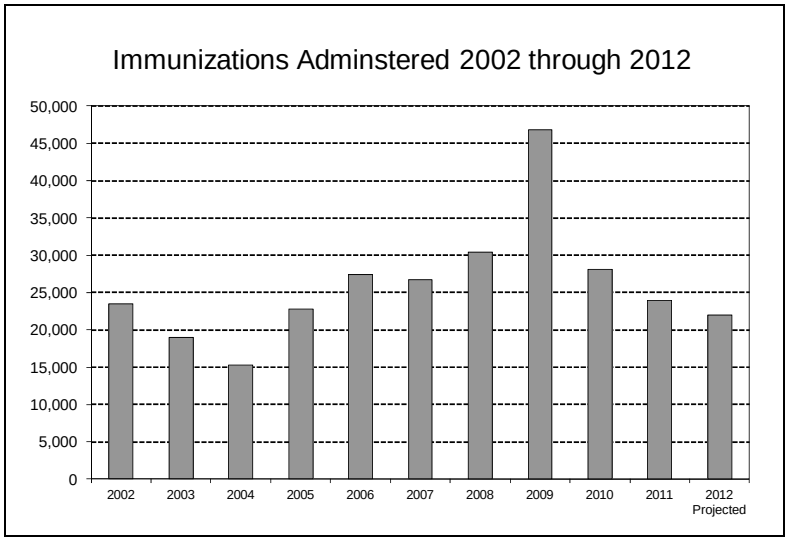
STRATEGY IMPLEMENTATION

Childhood Immunizations: The city has adopted the Department of Health Services (DHS) goal to have 90% of children in the Milwaukee Public Schools complete the primary immunization series prior to the start of K-12 school. The goal is considered an appropriate level of protection to prevent or minimize outbreaks of vaccine preventable diseases. Improving immunization rates remains a high priority for the Health Department and significant gains have been made over the last five years (see Figure 1). The department's School Readiness Immunization program, along with several key grants have allowed for targeted off-site clinics at schools and collaboration with community based organizations have increased compliance rates for students within MPS by 20% over the past five years to 86% for the 2012-2013 school year.

In order to further increase and sustain progress, the department has convened the community based Immunize Milwaukee Coalition. The coalition is comprised of members from the Health Department, Milwaukee Public Schools, the Wisconsin State Division of Public Health, the Milwaukee County District Attorney's Office, various managed health care organizations, community clinics and other interested stakeholders. The task force has concentrated on improving MPS immunization compliance, increasing the effectiveness of school based immunization clinics and improving the transfer of immunization data from schools to the state. In 2013, the Immunize Milwaukee Coalition will support efforts that improve and sustain childhood immunization rates in Milwaukee through shared resources and examine ways to increase its membership and capacity to target a broader range of immunization challenges within the community.

Sexually Transmitted Disease: Milwaukee continues to have some of the highest rates of infection for gonorrhea and chlamydia in the country. Current data indicate the significant challenges in controlling Sexually Transmitted Disease (STD) in Milwaukee. The Health Department's STD and HIV program areas offer services that include screening, treatment, counseling, and referral for STD and HIV counseling as well as community outreach and education. The department's STD clinic sees an average of 6,500 clients each year and continues to maximize client outreach and services through newer programs and initiatives. The combined efforts of the MHD along with other community health care providers, community based organizations, MPS and other partners are necessary to address the problem of STD/HIV prevention and control.

Figure 1

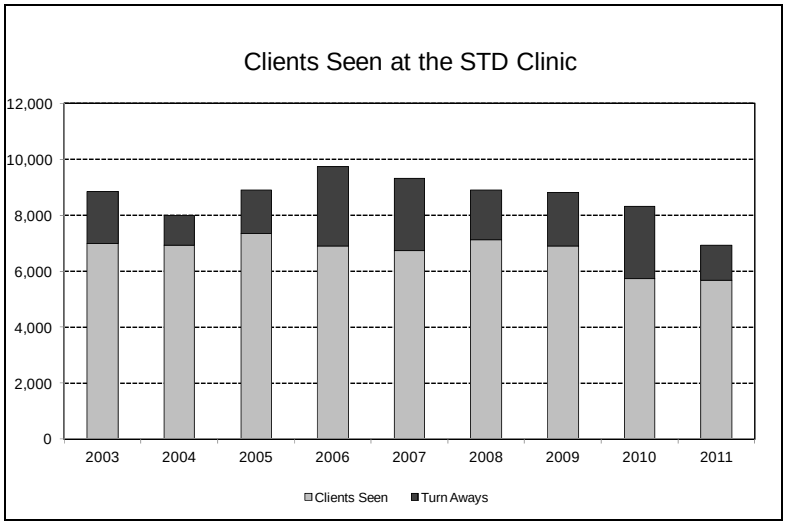


The Dual Protection Partnership Initiative provides sexual health education and testing services to clients along with actively managed referrals of clients to medical providers. MHD does outreach testing events in the community. Initiatives like these allow

the department to treat a larger number of cases in a timely manner in order to decrease both occurrence and reoccurrence of reported STD cases.

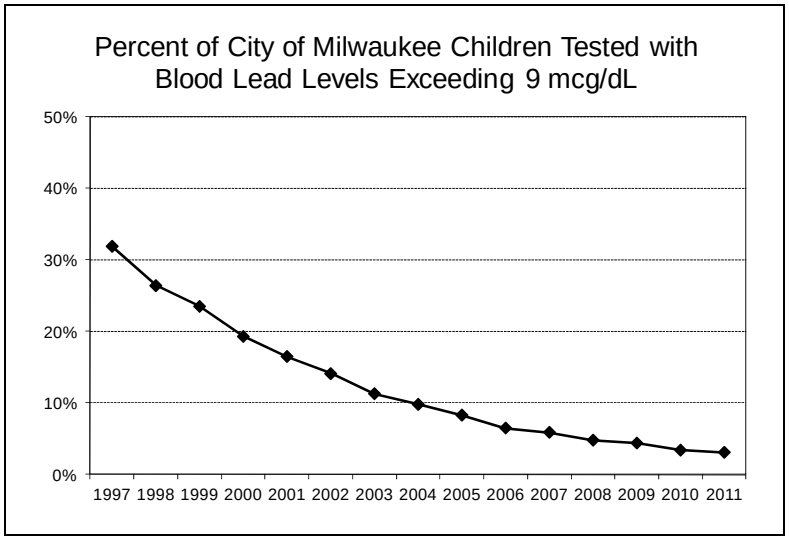
The department also focuses on process improvements that positively impact service outcomes at the Keenan STD clinic. The department has set a goal to provide service to at least 80% of the clinic's visitors on a regular basis (see Figure 2). In 2010, the department fell short of this goal and was able to see approximately 70% of the clients that came to the STD clinic. As a result, the department launched a quality improvement process, to identify problematic areas and improve program efficiency. This resulted in a significant increase in the number of clients seen at the clinic during 2011 and the number projected for 2012.

Figure 2



The department continues to partner with Diverse and Resilient, Inc. to help reach young African American homosexual and bisexual men. The partnership targets the root causes associated with the rise of HIV disease within this cohort in Milwaukee and promotes close collaborations with community agencies to maximize client reach and reduce disease transmission.

Figure 3



Lead Poisoning: Research shows a direct link between lead poisoning and IQ levels, performance in school, and propensity for violent crime. Therefore, the department focuses on health issues related to the home environment including childhood lead poisoning prevention. Recognized as one of the most successful lead poisoning control programs in the country, the Health Department's lead program has significantly reduced the rate of lead poisoning among Milwaukee's children less than six years of age primarily through lead based paint hazard reduction in residential dwelling units. The program's success is related to efforts to identify hazardous housing units before a child is poisoned. Eligible properties must meet specific criteria relating to age of construction and absence of significant building code violations. This prevention strategy requires collaboration with property owners to ensure adequate maintenance while at the same time creating an increased availability of safe habitable housing in the city.

As shown in Figure 3, the percentage of children aged 0 to 5 with high blood lead levels has declined significantly; from about 40% in 1995 to 3.2% in 2011. In addition to a decline in childhood lead poisoning, approximately 70% of eligible children in Milwaukee are being tested for lead compared to approximately 50% half of eligible children ten years earlier. Approximately 730 units were made lead safe within the city during 2011 bringing the total in the department maintained Lead Safe Housing Registry to almost 16,000 units.

Injuries, Disabilities, and Deaths Due to Violence: The department's Office on Violence Prevention (OVP) provides strategic direction and oversight for the City of Milwaukee's effort to reduce the risk of violence through a variety of linked strategies. Through its staff leadership and partnership with multi-disciplinary teams of agencies and organizations throughout the city, OVP will continue efforts to collaboratively develop, implement, and evaluate effective and sustainable approaches to preventing interpersonal and community violence.

OVP continues its partnership with the Medical College of Wisconsin's Youth Violence Prevention Initiative and has served as a team member in both the development and implementation phase of this multi-million dollar investment in prevention efforts in Milwaukee.

With its partners from the Homicide Review Commission, OVP co-convened a juvenile violence workgroup comprised of stakeholders from throughout the juvenile justice system. With a goal to identify system gaps, including information sharing, the effort provided a window into the problems with the complicated juvenile justice system and the community's response to system determinations. Sixteen recommendations, to be released in fall of 2012, were developed by the team. In conjunction with Milwaukee's Community Justice Council, the workgroup will work develop strategies for implementation including, protocol and practices revisions, and legislative and funding advocacy, if necessary.

OVP's Commission on Domestic Violence and Sexual Assault has led, with the support of a grant from the Office of Justice Assistance, a community wide project to improve Milwaukee's response to sexual assault, reported and unreported. Needs assessments, focus groups, community summits, and systems analysis inform the team in the development of survivor centered advocacy services through survivor and ally advocacy training, expanding the use of reach of the sexual assault hotline, and to develop a pilot project in collaboration with the Milwaukee Police Department providing victim advocacy from the time of a report through disposition of a case. The Commission will continue its collaborative focus to improve response and prevention in teen sexual assault and dating violence; strengthen policy and protocols in response to Human Trafficking, step up training of health care providers in the development of domestic violence assessment in response to the Affordable Healthcare Act.

OVP's grant funded Mayor's Against Illegal Guns (MAIG) project supports our strategy to promote firearm safety and reduction in the use of illegal guns. Among its key outcomes, MAIG and its local partners created a concealed carry "fix list, " identifying corrections and improvements to the CCW legislation passed this year. The fixes were vetted and approved by law enforcement and others throughout Milwaukee County and the state. The team will work with the city's Intergovernmental Relations Division and the Council to develop legislation to address important gaps and safety issues resulting from the current law.

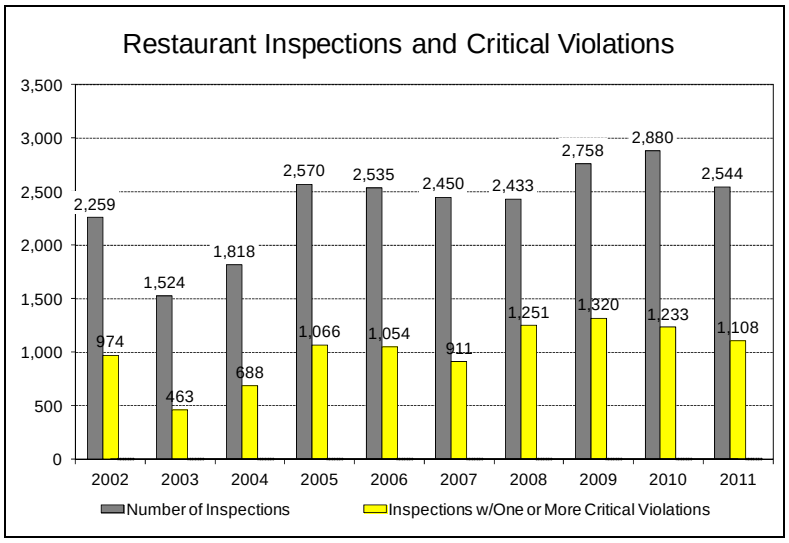
The MAIG staff is currently planning an intercity gun violence policy summit with the City of Minneapolis. The summit, to be held in early 2013 is focused on city leaders and law enforcement from the two communities in an effort to identify and strengthen regional efforts to reduce gun trafficking and to develop public policy to support those efforts.

Given the significance of straw purchased firearms as a source of illegal gun trafficking in Milwaukee and throughout the nation, OVP's MAIG staff began planning a straw purchasing prevention program analysis to gather information about the impact of straw purchasing crimes on at-risk communities. Utilizing these findings, MHD will implement a comprehensive social messaging campaign to targeted populations within central cities neighborhoods, promote a change in state gun laws that make straw purchasing a felony, work alongside law enforcement to prevent straw purchase crimes, as well as provide training to advocates and social workers that work with at-risk populations on the complexity of illegal guns and actions that can be taken to prevent gun crime.

The OVP staff overall continues to engage the faith community in violence prevention work and will continue those efforts in 2013 through Ceasefire Sabbath, Unity for Safer Neighborhoods, and Faith and Domestic Violence convocations.

Food Safety: The department has a goal to reduce critical risk violations for all inspections. In order to achieve this goal, when violations are observed, the inspectors educate the operators in attempt to eliminate the practice by the operator resulting in the violation. Therefore, the department's success in protecting consumer environmental health is measured in part by the percent of inspections with critical risk violations. In 2011, 44% of all restaurant inspections resulted in the identification of one or more critical risk violations (see Figure 4). The percentage of establishments with critical violation is substantially lower for retail food establishments at 27% (411/1532) and for schools at 12% (64/539). The most prevalent risks include improper holding, cross contamination, and personal hygiene.

Figure 4

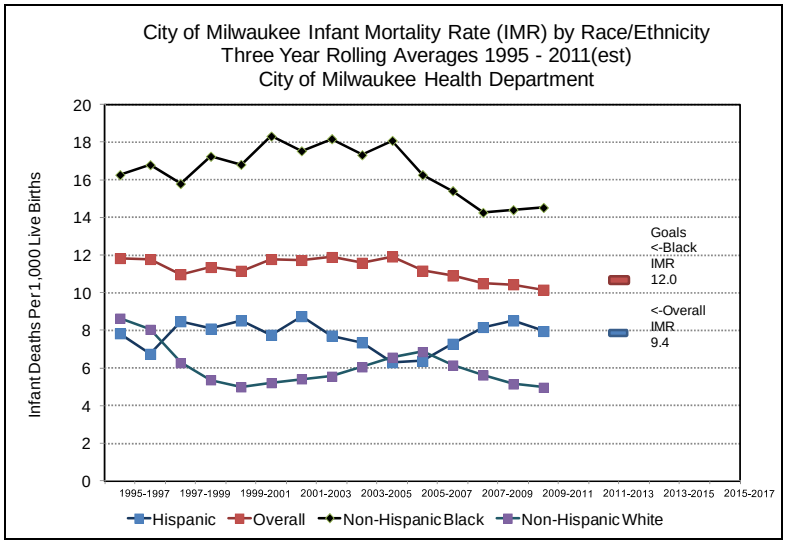


In 2012 the department initiated the multi-year process of reorganizing Consumer Environmental Health to promote efficiency and quality. In the fourth quarter of 2012, the process of aligning food inspection operations with the FDA Voluntary Food Regulatory Standards will begin. The Standards represent best practices that can be adopted to actively control the risk factors that are most likely to result in foodborne illness and will enhance the quality and consistency of the services provided. Near the end of 2012, a consultant will be brought in to stabilize the food inspection software program, CHILI, in the near term.

Maternal and Child Health: The infant mortality rate (the number of children who die before their first birthday out of every 1,000 live births) is an important indicator of a community's overall social and economic well being. Preliminary data from 2009 and 2011, show that non-Hispanic African Americans in Milwaukee experience a 14.5 per 1,000 infant mortality rate compared to an 8.0 rate for Hispanic residents and a 5.0 rate for non-Hispanic White residents. The rate for African Americans is nearly three times higher than for Whites. This disparity has remained over time (see Figure 5).

As part of its infant mortality reduction strategy, the department manages two intensive home visiting programs that emphasize healthy birth outcomes. Empowering Families targets high risk pregnant women. The program follows a multi-disciplinary approach with a team of practitioners including nurses, social workers, and community health workers that provide long term, intensive home visitation services utilizing the evidence based model of Healthy Families America and the Parents as Teachers curriculum. Visits begin in early pregnancy and continue through the child's third birthday. The program's goals are to improve birth outcomes, support child health, safety and development, prevent child abuse and neglect, improve school readiness, and enhance family functioning. Since inception,

Figure 5



the program has enrolled over 670 new clients and seen 645 infants. In 2011, 100% of the women involved in the program were receiving prenatal care and 59% of mothers initiated breastfeeding at birth. More than 79% of the infants born to program participants scored at or above benchmark developmental levels, indicating the program's potential to overcome high risk environmental circumstances.

A second program, the Nurse Family Partnership (NFP), aims to improve birth outcomes, improve the child's health and development and improve the families' economic self-sufficiency. The program provides intensive nurse home visitation services to low income, first time pregnant women. This evidence based program follows strict adherence to the national model where case management is carried out through a team of nurses. Visits begin in early pregnancy and continue until the child's second birthday. The program expects the following outcomes: improved prenatal health, fewer childhood injuries, fewer subsequent pregnancies, increased intervals between births, increased maternal employment, and improved school readiness. The Nurse Family Partnership program has enrolled 340 families since program inception, and in 2011 69% of new mothers had initiated breastfeeding and 80% of the infants were current with recommended immunization schedules.

Recognizing the importance of community collaboration and broader education, in 2012, the department held its third Annual Infant Mortality Summit Changing the Social Determinants of Health in June 2012. Key strategies/outcomes from the summit include the connections between social and economic factors such as jobs and early childhood education, and how they affect birth outcomes.

The department also hosted its second Annual Safe Sleep Sabbath in October 2012. The goal of this event is to garner the support of clergy to alert their congregations to the troubling infant mortality statistics in Milwaukee and share critical information to promote safe sleep practices for infants. MHD has also had an ongoing safe sleep campaign since December of 2009. In addition, the department is an official "Cribs for Kids" site and through August 2012, has distributed nearly 2,000 cribs (Pack 'n Plays) to families who cannot afford to buy one. The department continues its Strong Baby media campaign, calling attention to numerous factors that affect infant mortality, birth outcomes and child development.

MHD Laboratory: It processes over 80,000 specimens per year with over 500,000 results available online to a variety of users and agencies. Fee-for-service for certain tests generates approximately $200,000 in revenue for the city each year. In addition to providing diagnostic and surveillance capabilities for communicable and emerging infectious disease, including STDs, the lab also supports emergency bioterrorism preparedness and response at the national level, environmental health (including lead poisoning), and water and food safety efforts.

RESIZE, RESTRUCTURE, AND REINVEST

- Three full time positions have been eliminated from the 2013 proposed budget. These are all vacant positions in areas where MHD can absorb the loss of capacity. One Office Assistant II position was eliminated from Consumer Environmental Health (CEH). An Office Assistant III in the lab will spend 50% of their time supporting CEH as well. The Virologist is a lab position which has been vacant for more than two years. The Communicable Disease position is part of a team that has a workload that ebbs and flows depending on outbreaks. Losing this position does diminish MHD's 'surge' capacity, but PHNs from other areas can be mobilized in an outbreak.

- The 2013 proposed budget will include a change in staff and pay structure in Consumer Environmental Health, with the intent to boost efficiency and productivity. Home visitation continues to be restricted as needed. "Team" nursing, the traditional model which pays visits to mothers after childbirth, has been eliminated, and staff reallocated to more intensive home visitation models. In 2012 Nurse Family Partnership grew from five nurses to seven nurses.

- Funds have been identified for a $27,000 hardware update for the Laboratory, which will greatly enhance its ability to process data, samples, and information. There is also a significant investment of $450,000 for capital funding for MHD facilities.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
1	0.25	0.75	Health Project Assistant	Position will be full time.
-1	-1.00		Public Health Nurse	Positions eliminated.
-1	-1.00		Office Assistant II	
-1	-1.00		Virologist II	
-1		-1.00	Health Project Coordinator Violence Prev	Expiration of Sexual Assault Planning grant funding.
-1		-1.00	Public Health Nurse	Reduction in Project LAUNCH grant funding.
-1		-1.00	Public Health Nurse	Changes to Empowering Families of Milwaukee grant.
1		1.00	Health Project Coordinator MCHVP	
1		1.00	Clinic Assistant	WIC program funding changes.
2		2.00	Breastfeeding Peer Counselor	
-1		-1.00	Nutritionist Coordinator	
-1		-1.00	Public Health Nurse	Reduction in Milwaukee Breast Cancer Awareness Program funding.
-1		-0.50	Environmental and Disease Control Specialist	Reduction in Beach Monitoring grant.
-2		-2.00	Health Services Assistant II	Reduction in CDBG grant funding.
-1		-1.00	Lead Project Coordinator	Reduction in Lead grant funding.
-2		-2.00	Lead Risk Assessor II	
-1		-1.00	Lead Grant Manager	
-1		-1.00	Environmental Hygienist	
-1		-1.00	Office Assistant IV	
-2		-2.00	Lead Risk Assessor II	
-1		-1.00	Chemist II	
1		1.00	Lead Risk Assessor II	
1		1.00	Chemist II	
-1		-1.00	Healthy Homes Inspector	

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	-1.00		Environmental Health Prog Supervisor	Reorganization of Environmental Health Section.
1	1.00		CEH Manager	
-2	-2.00		Environmental Specialist Supervisor	
2	2.00		CEH Coordinator	
-1	-1.00		Environmental Health Coordinator	
1	1.00		CEH Supervisor	
-19	-19.00		Environmental Health Specialist II	
16	16.00		Environmental Health Specialist	
3	3.00		Weights and Measures Specialist	
1		1.00	Emergency Res Coordinator Workforce Development	Changes in Emergency Preparedness and Immunization grant.
-1		-1.00	Health Project Coordinator Immune	
-1		-1.00	Public Health Pandemic Planning Coordinator	
1		1.00	Public Health Nurse	
-1		-1.00	Public Health Nurse	
-1		-0.50	Office Assistant II	
1	1.00		Public Health Deputy Laboratories Director	Reclassification.
1	1.00		Public Health Laboratory Operations Manager	
-1	-1.00		Chief Molecular Scientist	
-1	-1.00		Chief Microbiologist	
	0.10			Miscellaneous adjustment.
-16	**-2.65**	**-12.25**	**Totals**	

LIBRARY

EXECUTIVE SUMMARY

MISSION: Provide a gateway to an expanding world of information in order to meet present and future informational needs of all citizens.

OBJECTIVES: Create a city of readers and improve the literacy rate.

Increase digital inclusion by providing equal access to technology and electronic resources.

Support access to employment skills and opportunities.

Expose inner city youth to career environments.

STRATEGIES: Maintain a robust connection to the Internet and computer access.

Offer job seeking preparation and computer training classes.

Provide information and literary resources in formats in demand by residents.

Increase access to library cards for city students.

Expand early literacy initiative and enhance literacy services to adults and children in school.

Continue Sunday hours as a means of supporting a family orientation towards literacy and learning.

Use RFID, technology and facilities improvements to reduce circulation costs and improve efficiency in library operations.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	268.44	298.48	298.57	287.06	-11.42	-11.51
FTEs - Other	21.70	22.32	19.82	19.82	-2.50	0.00
Total Positions Authorized	378	377	377	372	-5	-5
EXPENDITURES						
Salaries and Wages	$11,531,836	$12,204,607	$12,182,639	$11,728,826	$-475,781	$-453,813
Fringe Benefits	5,940,263	6,102,306	5,847,666	5,629,837	-472,469	-217,829
Operating Expenditures	2,458,133	2,757,251	2,731,861	2,549,480	-207,771	-182,381
Equipment	1,576,253	1,635,810	1,753,646	1,759,513	123,703	5,867
Special Funds	0	0	0	13,182	13,182	13,182
TOTAL	$21,506,485	$22,699,974	$22,515,812	$21,680,838	$-1,019,136	$-834,974
REVENUES						
Charges for Services	$1,239,023	$1,271,500	$1,277,800	$1,277,400	$5,900	$-400
TOTAL	$1,239,023	$1,271,500	$1,277,800	$1,277,400	$5,900	$-400

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Milwaukee Public Library (MPL) enhances the quality of life in Milwaukee's neighborhoods and contributes to school readiness, academic success, literacy, economic development and job skills development. Library collections serve informational, cultural and recreational needs of the community. MPL provides materials, services, and facilities for residents of Milwaukee and Milwaukee County. Nearly three million physical items and various online resources are available at the Central Library and 12 branch libraries located throughout the city.

Library services include access to materials and programs related to developing a skilled workforce. Information for self-improvement in job skills is available at Central Library and all neighborhood libraries. MPL has received assistance from several private and non-profit organizations as well as Federal stimulus funds to offer programs such as walk-in assistance for help in completing résumés, online job applications, and developing skills to perform improved online job searches. The Library's commitment to workforce and economic development also includes its partnerships with the University of Wisconsin Milwaukee's Small Business Development Center, MATC, SCORE, and other community organizations. These partnerships increase the Library's capacity to offer various programs, including business planning assistance, aimed at developing entrepreneurship and economic self-sufficiency for Milwaukee residents.

The Library also focuses on developing adult literacy skills to improve employability, job retention, and basic literacy. Five neighborhood libraries and Central provide drop-in tutoring programs and have special materials to develop basic reading skills. The Center Street and Washington Park libraries also offer a basic skills class for adults. The Library also offers technology as part of its focus on 21st century literacy. Public computer classes are offered in partnership with private donors and the Federal Stimulus program, and there are areas with public computer workstations and the Internet at each library. Computer classes are offered throughout the year, and workstations are available during all library hours.

Youth services emphasize early literacy and lifelong learning. These services to children, childcare providers, and young adults have been merged into one department. The coordinator provides a system wide standard for programs and services offered to youth and underserved populations. The Library supports a child's educational needs with age appropriate summer reading programs and homework assistance during the school year. In addition, Youth Services staff and librarians select and recommend appropriate materials for young children and provide guidance to parents and caregivers.

The Library offers reading materials and other information resources in a variety of formats to meet the needs and demands of the general public. Print and e-books are offered for leisure reading by individuals of all ages and book club groups. Non-fiction print and e-books are available for information inquiry; classic and contemporary music is accessible on CDs in libraries and as downloadable files online; film in all genres is currently purchased as DVDs; newspapers and magazines are available in print and through online subscription. Subscription databases support community members with interests and needs in education, medicine, literature and business.

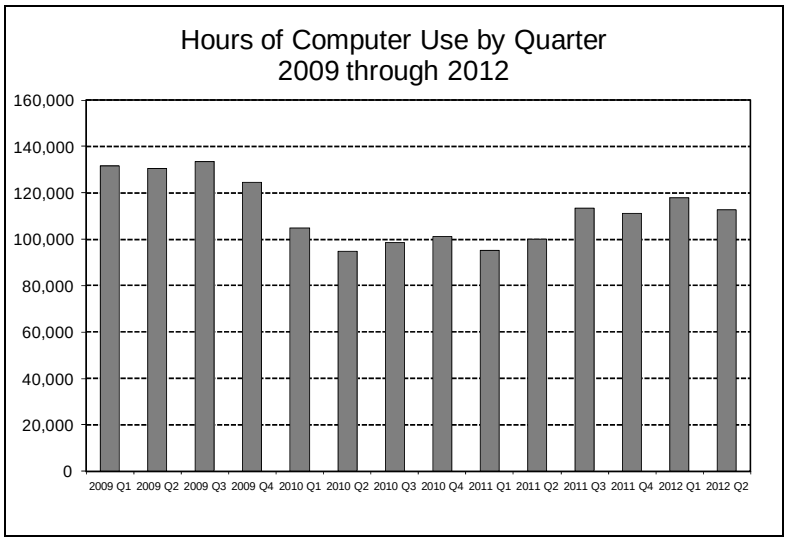
STRATEGY IMPLEMENTATION

Job Drop-In Labs and Computer Training: The Library places a high priority on technology skills development. In 2011, MPL offered 633 computer classes focused on providing residents with computer skills. In 2011, 2,366 participants utilized 378 drop-in labs and 3,787 participants attended scheduled classes. Through July 2012, 434 drop-in labs have been held with 2,735 attendees and 546 classes have been held with 2,644 attendees. The initiative is funded in part with private foundations.

As shown in Figure 1, overall usage of public computers dropped in 2010, due to decreased library hours. Hours were increased at four neighborhood libraries, effective February 28, 2011 and increased at all libraries except Center Street in 2012. Increased hours have led to increased computer use. Through June 2012, compared to the same period in 2011, computer use has increased by 18%. Laptop checkout has increased 33% in the first six months of 2012 compared to the last six months of 2011 due to expanded availability. The Library continues to

expand technology offerings for the public, including online reserved tools such as Internet based databases, virtual reference, digital downloads, e-books and other online services offered through the Library's web site. Patrons can access this technology on library computers and in some cases remotely from personal computers and mobile devices.

Figure 1



Library Card Campaign: The Library strives to provide every Milwaukee student with a valid library card. A first step toward reaching this goal is increasing the number of first grade library card applicants. First graders can print their names and are learning to read, a perfect time to receive their first library card. In the 2010-2011 school year, MPL issued 1,725 cards to first graders. In the 2011-2012 school year, MPL issued 1,897 cards to first graders and spoke to 5,000 first graders during classroom visits about what children can do with their own library card.

Ready to Read with Books2Go: The "Ready to Read with Books2Go/*Libros Para Llevar*" program improves the reading readiness skills of Milwaukee children ages 0 through 5. The program, which focuses on childcare providers and families located in neighborhoods with the highest concentration of poverty, has been in operation for 12 years.

The program incorporates visits to childcare centers twice per month to deliver books from the library's collection through the Books2Go program, to offer story times to children, to teach childcare providers methods for developing early literacy skills in their day-to-day interactions with children and to encourage use of the library's programs and services, such as free continuing education workshops for providers. The program also includes outreach to families and teaches parents about early literacy skills. This initiative is funded primarily through private foundations.

RESIZE, RESTRUCTURE, AND REINVEST

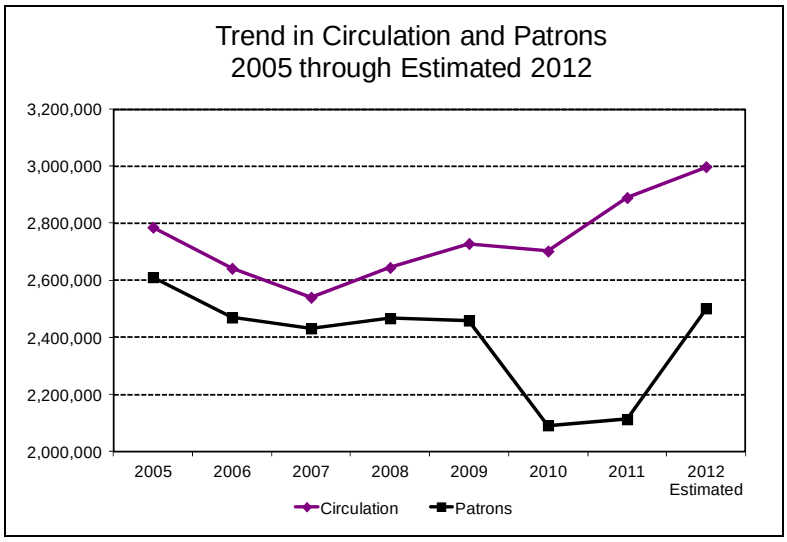
Broadband Technology Opportunities Program Grant: Milwaukee received $2.5 million through the Broadband Technology Opportunities Program grant, funded through the American Recovery and Reinvestment Act. The Milwaukee Public Library received $1.5 million of this funding, which was used to purchase and deploy 240 new laptops to neighborhood libraries, to upgrade wireless speeds and infrastructure at library facilities, and to provide skills training to city residents at six neighborhood libraries: Atkinson, Center Street, Martin Luther King, Villard Avenue, Washington Park and Forest Home. The grant funded six Library Technology Specialist positions, which manage the laptops, teach classes, and provide assistance to library customers. Grant funding for the Library Technology Specialist positions expires in July 2013. To maintain these services through the end of 2013, the 2013 proposed budget adds four Library Technology Specialist positions with operating funding of $59,938. These four positions will have expanded duties to cover the duties once handled by the six Specialists.

Teacher in the Library: This initiative started in 2011 and brings certified teachers into library facilities after school to help children complete homework assignments and assist them in becoming more focused on their studies. The goal is to help the students improve their reading skills and their classroom performance. Teachers also provide support, counseling, and advocacy for the parents and caregivers of participating children. Parents may be unable to assist their children in completing homework because of limited English language and academic

proficiencies. This program is continued in 2013 at six neighborhood libraries, Atkinson, Center Street, Forest Home, Martin Luther King, Villard Square and Washington Park, with $88,000 in CDBG funding support.

Summer Reading Program: The Super Reader Summer Reading program promotes reading over the summer to maintain or increase reading skills while children are out of school and to develop a lifelong habit of reading. In 2012, the program served more than 21,000 youth including 6,070 youth served at 84 school age youth servicing agencies and approximately 2,100 pre-school children at childcare centers. The Super Reader program, including Outreach to Young Readers, is primarily funded through private foundations.

Figure 2



The 2013 proposed budget includes $25,000 in CDBG funding to continue the extended Super Reader program outreach. This will enable the Library to continue early literacy outreach to 6,500 children in childcare classrooms. Outreach educators visit each center three times over the summer and actively engage the children in the Super Reader program and literacy activities. This effort also encourages parents to help their children develop reading skills. This funding enhances the funds raised for this program by the Milwaukee Public Library Foundation.

Maintaining Neighborhood Library Hours: As shown in Figures 1 and 2, the hours of computer use and the number of patrons and items circulated significantly decreased in 2010 compared to 2009. These reductions correspond to the reduction in hours at neighborhood libraries implemented in 2010. Library hours were increased in both 2011 and 2012. As shown in Figure 2, the increased hours were a major factor in a 9% increase in circulation and a 15% increase in patron counts at neighborhood libraries through June 2012, compared to the same period in 2011. The 2013 proposed budget maintains hours at neighborhood libraries.

Neighborhood Library Changes: Reference services will be reduced at six libraries (Bay View, Center, East, Villard, Washington Park, Zablocki) on Monday mornings. These same libraries will have their hours on Thursdays changed from noon to 8 p.m. to 10 a.m. to 6 p.m., making Thursday hours the same for all neighborhood libraries. These changes allow for the elimination of one Librarian III, two Librarian II, and one Library Reference Assistant position for a salary savings of $159,300. These changes will require clerical staff to be trained to answer reference questions when reference staff are unavailable. Early literacy programming will shift from Monday to Thursday mornings.

RFID/Self-Check Project: To meet the Library's goal to have 80% of all circulation transacted through self-service stations, beginning in 2009, self-checkout stations and new security gates were installed at all locations. The system wide average for self-service is currently 79%. Automated check-in and sorting equipment was installed at the Central Library drive-up, 3-bin sorters were installed at Capitol and Bay View, a 5-bin sorter at Villard Square, and a 15-bin sorter was installed at Central Library. Two activities under this project remain: retrofitting the Washington Park branch by adding a 5-bin sorter, and purchasing additional self-check stations. These improvements will increase the use of the self-check system and streamline the processing of returned materials.

Technical Service Changes: The 2013 proposed budget includes several changes in Technical Services operations to ensure further operational savings. A full time Library Technician II is replaced by a part time Circulation Aide and a Librarian III is reduced from full time to part time, for a salary savings of $43,230. In addition, bindery service funding and the number of desktop computers in use within the system will be reduced, to decrease

technology services costs. These changes will increase the processing time for new items and delay some special bindery requests.

Central Library Changes: The weekly hours for Central Library will be reduced from 57 to 54, a 5.3% reduction. On Mondays, Central Library will open at noon rather than 9 a.m. This allows for staffing changes that achieve budget savings. Three Librarian II positions and three Library Circulation Assistant I positions are eliminated, and two Library Reference Assistant positions are added, for a net savings of $132,130. The 2013 proposed budget also eliminates one Custodial Worker at the Central Library, for a salary savings of $34,462. Hours at the Central Drive-Up and for Ready Reference telephone services will not change. In addition, the hours in the Humanities and Arts Rooms will remain at noon to 8 p.m. on Monday but for Tuesday through Saturday will shift to 9 a.m. to 4 p.m. to better meet patron demand. The total number of hours that the Arts and Humanities rooms will be open will not change.

Villard Library: The new Villard Square branch library, which opened on October 15, 2011, has been a tremendous success and a positive anchor in the Villard Avenue neighborhood. The 12,300 square foot library is flexible, customer friendly, efficient, and sits below a 47 unit apartment building that is home to 18 grandfamilies and 70 children. There is a flexible meeting room, a common area with a fireplace and additional study rooms; wireless Internet access and 40 laptop computers; a room for teens to study, read, and work in groups; and a children's area with computers and collection arranged around a window seat. Through June of 2012, compared to 2011, patron count has increased 74% and circulation has increased 94%. The number of new library cards issued has increased by 163%.

East Library Development: The East Library capital project allows the city to develop a valuable property and replace an aging library. The 2011 capital budget provided $2 million to develop a mixed use facility for the East Library similar to the Villard Square project. An additional $1.25 million was provided for the project in 2012 and the 2013 proposed capital budget adds another $300,000, based on square footage of the library and experience with the costs of the Villard Square mixed use project. A Request for Proposal was released in July 2011, the contract was awarded in November 2012, and groundbreaking is expected in the first half of 2013. During construction, library services will be provided at a nearby temporary location.

Express Vending Library: The 2013 proposed capital budget includes $275,000 to purchase, install, and stock a vending library machine. This machine will provide materials 24 hours per day through self-service technology. The Library will hold 400 items, including requested "holds". The vending library will include a link to the online catalog, a digital sign, and materials may be returned to the vending library. Returned materials will be checked-in and automatically presorted for pickup, delivery, and restocking.

OTHER SERVICE AND BUDGET CHANGES

Books and Materials: A total of $1.54 million is allocated to fund materials purchased for Central Library and all 12 neighborhood libraries. This represents an increase of $42,234 (2.8%) from the 2012 materials budget. These funds are used to purchase books, media, electronic databases, serials, e-books and other resources. The use of e-books has increased by 330% since January 2012 and demand for these formats continues to grow.

MCFLS Contracts: The Milwaukee Public Library is a member of the Milwaukee County Federated Library System (MCFLS). MPL has three major contracts with MCFLS: the Member Agreement, the Resource Library Agreement, and the Cataloging (Bibliographic Database) Agreement. All three contracts will expire at the end of 2013. MPL will begin working with MCFLS in 2013 on new contracts.

Tippecanoe HVAC: The 2013 proposed capital budget includes $875,000 to replace the HVAC system at the Tippecanoe Library. Replacement is necessary because the current equipment has passed its useful life and in 2011 required emergency replacement of a critical operational component.

Central Library Improvements: The capital budget includes $1.97 million for improvements to Central Library. This includes ongoing repair of the building's historic mosaic tile and scagliola, masonry work on the building's exterior, and replacement of air handling units and a cooling tower. It also includes $200,000 to continue upgrading staff work areas. Funding of $200,000 is provided to replace carpet, installed in 1996, in public areas on the first floor. Funding of $258,000 is provided to upgrade the fire alarm system, so that alarms in non-public areas are updated to meet code requirements and linked to the building management system. Funding of $300,000 is provided to replace existing key locks with an access card system to better manage security and access to some staff areas.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	-0.50		Librarian III	Reduce trainer position to half time.
-2	-2.00		Building Services Supervisor	Reclassification.
2	2.00		Building Services Supervisor II	
-1	-1.00		Custodial Worker II - City Laborer	Reduce staffing.
		-2.50	Library Technology Specialist	Broadband grant expires; add tax levy funded staff to continue services.
4	1.67		Library Technology Specialist	
-1	-1.00		Library Technician II	Restructure catalog and technical services staff.
1	0.56		Library Circulation Aide (0.56 FTE)	
-1	-1.00		Librarian III	
1	0.50		Librarian III (0.50 FTE)	
-1	-1.00		Librarian III	Reduce reference services on Monday mornings and standardize hours on Thursdays.
-1	-1.00		Library Reference Assistant	
-2	-2.00		Librarian II	
2	2.00		Library Reference Assistant	Open Central later on Monday mornings and restructure staffing.
-3	-3.00		Librarian II	
-3	-3.00		Library Circulation Assistant I	
	-2.65		Various Positions	Miscellaneous adjustments.
-5	**-11.42**	**-2.50**	**Totals**	

MAYOR'S OFFICE

EXECUTIVE SUMMARY

MISSION: Enhance the safety, prosperity, and quality of life for all of our citizens working directly and through partnerships with our community stakeholders.

GOALS: Ensure city services are delivered efficiently, effectively, and equitably.

Build safe and healthy neighborhoods.

Increase investment and economic development throughout the city.

Enhance workforce development and connect more citizens to family supporting jobs.

Improve replacement cycles for the city's core infrastructure systems.

Sustain, enhance and promote Milwaukee's natural environmental assets.

STRATEGIES: Continue and improve the Accountability In Management program to deliver high quality services to the taxpayers.

Work with local and regional partners in creating and retaining jobs.

Aggressively address the foreclosure crisis in Milwaukee.

Continue increased investment in local streets and sewers.

Continue to secure federal and state funds to improve Milwaukee.

Promote energy efficiency and renewable energy on a regional basis.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	11.29	11.50	11.50	10.50	-1.00	-1.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	14	14	14	14	0	0
EXPENDITURES						
Salaries and Wages	$800,319	$779,519	$777,412	$703,577	$-75,942	$-73,835
Fringe Benefits	400,512	389,760	388,706	351,789	-37,971	-36,917
Operating Expenditures	26,337	43,000	43,000	43,000	0	0
Equipment	0	3,000	3,000	3,000	0	0
TOTAL	$1,227,168	$1,215,279	$1,212,118	$1,101,366	$-113,913	$-110,752

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Mayor of Milwaukee is elected to a four year term as the Chief Executive Officer of the city and the primary representative of the people of Milwaukee. The Mayor's Office provides leadership in establishing priorities and in the coordination and implementation of services and policies. The managers of all major service delivery agencies (with the exception of the Fire and Police Chiefs and other elected officials) are appointed by and are directly accountable to the Mayor.

STRATEGY IMPLEMENTATION

Strategic Planning through the Accountability In Management (AIM) Program: Mayor Barrett continues to ensure that departments are effectively implementing strategies that deliver high quality services and value to taxpayers efficiently, effectively, and equitably. The management expectations that guide city departments in the AIM program include delivering services at a competitive cost, improving our fiscal capacity, achieving customer satisfaction and fostering effective communication and outreach.

Infant Mortality: The infant mortality rate in our community is one of the most critical public health concerns facing Milwaukee. The infant mortality rates are worse than in many developing countries, and are simply unacceptable. Mayor Barrett set a goal to reduce the overall infant mortality rate (IMR) by at least 10% by 2017. In order to focus efforts on the population that is most impacted by infant mortality, and to begin to reduce Milwaukee's unacceptable racial disparities in infant mortality, there is a simultaneous goal of reducing infant mortality among African Americans by at least 15%.

Mayor Barrett has effectively leveraged state and federal funding as well as private investment to establish maternal and child health programs that focus on improving birth outcomes. The primary goal is to raise awareness of and advocate healthier behaviors for pregnant and new mothers in order to lower the infant mortality rate in Milwaukee. This includes advocating for immunizations, smoking cessation, and breastfeeding. Programs help address Milwaukee's high rate of infant mortality like the intensive home visiting services by nurses for high risk families. Nurses work with pregnant women, fathers and infants to promote healthy pregnancies, better birth outcomes, and safe home environments for infants.

Given that many infant deaths are the result of unsafe sleeping environments, the city's Health and Fire Departments have a joint program to deliver portable cribs to families who lack a safe place for their babies to sleep. Sleep environment is a complex and often controversial issue in the deaths of many children who died at home while sleeping. The American Academy of Pediatrics (AAP) and the City of Milwaukee ask that all parents and caregivers share a room, but not a bed with their babies.

Build Safe and Healthy Neighborhoods: Mayor Barrett has developed a comprehensive set of policies, programs, and community partnerships to address foreclosure prevention and stabilization of affected neighborhoods. These efforts are comprehensive, and address the foreclosure problem in a number of ways:

- Prevention efforts – to expand outreach efforts and increase education for homeowners and potential homebuyers.
- Intervention efforts – to assist homebuyers facing foreclosure.
- Stabilization efforts – to address vacant and abandoned properties in neighborhoods.

The blueprint for Milwaukee's approach was drawn up by the Milwaukee Foreclosure Partnership Initiative (MFPI), appointed by the Mayor in September 2008. The Mayor charged MFPI to build on the work that was already underway in the community to develop a coordinated strategy to assist homeowners at risk of losing their homes to foreclosure, stabilize neighborhoods affected by growing numbers of vacant foreclosed homes, and prevent similar issues from developing in the future. The MFPI plan prioritizes efforts to preserve and expand homeowner occupancy by providing resources and mediation services to property owners facing foreclosure, and by promoting the purchase of foreclosed properties for homeownership.

In 2013, the Mayor will continue to work closely with lenders to ensure they are a significant part of the solution to Milwaukee's foreclosure crisis. This activity will build on the accomplishments of 2011 and 2012, including the passage of several city ordinances that require owners of foreclosed properties to maintain them in a responsible manner, and the creation of a multi-bank loan pool to finance redevelopment of foreclosed properties. The Mayor will continue to work with the city's partners to assist homeowners at risk of foreclosure and encourage lenders to increase their array of lending products for the purchase and renovation of foreclosed properties by homeowners and responsible landlords.

City government resources are dedicated in 2013 to address growing numbers of foreclosed and vacant properties acquired by the city through property tax foreclosure. The Mayor will continue to create cross departmental coordination strategies and community partnerships to maximize the city's resources to stabilize and sustain its neighborhoods.

The Federal Government will provide funding for the Building Neighborhood Capacity Program (BNCP) which is a place based initiative designed to help persistently distressed communities build the infrastructure and capacity needed to ignite positive change in neighborhoods that have historically faced barriers to revitalization. Two neighborhoods in Milwaukee were chosen, Amani and Metcalfe Park. The Center for the Study of Social Policy will provide training and technical assistance for BNCP, and will use its decades of experience in public policy, research, and work with communities to help the BNCP neighborhoods build the capacity that is needed to engage in effective and sustainable community change. Helping these neighborhoods to build accountable partnerships among local organizations and use data to make decisions about the effective solutions or programs, may spark renewal and much needed change in these neighborhoods.

Youth and Manufacturing Employment: Given substantial Community Development Block Grant reductions and tight levy limits imposed by state legislators, Mayor Barrett will continue to work diligently to maintain and expand youth services in 2013. The 2013 proposed budget includes funding for programs that create job opportunities, safe places for youth, and job training for older teens and adults.

Mayor Barrett has worked to make more resources available for summer youth employment opportunities through the establishment of the Mayor's Earn & Learn Fund, which resulted in over 7,000 community jobs with non-profit and faith based organizations over the years of the program. The Earn & Learn program helps young people make a successful transition from adolescence to adulthood by providing opportunities to develop work readiness skills while they earn wages working in government, community and faith based organizations, and private sector businesses.

Mayor Barrett's Manufacturing Partnership program will work with the private sector, the MAWIB and the Wisconsin Regional Training Partnership/BIG STEP to develop and implement a coordinated recruitment, training, placement and retention strategy to prepare and match Milwaukee jobseekers of varying skills levels with the hiring needs of manufacturing employers in Milwaukee and the region. Currently, manufacturers throughout Milwaukee and the region are struggling to find the skilled workforce they need. This partnership will accomplish this through the following strategies:

- Employer Engagement and Assessment
- Participant Recruitment and Assessment
- Employment Training
  - Direct Placement
  - Pre-Vocational Training
  - On-the-Job Training
  - ITA/Customized Skills Training
- Retention

Environmental Sustainability: The Mayor has charged the Office of Environmental Sustainability (OES) to actively engage city businesses, community, advocacy groups, academic institutions, and the philanthropic community in strategic citywide discussions and visioning in order to enhance long term economic development in Milwaukee through the use of smart environmental sustainability policy implementation.

Under Mayor Barrett's guidance, OES has improved the energy efficiency of city facilities, homes and businesses. To date, OES has helped pay for over 1,000 energy assessments on homes in Milwaukee and approved over 40 energy efficiency projects on commercial office and retail property citywide. The Mayor and downtown property owners committed four million square feet of office space to the Department of Energy's Better Buildings Challenge which will encourage these owners to decrease energy intensity 20% by 2020. The Mayor's focus on manufacturing led to the Milwaukee sustainable manufacturing initiative or, ME2, which is currently assisting 18 small and medium sized manufacturers with efforts to improve their competitiveness by cutting resource, material and waste costs. OES's Milwaukee Shines program was the first in the country to raise private capital, $2 million, in order to help Milwaukee homeowners afford the upfront costs of residential solar energy systems. Mayor Barrett continues to push for a citywide strategic vision on improving the livability of the city and in 2012 appointed a 15 member Green Team to work with residents and businesses to develop a sustainability plan. This plan will act as a roadmap outlining a strategic course of action Milwaukeeans can follow to improve the sustainability of their neighborhoods and city. OES is also working with local philanthropic groups to develop one of the nation's first sustainability funds to support community implementation of the Milwaukee Sustainability Plan.

OTHER SERVICE AND BUDGET CHANGES

Position and Salary Changes: The 2013 proposed budget eliminates funding for an Office Assistant III. The Mayor's Office will consolidate some of their clerical functions with the Department of Administration, allowing for the elimination of funding for this position. Other salary adjustments based on retirements and transfers result in an additional $16,000 in savings in the 2013 proposed budget.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	-1.00		Office Assistant III	Consolidate clerical functions with DOA.
0	**-1.00**	**0.00**	**Totals**	

MUNICIPAL COURT

EXECUTIVE SUMMARY

MISSION: Safeguard the legal rights of individuals, protect the public interest, and enhance public safety.

OBJECTIVES: Build safe and healthy neighborhoods.

Improve workforce development and connect more citizens to family supporting jobs.

STRATEGIES: Implement technology to streamline operations and reduce operating costs, particularly in the area of case management.

Use efficient case management and Court Commissioners to make court services accessible to the public.

Continue effective enforcement of court judgments through various collection methods.

Use alternative sentencing to increase respect for the law.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	33.78	36.38	36.40	35.40	-0.98	-1.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	45	42	42	42	0	0
EXPENDITURES						
Salaries and Wages	$1,886,189	$1,943,496	$1,906,093	$1,861,822	$-81,674	$-44,271
Fringe Benefits	977,247	971,749	914,925	893,675	-78,074	-21,250
Operating Expenditures	542,813	552,500	504,500	504,500	-48,000	0
Equipment	2,999	3,000	3,000	3,000	0	0
Special Funds	28,497	35,000	35,000	35,000	0	0
TOTAL	$3,437,745	$3,505,745	$3,363,518	$3,297,997	$-207,748	$-65,521
REVENUES						
Charges for Services	$1,763,784	$1,849,000	$1,805,500	$1,805,500	$-43,500	$0
Forfeitures	5,076,199	5,304,000	5,129,000	5,129,000	-175,000	0
TOTAL	$6,839,983	$7,153,000	$6,934,500	$6,934,500	$-218,500	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Two of the city's goals are to build safe neighborhoods and to connect citizens to family supporting jobs. The Court contributes to these goals by adjudicating ordinance violations, effectively enforcing judgments and assisting residents to restore suspended or revoked drivers licenses.

The Municipal Court adjudicates city ordinance violations including traffic and building code cases. The Court has three elected Judges who preside over the Court's three branches. The Presiding Judge appoints the Chief Court Administrator who oversees the Court's administrative functions.

Because of the volatility in the number of case filings, the Court uses Municipal Court Commissioners to augment its judicial resources. There are five authorized part time Municipal Court Commissioners available to hear traffic pre-trials and cases of defendants in the custody of the Milwaukee County Sheriff. The Commissioners hear cases in the Municipal Intake Courtroom at Milwaukee County's Criminal Justice Facility.

Court staff prepares cases for hearings, provide clerk services to the Judges and Commissioners, receive and account for defendant payments, and perform other administrative functions. The staff is responsible for processing between 130,000 and 180,000 cases per year and accounting for $6.9 million in net revenues, largely from fines and forfeitures.

The Court provides its services through regular daily court sessions, evening court sessions, and a variety of community based options. Evening court meets the needs of a large number of people that are busy during the day. Judges also meet with defendants in a variety of locations, including at community organizations, which have programs specifically aimed at children and young adults. These sessions have experienced a good turnout and provide more time for the Judges to communicate with and counsel defendants.

Figure 1

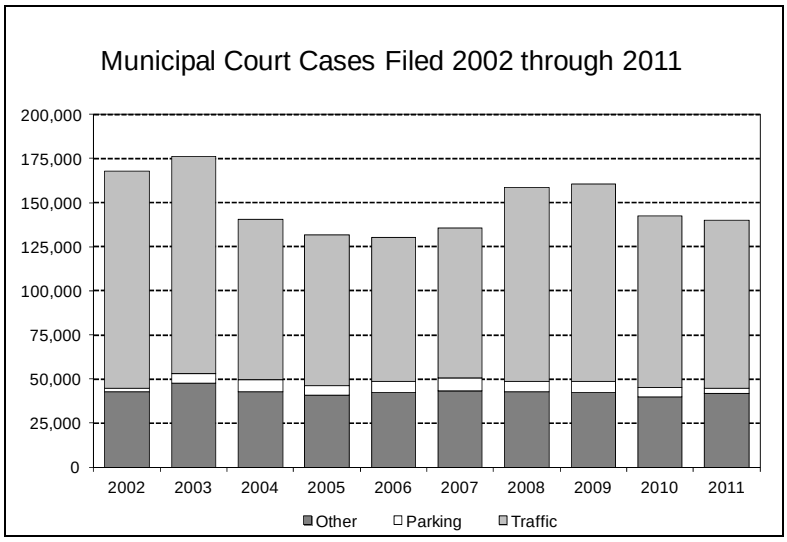
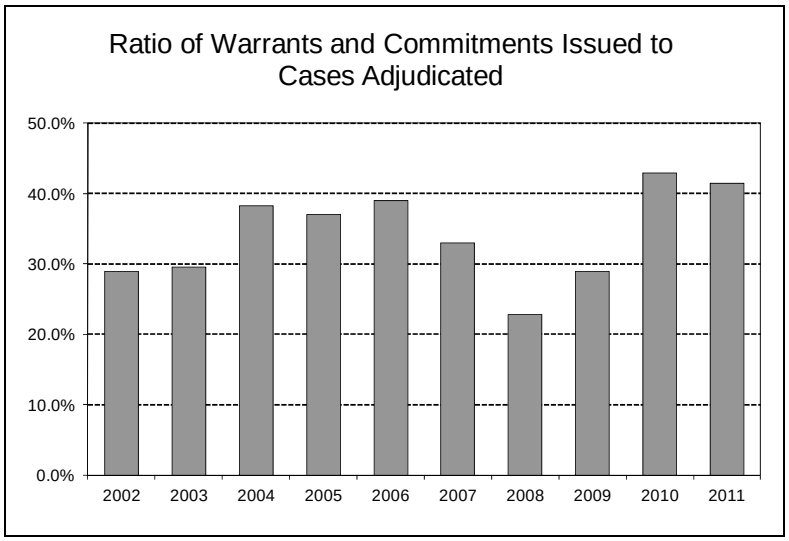


Figure 2



The Court refers certain first time juvenile and adult offenders who appear for arraignment in retail theft cases to classes conducted by the Institute for Criminal Justice at the University of Wisconsin Milwaukee. When appropriate, traffic offenders are referred to the MATC Defensive Driving Course. The Court also makes community service referrals to many non-profit community organizations, including Justice 2000, Youth Services at the Social Development Commission, Career Youth Development, and the New Concept Self Development.

STRATEGY IMPLEMENTATION

The Municipal Court's 2013 proposed budget is based on an estimated 142,000 cases. Case volume decreased by 1.8% to 140,200 in 2011 from 142,790 in 2010 and 160,460 in 2009. Traffic cases are now 68% of total caseload, a 0.3% decrease from 2010 (see Figure 1). The ratio of warrants and commitments to cases adjudicated in 2011 was

41.5%, a decrease from 43% in 2010 (see Figure 2). This measurement is dependent upon current judicial policies and varies with different strategies pursued for adjudicating cases.

Evening court sessions, begun in 2003, were offered on 12 dates in 2011. A total of 29 sessions were scheduled for 630 defendants on 918 cases in 2011, with 467 defendants or 74% appearing in court. Since evening court is more convenient, a high percentage of scheduled defendants actually appear for their hearings, improving court efficiency.

Drivers License Recovery and Employability Project: The 2013 proposed budget includes $150,000 for the Drivers License Recovery and Employability Project, with $100,000 allocated in the CDBG funding allocation plan and $50,000 committed in CDBG reprogramming.

The project is managed by the Center for Driver's License Recovery and Employability ("Center"), which was created specifically for this purpose. The Center is part of Wisconsin Community Services (WCS), a non-profit organization. This project assists residents in restoring suspended or revoked licenses. Many residents under license suspension or revocation can restore their licenses by taking a few steps within the court system, yet most Milwaukee residents under license suspension or revocation need assistance in taking these steps as they have fines in multiple jurisdictions and are not aware of the legal options available to them to resolve their debts. This project provides assistance through orientation, guidance, and legal support for persons willing to work for license recovery.

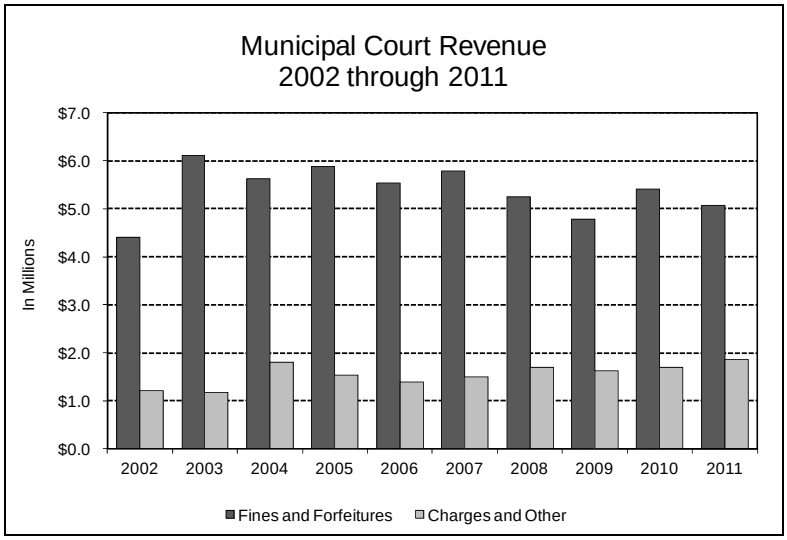
The lack of a valid driver's license creates a significant barrier to employment, particularly since there are many jobs located in the suburban and exurban areas outside of the City of Milwaukee and there is a lack of public transit to allow individuals without driver's licenses to access these jobs.

City funding was a catalyst to start this initiative and foundations, corporations, and other entities have responded to the program's success by providing funding. City funding comprised 43% of the project's 2011 revenues. The Center projects 35% of its 2013 funding to come from the City of Milwaukee.

In 2011, the project served 805 clients, and actively managed 490 cases. Of 490 cases closed, 265 obtained licenses, for a license recovery rate of 54%. In 2012, the project is maintaining a high recovery rate of 58%, with 149 of the 257 clients whose cases were closed successfully obtaining driving privileges.

Court Revenues: Total Court revenue in 2011 decreased by $442,200 from 2010, a 6.1% decrease. Most of this decrease was in Fines and Forfeitures. Court revenue has fluctuated on an annual basis (see Figure 3) as a result of the number of cases, timeliness of adjudication, defendants' ability to pay, changes in forfeiture and fine amounts, and the effectiveness of collection efforts.

Figure 3



RESIZE, RESTRUCTURE, AND REINVEST

Improving Case Management: The Municipal Court continues to implement the Electronic Case File and Document Records Management Project. The Electronic Case File Project replaced paper case files and allows for all documents associated with each case to be stored electronically in one location. For

the 2011 budget, savings of approximately $50,000 were realized due to the elimination of paper case file jackets. In 2012, three positions (one Court Services Assistant III and two Court Services Assistant II) were eliminated as a result of process improvements and other efficiencies, providing an estimated $152,909 in salary and fringe benefit savings. In the 2013 proposed budget, one Accounting Assistant II position is not funded, providing an estimated $60,440 in salary and fringe benefit savings. As the project continues to improve Court processes, additional savings will be realized. Additional improvements planned for 2013 include online requests for extension of first payments. In late 2011, the Court began offering online not guilty pleas; in early 2012 additional functionality was implemented to allow online requests for a new pre-trial date.

Increasing Commissioner Hours for DNS Cases: The 2013 proposed budget continues an initiative started in August 2011 by allocating Commissioner hours to hear Department of Neighborhood Services (DNS) court cases. This initiative was started in response to the large increase in housing related problems. Using Commissioners to hear DNS court cases allows the cases to be adjudicated in a timely manner. Timely adjudication of court cases is required to ensure effective enforcement.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	-1.00		Accounting Assistant II	Position not funded because of efficiencies realized through Electronic Case File project.
	0.02		Municipal Court Commissioner	Increased hours for DNS court cases.
0	**-0.98**	**0.00**	**Totals**	

NEIGHBORHOOD SERVICES

EXECUTIVE SUMMARY

MISSION: Protect the value of investments in property throughout the city and strengthen the redevelopment capacity of city neighborhoods.

OBJECTIVES: Improve neighborhood conditions.

Increase investment in Milwaukee.

Reduce blight inducing conditions.

Reduce fire deaths and property loss.

STRATEGIES: Continue implementation of proactive code enforcement strategies.

Provide a timely, well understood and consistent development process that integrates inspection with permit approvals.

Reduce the impact of vacant, abandoned and foreclosed properties on the community.

Provide timely response to and abatement of nuisance complaints with an accelerated process for complaints pertaining to food waste.

Assure construction of safe buildings through effective enforcement of the building code.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	166.59	182.50	184.30	204.30	21.80	20.00
FTEs - Other	31.35	39.00	36.20	39.20	0.20	3.00
Total Positions Authorized	247	251	246	269	18	23
EXPENDITURES						
Salaries and Wages	$8,264,017	$9,442,597	$9,334,130	$10,439,619	$997,022	$1,105,489
Fringe Benefits	4,223,131	4,721,299	4,480,382	5,011,017	289,718	530,635
Operating Expenditures	976,072	1,019,272	1,034,435	1,222,765	203,493	188,330
Equipment	85,000	93,500	93,500	216,025	122,525	122,525
Special Funds	1,918,514	1,960,000	1,995,000	2,994,000	1,034,000	999,000
TOTAL	$15,466,734	$17,236,668	$16,937,447	$19,883,426	$2,646,758	$2,945,979
REVENUES						
Charges for Services	$13,506,893	$12,019,600	$13,610,600	$15,092,400	$3,072,800	$1,481,800
Licenses and Permits	6,385,527	5,486,500	6,375,400	7,230,400	1,743,900	855,000
Intergovernmental Aids	1,044,286	1,009,000	1,045,000	1,075,000	66,000	30,000
TOTAL	$20,936,706	$18,515,100	$21,031,000	$23,397,800	$4,882,700	$2,366,800

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Department of Neighborhood Services (DNS) enhances neighborhood appearance by improving city cleanliness, abating nuisance properties, and leveraging private investment in neighborhoods. DNS supports neighborhood improvements by enforcing standards for buildings, property, and land use. The department uses its enforcement, financial, and educational resources to encourage investment in housing and other buildings in Milwaukee's neighborhoods. Various inspection and enforcement activities ensure compliance with building and property codes, which helps maintain an attractive investment environment and foster reinvestment into neighborhoods.

The department also supports a reduction in property loss and fire deaths by conducting fire prevention inspections of residential and commercial properties and enforcing related building codes.

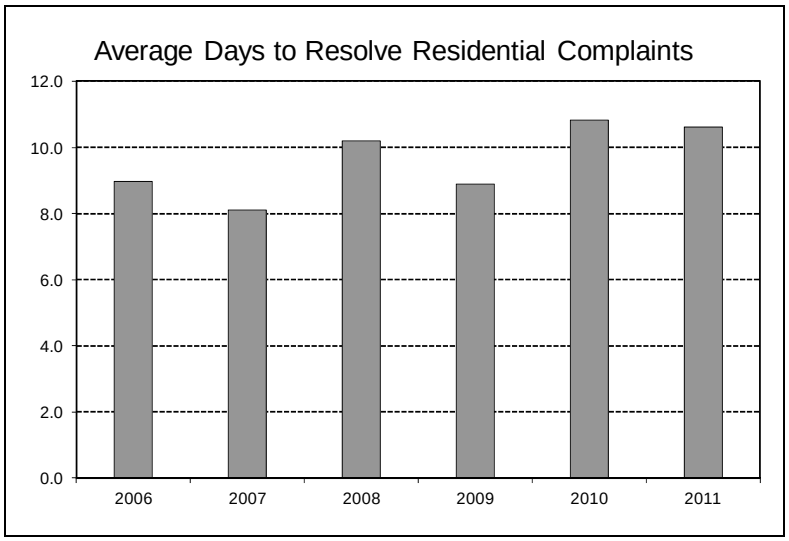
Two major DNS service goals tracked through the Mayor's Accountability in Management (AIM) are response time to complaints and closing of violations in a timely manner. Responding to complaints and resolving violations as quickly as possible enables DNS to achieve its objectives. The complaint response goal is to respond to all complaints within 14 days. Through July 2012, the average complaint response is 9 days. The violation goal is to close all violations within 45 days of the compliance date established by Inspectors. Through July 2012, an average of 81.9% of violations met this goal.

STRATEGY IMPLEMENTATION

DNS has several code enforcement services that improve the appearance of neighborhoods by abating problems such as building code violations, graffiti, peeling paint, and structural building problems as quickly as possible. Timely abatement minimizes further deterioration while supporting reinvestment into properties. One measure of this service is the timeliness of resolving complaints, as measured by the average time to close out complaints. In 2011, complaint response time was on average 8.4 days. The trend in average time to close out residential complaints is shown in Figure 1. Verified complaints result in orders to correct conditions that violate city ordinances. Once orders are issued, the key measure is the timeliness of abating violations. In 2011, an average of 68.4% violations were abated within 45 days of the initial compliance date. In 2011, 63,536 violation orders were closed and 2,366 graffiti complaints were closed.

The department's nuisance control services support neighborhood cleanliness by enforcing codes relating to rats, litter and garbage nuisances, and various animal control regulations. By abating these nuisances in a timely manner, the department improves neighborhood cleanliness and appearance.

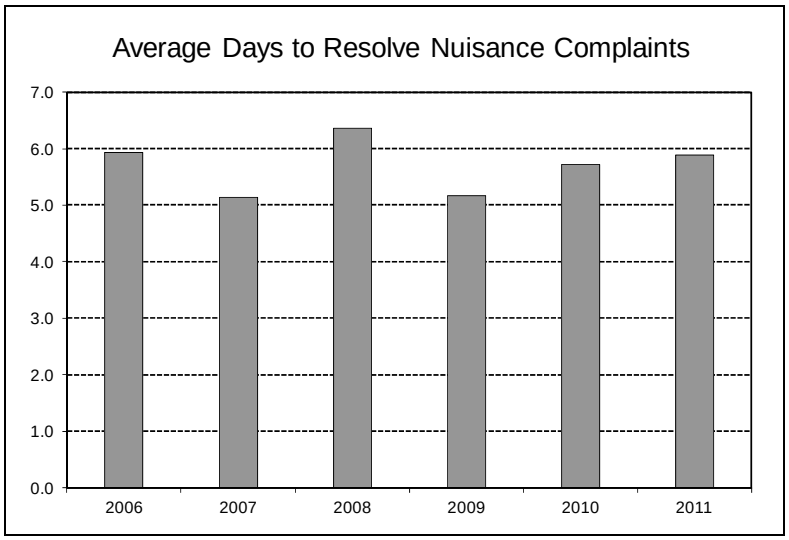
Figure 1



Responding to complaints quickly is essential to identifying code violations in a timely manner. In 2011, the Nuisance Section responded to complaints in approximately 5.9 days. The trend in average time to close out nuisance complaints is shown in Figure 2. Once violations are identified, the goal is to abate these as quickly as possible. In 2011, 84.3% of violation orders were completed within estimated compliance deadlines. In 2011, the Nuisance Control Service closed out

15,533 complaints and closed out 16,027 violation orders.

Figure 2



Vacant Building Registration Program: The Vacant Building Registration program was created in 2010 to help stabilize and improve neighborhood conditions. Vacant properties that are abandoned or not maintained create blight in neighborhoods, require expenditure of additional city resources, and threaten public health, safety, and welfare. The program requires specific buildings that are vacant for more than 30 days to be registered with DNS. DNS conducts an interior and exterior inspection of the property to ensure that no critical code violations exist. If violations exist, DNS issues orders to correct the violations. Registration is valid for six months and must be renewed as long as the building remains vacant. The first registration period is exempt from fees. A $250 base renewal fee is charged and the fee increases if uncorrected code violations exist.

This program has provided more proactive and comprehensive inspection and monitoring of vacant properties. Currently there are 2,830 vacant properties in the registration program and an estimated additional 400 will be added in 2012. In 2013, six positions will support this program.

Residential Rental Inspection Pilot Program: A Residential Rental Inspection (RRI) pilot program was created in 2010, with pilot areas in the Lindsay Heights neighborhood and the residential neighborhood surrounding the University of Wisconsin Milwaukee (UWM). The program provides exterior and interior inspections and monitoring of rental properties. This improves housing safety and minimizes the adverse impact of rental housing on the overall community.

The program requires each rental unit to obtain a residential rental certificate. Units with no critical violations receive a four year certificate. Units with violations and that abate the violations receive a one year certificate. If violations are identified, a repair order or advisory is issued to the property owner. If inspectors identify problems not related to the RRI program, they make referrals to the appropriate city department. In the UWM area, 87.8% of the 624 structures have a four year certificate. In the Lindsay Heights area, 82.8% of the 564 structures have a four year certificate.

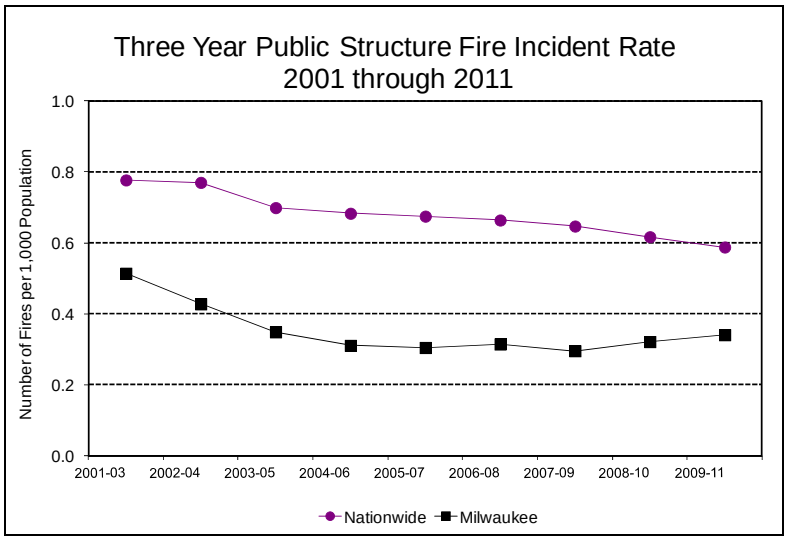
From 2010 through August 2012, 5,171 orders have been issued in the RRI program, including 2,635 in the UWM area and 2,536 in the Lindsay Heights area. Orders in both areas decreased significantly in 2011 compared to 2010. In the UWM area, orders decreased by 24%, from 1,230 to 935. In the Lindsay Heights area, orders decreased by 34%, from 1,225 to 808. The trend through August 2012 indicates that total orders for both areas in 2012 will be lower than in 2011. In addition, complaints in 2011 were 76% lower than in 2009.

The decrease in orders and complaints indicates that the RRI program is working in both areas by improving the exterior and interior conditions of rental properties. This should improve the quality of life for each area's residents.

Fire Prevention: A key DNS objective is reducing fire deaths and property loss. DNS conducts fire inspections of commercial and residential properties, excluding one and two family properties. Inspections ensure compliance with building codes, including appropriate fire prevention and safety requirements. By completing 100% of the

required inspections and ensuring timely correction of code violations, fire incidence is minimized. Reduced fire incidence should decrease the amount of deaths and property loss resulting from fires. The public fire incident rate, which measures the incidence of fires in buildings inspected by DNS, has declined significantly since 2001 (see Figure 3). The three year rate of 0.34 is significantly lower than the national rate of 0.59. Historically, Milwaukee has reduced the number of fires, resulting in a fire incident rate well below the national average. Between 2001 and 2011, the number of fires, on a three year rolling average basis, has decreased by 150 or 40.9%.

Figure 3



Foreclosures: Foreclosures represent a continuing challenge for the city. As of August 24, 2012, there are 4,686 open foreclosures in the city. If abandoned or not adequately maintained, foreclosed properties create blight in neighborhoods. DNS issue orders to banks and lenders who file foreclosure actions. These orders require the bank or lender to register the property with the city and to inspect the property every 30 days and, if found vacant, to secure and maintain the property.

Once foreclosure is completed and property ownership has passed to the bank or lender, it is essential to adequately maintain properties in order to minimize neighborhood blight. The city has strengthened property maintenance requirements by requiring owners of vacant and foreclosed properties to post signs on these properties identifying the owner, providing contact information, and prohibiting trespassing; imposing a fee if property owners fail to provide access to properties for scheduled DNS inspections; increasing penalties for failing to register or failing to secure and maintain vacant buildings; allowing public safety services provided to unregistered, unsecured or non-maintained vacant buildings to be charged to the property owner; and, authorizing DNS to order additional doors and windows boarded on vacant properties.

The city works closely with banks and lenders to ensure that they properly monitor and maintain properties they are foreclosing upon and those that they acquire through foreclosure. DNS monitors bank foreclosure actions, investigates property transfers, researches corporate entities, and analyzes trends of bank actions to improve the city's ability to hold banks and lenders accountable for ensuring foreclosed properties do not become a blighting influence.

RESTRUCTURE, RESIZE, AND REINVEST

Development Center Transferred to DNS: The 2013 proposed budget transfers the Development Center from the Department of City Development to the Department of Neighborhood Services. This is part of a strategy to expedite plan review, streamline permit and plan examination processes, improve customer service, ensure consistent application of building and development codes, and improve the integration of the construction inspection and plan examination processes. This involves the transfer of 19 positions and $1.7 million in funding from the Department of City Development to the Department of Neighborhood Services. In addition, four new positions are created, including two Building Construction Inspector II positions and two Plan Examiner Specialist positions, with funding of $257,680.

As part of the Development Center restructuring, DNS is implementing numerous process and administrative improvements. Improvements include a walk through program for certain commercial projects, segregating

counter and plan examination duties, allowing projects to be submitted for permit review without appointment, expediting review of existing building projects between 5,000 and 20,000 square feet, developing a "modified processing" program to partially authorize work for major projects so that these projects are completed in a more timely manner, expediting fire protection review for small tenant alterations to existing systems, and streamlining the occupancy process. DNS also plans to redesign the website to make it more customer friendly and helpful to developers, integrate training for inspectors and plan examiners, institute a quality control program, and seek state code changes to facilitate flexibility in the permit and inspection process.

Enterprise Land Management System: The 2012 capital improvements budget provided $2.5 million for purchase and implementation of a new Enterprise Land Management System. This system will provide an enterprise solution to manage the multi-agency process for land management, permitting, construction and trades inspections and code enforcement activities. The new system will replace both the DNS Neighborhood Services System (NSS) and the Department of City Development plan tracking system, and will integrate with existing Department of Public Works, Health Department and Unified Call Center systems.

The new system will benefit DNS by reducing data entry time and the number of multiple data entries, supporting mobile technology products, improving data sharing within DNS and with other departments, and enhancing communication among city staff involved in the land development process. The system will also manage the flow of work to meet customer expectations and provide improved customer service. This will be accomplished by an automated notification of staff when tasks are in danger of falling behind schedule. Information will also be made available to customers so they can check on their service requests.

To ensure that the department maximizes the benefits of the Land Management System, information technology equipment, including computer workstations and mobile devices, needs to be updated. The 2013 proposed budget includes $190,095 to establish a defined replacement cycle for this equipment.

A selection committee is currently evaluating responses to the Request for Proposal issued in May 2012. A contract is anticipated to be executed in November 2012. The delivery date of the system will be determined in the contract negotiations.

Increased Training: The 2013 proposed budget includes $100,000 for staff training. Training will occur in various code provisions to ensure that enforcement and development staff consistently apply the codes and make timely decisions on projects. The goal is to improve consistency and to ensure a high level of quality service to developers and property owners. Some of the training will be made available to contractors and designers.

Neighborhood Stabilization Program (NSP): DNS received a total of $5,458,294 in NSP grants for demolishing abandoned and blighted properties. As of August 2012, 190 demolitions have occurred and 113 demolitions are obligated but not completed. The department expects to expend all NSP funds by May 2014. Total demolitions through NSP are projected to be 303. Because of decreased NSP funding, 80% of a Program Assistant II shifts from grant funding to tax levy funding in 2013.

Razing: The 2013 proposed budget transfers the Razing and Vacant Building Protection Fund Special Purpose Account to the Department of Neighborhood Services operating budget as a new Special Fund. The large increase in vacant, abandoned and foreclosed properties has increased razing needs. Changing this account into a Special Fund provides the department with more flexibility in transferring additional funds into this account, if needed. The 2013 proposed budget funds this account at $1 million. The plan is to supplement this account by carrying unexpended departmental funds over from 2012 into 2013.

In August 2012, the department received a $500,000 Strategic Blight Elimination Award grant from the Wisconsin Housing and Economic Development Authority. This grant will fund demolition of residential properties that have a blighting influence on the surrounding neighborhood.

Position Changes: The 2013 proposed budget creates an IT Support Specialist Senior position to replace a Program Assistant II position; adds a Sprinkler Construction Inspector II position to replace a Plumbing Inspector II position; and eliminates an unfunded Residential Code Enforcement Inspector, an unfunded Administrative Specialist Senior and an unfunded Housing Rehabilitation Coordinator position. In addition, three Code Enforcement positions are moved from tax levy funding to CDBG funding.

Position Reclassifications: The 2013 proposed budget reflects several reclassifications approved by the Mayor and Common Council in 2012. These reclassifications are identified in the *Detailed Listing of Position and Full Time Equivalents' Changes* table. These reclassifications resulted from the reorganization of code enforcement and nuisance control staff to support more systematic and proactive code enforcement.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	-1.00		Program Assistant II	Add position to meet department's information technology needs.
1	1.00		IT Support Specialist Senior	
-2	-1.00		Office Assistant II (0.5 FTE)	Replace part time positions with full time positions.
1	1.00		Office Assistant II	
-2	-1.00		Program Assistant II (0.5 FTE)	
1	1.00		Program Assistant I	
-1	-1.00		Plumbing Inspector II	Replace Plumbing Inspector with Sprinkler Inspector to better manage workload.
1	1.00		Sprinkler Construction Inspector II	
-1			Residential Code Enforcement Inspector (0.5 FTE)	Eliminate unfunded positions.
-1			Administrative Specialist Senior (0.5 FTE)	
-1			Housing Rehab Coordinator	
1	1.00		Special Enforcement Supervisor	Position reclassified in CCFN 111412 and funded in 2013.
-1			Special Enforcement Inspector	
	0.80	-0.80	Program Assistant II	NSP grant funding replaced with levy funding.
2	2.00		Building Construction Inspector II (X)	New positions added to Development Center.
2	2.00		Plan Examiner Specialist	
	-2.00	2.00	Special Enforcement Inspector	CDBG funding provided in 2013.
	-1.00	1.00	Residential Code Enforcement Inspector	

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	-1.00		Special Enforcement Inspector	Position changes approved in CCFN 111412.
-22	-22.00		Residential Code Enforcement Inspector	
-1	-1.00		Customer Service Representative II	
-1	-1.00		Nuisance Control Supervisor	
-1	-1.00		Env Code Enforcement Supervisor	
-18	-18.00		Nuisance Control Officer II	
1	1.00		Anti-Graffiti Program Coordinator	
1	1.00		Program Assistant I	
3	3.00		Building Codes Enforcement Supervisor	
38	38.00		Residential Code Enforcement Inspector	
1	1.00		Env Code Enforcement Supervisor	
1	1.00		Permit and Development Center Manager (Y)	Development Center positions transferred from DCD.
1	1.00		Operations Manager Development Center (Y)	
2	2.00		Plan Examiner III	
5	5.00		Plan Examiner II	
1	1.00		Mechanical Plan Examiner III	
1	1.00		Mechanical Plan Examiner II	
3	3.00		Program Assistant II	
3	3.00		Office Assistant III	
2	2.00		Office Assistant IV	
-2			Code Enforcement Inspector II	Auxiliary positions reclassified CCFN 111412.
-1			Nuisance Control Officer II	
3			Residential Code Enforcement Inspector	
		-2.00	Various Positions	Experience adjustment.
18	**21.80**	**0.20**	**Totals**	

POLICE DEPARTMENT

EXECUTIVE SUMMARY

MISSION: In partnership with the community, reduce crime, fear and disorder and enhance the quality of life in Milwaukee.

OBJECTIVES: Decrease crime by 10% annually to improve standing among cities of comparable size.

Maintain high clearance rates.

STRATEGIES: Follow the core values that support the department's mission.

Use data driven deployment to improve effectiveness of police presence and to allocate resources to the Neighborhood Task Force.

Increase community readiness to cooperate with police.

Optimize patrol capacity through innovative programs and technologies.

Use positions such as Police Aides and Police Service Specialists as force multipliers.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	2,680.51	2,674.73	2,674.73	2,684.53	9.80	9.80
FTEs - Other	82.78	80.78	77.78	54.48	-26.30	-23.30
Total Positions Authorized	2,904	2,904	2,901	2,872	-32	-29
EXPENDITURES						
Salaries and Wages	$156,330,605	$155,251,802	$164,071,535	$159,336,118	$4,084,316	$-4,735,417
Fringe Benefits	65,658,854	65,205,757	63,987,899	62,141,086	-3,064,671	-1,846,813
Operating Expenditures	12,930,126	13,797,205	14,943,226	14,362,926	565,721	-580,300
Equipment	1,930,451	1,974,542	1,960,800	1,572,055	-402,487	-388,745
Special Funds	0	0	0	0	0	0
TOTAL	$236,850,036	$236,229,306	$244,963,460	$237,412,185	$1,182,879	$-7,551,275
REVENUES						
Intergovernmental	$697,451	$659,500	$744,900	$744,900	$85,400	$0
Charges for Services	234,889	87,200	66,600	66,600	-20,600	0
TOTAL	$932,340	$746,700	$811,500	$811,500	$64,800	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Milwaukee Police Department's (MPD) mission is to create and maintain neighborhoods capable of sustaining civil life. The MPD uses community based, problem oriented, and data driven policy in partnership with the community, to reduce, crime, fear and disorder.

A set of core values guide MPD's mission:

- **Competence:** MPD members are prudent stewards of the public's grant of authority and resources. The department holds itself accountable for the quality of its performance and the standards of its conduct and strives to be exemplary leaders and followers.

- **Courage:** The MPD places safety of others before its own and accepts the moral responsibility to take action against injustice and wrongdoing. MPD members are expected to take prudent risks on behalf of the public.
- **Integrity:** The MPD recognizes the complexity of police work and exercises discretion in ways that are beyond reproach to be worthy of public trust. Honesty and truthfulness are fundamental elements of integrity. MPD's duty is to earn public trust through consistent words and actions, to be honest in word and deed.
- **Leadership:** MPD influences human behavior to achieve organizational goals that serve the public by developing individuals, teams, and the organization for future service. The department accepts the responsibility to be leaders, both within the community and among its peers, and for the actions of colleagues and itself. All MPD members are responsible for the performance, reputation, and morale of the department.
- **Respect:** All MPD members hold life in the highest regard. They must treat all citizens and colleagues with dignity and respect, and be fair and impartial as they perform their duties.
- **Restraint:** The MPD will use minimum force and authority necessary to accomplish a proper police purpose. Members must demonstrate self-discipline, even when no one is listening or watching.

STRATEGY IMPLEMENTATION

The department uses strategic staffing practices to optimize patrol capacity. The 2013 proposed budget levels of strength are reduced 1% from 1,880 to 1,862. This will require the continued optimization of patrol resources funded through a variety of means, including:

- Continuing the use of civilians and non-sworn personnel in administrative positions.
- Continuing to improve upon innovative programs like the Differential Police Response, which allows officers to provide high levels of customer service to residents with lower priority calls.
- Using predictive tools to allocate staff where it is most likely to be needed.

Deployments of the Neighborhood Task Force (NTF) units assist in staffing optimization. The NTF is a mobile field force that supplements conventional neighborhood patrol efforts to curb crime and raise the police profile in targeted neighborhoods.

In 2013, the city and Milwaukee County are proposing to enter a Memorandum of Understanding (MOU) to improve law enforcement, security, and 9-1-1 communications. The Police Department will formally be recognized as the primary law enforcement agency for policing County parks inside city limits, including the lakefront. The department will use strategic deployment strategies to maximize public safety in the parks and lakefront. The MOU will improve 9-1-1 emergency call services for cell phone calls. Prior to the agreement, cell phone calls that originated in the city went to the county Sheriff Department and were transferred to MPD. The agreement, which is subject to Common Council approval, will eliminate the need for call transfer and enhance rapid response abilities.

The Intelligence Fusion Center (IFC) is the basis for the department's Intelligence Led Policing efforts. MPD created the IFC in 2009. Intelligence regarding crime, criminals and emerging trends is shared on a daily basis throughout the department through a fully integrated briefing for each shift. This allows the MPD to utilize its resources in a more effective, efficient and preventive fashion. The continuity provided by the IFC provides officers on all shifts with real-time crime information. This has led to positive outcomes, including the capture of fugitives, recovery of stolen vehicles, the arrest of criminals, and the prevention of criminal and disorderly behavior.

Table 1

City of Milwaukee Uniform Crime Statistics

Summary Crime Counts 2007-2012 Comparison of January through June

	2007 Total	2008 Total	2009 Total	2010 Total	2011 Total	2012 Total	2007-2012 Change	2008-2012 Change	2009-2012 Change	2010-2012 Change	2011-2012 Change
Homicide	48	33	41	38	40	34	-29.2%	3.0%	-17.1%	-10.5%	-15.0%
Rape	124	90	115	87	100	85	-31.5%	-5.6%	-26.1%	-2.3%	-15.0%
Robbery	1,612	1,396	1,382	1,235	1,336	1,091	-32.3%	-21.8%	-21.1%	-11.7%	-18.3%
Aggravated Assault	2,602	2,408	1,950	1,823	1,430	1,761	-32.3%	-26.9%	-9.7%	-3.4%	23.1%
Total Violent Crime	**4,386**	**3,927**	**3,488**	**3,183**	**2,906**	**2,971**	**-32.3%**	**-24.3%**	**-14.8%**	**-6.7%**	**2.2%**
Burglary	2,619	2,878	2,677	2,808	2,875	2,736	4.5%	-4.9%	2.2%	-2.6%	-4.8%
Theft	11,535	11,547	11,027	10,858	9,047	8,372	-27.4%	-27.5%	-24.1%	-22.9%	-7.5%
Auto Theft	3,718	3,342	2,301	1,747	2,044	1,945	-47.7%	-41.8%	-15.5%	11.3%	-4.8%
Arson	152	137	146	106	135	139	-8.6%	1.5%	-4.8%	31.1%	3.0%
Total Property Crime	**18,024**	**17,904**	**16,151**	**15,519**	**14,101**	**13,192**	**-26.8%**	**-26.3%**	**-18.3%**	**-15.0%**	**-6.4%**
Grand Totals	**22,410**	**21,831**	**19,639**	**18,702**	**17,007**	**16,163**	**-27.9%**	**-26.0%**	**-17.7%**	**-13.6%**	**-5.0%**

Measuring the year-to-year change in violent and property crime clarifies the city's public safety trend. Table 1 depicts the City of Milwaukee's Uniform Crime Statistics for the first six months of 2007 through 2012, the most up-to-date data available. The Federal Bureau of Investigation (FBI) Uniform Crime Reporting program is comprised of two different data collection systems, Summary Based Reporting (SBR) and Incident Based Reporting (IBR). The Milwaukee Police Department records and reports all data to the Office of Justice Assistance/FBI, and in the City of Milwaukee's COMPASS Map, in the IBR format. OJA converts this IBR data to SBR values, as seen in Table 1. IBR and SBR cannot be directly compared because IBR counts all the offenses that occurred in an incident and SBR counts the offense that is highest on the hierarchy list while the other offenses are ignored.

The City of Milwaukee has experienced substantial decreases in most crime categories when comparing the first six months of 2012 to the same time period of the previous five years. Since 2007, violent crime decreased 32.3%, property crime decreased 26.8%, and overall crime decreased 27.9%.

MPD has reduced crime through crime analysis, data driven deployments, and community engagement. By employing these tools, MPD has achieved positive results in all crime categories.

RESIZE, RESTRUCTURE, AND REINVEST

Funded Strength and Recruit Class: The 2013 proposed budget funded strength of 1,862 sworn officers is a reduction from the 1,880 included in the 2012 budget. The reduction of 18 sworn officers, or 1%, will be achieved through attrition and a recruit class that is smaller than in previous years. The 2013 proposed budget includes funding for 20 new recruits during the middle of 2013.

COPS Funded Police Officer Grant Expiration: In 2009, the department was awarded a competitive Community Oriented Policing Services (COPS) grant from the United States Department of Justice. This grant provides three years of salary and benefits for 50 Police Officers. The grant funding for 41 officers will expire in the first half of 2013. The 2013 proposed budget includes approximately $1.2 million to continue staffing after grant expiration. The 2014 budget is anticipated to include funds for the entire year, estimated to cost approximately $3 million.

Furlough Days: All sworn and civilian employees of the department will take three furlough days in 2013. In order to minimize operational impacts and ensure adequate staffing, these furlough days will be spread throughout the year. This action will save $1.5 million in costs without sacrificing required staffing levels.

Partnership with Milwaukee County: As previously mentioned, the city and Milwaukee County have proposed a three year intergovernmental agreement to cover law enforcement of parks and mobile 9-1-1 emergency communication services. In 2011, the MPD began receiving some cell phone 9-1-1 calls directly. Due to fiscal constraints, overtime funded the additional workload. The 2013 proposed budget includes funds for 11 new positions to accommodate this growing workload.

This agreement, which is subject to Common Council approval, will improve public safety for city residents and generate $250,000 in estimated additional city revenue.

Overtime Management: Over the past several years, the department has had tremendous success in managing its overtime funds. The department expects these results to continue with close operational oversight and administrative direction. The proposed budget includes $480,000 for additional overtime, funded via the county agreement, for lakefront patrol.

CAPITAL BUDGET

The 2013 proposed capital budget includes continued reinvestment in key areas of the department.

Remodeling Police Administration Building (PAB): In April 2010, the Police Department presented a Police Administration Building Master Plan created by Eppstein Uhen Architects. The Master Plan evaluated the existing building (including but not limited to mechanical, plumbing, fire protection, and electrical systems) and design recommendations to address building deficiencies. The plan also included recommendations for life safety systems to meet current building codes (the PAB was built in 1970 and until 2001 had not undergone any major renovation), and identified MPD space requirements for the next five years, including space plan diagrams to address flexibility, efficiency, and safety requirements, and a cost estimate for included recommendations.

In addition to the Master Plan, additional evaluation, design, recommendations, and costing were completed to include the Municipal Court and City Attorney spaces that are within the building along with alternative project timelines. It has been determined that whether or not the additional space is renovated, the first phase must complete two external HVAC shafts to replace the internal shafts that have partially collapsed and are contaminated by asbestos. With the replacement of the external shafts, work could then continue by completing asbestos abatement and remodeling work on a floor-by-floor basis, which will require future capital funding.

In 2012, the department proceeded with design of phase two. The 2013 proposed budget includes $5.4 million for construction of phase two and design of phase three. It also includes $330,000 for lower garage repairs, which was not included in the Master Plan.

Records Management System: A reliable and effective records management system is a critical component of data driven policing. The current system is not meeting the department's needs. A new system will be more efficient and reliable. In order to select a new system, in 2012, the department undertook a request for information process to assist in selecting a new system. The 2013 proposed budget includes $500,000 to begin the design and development of a new system with a goal to start implementation in 2014. An additional $350,000 of carryover authority is available to supplement this funding.

Radio and Communication Upgrades: This is a program that maintains and upgrades the citywide communication system. It includes funding for tower installation, replacement and maintenance, base station improvements, antennas, and other communication improvements. In 2013, there is $470,000 for the installation of a new site in District 4.

Multi Factor Authentication: This project responds to a federal mandate requiring staff with access to data provided by the FBI to meet certain information security standards. The 2013 proposed budget includes $325,000 to implement software that requires two methods of identification in order to access this sensitive data.

Data and Communications Center Repairs: The Data and Communication Center building is ten years old. This project provides $195,000 for items that need repair or replacement in order to maintain operational functionality.

District Station Renovation Program: The 2013 proposed budget includes $90,000 to update the building automation systems at the district stations.

Safety Academy Modifications: The Safety Academy houses both Police and Fire training programs. The 2013 proposed budget includes $40,000 to improve the safety and security of the facility. This project will provide an overall evaluation of the security system and install ten security cameras.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	20.50	-20.50	Police Officer	COPS grant funding expires mid-2013.
11	10.00		Police Telecommunicator	New positions.
1	1.00		Police Telecommunicator Lead	
1	0.80	-0.80	Program Assistant II	Grant funding expires in February.
-1		-1.00	Detective	Human Tracking Grant expiration.
-1		-1.00	Police Officer	
-25			Police Officer	Eliminate long unused position authority.
-11			Transcriptionist II	
-4			Custodial Worker II City Laborer	
-3			Transcriptionist III	Elimination of one vacancy and reclassification.
2			Office Assistant III	
-2			Transcriptionist II	Reclassification.
2			Office Assistant II	
-2	-22.50		Personnel Cost Adjustment	Adjustment to reflect attrition recruit class size, and balance the budget.
		-3.00	Various Positions	Miscellaneous adjustment.
-32	**9.80**	**-26.30**	**Totals**	

PORT OF MILWAUKEE

EXECUTIVE SUMMARY

MISSION: To enhance the overall economic environment of the Milwaukee region by stimulating trade, business, and employment.

OBJECTIVES: Increase private investment.

Enhance intermodal options.

Foster development of agricultural and alternative markets.

STRATEGIES: Administer 467 acres of land at or near the lakefront.

Identify possible tenants not currently at the Port but with strong growth potential.

Increase marketing for the ferry to Michigan.

Export alternative energy products to U.S. and overseas markets.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	16.48	21.00	21.00	21.00	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	35	37	37	37	0	0
EXPENDITURES						
Salaries and Wages	$1,081,180	$1,298,335	$1,303,738	$1,289,402	$-8,933	$-14,336
Fringe Benefits	614,188	649,168	625,794	618,913	-30,255	-6,881
Operating Expenditures	1,017,217	1,176,000	1,176,000	1,006,000	-170,000	-170,000
Special Funds	1,768,264	1,895,000	2,055,000	1,800,000	-95,000	-255,000
TOTAL	$4,480,849	$5,018,503	$5,160,532	$4,714,315	$-304,188	$-446,217
REVENUES						
Charges for Services	$5,217,241	$5,018,503	$5,021,100	$4,679,237	$-339,266	$-341,863
TOTAL	$5,217,241	$5,018,503	$5,021,100	$4,679,237	$-339,266	$-341,863

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Port of Milwaukee contributes to the goal of increasing investment and economic vitality throughout the city. The Port has a major role in the local economy by providing land for businesses that need to be near the water. These businesses generate approximately $80 million in annual revenue and employ nearly 400 people. The Port is responsible for the creation of many jobs related to the Port's operations. As one of the city's economic entities, the Port's operations create at least 20 family supporting jobs as well as indirectly supporting additional jobs.

The Port nurtures investment in Milwaukee by stimulating trade and business and by serving as a regional transportation and distribution hub for Southeastern Wisconsin. The Port links waterborne, rail, and ground

transportation in an accessible location close to downtown. As a result, the Port's tenants and customers are able to ship and receive products to and from all parts of the world.

The Port's major commodities are cement, coal, steel, and salt. These products are primarily used regionally. The Port diversifies its activities through the promotion of recreational businesses and passenger related travel services.

The Port administers 467 dry acres of city owned property at or near the lakefront. Milwaukee World Festivals, Inc. currently leases approximately two-thirds of the Port's north harbor land for the Maier Festival Grounds, home of Summerfest, various ethnic festivals, and the Marcus Amphitheater. Smaller leaseholders and city owned facilities account for most of the remaining acreage.

The seven member Board of Harbor Commissioners governs the Port of Milwaukee. The Board is responsible for developing the Port's strategic plan and governing its operations.

STRATEGY IMPLEMENTATION

Approximately 72% of the Port's 2011 revenues were derived from a combination of facility rentals and the lease of the 75 acre Maier Festival Park to Milwaukee World Festivals, Inc. Milwaukee World Festivals, Inc. annually holds Summerfest and a host of ethnic festivals. This lease generated $1.3 million in 2011. The Port transfers any excess revenue to the city's General Fund to ease the property tax burden.

In 2011, the Port generated operating revenue of approximately $4.3 million. While Port revenues have remained relatively, in 2011 the Port's revenues exceeded expenses.

The Port's total tonnage increased over 28% in 2011, due to a 36% increase in dry bulk tonnage. Dry bulk includes salt, coal and limestone and comprise approximately 44% of the Port's tonnage. Tonnage of economically sensitive products, like steel, cement and liquid bio-fuels, remained strong.

The Port's land use strategy is to maximize productive use of its properties and services by replacing less productive activities with more productive activities.

OTHER SERVICE AND BUDGET CHANGES

Financial and Facilities Studies: The Port constantly explores new business and revenue opportunities and will use outcomes studies funded in previous budgets and chart a course for future economic development activities at the Port. In 2013, the Port will continue efforts to generate new revenues and increase tonnage from the following sources:

- Innovative fuels and alternative fuels exports;
- WE Energies;
- Wind cargo industry;
- Foreign trade zone activation; and
- Expanding export and import container yard activity.

These revenue sources will increase annual tonnage by up to 50 tons over the next few years.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES - None

DEPARTMENT OF PUBLIC WORKS
ADMINISTRATIVE SERVICES DIVISION

EXECUTIVE SUMMARY

MISSION: Provide business operations and administrative support for DPW.

OBJECTIVES: Ensure that DPW personnel, financial, and budget transactions comply with city ordinances and established procedures

Provide for safe, OSHA compliant working conditions throughout DPW.

Ensure opportunities to participate in DPW contracts and projects are available for underutilized businesses and residents.

STRATEGIES: Implement a risk management model to reduce workplace injuries and control worker's compensation costs.

Administer the Emerging Business Enterprise and Residential Preference programs.

Analyze opportunities for improved cost recovery from user charge and enterprise-financed services.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	48.01	45.94	46.00	39.55	-6.39	-6.45
FTEs - Other	7.69	10.77	9.50	4.10	-6.67	-5.40
Total Positions Authorized	64	58	58	46	-12	-12
EXPENDITURES						
Salaries and Wages	$2,808,024	$2,669,386	$2,669,386	$2,244,553	$-424,833	$-424,833
Fringe Benefits	1,404,012	1,334,693	1,281,305	1,077,385	-257,308	-203,920
Operating Expenditures	573,506	499,417	499,417	499,417	0	0
Equipment	30,455	30,000	30,000	30,000	0	0
TOTAL	$4,815,997	$4,533,496	$4,480,108	$3,851,355	$-682,141	$-628,753
REVENUES						
Charges for Services	$1,332,884	$1,378,000	$1,298,000	$1,298,000	$-80,000	$0
Licenses and Permits	1,374,989	1,328,500	1,305,000	1,305,000	-23,500	0
TOTAL	$2,707,873	$2,706,500	$2,603,000	$2,603,000	$-103,500	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Administrative Services Division provides planning and support to the Department of Public Works (DPW) in several areas. Administrative functions include budget preparation and control, accounting, payroll, human resources, employee safety, contract administration, purchasing and inventory, and special event permitting. The division also supports administration and management of the Parking Fund.

STRATEGY IMPLEMENTATION

Improving Safety: DPW's Safety Section works to minimize workplace injuries and allow for a safe and productive work environment. The section implements programs and procedures and acquires new safety devices that contribute to safer work practices. High rates of injuries still occur which contribute to lost work days and escalating worker's compensation costs. In 2013, the Safety Section will work closely with the Department of Employee Relations to improve injury data collection and analysis. Through this effort, DPW will identify high risk activities and more effectively target safety efforts.

RESIZE, RESTRUCTURE, AND REINVEST

Planning and Development Section: The 2013 proposed budget creates a new section called Planning and Development. This section consolidates several planning and development functions from other DPW divisions. The section will perform duties including permit administration, encroachments, railroad liaison, staff to Board of Zoning Appeals, and major development coordination.

Technology Support Services Transfer: The 2013 proposed budget transfers this section to the Information and Technology Management Division in the Department of Administration. The transfer will consolidate city network maintenance and support, mobile and landline telephone support, programming resources, and help desk support into one central location. Fourteen positions and $900,000 in salary are transferred.

Resident Preference Program: The Administration Division is responsible for implementing the city's Resident Preference Program (RPP). This program leverages employment and training opportunities for city residents via requirements applicable to capital improvement projects. These projects include road repair, building repair, retrofitting and rehabilitation, water main repair and play field reconstruction. The RPP provides that 40% of the labor hours on such projects be allocated to unemployed or under-employed city residents. These projects are funded under the city's capital program. Contracts let with these capital funds are used to create employment opportunities for city residents to build work experience and skills development in the construction trades. In many cases, employees who are initially hired under this program go on to full time employment with companies doing business with the city. In a typical year, the RPP will provide more than 86,000 hours of work and more than $3.5 million of wage income for Milwaukeeans.

Capital Project: The 2013 proposed capital budget provides $500,000 for public safety communication needs. This funding will install new fiber routes and redundant connections for various city agencies, for public safety purposes.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
2	1.96	0.40	Civil Engineer III	Transferred from Infrastructure Services Division.
1	1.00		Engineering Technician IV	
-1	-0.89	-0.11	Public Works IT Manager	Transferred to Department of Administration.
-1	-0.89	-0.11	Telecommunications Analyst Project Leader	
-1	-0.50	-0.50	Telecommunications Engineer	
-3		-3.00	Telecommunications Analyst Senior	
-1	-0.86	-0.14	IT Support Services Manager	
-1	-0.89	-0.11	Applications Programmer	
-1		-1.00	Communication Facilities Coordinator	
-1	-0.86	-0.14	IT Support Specialist	
-1	-0.86	-0.14	IT Support Associate	
-1	-0.86	-0.14	IT Support Specialist Lead	
-2	-1.86	-0.14	IT Support Specialist Senior	
-1			Personnel Payroll Assistant III	Position eliminated.
	-0.88	-1.54	Various Positions	Miscellaneous adjustment.
-12	**-6.39**	**-6.67**	**Total**	

DEPARTMENT OF PUBLIC WORKS
INFRASTRUCTURE SERVICES DIVISION

EXECUTIVE SUMMARY

MISSION: Enable the secure and efficient movement of vehicles, bicycles, pedestrians and data throughout the city.

OBJECTIVES: Improve infrastructure condition.

Reduce energy use in city operations by 15% by 2013.

STRATEGIES: Reduce local street replacement cycle to 50 years by 2016.

Extend the useful life of local streets through capital maintenance and other innovative approaches.

Add an investment component to the local streets program through a high impact local street initiative.

Improve bicycle and pedestrian access citywide.

Prioritize replacement of series circuitry for street lighting based on reducing outages.

Retrofit buildings to increase energy efficiency.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	356.35	298.27	298.85	280.46	-17.81	-18.39
FTEs - Other	229.24	299.14	298.35	308.74	9.60	10.39
Total Positions Authorized	804	803	802	794	-9	-8
EXPENDITURES						
Salaries and Wages	$16,018,141	$17,287,852	$17,382,595	$16,058,890	$-1,228,962	$-1,323,705
Fringe Benefits	7,979,019	8,643,928	8,343,645	7,708,268	-935,660	-635,377
Operating Expenditures	13,595,735	13,312,824	13,847,400	13,247,900	-64,924	-599,500
Equipment	155,484	252,000	654,000	258,000	6,000	-396,000
Special Funds	0	12,000	12,000	12,000	0	0
TOTAL	$37,748,379	$39,508,604	$40,239,640	$37,285,058	$-2,223,546	$-2,954,582
REVENUES						
Charges for Services	$3,669,107	$3,750,500	$3,560,500	$3,560,500	$-190,000	$0
Miscellaneous	216,617	252,000	217,000	217,000	-35,000	0
TOTAL	$3,885,724	$4,002,500	$3,777,500	$3,777,500	$-225,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Infrastructures Service Division's (ISD) primary mission is to provide safe attractive and efficient public ways and infrastructure systems. These systems contribute to the city's goal of strengthening the local economy by increasing investment and economic vitality throughout the city.

ISD is responsible for design, construction, and maintenance of the city's infrastructure systems, including streets and alleys, bridges, sewers, sidewalks, traffic control devices, street lights, and underground conduits. In addition, the division performs transportation planning, coordinates transportation improvements with other governmental agencies and railroad companies, undertakes engineering studies, and investigates various permits, plans, and easements. The division also manages the city's building facility assets, including improving the functionality of existing facilities while identifying opportunities to divest from facilities that do not add value to city services. The division provides building services, such as design, construction, and maintenance for city facilities, excluding the Port of Milwaukee, Milwaukee Public Library, and Health Department clinics.

In 2013, ISD will use approximately $143.2 million to support its objectives, including $37.3 million in operating funds, $47.5 million in capital funds and $58.4 million in state and federal aid.

Grant and aid funds are used primarily for two capital programs: the Major Bridge program and the Major Street Improvements program. In the 2013 proposed budget, grant funds constitute 98.2% of the Major Bridge program and 99.1% of the Major Street Improvements program. Grant funds help the city preserve and maintain its street and bridge systems, which are critical components of the overall transportation system.

STRATEGY IMPLEMENTATION

Many of ISD activities improve the condition of the city's surface public ways, primarily streets, sidewalks, and alleys. Activities include resurfacing or reconstructing existing pavement, curb and gutter, and constructing new streets as part of residential, commercial, and industrial development. Maintaining streets, alleys, and sidewalks promotes economic development in Milwaukee by providing the infrastructure necessary to move people, goods, and services efficiently throughout the city. Currently over 5.4 million trips are made each day on Milwaukee's streets. This includes rides to work, school, church and hundreds of other activities.

Milwaukee's street network includes approximately 1,273 miles of highways, arterials, collectors and local roads. Government agencies and the City of Milwaukee are responsible for repaving approximately 286 of these miles as a part of the Federal Aid Transportation System and are eligible for federal, state and county funding that varies from a 50% to a 100% match. Approximately 987 miles of streets are repaved under the Local Street program, which includes collectors. In addition to the Local Street program, State funds are allocated on a 50% match every even numbered year within the Major Street program to be used for residential streets.

Major Streets: The city's 286 miles of major and minor arterials are resurfaced and maintained as part of the city's Major Streets program. Arterials are part of the Federal Aid Transportation System and are eligible for county, state, and federal funding. Over the past five years, an average of $47.8 million per year has been dedicated to the preservation and reconstruction of these streets. The American Recovery and Reinvestment Act (ARRA) provided $27.5 million dollars to fund 19 Major Street projects in 2009 and 2010. This funding significantly accelerated the Major Streets program and improved some of the city's major thoroughfares. The 2013 proposed budget includes $51.3 million for the Major Streets program (see Table 1). There are 12 major street reconstruction projects scheduled for 2013 in addition to several bike trail projects, street lighting and traffic improvement in the central business district and various signal and safety improvement projects.

Table 1

Major Streets

Source of Funds	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2013-2018 Average
City Funding (1)	$435,000	$4,574,100	$5,572,300	$5,926,000	$7,397,900	$7,964,000	$5,311,550
Assessable (2)	$1,000	$689,000	$260,000	$908,500	$535,400	$690,000	$513,983
Grant and Aid	$50,900,000	$16,788,200	$49,458,700	$27,523,700	$31,191,200	$42,091,000	$36,325,467
Annual Totals	**$51,336,000**	**$22,051,300**	**$55,291,000**	**$34,358,200**	**$39,124,500**	**$50,745,000**	**$42,151,000**

(1) Street portions of projects are no longer assessable.

(2) Assessable items include sidewalks, alleys, sewers.

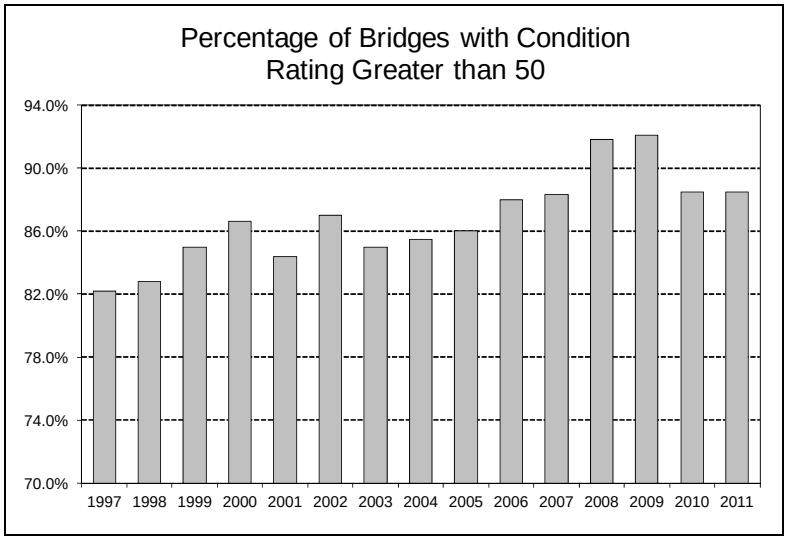
Local Streets: Approximately 987 miles of city streets are not eligible for state and federal funding based upon current Southeastern Wisconsin Regional Planning Commission practices of not allowing collectors to be funded under the State Transportation program. These streets are maintained, repaired, reconstructed and resurfaced with capital funds budgeted for the Resurfacing and Reconstruction program.

The 2013 proposed budget provides $17.5 million for the Resurfacing and Reconstruction program, which will resurface or reconstruct approximately 18 miles of local streets. Approximately $1.4 million of these funds will be used for capital maintenance. The Department of Public Works employs innovative capital maintenance strategies, including a method of resurfacing streets that picks up deteriorated asphalt, rejuvenates the asphalt, and then applies it to the road surface from which it came. This saves both material and labor costs.

The city is committed to investing and improving its transportation infrastructure. The 2013 Local Streets budget includes $1.5 million for a High Impact Street program. This funding will be used to reconstruct high volume streets not eligible for the Major Streets program. Street segments eligible for the High Impact Street program will have a relatively high traffic count, have poor pavement condition or the risk of condition becoming poor, and serve an employment or commercial center.

The six year capital plan for local streets enables the city to maintain its streets at a safe and drivable level (see Table 2). The plan allows the city to complete an average of 18.8 miles of resurfacing or reconstruction per year and approximately 37 miles of street maintenance annually. The 2013 to 2018 funding plan will produce a 53 year replacement cycle.

Figure 1



Major Bridges: The Major Bridge program preserves and maintains a bridge system that ensures the safe and efficient movement of vehicles, people, and commodities. The 2013 proposed budget provides total funding of $5.8 million, including $100,000 in capital and $5.7 million in grant and aid funds.

Bridge conditions are measured using a sufficiency rating ranging from 0 to 100. Ratings are conducted every two years through physical bridge safety inspections. Bridges with a rating below 50 are inspected annually. In 2011, 88.5% of the rated bridges

Table 2

Local Street Resurfacing/Reconstruction Funding 2013 - 2018 Plan

Source of Funds	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2013-2018 Average
City Funding (1)	$14,300,000	$12,600,000	$14,600,000	$12,600,000	$14,600,000	$13,600,000	$13,716,667
Assessable (2)	$1,000,000	$1,200,000	$1,200,000	$1,200,000	$1,300,000	$1,300,000	$1,200,000
LRIP (3) State Funding	$0	$1,067,500	$0	$1,067,500	$0	$1,067,500	$533,750
City Match	$0	$1,067,500	$0	$1,067,500	$0	$1,067,500	$533,750
Assessable Match/Carryover	$0	$0	$0	$0	$0	$0	$0
Annual Totals	**$15,300,000**	**$15,935,000**	**$15,800,000**	**$15,935,000**	**$15,900,000**	**$17,035,000**	**$15,984,167**
Cost Per Mile	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000
Expected Miles Completed	18.00	18.75	18.59	18.75	18.71	20.04	18.80
Replacement Cycle (Years)	**55**	**53**	**53**	**53**	**53**	**49**	**53**

(1) City funds do not include funds for capital street maintenance or program administration.

(2) Does not include carryover assessable authority.

(3) LRIP is included in the Major Streets Program.

had a sufficiency rating above 50 (see Figure 1). The six year capital plan for Major Bridges contains significantly less grant and aid from the state than in recent years. This reduction in state bridge aid will shift more bridge projects to the city funded Local Bridge program.

Local Bridges: The Local Bridge program ensures that bridges are maintained, renovated and reconstructed when state and federal aid is not available. The 2013 proposed budget provides approximately $9.8 million in capital funding for Local Bridge projects. The 2013 program will fund the full reconstruction of the St. Paul Avenue moveable bridge as well as bridge inspection and engineering work for future projects. The six year plan for the Local Bridge program averages $9.6 million per year. This program is funded at a higher level than in recent years due to both the reduction in the city's share of state bridge aid and the need to reconstruct or rehabilitate several of the city's moveable bridges over the next six years.

Alleys Reconstruction: The 2013 Alley Reconstruction program includes $2.5 million in capital funding for the replacement of aging alleys. This funding provides for approximately 25 alley projects to be completed in 2013. In 2012, the recovery rate for assessable alley reconstruction improvements charged to adjacent properties was reduced by 50%, from 60% to 30%, but in 2013 the recovery rate will return to 60% of the total project cost.

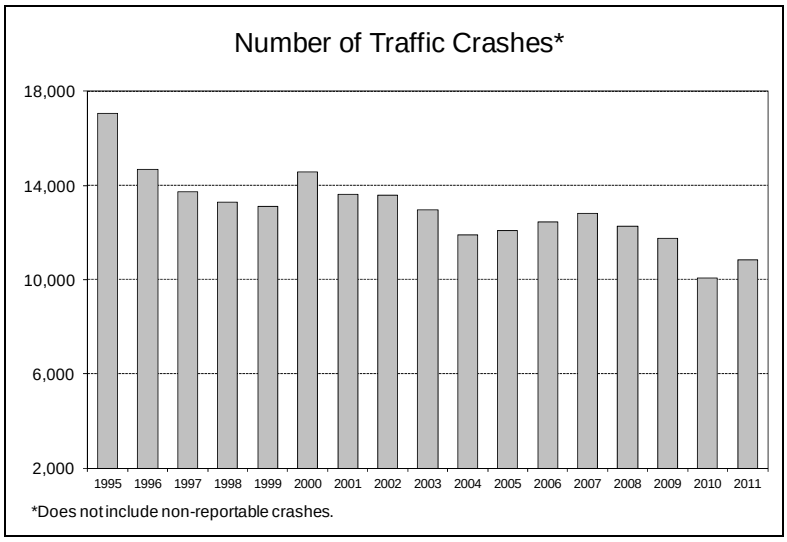
Street Lighting: The 2013 Street Lighting program includes $19.2 million in capital, grant and operating funding. Approximately $4.3 million will be expended on paving related improvements. Infrastructure Services routinely performs electrical upgrades in conjunction with the paving program because it is the most cost effective manner to perform upgrades.

Approximately $2.4 million will be used for the Neighborhood Lighting program, which funds upgrades to street and alley lighting, miscellaneous upgrades, pole knockdown repairs, and excavation repairs. Infrastructure Services will expend $1 million on removing series circuits and replacing them with modern multiple circuits. The goal of the Series Circuitry Upgrade program is to reduce electrical maintenance costs and electrical outages. The upgrades make the city's electrical system more reliable and improve the responsiveness of maintenance crews. Series circuits are prioritized for replacement based on the number of outages each circuit has experienced in recent years, targeting the circuits with the most outages for replacement.

The 2013 proposed budget includes $750,000 for upgrades to street lighting substations and street lighting control circuits. These projects allow for more efficient management of the street lighting system. Upon completion of the street lighting substations, potential problems will be diagnosed before they occur and crews will be more

responsive to citizens. The control circuit project will improve the reliability of lighting cycles, will improve control of street lights, and will reduce response times to circuit outages.

Figure 2



Traffic Controls: The Traffic Control program designs and operates transportation systems that support the safe and efficient movement of people and goods. The program helps to reduce the number of traffic crashes, improve traffic flow and reduce pollution. The 2013 proposed budget provides $5.6 million for this service including $3.5 million in operating funds and $2.1 million in capital funds. The Federal Highway Administration has eliminated many of the implementation deadlines set in the most recent Manual on Uniform Traffic Control Devices (MUTCD). The elimination of these deadlines allows the city to scale back the accelerated pace of the Traffic Control program. Funding is provided to replace the city's aging traffic signs, with $1.1 million for non-paving related sign replacements, a $336,300 increase above the 2012 funded level. The Traffic Control program has contributed to a reduction in the number of reported traffic crashes by 36.2% since 1994 (see Figure 2).

Sidewalk Replacement: The 2013 proposed budget provides $1.3 million to replace defective sidewalks. Approximately $200,000 is designated to reduce the backlog of scattered site sidewalks needing replacement.

Bicycle and Pedestrian Facilities: The City of Milwaukee is ranked a bronze level bicycle friendly community by the League of American Bicyclists. Since 2005, the number of miles of bike lanes in Milwaukee has increased from 13 to 61.5 and racks have been added to park more than 2,000 bikes in neighborhoods across the city. Accomplishments in 2011 include 7.5 miles of new bike lane, 3,330 feet of raised bike lane on Bay Street, 40 countdown walk signals installed, as well as several other street projects to enhance bicycle and pedestrian safety.

Underground Conduit and Electrical Manholes: The Underground Conduit and Manhole program provides internal communication services. The system provides a secure and weatherproof means of connecting communication cables among various city departments, including the Fire Department, Police Department, Health Department, Milwaukee Public Library, Milwaukee Water Works, and the Department of Public Works. The conduit system also provides a secure and reliable route for traffic signals and street lighting cable circuits and systems. The 2013 proposed budget provides approximately $2.3 million in funding for this program, including $112,000 in operating funds and $2.2 million in capital funds. The capital funding includes $1.7 million for conduit and underground manhole work related to paving projects, $300,000 for replacement and repair of underground manholes, and $150,000 for an underground manhole inspection program.

FACILITIES CAPITAL PROJECTS

Environmental Remediation Program: The 2013 proposed budget includes $150,000 for the city's Environmental Remediation program. This program funds lead and asbestos abatement in city facilities, soil and groundwater remediation, and fuel dispenser replacements.

ADA Compliance Program: The 2013 proposed budget includes $245,000 for the ADA compliance program. This program funds various accessibility improvements including building entrances, office modifications, and rest rooms. In 2012, this program incorporated recreational facilities, which had previously been a separate program.

Facilities Exterior Program: The 2013 proposed budget includes $923,000 for projects to maintain watertight integrity, improve energy efficiency, and provide for safe conditions. Major projects include roof repairs to the Anderson Tower, overhead garage door replacements, and emergency repairs at various sites.

City Hall Complex Remodeling: The 2013 proposed budget includes $100,000 for carpet replacement and office remodeling in the City Hall complex.

Outlying Facilities Program: The 2013 proposed budget includes $1.4 million to fund improvements to outlying facilities. In 2013, projects include construction of two vehicle service centers capable of servicing compressed natural gas (CNG) vehicles, one at Lincoln Garage and the other at the Northwest Garage.

Facilities Systems Program: The 2013 proposed budget includes $1.4 million for facility systems improvements. This includes funding for emergency mechanical, electrical and security repairs, electrical distribution and code compliance work, and the first phase of a project to upgrade the electrical systems at Lincoln Garage.

Space Planning, Alterations, and Engineering: The 2013 proposed budget includes $205,000 to fund unprogrammed engineering, facilities inspections, and office reorganizations.

Energy Efficiency and Renewable Energy Initiative Program: The 2013 proposed budget includes $150,000 to fund lighting and sensor upgrades at various city facilities.

Municipal Services Building Relocation: The 2013 proposed budget includes $75,000 to begin the relocation process for the services currently stationed at the Municipal Services Building. Relocation is being considered due to the age and required maintenance costs of the facility, as well as a potential economic benefit of the property being opened up for private development.

City Facilities Consolidation: The 2013 proposed budget includes $60,000 to analyze the consolidation of all city facilities management functions in the Department of Public Works.

RESIZE, RESTRUCTURE, AND REINVEST

Beginning in 2013, the Electrical Services section will adjust the way in which it responds to street lighting circuit outages. The 2013 proposed budget eliminates weekend, second and third shift staffing of Electrical Mechanics, while providing an increase to the section's budget for overtime. The impact on service provision will be a delayed response to circuit outages. The current goal for relighting a failed circuit is 24 hours. This change will increase response time to an average of 48 hours. Eliminating weekend, second, and third shift staffing of Electrical Mechanics will reduce eight FTEs and save approximately $210,000 in 2013.

Based on recent experience with vacancies in ISD, the vacancy deduction for the Streets and Bridges, Electrical Services, and Facilities sections is increased from 2% to 3% for savings of $164,000.

ISD made several other position reductions for 2013, reducing 3.8 FTEs and saving approximately $190,000 in salaries.

The 2013 proposed ISD budget includes several initiatives to restructure and resize its operations:

- Beginning in 2013, property owners will be charged a standard rate for sidewalk and driveway approach repairs associated with street reconstruction. Prior to this change, sidewalk and driveway approach repairs in front of a property were measured and the property owner was charged based on the amount of work performed for their specific property frontage. This change reduces the need for sidewalk and driveway measurement for assessment purposes and eliminates four positions.

- The 2013 proposed budget includes a reorganization of the Street Maintenance management team that eliminates two management positions and saves $95,000 with minimal impact to operations.
- In 2013, the Facilities and Electrical Services sections will no longer utilize Electrical Mechanics as dispatchers. This change replaces one Electrical Mechanic with a Communications Assistant V in each section, saving $34,000.

The 2013 proposed ISD budget also includes strategic investments focused on preserving and improving the city's core infrastructure:

- The city funded portion of the Local Streets program is increased by $1.1 million from the 2012 budget. This includes the new $1.5 million High Impact Street initiative and $1.6 for capital maintenance to extend the useful life of streets before they fall into disrepair.
- The Local Bridge program includes $9.8 million in 2013, a $2.1 million increase from the 2012 budget. The six year plan for Local Bridges averages $9.6 million, representing an increased commitment to ensuring the safety and functionality of the city's bridges.
- The city's Underground Conduit and Electrical Manhole Repair programs are increased by $730,000 from the 2012 budget. The city's renewed commitment to maintaining and upgrading the underground conduit system is evident in the $1.7 million increase (+337%) these programs have received since 2008.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	-0.09	-0.91	Engineering Technician II	Change in assessment process.
-1	-0.09	-0.91	Engineering Technician IV	
-1	-0.50	-0.50	Office Assistant III	Consolidation of clerical functions with Administration.
-1	-0.60	-0.40	Construction Materials Supervisor	Use spot inspections and material certification.
-2	-0.60	-1.40	City Laborer	Reorganize the Electrical Services section.
1	0.40	0.60	Laborer, Electrical Services	
-2	-1.70	-0.30	Street Repair District Manager	Restructure the Street Maintenance management team.
2	1.70	0.30	Street Area Manager	
-3	-2.64	-0.36	Street Operations Supervisor	
-5	-4.65	-0.35	Street Repair Supervisor	
6	5.28	0.72	Street District Manager	

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-8	-6.00	-2.00	Electrical Mechanic	Eliminate weekend, second and third shift staffing to balance the budget.
-2	-1.00	-1.00	Inventory Assistant II	Eliminate vacant positions.
-2	-1.00		City Laborer	Reorganize the Streets and Bridges section.
1	1.00		Program Assistant I	
-1	-1.00		Electrical Mechanic	Shift dispatch functions.
1	1.00		Communications Assistant V	
-1	-0.99	-0.01	Civil Engineer V	Reorganization in Transportation.
-2	-1.96	-0.04	Civil Engineer III	Positions shifted to DPW Administration.
-1	-1.00		Engineering Technician IV	
-1	-0.25	-0.75	Assessment Technician II	Change in assessment process.
-1	-0.03	-0.97	Engineering Technician IV	
1		1.00	Business Support Liaison	Position added to facilitate communication during road work.
-1	-1.00		Custodial Engineer II	Position eliminated.
-1	-1.00		Electrical Mechanic	Shift dispatch functions.
1	1.00		Communications Assistant V	
-1	-1.00		Bricklayer	Eliminate vacant position.
1		1.00	Engineering Drafting Technician V	Consolidate Sewer Drafting Technicians in Transportation.
6		6.00	Engineering Drafting Technician IV	
9		9.00	Engineering Drafting Technician II	
	-1.09	0.88	Various Positions	Miscellaneous adjustments.
-9	**-17.81**	**9.60**	**Totals**	

DEPARTMENT OF PUBLIC WORKS
OPERATIONS DIVISION

EXECUTIVE SUMMARY

MISSION: Improve the safety, cleanliness, and sustainability of Milwaukee neighborhoods and the environment.

OBJECTIVES: Improve neighborhood appearance using outcome measures of scheduled residential collection of 99.5%.

Achieve 40% solid waste diversion by 2020.

Reduce the cost of fuels as a proportion of the division's total operating cost.

Maintain a healthy urban forest.

Meet or exceed national benchmarks for snow and ice removal.

Achieve compliance with State of Wisconsin storm water permit requirements.

STRATEGIES: Timely collection of solid waste and vigorous abatement of nuisance garbage.

Use the Solid Waste Fee structure to generate incentives for increased recycling participation and appropriate reductions to the amounts set out for garbage collection.

Maintain an availability rate of at least 90% for a wide range of multi-use equipment.

Perform street sweeping and leaf collection consistent with sound pollution management practices.

Deploy a multi-skilled workforce for effective and timely snow and ice removal.

Protect the urban forest from the Emerald Ash Borer, replace diseased trees, and maintain a cost effective pruning cycle.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	699.48	649.88	649.74	634.72	-15.16	-15.02
FTEs - Other	57.98	70.87	72.01	74.87	4.00	2.86
Total Positions Authorized	1,447	1,438	1,445	1,436	-2	-9
EXPENDITURES						
Salaries and Wages	$33,723,413	$32,867,238	$33,906,945	$31,235,043	$-1,632,195	$-2,671,902
Fringe Benefits	17,084,756	16,433,621	16,275,333	14,992,821	-1,440,800	-1,282,512
Operating Expenditures	27,652,467	27,301,540	29,668,881	26,678,107	-623,433	-2,990,774
Equipment	1,063,691	1,924,100	2,674,000	1,859,100	-65,000	-814,900
Special Funds	752,289	950,000	1,092,500	972,500	22,500	-120,000
TOTAL	$80,276,616	$79,476,499	$83,617,659	$75,737,571	$-3,738,928	$-7,880,088
REVENUES						
Charges for Services	$66,345,676	$64,385,700	$64,756,300	$67,228,300	$2,842,600	$2,472,000
TOTAL	$66,345,676	$64,385,700	$64,756,300	$67,228,300	$2,842,600	$2,472,000

STRATEGY IMPLEMENTATION

The Department of Public Works Operations Division is comprised of Environmental Services, Fleet Services and Forestry. This division supports the city's goals of building safe and healthy neighborhoods, increasing investment and economic vitality throughout the city, and sustaining, enhancing and promoting Milwaukee's natural environmental assets.

Environmental Services: Environmental Services is comprised of the Sanitation and Forestry Sections. Sanitation is responsible for solid waste collection recycling, street sweeping, brush collection, nuisance garbage, vacant lot maintenance and snow and ice control. These services play a vital role in sustaining neighborhoods, protecting the environment from harmful chemicals, and protecting city residents from infectious disease and injury.

Sanitation Services operates an effective recycling program. The recycling program reduces the amount of material sent to landfills through the city's recycling program, brush collection and public education. A high performance recycling program generates revenue for recyclables and reduces garbage tipping fees. This is especially important because the State of Wisconsin increases tipping fees. The 2013 proposed budget includes $9.9 million for tipping fees, including a 2.5% increase in the 2012 tipping fee rate. This fee increase is expected to add another $250,000 in tipping fees in 2013.

In an effort to control solid waste disposal costs, Mayor Tom Barrett unveiled his "40 by 2020: A Clear Vision to the Future" solid waste diversion program. The goal of this program is to increase the percentage of solid waste diverted from landfills to 40% by the year 2020. Approximately 21% of solid waste is currently diverted from landfills.

The "40 by 2020" program is being implemented in three phases:

- Phase I (2011-2012)
  - Reduced allowance for outside of cart refuse.
    - Reduced from 4 cubic yards to 1 cubic yards.
  - Allowance of only one garbage cart per residence, additional garbage carts provided for additional fee.
    - $13 fee per quarter in 2013.
  - Continue greater diversion of materials at self-help sites.
    - More items added in 2012.
  - Begin single stream recycling.
    - Implemented in the fall of 2011.

40% DIVERSION OF SOLID WASTE BY 2020

- Phase II (2013-2014)
  - Expand the two week recycling program.
  - Distribution of right sized garbage carts.
  - Incorporate greater diversion incentives for new disposal contract.
  - Continue greater diversion of materials at self-help sites.

- Phase III (2014-2020)
  - Pilot and implement residential food waste program.
  - Continue efforts to increase diversion of other materials including plastics, fiber, Styrofoam.

The "40 by 2020" program provides incentives to recycle more, throw away less and take advantage of the "Clean and Green" program and self-help centers. DPW has made significant progress towards fully implementing several major parts of this program. Phase I has been successfully implemented and DPW will implement parts of Phase II in 2012.

The primary benefits of the "40 by 2020" program are reduced tipping fees, increased recycling revenues and a reduction in the overall Sanitation's services costs.

The 2013 proposed budget provides nearly $4.8 million in operating funds and $2.3 million in grant funds for recycling efforts.

The recycling program's mission is to recover an increasing amount of recyclables from the waste stream. DPW will explore a variety of methods to divert more from landfills. One of the primary options under review is the "Pay as You Throw" collection system. In this system, residents' Solid Waste Fee is partly based on the amount of garbage thrown away. This type of system encourages residents to recycle and has been successfully implemented in other large cities. In addition to reduced landfill tonnage, the city's recycling efforts produce revenue for the city. The city's recycling programs generated over $1.8 million in 2011. The 2013 revenue estimate for recycling revenue is $2 million.

Forestry Section: Forestry is responsible for tree and landscape management. Forestry currently maintains 200,000 trees and 120 miles of boulevards that provide Milwaukee with a natural beauty both residents and visitors enjoy. The urban tree canopy and boulevard system contribute to the environmental sustainability of the city by helping to manage stormwater runoff. Forestry is also responsible for vacant lot and foreclosed property maintenance.

The Forestry Section also enforces the "Tall Weed/Grass" ordinance. Enforcement is accomplished through scheduled systematic sweeps through the city. The Forestry Section has identified areas of historically high service request volume. These areas are proactively swept once each week during the summer. This was a change from the previous complaint driven process. The change has increased the efficiency of the program and allows the city to more effectively maintain unresponsive and foreclosed properties. In a typical year there are an average of 8,000 to 9,000 service requests, about half of which were cited for being in violation of the ordinance.

The Emerald Ash Borer emerged as a threat to the state's ash tree population in 2008 with its discovery in Ozaukee and Washington Counties. The insect was recently discovered in the City of Milwaukee. DPW has been working with the State of Wisconsin on pest control strategy. This strategy involves an intense educational campaign to discourage transport of firewood from other regions, which could spread the pest. Recently developed pesticides may prevent an infestation of Milwaukee's urban forest. Milwaukee has approximately 33,000 ash trees at risk of infestation.

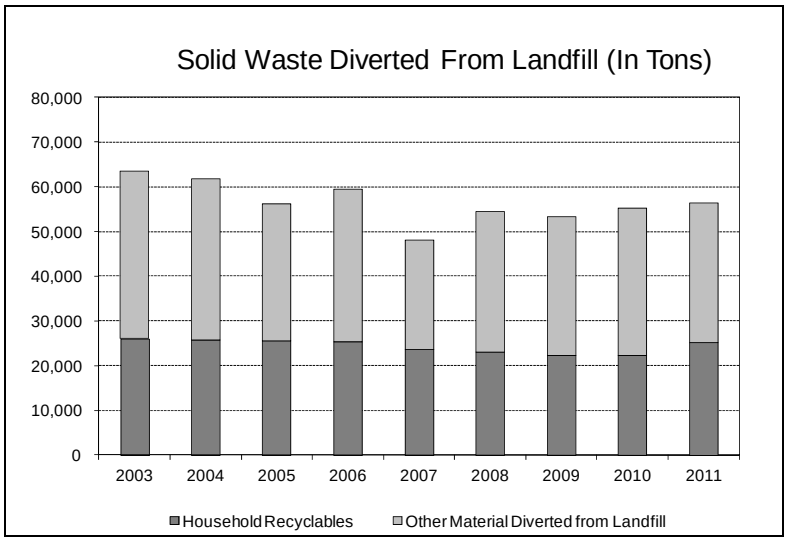
Fleet Services and Fleet Operations: Fleet Operations works cooperatively with Environmental Services to clear city streets of snow and ice, a critical component to the city's objective of nurturing investment. The Fleet Services and Fleet Operations Sections operate and maintain DPW's centralized fleet of over 4,000 motor vehicles and related equipment. The Fleet Services Section provides equipment and vehicles for other city departments, DPW divisions and provides repair services for vehicles owned by the Library, Health Department, Police Department, Water Works, Sewer Maintenance Fund, and Parking Fund.

Fleet Services currently has a grant to cover the marginal cost for the purchase of 20 compressed natural gas (CNG) packers. DPW plans to order the new CNG packers in 2012 and 2013. The addition of the CNG packers will play a major role in energy cost reduction within city's fleet. Currently the cost per mile for a diesel powered packer is more than two times the cost of a CNG packer.

The Snow and Ice Control program is an important DPW activity. The goal is to remove snow and ice as quickly and economically as possible to restore safe motorist and pedestrian travel and minimize economic losses. A well run snow and ice removal operation adds value by allowing year round operation of the regional economy.

Weather conditions largely determine the extent to which snow and ice control operations are performed. Snowfall, which fluctuates tremendously, is the primary driver of expenditures. DPW has improved the efficiency of its snow and ice control operations by utilizing a variety of chemicals to combat ice and using multi-purpose vehicles for plowing operations. Multi-purpose vehicles allow DPW staff to respond more quickly to rapid accumulations of snow on the roadway. Additionally, past expansion of snow driver pool and overtime has allowed for more sustained snow removal operations using only city forces.

Figure 1



Snowfall over the past five years has averaged 64.6 inches per year, resulting in an average of 5 plowing operations and 42 ice control operations. The 2013 proposed budget includes $7.9 million for snow and ice control operations, $1.1 million of this amount reflects projected carryover of 2012 funds. The budgeted amount represents 80% of the five year average cost for snow and ice control. The five year average is skewed upward by expenditures of $15.8 million in 2008.

The Fleet Services program provides repair and maintenance services to over 4,000 vehicles and pieces of equipment. It also provides equipment operators for a variety of DPW functions. In 2012, Fleet Services met or exceeded its goal of preventative maintenance checks and ensured the following in service rates:

- Police vehicles - 95%
- Light weight vehicles - 92%
- Heavy equipment - 90%

The 2013 proposed budget provides $75.1 million in operating funds, utilizes $3.2 million of grant and reimbursable funding and an additional $10.3 million of capital funds for DPW Operations Division's services to Milwaukee's residents and businesses.

Solid waste collection and other city cleanliness activities are supported through the Solid Waste Fee. The 2013 proposed budget sets the fee at $33.9 million or an estimated $179.20 annually for a household with a single garbage cart. DPW collects waste weekly from about 213,000 households. In 2011, DPW collected over 299,906 tons of garbage from carts, dumpsters, self-help centers and other services. Approximately 23% of the collected waste was diverted from landfills.

Recycling and other solid waste reduction efforts benefit the city by reducing tipping fee expenditures and providing revenue through sale of recycled material. In 2011, DPW collected 25,099 tons of residential recyclables and 31,364 tons of compost and other materials, for a total of 56,363 or 23% of residential waste (see Figure 1).

RESIZE, RESTRUCTURE, AND REINVEST

The 2013 proposed budget implements several operational changes to increase efficiency and to stream line solid waste collection and recycling programs. These changes should reduce the amount of landfill waste produced by residents while increasing the amount of recycling

The DPW Operations budget has net reduction of two positions and 15.16 Full Time Equivalent (FTEs) positions. These reductions were possible as a result of operational changes and initiatives. The position changes include reductions to:

- Five Operational Driver/Worker;
- Two Sanitation Worker;
- Two Urban Forestry Specialist; and
- Reduction in funding for seasonal positions.

The 2013 proposed budget also includes the addition of several unfunded Auxiliary positions to give Environmental Services flexibility in delivering services.

The 2013 proposed budget requires residents to place their garbage carts at the curb on collection day for the entire year. This change will allow for faster and more efficient garbage collection and reduces approximately $151,000 in costs.

The 2013 proposed budget also reduces the expected costs for landfill waste. Landfill tonnage costs are budgeted at 263,000 tons. This represents a 7,000 ton reduction from the 2012 adopted budget. This change is a result of positive outcomes of DPW initiatives relating to solid waste management and results in a budgeted cost savings of approximately $250,000.

In 2013 DPW Operations will review how it provides services to Milwaukee's citizens. For example the 2013 proposed budget includes funding to contract out for barricade service. Contracting barricade service will not result in a service reduction to citizens, but will yield a net cost reduction of $35,000 and create flexibility for DPW staff to concentrate on activities requiring higher skill sets.

DPW Operations is also in the process evaluating a means to contract out bulky waste collection and cart delivery. This contracting opportunity has the potential reduce the need for ten positions and approximately $160,000 in annual pension and health care costs

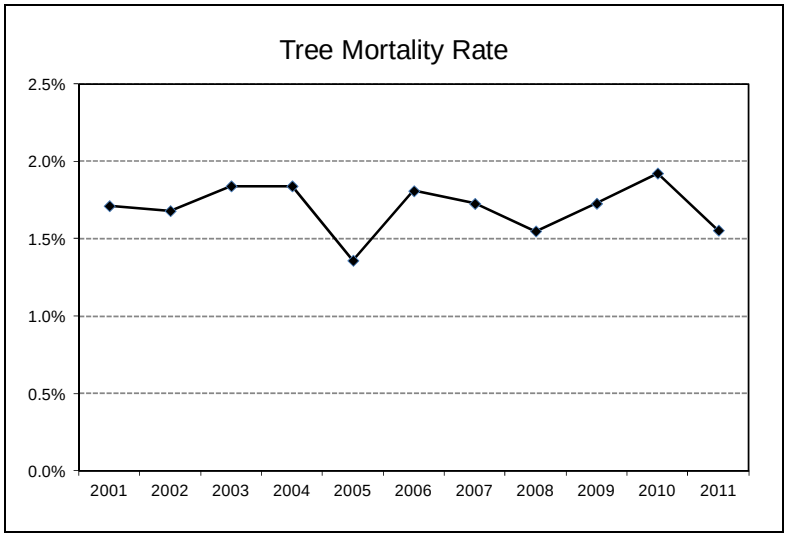
While no changes to bulky waste collection service have been included in the 2013 proposed budget, the pricing structure will change to the following:

- Less than 1 cubic yard – free;
- Greater than 1 cubic yard but less than 4 cubic yards - $50;
- Greater than 4 cubic yards but less than 6 cubic yards - $150; and
- No pick-up for loads greater than 6 cubic yards.

Annual revenues resulting from bulky collection fees total approximately $100,000 or 10% of the actual cost of the program. The proposed pricing structure will facilitate the recovery of a higher proportion of the program's costs.

Fuel costs total $5.7 million in the 2013 proposed DPW Operations budget. These costs were reduced by $450,000 as a result of changing the diesel/bio-diesel fuel mix. This change will not result in a service reduction.

Figure 2



The average price assessed for landfill tonnage is based on a mix of compostable and non-compostable materials. Compostable materials cost less to landfill. As a result of DPW's aggressive diversion initiatives, compostable materials have grown to be a larger proportion of the landfill price mix, thereby lowering the city's landfill costs. This mixture of change resulted in a $300,000 reduction in tipping fees in 2013.

The 2013 proposed budget initiates a process of reinvesting in solid waste services to improve productivity and reduce workers compensation exposure. The budget includes $500,000 to begin the purchase of three fully automated pieces of equipment that will enable one person to complete weekly garbage collection routes, as opposed to the current two person staffing. Each route that is successfully converted to one person operation should save approximately $77,000 annually, providing for a two year payback period. DPW is currently testing five automated routes. DPW is evaluating semi-automated collection and the impacts on bulky garbage collection services, as well as, snow and ice operations. This restructuring initiative may require some changes in service delivery in order to be effective. DPW is committed to formalizing an automated truck implementation plan for the 2014 budget deliberations.

FEES

- **Cart Fee**: Approximately 20% of city residents have two or more garbage carts. As part of the 2013 proposed budget, city residents with two or more garbage carts will be assessed $13 quarterly for each garbage cart after the first cart. This policy will encourage residents to throw away less and recycle more. The fee applies only to garbage carts. Residents can request additional recycling carts at no charge. DPW will also provide cart recycling to households with service upon request.

- **Solid Waste Fee:** The 2013 Solid Waste Fee will recover approximately 92% of the net costs associated with garbage collection and recycling. The fee will generate approximately $33.9 million. For those property owners who are provided with only one cart, their annual Solid Waste Fee will increase from $171.52 in 2012 to $179.80 in 2013. The need to recover the employer's share of normal pension cost generates approximately $725,000 of the fee increase.

- **Snow and Ice Control Fee:** The Snow and Ice Control Fee recovers a large portion of the city's cost for snow and ice operations. The 2013 proposed budget includes a Snow and Ice Fee of $7.9 million or an average of $33.23 per typical property with 40 feet of street frontage. The fee is charged based on the estimated street frontage for all properties. The proposed 2013 fee will recover 100% of the estimated snow and ice control costs.

CAPITAL PROJECTS

Environmental Facility Modification: The 2013 proposed budget provides $500,000 for roof replacement at the Environmental Services facility on Mount Vernon. The roof replacement will preserve the facility and mechanical systems until the facility use is decided.

Tree Planting and Production: The 2013 capital budget provides $1.3 million for the Tree Planting and Production program. The program will fund nursery staff time devoted to tree production and the replacement of 3,100 street trees, as part of the Mayor's commitment to improve Milwaukee's environment. Figure 2 shows data on tree mortality.

Concealed Irrigation and Landscaping: The 2013 capital budget provides $500,000 in capital funding for boulevard irrigation system replacements. The replacement irrigation systems provide water for plant beds. Funding will support the replacement of up to 51 taps.

Tree Stump Removal: The 2013 proposed budget includes $150,000 for stump removal contracting. This program will assist in eliminating the backlog of stumps remaining after diseased or dead trees were removed. The stump removal program will also facilitate faster replacement of trees.

Emerald Ash Borer (EAB): The 2013 capital budget includes $952,000 for an Emerald Ash Borer Readiness and Response program. Treatable ash trees will be injected with a pesticide to protect against the ash borer. The EAB program requires that half of the city's 33,000 ash trees be injected each year. Trees injected in the initial year of the program will be lab tested to verify that injections are effective in combating the ash borer. While the ash borer beetle has not been found in the City of Milwaukee trees, the beetle has recently been discovered on private property on the city's northwest side. This puts nearly 600,000 city trees in jeopardy.

In response to the discovery of the EAB within the borders of the City of Milwaukee, City Ordinance 116-68, related to the cost of removal of hazardous trees by city contractors, will be amended to treat tree removal as a special assessment. The ordinance change will allow property owners to pay the removal cost of hazardous trees over a six year period.

Major Capital Equipment: The 2013 proposed budget includes $6.5 million for major capital equipment that costs more than $50,000 per unit and has a life cycle of at least ten years. This represents a $500,000 increase over the 2012 funding level. The 2013 program includes replacing street sweepers, aerial trucks, heavy dump trucks, and garbage and recycling packers.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
			Admininistration	
1	1.00		Administrative Specialist	Reorganization
			Fleet Services	
-1	-1.00		Vehicle Service	
1			Automotive Machinist (Aux)	
			Fleet Operations	
-3	-3.00		Operations Driver/Worker	
-1			Equipment Operations Supervisor II	
1			Equipment Operations Supervisor I	
			Sanitation	
-7	-7.00		Sanitation Worker	Operational efficiency.
-1	-1.91	1.00	Operations Driver/Worker	
1	1.00		Self Help Supervisor	Reorganization.
4	4.00		Self Help Attendant	
-4	-2.75		Sanitation Inspector (Aux)	
6			Self Help Attendant (Aux)	
	-1.17	1.17	Various Positions	Miscellaneous adjustment.

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
			Forestry	
-2	-2.00		Urban Forestry Specialist	Operational efficiency.
	-1.50		Seasonal Positions	
-1	-1.00		Technical Service Supervisor	Reorganization.
1	1.00		Urban Forestry Technical Services Manager	
3			Urban Forestry Technician (Aux)	
	-0.83	1.83	Various Positions	Miscellaneous adjustment.
-2	**-15.16**	**4.00**	**Totals**	

SPECIAL PURPOSE ACCOUNTS

EXECUTIVE SUMMARY

OBJECTIVES: Special Purpose Accounts appropriate funds for purposes not included in departmental budgets. These accounts may include funding for short term programs, programs that affect multiple departments, or programs that warrant distinction from departmental budgets. Every year, the Common Council adopts a resolution that authorizes expenditure of funds from the various Special Purpose Accounts by specific departments or by Common Council resolution.

The 2013 proposed budget provides funding of $22.8 million for Miscellaneous Special Purpose Accounts and total funding of $156.2 million for all Special Purpose Accounts. Highlights of the 2013 proposed Miscellaneous Special Purpose Accounts (SPAs) include:

Discontinued Accounts

Compensation and Fringe Benefit Reserve: The 2012 budget created a new Compensation and Fringe Benefit Reserve special purpose account funded at $8.2 million. This account provided funding for the employee pension contributions if it was determined that the city is legally obligated to continue to pay the entire member contribution. The City Attorney issued an opinion holding that the city remains obligated to pay the member contribution. This funding will be used in 2012 to pay for the employee pension contributions on behalf of employees.

Razing and Vacant Building Protection: The 2013 proposed budget transfers the Razing and Vacant Building Protection Fund special purpose account to the Department of Neighborhood Services operating budget as a new special fund. The large increase in vacant, abandoned and foreclosed properties has increased razing needs. Changing this account into a special fund provides the department with more flexibility in transferring additional funds into this account, if needed.

Villard Square Rent Payment: The 2012 budget created a new Villard Square Rent Payment special purpose account funded at $13,182. As part of the new Villard Square library, the city entered into an agreement with RACM to rent the space for the Villard Square library. This agreement includes an annual rent payment for the Villard Library space. The plan is for an annual rent payment to be budgeted for seven years, at which time the city will purchase the library space at Villard Square from RACM. In 2013, this account is moved to the Milwaukee Public Library's operating budget.

Other Significant Changes

Alternative Transportation for City Employees: The 2013 proposed budget increases the Alternative Transportation for City Employees special purpose account by $10,000. Total funding of $125,000 will pay for part of the cost for employees to use Milwaukee County Transit System buses. The 2013 funding amount is based on anticipated participation levels and increased costs.

Care of Prisoners Fund: This account provides funding to pay for billings by Milwaukee County for the care of city prisoners boarded at the House of Correction. Prisoners convicted of city violations are housed in the House of Corrections in accordance with Wisconsin State Statutes. This account has no funding in 2013, just as it was not funded in 2012. No funding is provided because there is an ongoing dispute between Milwaukee County and the city involving billings for city prisoners at the County House of Corrections that has not been resolved. The city maintains that the county's per diem rates exceed allowable legal charges.

City Attorney Collection Contract: Funding for this account has been decreased by $75,000 in the 2013 proposed budget to $885,000. This account funds contracts with private collection companies for the collection of outstanding city receivables and overdue Municipal Court judgments.

Damages and Claim Fund: This account provides funding for the payment of city legal obligations, including payment of claims, settlements of lawsuits, and payment of judgments. This account is decreased by $50,000 to $1,225,000 in 2013.

Driver License Recovery and Employability: No funding is provided for this account in 2013. In 2013, the Driver License Recovery and Employability program is funded with $150,000 from the Community Development Block Grant. See the *Municipal Court* section of the *2013 Proposed Plan and Executive Budget Summary* for more information.

Economic Development Committee Fund: This account support costs related to advertising and marketing for industrial and commercial development, business attraction and retention, and tourism. The account is decreased by $5,000 to $20,000 in 2013.

Flexible Spending Account: This account funds a program that allows employees to set aside pre-tax dollars for certain medical care and dependent care expenses. The account is decreased by $5,000 to $90,000 in 2013.

Group Life Insurance Premium: This account funds the city's obligations with respect to life insurance benefits for city employees. The account is decreased by $159,000 to $2.9 million in 2013. The decrease results from removing one-time funding included in the 2012 budget for a Request for Proposal issued in 2012 and lower premium costs and coverage projected for 2013.

Long Term Disability Insurance: This account funds a benefit that provides income continuation to employees who are unable to work because of a disabling injury or illness. The account is decreased by $55,000 to $810,000 in 2013.

Nuisance Abatement Fund: This account funds the abatement of residential or commercial properties that have been adjudicated or determined to constitute a nuisance. The account is not funded in 2013 because of the historically low level of expenditures.

Remission of Taxes Fund: This account funds the refunding of erroneous ad valorem taxes and interest on the same to property owners who successfully appeal their property assessments. The account is increased by $450,000 to $1.2 million in 2013, based on the trend in appeals.

Retirees Benefit Adjustment Fund: This account makes supplemental pension benefits for certain non-employee retirement services retirees. The account is decreased by $46,000 to $123,000 in 2013. There is a decreasing need for benefit payments based on fund projections.

Tuition Reimbursement Fund: The city provides a tuition benefit program to eligible employees to help them further develop skills related to their current job or a reasonable promotional opportunity within city government. The amount of tuition benefits available to each employee depends upon the particular employee group to which they belong. The account is decreased by $15,000 to $735,000 in 2013.

Unemployment Compensation Fund: This account funds the city's portion of unemployment compensation benefit payments to city employees who are laid off or otherwise separated from service. Eligibility for this benefit is determined by the State of Wisconsin upon review of the employee's level of earnings and the circumstances surrounding the separation from employment. The account is increased by $35,000 to $1,100,000 in 2013.

Wages Supplement Fund: This account funds anticipated wage and fringe benefit increases for city employees, including increase resulting from collective bargaining agreements. The account is decreased to $6 million in 2013. This amount is needed to fund anticipated compensation increases for city employees in 2013.

SPECIAL PURPOSE ACCOUNTS SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
Special Purpose Accounts Miscellaneous						
Alternative Transportation for City Employees	$108,612	$115,000	$125,000	$125,000	$10,000	$0
Annual Payment to Department of Natural Resources	7,034	7,100	7,100	7,100	0	0
Audit Fund	442,900	465,000	480,000	465,000	0	-15,000
Boards and Commissions Reimbursement Expense	13,418	16,000	16,000	16,000	0	0
Care of Prisoners Fund	0	0	80,000	0	0	-80,000
City Attorney Collection Contract	860,495	960,000	960,000	885,000	-75,000	-75,000
City Memberships	95,362	94,000	90,000	91,000	-3,000	1,000
Clerk of Court Witness Fees Fund	5,480	9,700	9,000	9,000	-700	0
Compensation and Fringe Benefit Reserve	0	8,200,000	0	0	-8,200,000	0
Contribution Fund General	0	2,800,000	2,900,000	2,900,000	100,000	0
Damages and Claims Fund	1,102,886	1,275,000	1,275,000	1,225,000	-50,000	-50,000
Drivers License Recovery and Employability Program	50,000	50,000	200,000	0	-50,000	-200,000
eCivis Grants Locator	26,741	28,079	28,079	28,079	0	0
Economic Development Committee Fund	12,134	25,000	30,000	20,000	-5,000	-10,000
E-Government Payment Systems	54,925	60,000	66,000	66,000	6,000	0
Employee Training Fund	19,479	20,000	20,000	20,000	0	0
Firemen's Relief Fund	130,536	135,000	135,000	142,500	7,500	7,500
Flexible Spending Account	42,452	95,000	95,000	90,000	-5,000	-5,000
Graffiti Abatement Fund	136,189	95,000	130,000	95,000	0	-35,000
Group Life Insurance Premium	2,903,637	3,063,000	2,904,000	2,904,000	-159,000	0
Illegal Dumping Tip Hotline	25,000	25,000	25,000	25,000	0	0
Insurance Fund	417,543	450,000	450,000	440,000	-10,000	-10,000
Land Management	700,457	650,000	650,000	650,000	0	0
Long Term Disability Insurance	764,784	865,000	865,000	810,000	-55,000	-55,000
Maintenance of Essential Utility Services	62,838	65,000	70,000	65,000	0	-5,000
Milwaukee Arts Board Projects	148,381	160,000	160,000	160,000	0	0
Milwaukee Fourth of July Commission	99,314	95,000	95,000	95,000	0	0
MMSD User Charge	0	48,164,351	45,140,893	45,140,893	-3,023,458	0
Less Recover MMSD User Charge	0	-48,164,350	-45,140,892	-45,140,892	3,023,458	0
Municipal Court Intervention Program	425,316	425,320	425,320	425,320	0	0
Nuisance Abatement Fund	5,024	25,000	25,000	0	-25,000	-25,000
Outside Counsel/Expert Witness Fund	435,122	430,000	430,000	430,000	0	0
Razing and Vacant Building Protection Fund	1,077,573	1,019,000	1,944,000	0	-1,019,000	-1,944,000
Receivership Fund	35,368	0	0	0	0	0
Reimbursable Services Advance Fund	0	50,000,001	50,000,001	50,000,001	0	0
Less Recover Reimbursable Services Advance Fund	0	-50,000,000	-50,000,000	-50,000,000	0	0
Remission of Taxes Fund	1,385,163	750,000	750,000	1,200,000	450,000	450,000
Reserve for 27th Payroll	0	1,500,000	1,500,000	1,500,000	0	0
Retirees Benefit Adjustment Fund	143,681	169,000	133,000	123,000	-46,000	-10,000
Tuition Reimbursement Fund	709,929	750,000	750,000	735,000	-15,000	-15,000
Unemployment Compensation Fund	1,139,744	1,065,000	1,200,000	1,100,000	35,000	-100,000
Villard Square Rent Payment	0	13,182	13,182	0	-13,182	-13,182
Wages Supplement Fund	0	7,850,000	7,000,000	6,000,000	-1,850,000	-1,000,000
Total Miscellaneous SPAs	$13,587,517	$33,819,383	$26,035,683	$22,847,001	$-10,972,382	$-3,188,682

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
Board of Zoning Appeals	$247,052	$306,131	$302,110	$293,071	$-13,060	$-9,039
Workers' Compensation Fund	$11,362,821	$13,334,000	$13,900,000	$14,400,000	$1,066,000	$500,000
Employee Health Care Benefits						
Administration Expenses	$6,674,781	$7,800,000	$8,400,000	$8,200,000	$400,000	$-200,000
UHC Choice Plus (formerly Claims)	19,132,094	16,700,000	17,300,000	16,950,000	250,000	-350,000
Dental Insurance	1,917,162	2,200,000	2,200,000	2,200,000	0	0
UHC Choice "EPO" (formerly HMOs)	111,113,165	89,500,000	93,100,000	91,350,000	1,850,000	-1,750,000
Total Employee Health Care Benefits	$138,837,202	$116,200,000	$121,000,000	$118,700,000	$2,500,000	$-2,300,000
Grand Total Special Purpose Accounts	$164,034,592	$163,659,514	$161,237,793	$156,240,072	$-7,419,442	$-4,997,721

SPECIAL PURPOSE ACCOUNT
WORKER'S COMPENSATION

SUMMARY OF EXPENDITURES

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
Worker's Compensation	$11,362,821	$13,334,000	$13,900,000	$14,400,000	$1,066,000	$500,000
TOTAL	$11,362,821	$13,334,000	$13,900,000	$14,400,000	$1,066,000	$500,000

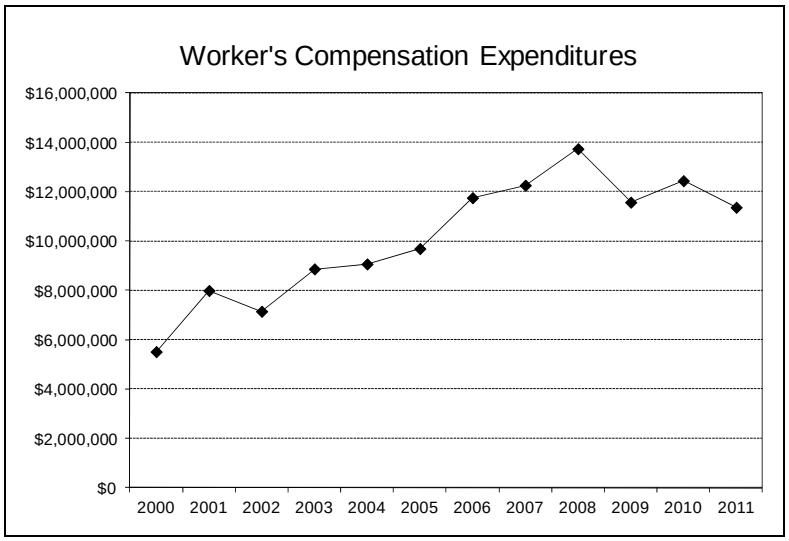
The Worker's Compensation Special Purpose Account, administered by the Employee Benefits Division of the Department of Employee Relations (DER), funds the city's financial obligations under the State's Worker's Compensation Act. The Worker's Compensation program is self-funded and self-administered. The number and severity of claims drives the cost. The account also covers expenses incurred because of exposure to bloodborne pathogens in the workplace as mandated by the bloodborne pathogen law.

The 2013 proposed budget for the Worker's Compensation account totals approximately $14.4 million, an increase of 8.0% from the 2012 budget. Projected Worker's Compensation expenditures for 2012 are $14.5 million due in large part to a few severe injuries that occurred in 2011. The amount of claim costs for 2011 paid out in 2012 through the end of June is approximately twice the annual average. Barring any unforeseen incidents in 2012 or 2013, expenditure levels should remain the same in 2013 as they were in 2012.

DER has been working with a consultant to develop better projection models that analyze the total estimated claim liability along with the severity and life of a claim in order to determine current year expenditures along with the incurred but not reported losses (IBNR). Gaining a better understanding of IBNR costs will help DER anticipate fluctuations due to claim variance and more accurately budget claim expenditures from year to year.

Worker's compensation expenditures increased due to growing medical costs, wage rate increases, and sustained injury rates (see Figure 1). DER utilizes medical bill review and re-pricing options to adjust medical charges stemming from work related injuries. Bill review and re-pricing generate savings from State fee schedules and negotiated provider discounts. In 2011, medical and hospital discounts resulted in net savings of $3.1 million. Through June 2012, the city has achieved over $2.2 million in savings.

Figure 1



In 2009, DER and the Department of Administration Budget and Management Division developed a Risk Management Program for injury prevention in order to bridge a large disconnect between workplace safety at the department level and the impact of those injuries on worker's compensation related expenditures that are budgeted in DER. The program reflects the assumption that a stronger accountability structure, accident prevention strategies and cost containment measures are shared responsibility of DER and the operating departments where the injuries and accidents were happening.

The accountability structure under the program relies on department heads, safety personnel, and front line supervisors to identify, address and manage safety concerns and to focus on three main areas:

- Understanding the cause and nature of injuries,
- Identifying and implementing preventive measures, and
- Developing programs to expedite return to work options for injured employees.

Data from the DER claims management system provides the foundation for departments to understand and analyze claim volume, frequency, and injury severity and are provided in annual Safety Plans that are required from the Department of Public Works (DPW), the Milwaukee Police Department, (MPD), and the Milwaukee Fire Department (MFD). The safety plans include a data analysis portion along with the identification and evaluation of safety practices needed to minimize job hazards and prevent injuries. In addition, departments must also identify goals and objectives for the following year along with associated action and completion steps for each goal.

The development and implementation of the Risk Management Program and the requirement to develop annual safety plans has contributed to several improvements, including the implementation of return to work programs, the development of accident investigation protocols and policies at the supervisory level, and the inclusion of safety performance measures in job descriptions and performance appraisals.

While safety plans are an important accountability tool for the Risk Management Program, DER believes additional steps can enhance the overall effectiveness of the safety plans and improve the quality and consistency of the reported data. These changes planned for 2013 include:

- Departments will begin entering injury claims data directly into the claims management system. This should improve reporting lag times between the departments and DER and streamline claims processing functions. Data entry by departments will allow the classification of injury data on the front end of the process and improve real time data analysis. Currently, completion of the classification of an injury occurs long after data entry, which delays the execution of periodic and meaningful analysis.

- DER will complete the data analysis portion on behalf of each department to ensure the analysis is completed in a consistent manner and the city is adequately identifying and addressing the key loss sources and drivers for each department. With departments classifying the injury data in real time, DER will be able to complete more timely analysis of the data. This will give departments more opportunity and time to concentrate on high priority safety initiatives, identify and measure outcomes, and evaluate the effectiveness of the initiatives.

- DER will work with each department to improve performance measurements by developing injury and accident exposure data that is specific to each department and that aids in the analysis of departmental injuries and accidents. For example, when looking at the incident rate of injuries associated with garbage cart handling, it would be helpful to know the number of sanitation stops that require the movement and handling of garbage carts.

- DER will develop a Safety Report Template for departments to use when completing annual Safety Plans. This will provide consistency to the general format of the plans and ensure that each department completes the mandatory sections. It will also allow DER to determine if the plan completion fulfills the requirements.

In response to a worker's compensation audit by the Comptroller's Office, DER will add some enhancements to the claims processing and management functions. These include improved efforts to combine claims management and risk prevention, implementation of a claim quality review process, improvements to claims reserving procedures, and increased and consistent use of nurse case management for complex medical cases.

DER tracks and monitors citywide indicators on worker's compensation claims and injuries. This allows identification of significant trend increases or decreases. These data include the number and type of claims filed each year, annual paid claim expenditures, the number of recordable cases, the incidence rate, the number of lost workdays, and injury hours and pay (see table below). The city has experienced significant decreases in many of these areas over the last several years. Since 2009, claims, injury hours and pay have decreased over 18% and recordable cases decreased over 19%. Worker's compensation expenditures have also experienced a downward trend over the past several years.

Worker's Compensation Indicators

	2005	2006	2007	2008	2009	2010	2011
City Wide Data							
Claims	3,043	3,097	2,806	2,689	2,345	2,225	1,903
Recordable Cases	1,171	1,140	1,221	1,073	927	872	744
Incidence Rate	16.87	17.75	18.31	16.01	14.22	13.82	12.14
Lost Workdays	24,456	21,279	19,488	24,817	15,441	16,421	15,432
Injury Hours	232,006	197,972	206,227	217,584	152,596	165,083	124,581
Injury Pay	$4,081,803	$3,618,117	$3,751,695	$4,095,467	$3,057,917	$3,287,550	$2,508,410
MFD							
Claims	856	973	725	627	566	614	432
Recordable Cases	360	346	364	294	270	298	197
Incidence Rate	28.36	29.36	29.83	24.55	22.49	26.99	17.86
Lost Workdays	9,178	8,821	4,684	10,136	3,625	5,755	4,614
Injury Hours	97,308	98,590	92,937	107,094	72,401	86,670	52,670
Injury Pay	$1,628,876	$1,721,210	$1,646,649	$1,956,139	$1,442,241	$1,716,529	$1,003,443
MPD							
Claims	877	920	891	865	775	663	636
Recordable Cases	316	300	280	251	244	177	166
Incidence Rate	13.51	13.55	12.00	10.69	10.78	7.88	7.28
Lost Workdays	5,106	4,017	2,316	3,441	3,885	2,833	3,726
Injury Hours	50,190	34,252	26,238	35,116	32,241	29,201	34,532
Injury Pay	$1,064,451	$764,525	$589,227	$823,732	$781,220	$714,592	$858,659
DPW All Divisions							
Claims	1,163	1,069	1,043	1,075	887	862	740
Recordable Cases	444	443	509	474	374	359	343
Incidence Rate	23.84	25.74	28.74	26.01	21.25	20.99	21.74
Lost Workdays	9,393	8,032	11,852	10,341	7,567	7,061	6,822
Injury Hours	79,548	61,355	76,834	66,553	47,064	44,198	34,721
Injury Pay	$1,306,303	$1,062,630	$1,335,152	$1,164,474	$814,767	$772,485	$605,599

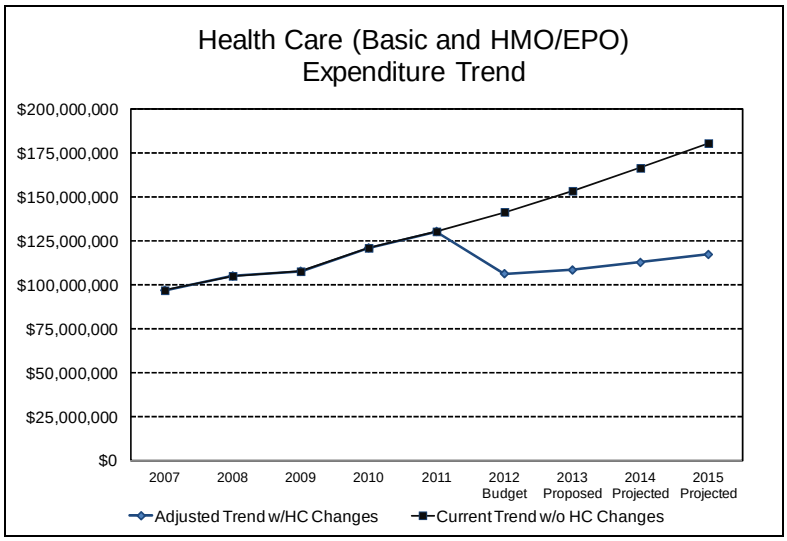
SPECIAL PURPOSE ACCOUNT
EMPLOYEE HEALTH CARE BENEFITS

SUMMARY OF EXPENDITURES

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
UHC Choice Plus (formerly Claims)	$19,132,094	$16,700,000	$17,300,000	$16,950,000	$250,000	$-350,000
UHC Choice "EPO" (formerly HMO)	111,113,165	89,500,000	93,100,000	91,350,000	1,850,000	-1,750,000
Dental Insurance	1,917,162	2,200,000	2,200,000	2,200,000	0	0
Administrative Expense	6,674,781	7,800,000	8,400,000	8,200,000	400,000	-200,000
TOTAL	$138,837,202	$116,200,000	$121,000,000	$118,700,000	$2,500,000	$-2,300,000

This Special Purpose Account covers employee health care costs for two separate self-funded plans, the Choice Plus plan (formerly the Basic/Claims) and the Choice EPO plan (formerly the HMO) along with dental insurance, administrative expenses, and other cost containment measures. The Department of Employee Relations manages the account.

Figure 1



Prior to 2012, health care expenditure increases for the city averaged around 8% to 9% annually with expenditure trends projected to reach $190 million by 2015. Given the ongoing financial challenges faced by the city, a more sustainable health care plan approach was needed.

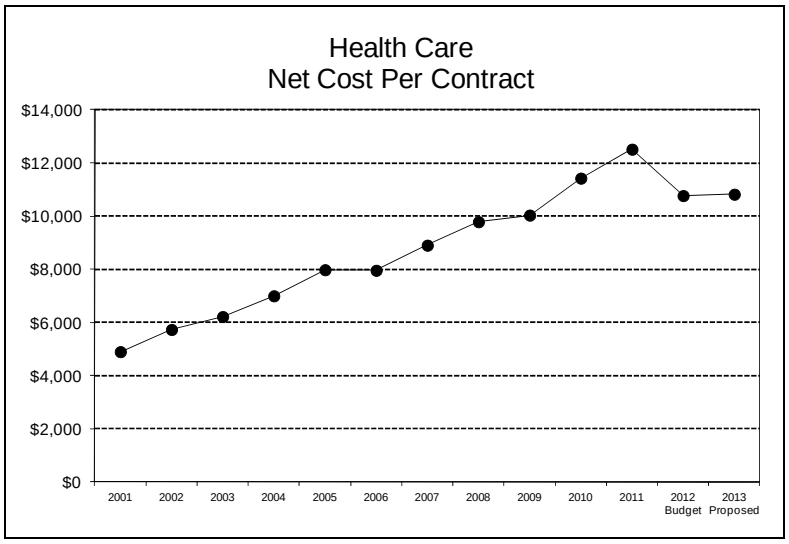
The city's health care plan in 2012 included significant plan design changes to lower the total premium for both employees and the city, decrease large trend increases over the long run, and encourage more appropriate utilization. The city also switched from an insured HMO to a self-funded EPO plan due to significant projected cost savings.

Because of these changes, the 2012 employee health care budget was decreased almost 20% from the 2011 budgeted amount (see Figure 1). The changes made in 2012 have led to smarter utilization of health care benefits by city employees and resulted in a reduction of the projected rates for 2013. The city will be well under the 4% growth in health care costs experienced nationally this year. In fact, overall premium rates for active employees will decrease by 8.7% and the monthly employee 12% premium share will also decrease for most employees.

Employees enrolled in the Choice plan will continue to pay deductibles of $500 single/$1,000 family, a 10% co-insurance after the deductible is met, and $1,000 single/$2,000 family out of pocket maximums. Employees enrolled in the Choice Plus plan will continue to pay deductibles of $750 single/$1,500 family, a 10% co-insurance after the deductible is met, and an out of pocket maximum of $1,500 single/$3,000 family. Both the Choice and Choice Plus plans will include a three tier drug plan with co-pays of $5, $25, and $50.

The 2013 cost per health care contract is expected to remain largely unchanged from the 2012 amount. The revised benefit structure implemented in 2012 caused the overall cost per contract to decrease substantially (see Figure 2). The cost per contract has historically increased by approximately $2,000 every three years and prior to 2012 that increase had become more dramatic. On a percentage basis, costs from 2006 to 2008 increased 24% while costs from 2009 to 2011 grew over 28%. In 2013 the cost per contract will decrease over 13% from 2011 levels.

Figure 2



Beginning in 2013, DER will not be mailing Open Enrollment packages to employees as has been the practice for past years. All Open Enrollment materials including benefit information and rate charts will be available online.

In 2013, DER will work with the Budget and Management Division to explore additional opportunities regarding health care benefits and health care delivery systems including potential collaboration opportunities with other taxing units and the viability of implementing a site based clinic model that could:

- Provide more convenient access to primary care to reduce inappropriate utilization of ER.
- Offer greater emphasis on preventive care and disease management to reduce costs.
- Reimburse providers on salaried basis (as opposed to Fee-For-Service) to focus economic incentives on the health of the patient (as opposed to units of production).

In 2010, the city implemented the "Wellness, Your Choice Milwaukee" wellness initiative which was spearheaded by a "Wellness and Prevention" Labor Management Committee. Froedtert Health Workforce Health was chosen to partner with the city and administer the wellness program. The purpose of the program is to improve the overall health and well being of employees and assist individuals in addressing chronic diseases.

Through the program employees complete a three step process including an online health questionnaire, lab work, and meeting with a health professional. Employees who do not participate and employees who use tobacco pay a health assessment fee above the monthly health care premium. The city's participation rate for 2012 has reached almost 90% and that rate is expected to continue in 2013.

Once the last phase of the program is completed, Froedtert Health Workforce Health will provide a report summarizing aggregate data and trends for the past three years and detail the health status of city employees and how the wellness initiative has impacted the overall health of employees.

SPECIAL PURPOSE ACCOUNT
BOARD OF ZONING APPEALS

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	4.00	3.00	4.00	4.00	1.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	11	11	11	11	0	0
EXPENDITURES						
Salaries and Wages	$192,183	$197,574	$196,204	$189,165	$-8,409	$-7,039
Fringe Benefits	20,788	60,901	58,250	58,250	-2,651	0
Operating Expenditures	34,081	47,656	47,656	42,656	-5,000	-5,000
Equipment	0	0	0	3,000	3,000	3,000
TOTAL	$247,052	$306,131	$302,110	$293,071	$-13,060	$-9,039
REVENUES						
Licenses and Permits	$300,962	$274,000	$286,500	$286,500	$12,500	$0
TOTAL	$300,962	$274,000	$286,500	$286,500	$12,500	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Board of Zoning Appeals (BOZA) supports the city's goal of increasing investment and economic vitality in the city. The Board is composed of seven members appointed by the Mayor and confirmed by the Common Council. BOZA hears and decides on appeals of rulings on city zoning ordinances.

STRATEGY IMPLEMENTATION

The Board of Zoning Appeals plays an important role in the city's economic development. The city encourages developers to invest in Milwaukee by making the zoning appeals process simple and consistent. The Board ensures that development proposals do not harm the urban setting, while allowing variances and other exceptions to zoning codes to facilitate development and redevelopment of properties and buildings in the city. Information on hearings is sent to community groups and leaders from the city via E-Notify, and the Department of City Development has worked to increase interest in BOZA hearings. The city continues to improve citizen involvement and access to hearings at the Board of Zoning Appeals.

In 2013, BOZA will continue to improve communication with customers and citizens to reduce waiting times for hearings and expedite the appeal process. BOZA hears approximately 700 cases per year, and works with numerous city departments in evaluating and processing zoning appeals. When the city implements its Land Management System in 2013 and 2014, BOZA will be able to speed up standard requests and other processes and reduce the workload associated with interdepartmental coordination on zoning appeals. The 2013 proposed BOZA budget includes funding for new computer workstations for BOZA staff to facilitate faster work and maximize the value of the Land Management System implementation.

CITY TREASURER

EXECUTIVE SUMMARY

MISSION: To fulfill the duties and responsibilities of the independently elected City Treasurer, who serves as the chief investment and revenue collection officer of the City of Milwaukee.

OBJECTIVES: Collect taxes and delinquent taxes in a timely and cost effective manner.

STRATEGIES: Aggressive efforts to collect delinquent property taxes.

Maintain high quality standards in providing tax collection services to city residents and in the accounting of city funds.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	28.97	29.37	28.60	27.44	-1.93	-1.16
FTEs - Other	0.19	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	60	60	58	58	-2	0
EXPENDITURES						
Salaries and Wages	$1,701,584	$1,466,846	$1,422,775	$1,373,962	$-92,884	$-48,813
Fringe Benefits	823,185	733,423	682,935	659,502	-73,921	-23,433
Operating Expenditures	569,556	820,670	739,720	796,320	-24,350	56,600
Equipment	11,149	0	0	0	0	0
Special Funds	28,652	42,440	29,120	47,835	5,395	18,715
TOTAL	$3,134,126	$3,063,379	$2,874,550	$2,877,619	$-185,760	$3,069
REVENUES						
Charges for Services	$169,938	$116,700	$112,600	$112,600	$-4,100	$0
Licenses and Permits	105,545	61,600	105,500	105,500	43,900	0
Miscellaneous	302,993	670,000	670,000	670,000	0	0
TOTAL	$578,476	$848,300	$888,100	$888,100	$39,800	$0

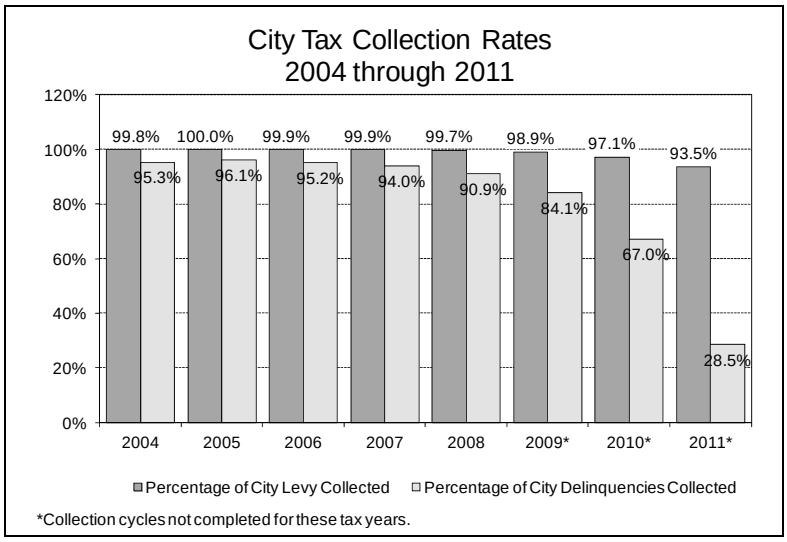
DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The City Treasurer, under authority provided by Wisconsin State Statutes and the Milwaukee City Charter, receives and accounts for all monies paid to the city, makes disbursements vouchered for payment by the Comptroller, invests city funds that are not needed to meet current expenditures, collects current property taxes and delinquencies for all six tax levies within the City of Milwaukee, settles property tax collections on a prorated basis, and remits to each taxing jurisdiction their share of the monies collected.

The Treasurer's Office supports the city's efforts to improve fiscal capacity through its investment of city funds that are not needed immediately to meet current expenditures, including property taxes and lump sum revenue payments such as State Shared Revenue. In making investment decisions, the Treasurer's Office considers the safety, liquidity, and rate of return of various investment instruments. The Treasurer's Office also supports the

city's efforts to deliver services at a competitive cost by controlling the costs of tax collection. The Treasurer's 2013 operating budget totals $2.8 million, a 6.1% decrease from its 2012 adopted budget.

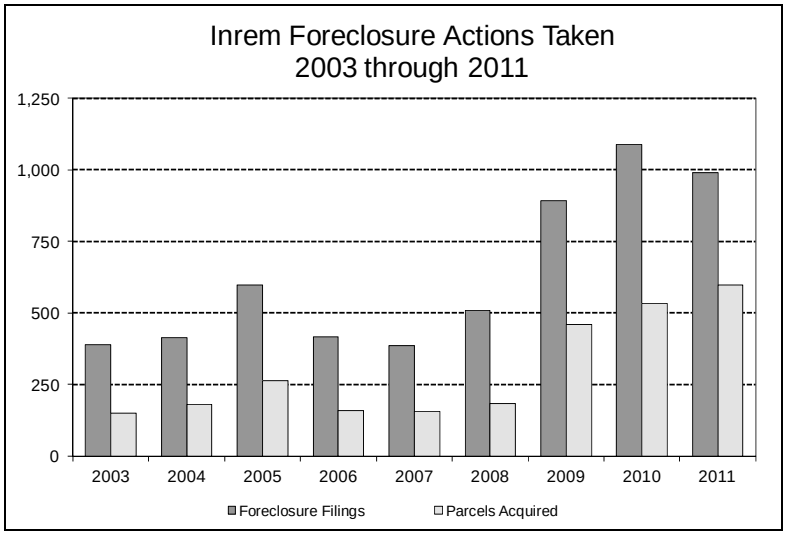
Figure 1



STRATEGY IMPLEMENTATION

The City Treasurer is responsible for the collection of property taxes, including delinquent taxes, for all six levies within the city. As seen in Figure 1, the Treasurer collects nearly 100% of the total city levy and an average of almost 95% of the resulting delinquent accounts after the three year collection cycle. The Treasurer's Office strives to collect all delinquent property tax accounts. One of the ways that the department has improved collection efforts is by having the city's collection agent, the Kohn Law Firm, attempt to collect delinquent real estate property taxes for the period of six months prior to the city pursuing a foreclosure action. An additional benefit of this approach has been the reduction in the number of tax delinquent parcels acquired through foreclosure, reducing the city's property management costs.

Figure 2



While this policy has been successful, the downturn in the housing market and the overall economy has contributed to increased foreclosure filings and tax delinquent parcels acquired. In 2011, the number of properties filed against by the city through *In Rem* foreclosure was 991 properties, with 597 of those acquired by the city. As Figure 2 shows, between 2007 and 2011, foreclosure filings increased by 606 or 157% and parcels acquired increased by 442 or 285%. Filings and acquisitions are expected to remain at this elevated level in 2013.

RESIZE, RESTRUCTURE, AND REINVEST

***In Rem* Foreclosure Filings:** In 2013, the Treasurer's Office will carry out three separate *In Rem* foreclosure filings on tax delinquent properties instead of four that were funded in 2012. Multiple filings have become necessary in recent years in order to handle the large volume of properties filed against. One filing is being eliminated because the timing of the fourth filing would coincide with the beginning of tax collection season. The workload of the Treasurer's Office increases significantly during tax collection season, and a fourth filing in November places an undue burden on the Treasurer's staff.

Reduction in Armored Car Service: The Treasurer's Office has implemented electronic direct deposit, which in 2013 will save approximately $19,000 in armored car service.

Position Changes and Reductions: An Executive Administrative Assistant II is eliminated in the 2013 proposed budget. An Accounting Assistant I position is reduced to 0.5 FTE status, and two 0.53 FTE Teller positions are combined into one full time Teller. Funding for a Temporary Customer Service Representative is reduced by approximately $16,000 as the Treasurer will not employ staff in kiosks outside the Treasurer's Office during tax collection season.

Investment of Pooled Cash: Beginning in 2012, responsibility for investing the city's idle pooled cash was returned to the Treasurer's Office from the Comptroller's Office. This reverses an initiative in the 2012 budget which placed this responsibility with the Comptroller's Office. The Treasurer will utilize a private fund manager to manage the investment of the city's pooled cash. Approximately $56,000 is shifted from the Comptroller's Office to the Treasurer's Office in the 2013 proposed budget to pay for the services of the private fund manager.

Various Operating Reductions: The Treasurer's Office made $63,000 in reductions to various other operating expenses for 2013. The Treasurer's Office continues to work diligently to minimize costs through efficiencies that either improve or have no negative impact on service provision.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	-1.00		Executive Administrative Assistant II	Position not funded.
	-0.50		Accounting Assistant I	Position reduced to 0.5 FTE.
-2	-1.06		Teller (0.53 FTE)	Part time positions combined to create one full time position.
1	1.00		Teller	
-1	-0.26		Special Deputy City Treasurer	Position eliminated.
	1.00		Investments and Financial Services Specialist	Position filled in 2012 and funded in 2013.
	-1.11		Temporary Customer Service Representative	Not required due to timing of holidays during tax collection.
-2	**-1.93**	**0.00**	**Totals**	

FRINGE BENEFIT OFFSET

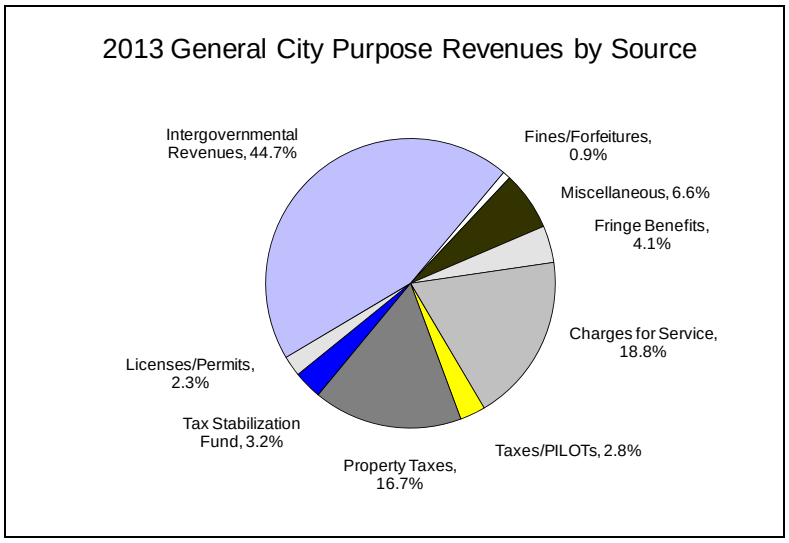
	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
Fringe Benefit Offset	$-152,762,403	$-153,339,677	$-150,777,579	$-144,676,913	$8,662,764	$6,100,666
TOTAL	$-152,762,403	$-153,339,677	$-150,777,579	$-144,676,913	$8,662,764	$6,100,666

Employee fringe benefit costs are appropriated in various special purpose accounts. In addition, department operating budgets include an estimated employee fringe benefit factor in order to reflect the total cost of department operations. In prior years, this second appropriation, or "double" budget, was offset by a "paper" revenue to avoid levying twice for employee benefits. The 2013 proposed budget offsets this "double" budget with a budget offset, as opposed to a revenue offset. This approach avoids overstating the total city budget by the fringe benefit factor, which in 2013 amounts to approximately $144.7 million.

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

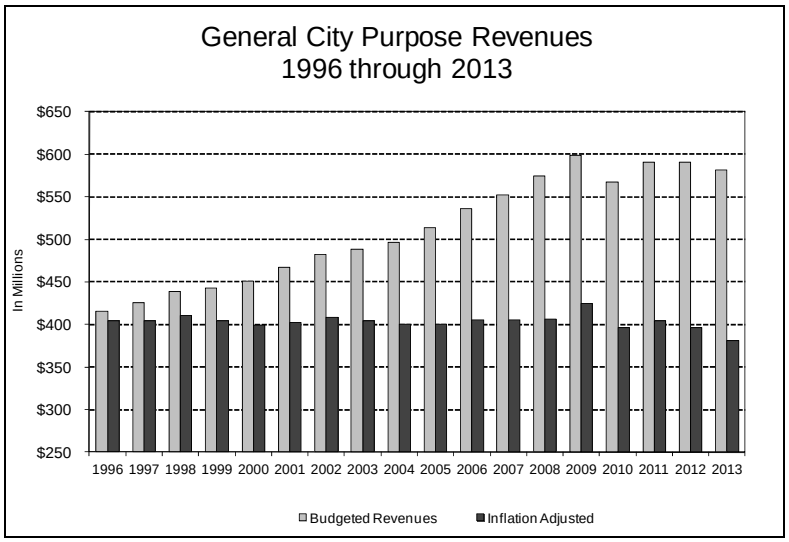
Each year, the Comptroller's Office develops revenue estimates for the upcoming budget year. When finalized, these estimates determine the property tax levy and reserve fund withdrawals need to offset budgeted expenditures. In 2013, the city anticipates generating approximately $581.0 million in revenue for general city purposes. Figure 1 provides a breakdown of these revenues by major category.

Figure 1



Revenue diversification and enhancement provides the city with the means to retain existing service levels. Property tax increases have been limited by state legislation and state aids have continued to decrease, placing pressure on other revenue sources or requiring service reductions. State restrictions on the type of fees that are available to municipalities further erode the city's ability to diversify its revenues.

Figure 2



The overall general city purpose revenues have grown less than the rate of inflation (see Figure 2). Revenues in 1996 adjusted for inflation equaled $404 million which is $15.0 million higher than the inflation adjusted revenue for 2013 of $381.0 million.

There are a variety of sources of funds for the general city purposes budget. Figure 3 illustrates the distribution of the different revenue categories in the 1995 budget and the 2013 budget. A noticeable shift in intergovernmental, property taxes, and charges for service is evident over the time period. The city received proportionately more intergovernmental aid in 1995 when it accounted for 63.7% of total revenues versus 44.7% in 2013.

Over the same time period, the city's reliance on property taxes increased from 10.6% to 16.7% although it only slightly increased in terms of real dollars. The city has increased its efforts to diversify revenues by increasing charges for service as a percentage of revenue from 4.3% to 18.8%.

From 2003 to 2013, intergovernmental revenues decreased from $284.6 million to $259.6 million. This is shown in Figure 4 along with the inflation adjusted amounts.

The following discussion provides more specific detail on the different categories of general purpose revenues.

Intergovernmental Revenue: These revenues include funding received from other governmental jurisdictions, state and federal aid formulas, grants, and other program specific government aids.

In the 2013 budget, intergovernmental revenues total $259.6 million. The city anticipates state aids to remain the same as 2012.

The largest amount of state aids received by the city comes in the form of State Shared Revenue. In 2013, the city expects to receive $218.6 million of shared revenue. This is an increase of $0.1 million from the amount expected to be received in 2012.

Since the state fixed the allocation for shared revenue in 1995 and later fixed the amount municipalities received, the city was unable to rely on shared revenue to assist in addressing its structural budget issues. The city has turned to other sources of funds or service cuts to offset this lack of growth. The city will experience a nearly $94.7 million decrease in "real" intergovernmental aids since 1995 (see Figure 4)

The state transportation aids are determined by the amount that is spent on transportation related accounts and the funds made available in the state budget for this purpose. These aids total $24.9 million in 2013 which is $0.6 million below the 2012 amount.

Figure 3

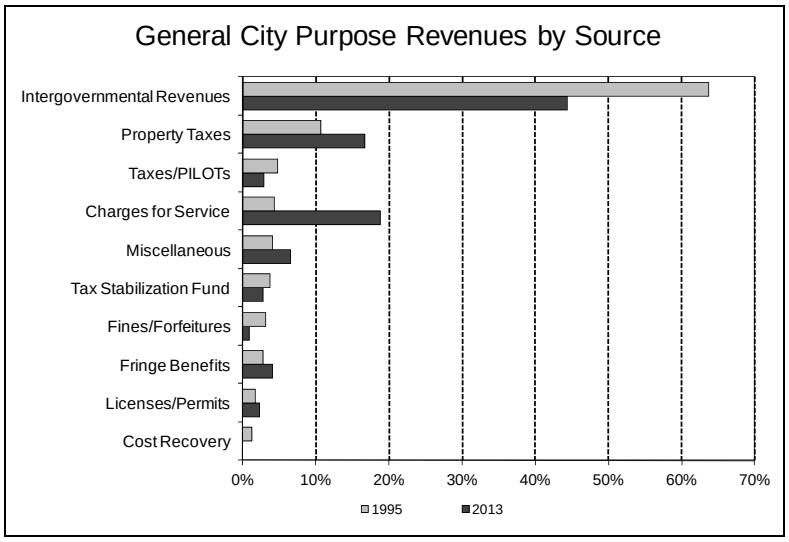
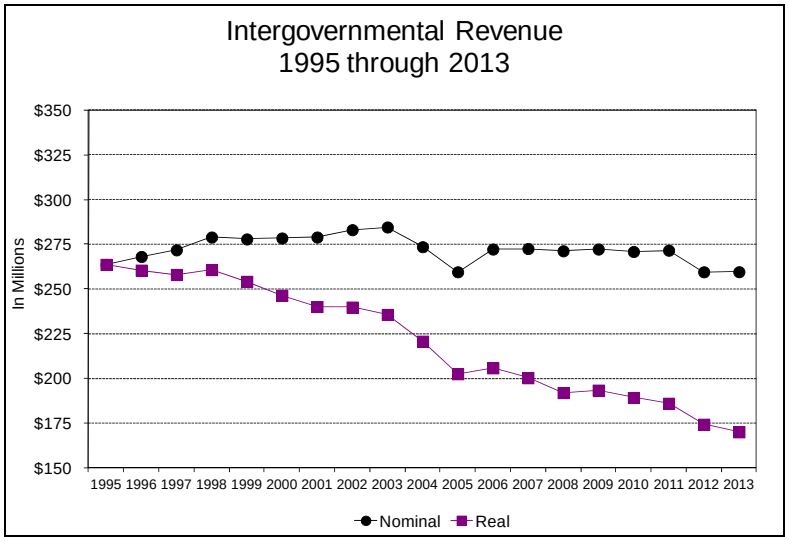


Figure 4



Another state aid is the Expenditure Restraint Payment. The program rewards communities that control their General Fund expenditures. General Fund expenses are allowed to increase by the CPI and 60% of the net new construction. The other qualifying factor is an equalized property tax rate above $5 per $1,000 of equalized value. Funds are distributed by the percentage of excess property tax levy which means the higher you tax the more money you receive. Milwaukee has done an excellent job of controlling its property tax levy, causing the expenditure restraint aids to remain relatively flat. The estimate for 2013 is $8.3 million which is equal to 2012.

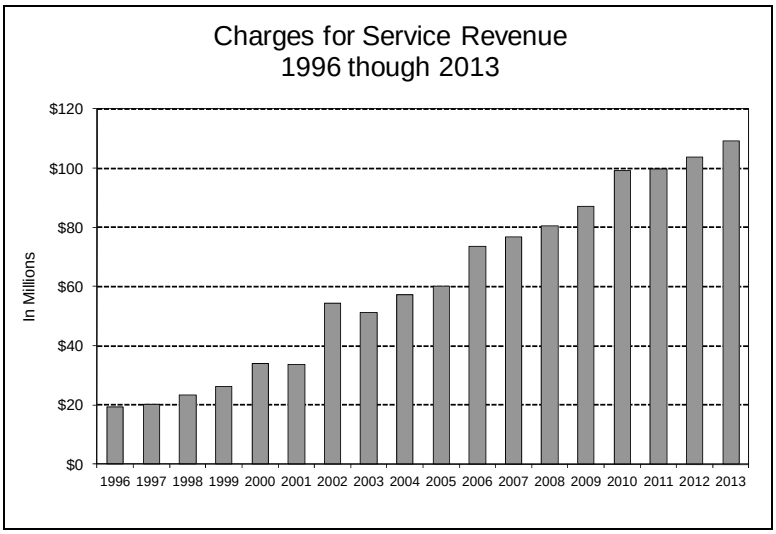
Property Taxes: The property tax levy will provide $96.9 million in revenue for the general city purposes budget in 2013. The total city tax levy will be $250.5 million in 2013 or an increase from 2012 of $2.4 million or 0.986%.

Taxes and Payments in Lieu of Taxes: The 2013 budget includes an estimated $16.5 million in revenue attributable to Taxes and Payments in Lieu of Taxes (PILOTs), an increase of $0.4 million from 2012. These funds include revenues raised by non-property tax levies; occupation taxes; trailer park taxes; principal, interest, and penalties on delinquent taxes; property tax adjustments; and payments from property tax exempt governmental entities.

Charges for Services: The 2013 budget includes $109.4 million in revenue from charges for services, an increase of $5.4 million from 2012. This category of funding encompasses revenue received for services provided by city operating departments.

Figure 5 illustrates the increased city reliance on user based fees. Charges for service revenues increased from $19.4 million in 1996 to $109.4 million in 2013. This trend is also evident in Figure 3, where charges for service revenues increased from 4.3% of revenues to 18.8%. Fees for Solid Waste, Snow and Ice, and Sewer Maintenance are charged to city property owners according to usage, instead of through the tax levy.

Figure 5



The Solid Waste Fee is a charge that mainly recovers nearly 100% of the cost of weekly garbage collection. Service costs for related solid waste services like recycling, and special collections are also recovered through the fee. An additional charge is made to residences that have more than one garbage cart per household.

The fee will be $52 per garbage cart above one cart per household. This will increase the fee on an additional cart by $12 from the 2012 level. There will be no charge for additional recycling carts. The Solid Waste Fee will rise to $179.20 per year for residential units from $171.52 per year that is charged in 2012 and will generate $35.9 million when combined with the extra garbage cart fee. Pending adoption of the fee by the Common Council, only $33.9 million is recognized for charges for service. The remaining $2.0 million is reflected as a tax stabilization withdrawal until the fee is adopted and the revenue is recognized by the Comptroller.

The Snow and Ice Fee will continue at its current annual rate of $0.8407 per foot of property frontage. The fee will generate a total of $7.9 million in 2013.

Leaf pickup and street sweeping costs will continue to be recovered through the Sewer Maintenance Fee. The budget reflects tree pruning costs which are charged to the Sewer Maintenance Fee. This is done in the form of a $14.4 million transfer from the Sewer Fund to the General Fund.

Miscellaneous Revenues: Miscellaneous revenues include the transfer from the Parking Fund, interest on investments, funds from the sale of surplus property, real estate property sales, several spending offset accounts, and other revenues not included in any other category. For 2013, these revenues are expected to total $38.2 million. The decrease of $0.7 million from 2012 in miscellaneous revenues is primarily due to a decrease in the parking fund transfer payment of $1.9 million, a one-time payment from Greendale for water of $0.8 million, and a $0.3 million increase in contributions, property sales and insurance recovery.

Fines and Forfeitures: Revenue of $5.1 million related to fines and forfeitures is included in the 2013 budget. Fines and forfeitures include payments received from individuals as penalties for violating municipal laws. The revenue in this account reflects collections made by the Municipal Court.

Licenses and Permits: Revenue from licenses and permits in 2013 is estimated at $13.3 million, an increase of $0.7 million from 2012. These funds include charges administered by various departments for legal permission to engage in a business, occupation, or other regulated activity.

Fringe Benefit Offset: The fringe benefit costs associated with reimbursable, grant, Enterprise Fund, and capital activity are gross budgeted in the General Fund. These other funds make a payroll payment to the General Fund to offset the cost of their General Fund budgeted fringe benefit, which is anticipated to be $24 million in 2013.

Tax Stabilization Fund (TSF): The Tax Stabilization Fund is used to accumulate unexpended appropriations and revenue surpluses. It assists in stabilizing the city's tax rate and protects citizens from tax rate fluctuations that can result from erratic variations in non-property tax revenues. Approximately $19.6 million lapsed into the fund at the end of 2011 bringing the balance in the fund (as of April 15, 2012) to $35.0 million.

The 2013 withdrawal will be $13.9 million which is 40% of the fund balance. After the 2013 withdrawal and anticipated regeneration at the end of 2012, the Tax Stabilization Fund should have a fund balance of approximately $35.0 million.

A temporary additional withdrawal from the TSF is reflected in the 2013 budget in anticipation of revenue estimation by the Comptroller. Several fees and permits are being proposed to increase but have not yet been adopted by the Common Council. The Comptroller has been reluctant to recognize this type of revenue prior to the Common Council adoption. The amount included in the 2013 budget for this purpose is $4.4 million.

The $4.4 million of withdrawal in anticipation of the revenue consists of $2.0 million for changes to the solid waste fee and extra cart fee, $1 million for a newly developed bulky collection fee structure, $0.8 million in various DNS permits and violation charges, $0.3 million in a permit surcharge that will be used to enhance DNS training and technology systems and to reflect the $0.25 million proposed County agreement for a neighborhood park patrol payment. Once these fees are approved by the Common Council and recognized by the Comptroller they will appear in their normal revenue category and this portion of the TSF withdrawal will be eliminated.

2. SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	2010 ACTUAL EXPENDITURES	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 PROPOSED BUDGET	CHANGE 2013 PROPOSED VERSUS 2012 ADOPTED
Taxes and Payments in Lieu of Taxes					
Housing Authority	$768,356	$765,929	$768,400	$680,000	$-88,400
Parking	1,297,123	1,404,692	1,300,000	1,450,000	150,000
Water Services Division	10,153,957	11,150,863	10,600,000	11,200,000	600,000
Trailer Park Taxes	111,325	110,102	110,000	100,000	-10,000
Payment in Lieu of Taxes Other	347,599	391,540	320,000	345,000	25,000
Interest/Penalties on Taxes	2,702,920	2,348,675	2,693,900	2,239,800	-454,100
TID Excess Revenue	912,971	449,982	0	0	0
Other Taxes	253,342	304,794	355,000	505,000	150,000
Total Taxes	$16,547,593	$16,926,577	$16,147,300	$16,519,800	$372,500
Licenses and Permits					
Licenses					
Amusement Dance/Music	$549,549	$156,233	$552,000	$148,000	$-404,000
Dog and Cat	61,695	105,545	61,600	105,500	43,900
Food - City Clerk	0	1,952,088	0	2,074,000	2,074,000
Food Health Department	1,999,198	121,745	2,215,000	0	-2,215,000
Health Department Non-Food	33,451	37,738	38,400	37,400	-1,000
Liquor and Malt	1,151,605	1,407,367	1,149,000	1,347,000	198,000
Scales	348,500	482,248	365,500	485,000	119,500
Miscellaneous City Clerk	597,261	548,731	520,000	520,100	100
Miscellaneous Neighborhood Services	462,365	451,055	413,200	332,600	-80,600
Miscellaneous Department Public Works Administration	13,203	14,985	13,000	14,000	1,000
Permits					
Board of Zoning Appeals	$291,501	$300,962	$274,000	$286,500	$12,500
Zoning Change Fees	46,825	44,050	50,000	50,000	0
Building	2,304,853	2,376,865	2,095,000	2,647,300	552,300
Building Code Compliance	269,880	334,881	275,000	350,000	75,000
Curb Space Special Privilege	111,350	16,775	112,000	35,000	-77,000
Electrical	812,410	983,872	870,000	1,000,000	130,000
Elevator	125,783	139,089	120,000	170,000	50,000
Occupancy	310,681	331,060	300,000	410,000	110,000
Plumbing	752,281	782,295	720,000	800,000	80,000
Miscellaneous Neighborhood Services	126,914	149,406	134,300	137,000	2,700
Sign and Billboard	100,504	106,170	99,000	97,000	-2,000
Special Events	224,024	240,460	200,000	200,000	0
Miscellaneous Department of Public Works	302,096	297,543	311,500	287,500	-24,000
Special Privilege Miscellaneous City Clerk	1,915	0	0	0	0
Special Privilege Miscellaneous Neighborhood Services	367,222	326,541	370,000	350,000	-20,000
Sprinkler Inspection	88,758	103,331	90,000	110,000	20,000
Use of Streets Excavating	871,303	822,001	804,000	804,000	0
Plan Exam Department of City Development	622,904	652,819	495,100	540,000	44,900
Total Licenses and Permits	$12,948,031	$13,285,855	$12,647,600	$13,337,900	$690,300
Intergovernmental Revenue					
Fire Insurance Premium	$1,010,494	$1,044,286	$1,009,000	$1,075,000	$66,000
Local Street Aids	27,397,633	28,012,217	25,470,000	24,880,000	-590,000
Payment for Municipal Services	1,913,895	1,967,579	1,650,000	1,800,000	150,000
State Payments Police	1,088,120	697,451	659,500	744,900	85,400
State Shared Revenue (General)	228,374,482	228,461,465	218,490,000	218,694,000	204,000
Other State Payments	7,034	7,034	7,000	7,000	0

	2010 ACTUAL EXPENDITURES	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 PROPOSED BUDGET	CHANGE 2013 PROPOSED VERSUS 2012 ADOPTED
Expenditure Restraint Aid	7,869,529	8,596,306	8,316,000	8,475,000	159,000
Computer Exemption Aid	3,277,644	4,453,061	3,900,000	3,900,000	0
Total Intergovernmental Revenue	$270,938,831	$273,239,399	$259,501,500	$259,575,900	$74,400
Charges for Services - General Government					
City Attorney	$784,282	$805,234	$781,000	$826,000	$45,000
Department of Employee Relations	169,937	186,501	170,000	182,000	12,000
City Treasurer	173,450	169,938	116,700	112,600	-4,100
Common Council City Clerk	126,754	155,584	143,400	157,900	14,500
Cable Franchise Fee	4,864,034	5,053,542	5,000,000	5,300,000	300,000
Comptroller	536,971	489,251	375,000	430,000	55,000
Municipal Court	1,862,967	1,763,784	1,849,000	1,805,500	-43,500
Assessor	388,241	513,925	300,000	500,500	200,500
Department of City Development	303,267	406,535	417,300	448,900	31,600
Department of Administration	216,745	118,796	117,900	75,700	-42,200
Fire Department	6,141,846	6,194,806	5,829,400	5,781,100	-48,300
Police Department	107,501	234,889	87,200	66,600	-20,600
Department of Neighborhood Services	8,517,608	10,916,392	9,558,600	12,057,600	2,499,000
Building Razing	490,554	629,318	700,000	700,000	0
Fire Prevention Inspections	1,682,210	1,884,551	1,686,000	1,825,000	139,000
Essential Services	69,950	76,632	75,000	76,000	1,000
Department of Public Works Operations Buildings and Fleet	5,015,453	5,380,016	4,125,000	4,240,000	115,000
Department of Public Works Infrastructure Division	3,929,782	3,669,107	3,750,500	3,560,500	-190,000
Department of Public Works Operations Division Forestry	136,468	124,827	130,000	130,000	0
Harbor Commission	5,217,241	5,217,241	5,018,503	4,714,315	-304,188
Department of Public Works Administrative Services	965,047	1,332,884	1,378,000	1,298,000	-80,000
Department of Public Works Operations Division Sanitation	4,156,273	4,404,619	2,766,800	3,122,400	355,600
Solid Waste Fee	32,566,579	31,628,974	32,481,900	32,481,900	0
Extra Garbage Cart Fee	0	945,000	1,467,000	1,467,000	0
Snow and Ice Control Fee	6,569,347	7,833,861	7,900,000	7,900,000	0
Street Sweeping and Leaf Collection	12,190,000	12,734,075	12,140,000	14,412,000	2,272,000
Apartment Garbage Pickup	1,551,459	1,465,514	1,600,000	1,500,000	-100,000
Health Department	1,071,007	1,297,353	909,900	927,200	17,300
Public Library	688,330	440,998	480,200	486,300	6,100
County Federated System	815,677	798,025	791,300	791,100	-200
Recycling Contract	1,054,488	1,828,790	1,775,000	1,975,000	200,000
Total Charges for Services	$102,363,468	$108,700,962	$103,920,603	$109,351,115	$5,430,512
Fines and Forfeitures					
Municipal Court	$5,422,461	$5,076,199	$5,304,000	$5,129,000	$-175,000
Total Fines and Forfeitures	$5,422,461	$5,076,199	$5,304,000	$5,129,000	$-175,000
Miscellaneous Revenue					
Transfer from Other Funds	$22,287,000	$20,787,000	$20,410,157	$18,500,000	$-1,910,157
Interest on Investment	501,764	302,993	670,000	670,000	0
Contributions	3,221,751	2,914,930	2,800,000	2,900,000	100,000
Department of Administration Property Sales	307,991	460,754	320,300	380,400	60,100

	2010 ACTUAL EXPENDITURES	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 PROPOSED BUDGET	CHANGE 2013 PROPOSED VERSUS 2012 ADOPTED
Department of City Development Property Sales	310,428	374,864	250,000	375,000	125,000
Department of Public Works Infrastructure Division Rent	220,348	216,617	252,000	217,000	-35,000
Comptroller Rent	167,942	168,464	169,200	169,200	0
Department of City Development Rent	5,200	5,500	0	6,000	6,000
Other Miscellaneous	1,152,338	865,460	682,800	768,400	85,600
Insurance Recovery	74,720	261,694	150,000	279,400	129,400
Potawatomi	5,246,524	5,472,964	5,500,000	5,515,000	15,000
Midtown/LIMP Revenues	-4,698	819	0	0	0
Harbor Commission Transfer	1,400,000	1,337,300	1,350,600	1,364,000	13,400
Vehicle Registration Fee	3,188,733	3,105,593	6,300,000	6,300,000	0
Greendale Water Payment	0	0	0	750,000	750,000
Water Works Surplus Transfer	3,000,000	0	0	0	0
Total Miscellaneous Revenue	$41,080,041	$36,274,952	$38,855,057	$38,194,400	$-660,657
Fringe Benefits					
Fringe Benefit Offset	$27,827,185	$26,712,213	$25,000,000	$24,000,000	$-1,000,000
Total Fringe Benefits	$27,827,185	$26,712,213	$25,000,000	$24,000,000	$-1,000,000
Total General Fund Revenue	$477,127,610	$480,216,157	$461,376,060	$466,108,115	$4,732,055
Amount to be Raised Pursuant to 18-02-6	$99,257,127	$126,174,808	$128,997,737	$115,236,757	$-13,760,980
Less:					
Tax Stabilization Fund Withdrawal (Sustainable)	$13,070,000	$14,600,000	$13,767,000	$13,900,000	$133,000
Tax Stabilization Fund Withdrawal (Anticipation of Revenue)	$0	$0	$0	$4,441,345	$4,441,345
Property Tax Levy	$86,187,127	$111,574,808	$115,230,737	$96,895,412	$-18,335,325
Total Sources of Fund for General City Purposes	$576,384,737	$606,390,965	$590,373,797	$581,344,872	$-9,028,925

B. PROVISION FOR EMPLOYES' RETIREMENT FUND

EXECUTIVE SUMMARY

MISSION: Provide for the secure payment of retirement benefit obligations in a manner that avoids destabilizing city operations and that limits the transfer of financial responsibility to future generations.

OBJECTIVES: Remain in the top five of the annual RV Kuhns Public Fund Universe Analysis for net assets as a percentage of pension benefit obligations.

Develop and implement annual actuarial determined annuity contribution based on percentage of payroll to reduce the volatility in the annual contributions.

STRATEGIES: Use the Employer's Reserve Fund to smooth out future city pension contributions for the next three to four years.

SUMMARY OF EXPENDITURES

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
Firemen's Pension Fund						
Employer's Pension Contribution	$40,748	$45,000	$36,000	$36,000	$-9,000	$0
Lump Sum Supplement Contribution	122,471	115,000	100,000	100,000	-15,000	0
Subtotal	$163,219	$160,000	$136,000	$136,000	$-24,000	$0
Policemen's Pension Fund						
Employer's Pension Contribution	$268,667	$209,000	$209,000	$221,538	$12,538	$12,538
Lump Sum Supplement Contribution	0	30,000	30,000	30,000	0	0
Subtotal	$268,667	$239,000	$239,000	$251,538	$12,538	$12,538
Employees' Retirement Fund						
Employer's Pension Contribution	$0	$0	$63,000,000	$59,310,000	$59,310,000	$-3,690,000
Administration	20,244,217	26,823,322	24,563,000	24,546,844	-2,276,478	-16,156
Annuity Contribution Tax Levy	22,878,684	15,904,000	24,000,000	4,100,000	-11,804,000	-19,900,000
Annuity Contribution Employer's Reserve Fund	17,350,000	25,000,000	0	18,400,000	-6,600,000	18,400,000
Subtotal	$60,472,901	$67,727,322	$111,563,000	$106,356,844	$38,629,522	$-5,206,156
Social Security Tax	$18,159,920	$18,007,000	$18,342,000	$17,742,000	$-265,000	$-600,000
Former Town of Lake Employees' Fund						
Employer's Pension Contribution	$7,273	$7,300	$7,300	$7,300	$0	$0
Subtotal	$7,273	$7,300	$7,300	$7,300	$0	$0
Deferred Compensation Plan	$1,230,216	$1,425,439	$1,505,558	$1,505,558	$80,119	$0
Total	$80,302,196	$87,566,061	$131,792,858	$125,999,240	$38,433,179	$-5,793,618
Revenues						
Fringe Benefits Pensions	$1,142,103	$1,251,774	$1,258,000	$1,268,449	$16,675	$10,449
Charges for Service Employees' Retirement System	19,875,599	26,442,698	24,188,690	24,172,534	-2,270,164	-16,156
Charges to Other Governmental Units	0	350,000	800,000	871,686	521,686	71,686
Charges for Service Deferred Comp.	1,230,216	1,425,439	1,505,558	1,505,558	80,119	0
Property Tax Levy	60,012,663	58,016,150	85,957,610	79,698,013	21,681,863	-6,259,597
Employer's Reserve Fund	0	0	18,000,000	18,400,000	18,400,000	400,000
Miscellaneous Employees' Retirement System	74,400	80,000	83,000	83,000	3,000	0
Total	$82,334,981	$87,566,061	$131,792,858	$125,999,240	$38,433,179	$-5,793,618

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Employes' Retirement Fund includes provisions for employee pensions, the Policemen's Annuity and Benefit Fund, the Firemen's Pension Fund, Social Security contributions, and the city's Deferred Compensation Plan.

The Employes' Retirement System (ERS) is responsible for administering the city's defined benefit pension plan for city employees and other members of the system. The system operates under the direction of the Annuity and Pension Board, a body of eight members (three elected by active system members, one by city retirees, three appointed by the President of the Common Council, and the City Comptroller, ex-officio). Retirement contributions for employees of the Milwaukee Metropolitan Sewerage District, the Wisconsin Center District, the Water Works, Milwaukee Public School Board (excluding teachers), and the Milwaukee Area Technical College are borne by those respective governmental units and are not included in these appropriations. There were 26,841 members in the system as of December 31, 2011.

The Policemen's Annuity and Benefit Fund (PABF) administers pensions for city Police Officers employed prior to 1947. There were 70 members as of January 1, 2012.

Funds in the Firemen's Pension Fund are provided for retired Fire Fighters who were employed prior to 1947. This fund had 49 members as of January 2012.

The Former Town of Lake Employes' Retirement Fund provides retirement benefits to former Town of Lake employees who became city employees when the Town of Lake was annexed. There are currently two members.

ERS also oversees the city's contribution for payment of the employer's share of Social Security tax. The Deferred Compensation Board is responsible for administration of the city's Deferred Compensation Plan.

STRATEGY IMPLEMENTATION

The current employer annuity contribution policy is hyper responsive to each year's investment results which is not conducive to budget planning and is inconsistent with the reality of market cycles. Addressing these issues led to the development of a new contribution policy. The new policy would be based on a blended rate representing the total employer contribution rate which results from adding the proportionately weighted rates of the three employee groups. The chosen alternative would be a blended rate of 18% of payroll, comprised of 9.54% for general city, 25.46% for police and 27.94% for fire. The new contribution policy would address the following objectives:

- Budget annually for the normal cost (funds could go to reserve if funded status allows);
- Reduce unfunded liability;
- Maintain asset coverage equal or greater than retired lives' liabilities;
- Achieve stable and predictable contribution levels over five year periods;
- Review adequacy of contributions as part of a five year cycle;
- No change to member contributions; and
- Eliminate full funding limit.

The new policy flattens out the property tax levy growth compared to the current policy. This is accomplished while maintaining a funding ratio that is only 2% to 4% lower than the current policy. The new policy will allow the city to retain vital services while financing pensions responsibly.

SERVICES

Annuity Contribution/Employee's Share: The 2013 proposed budget provides a total of $22.5 million for the employee's share of the annuity contribution that is paid by the city. Of that amount, $4.1 million for the city's

share of employees' annuity contributions is provided from the annuity account and $18.4 million from the Employer's Pension Reserve Fund. This is a decrease of $1.6 million over the total amount provided for this purpose in 2012.

Social Security Payments: In the 2013 proposed budget, $17.7 million is provided for Social Security payments.

Administration: In the 2013 proposed budget, ERS administrative costs are $24.5 million.

Employer's Reserve Fund: An expected balance of approximately $56 million will remain in the Employer's Reserve Fund at the end of 2012. The 2013 proposed budget includes the use of $18.4 million from the Reserve Fund to smooth the property tax levy impact of an employer pension contribution of $59.3 million.

Employer's Pension Contribution (ERS): Duty disability payments for non-consenters of the Global Pension Settlement are fully funded. No additional funding is included in the 2013 proposed budget.

Employer's Pension Contribution (PABF): The 2013 proposed budget includes a $221,538 contribution for the former PABF.

Lump Sum Contribution for Firemen's Annuity and Benefit Fund (FABF): A total of $100,000 is provided in the 2013 proposed budget for a pension supplement to remaining members of this fund. This will provide a supplement fund payment per member that is roughly equivalent to the payment received in 2012.

Lump Sum Contribution for Policemen's Annuity and Benefit Fund (PABF): There is $30,000 provided in the 2013 proposed budget to provide a pension supplement.

EMPLOYES' RETIREMENT SYSTEM

EXECUTIVE SUMMARY

MISSION: Administer the payment of retirement and other benefits to eligible persons as provided under the City Charter and protect the funds of the Employes' Retirement System (ERS) through prudent investment.

OBJECTIVES: Safeguard the funds of the Employes' Retirement System by investing them in a prudent manner.

STRATEGIES: Monitor and analyze all investment activities and provide oversight of the investment portfolio to maximize returns while minimizing the variability of the Fund's asset value.

Maintain and update the Milwaukee Employee Retirement Information Technology Solutions (MERITS) system to provide effective and efficient pension administrative services.

Improve member communication through the ERS website, pre-retirement counseling seminars, brochures, and newsletters.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	38.16	41.50	42.50	42.50	1.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	52	52	53	53	1	0
EXPENDITURES						
Salaries and Wages	$2,316,946	$2,503,548	$2,620,000	$2,593,395	$89,847	$-26,605
Fringe Benefits	1,142,103	1,251,774	1,258,000	1,268,449	16,675	10,449
Operating Expenditures	16,687,507	22,912,000	20,418,000	20,418,000	-2,494,000	0
Equipment	97,661	156,000	267,000	267,000	111,000	0
Special Funds	0	0	0	0	0	0
TOTAL	$20,244,217	$26,823,322	$24,563,000	$24,546,844	$-2,276,478	$-16,156
REVENUES						
Charges for Services	$19,875,599	$26,442,698	$24,188,690	$24,172,534	$-2,270,164	$-16,156
Miscellaneous	74,400	80,000	83,000	83,000	3,000	0
TOTAL	$19,949,999	$26,522,698	$24,271,690	$24,255,534	$-2,267,164	$-16,156

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Employes' Retirement System (ERS) contributes to the city's fiscal stability and capacity by effectively managing the pension funds under its control. Effective management of these funds minimizes the amount of tax levy funding needed to support ERS and the pensions it manages. It also ensures that the city's long term financial obligations to retirees and their beneficiaries are adequately funded. ERS also administers the city's contribution of Social Security, the Group Life Insurance program, and health care for city retirees, including COBRA health and dental plans. As of December 2011, there were 26,854 members in the ERS system, with 60% of that number being retirees or inactive members (see Figure 1).

The Annuity and Pension Board is the trustee of the system's funds and is responsible for the system's general administration. The Secretary and Executive Director function under the direction of the Board and are responsible for daily operation of the office.

STRATEGY IMPLEMENTATION

The city's actuarial accrued liabilities on behalf of ERS members are currently $4.6 billion, and these liabilities will exceed $5.0 billion in 2016. The city's ability to maintain a funded retirement system has been complicated by market volatility in recent years. Net of fees, the Fund earned a return of -1.43% in 2011, due in large part to highly irregular conditions in global equity markets. Within the fund, the fixed income and real estate portfolios earned returns of 7.4% and 19.2%, respectively. The equities portfolio earned -6.7%. The Board continues to explore and evaluate investment strategies to meet the Fund's long term goals.

Despite recent fluctuations, the Fund has stayed above median performance for funded public plans. In order to maintain pension payments in future years, keep an adequate funded ratio of assets to liabilities, and comply with the requirements in the City Charter, withdrawal of $18.4 million from the Employee Pension Reserve Fund is included in the 2013 proposed budget. The city will also begin implementing a stable contribution policy in 2014 aimed at moderating fluctuations in the city's annual funding cost for employee retirement.

To measure the Fund's performance, ERS compares the investment return of the retirement fund against a blended benchmark index consisting of the following indices: Russell 3000 Stock Index, the Lehman Brothers Aggregate Bond Index, the Morgan Stanley Capital International EAFE (Europe, Australiasia, and Far East) Stock Index, and the NCREIF Property Index. The blended benchmark is weighted according to the asset allocation strategy adopted by the Annuity and Pension Board, and is designed to take advantage of long term investment and

Figure 1

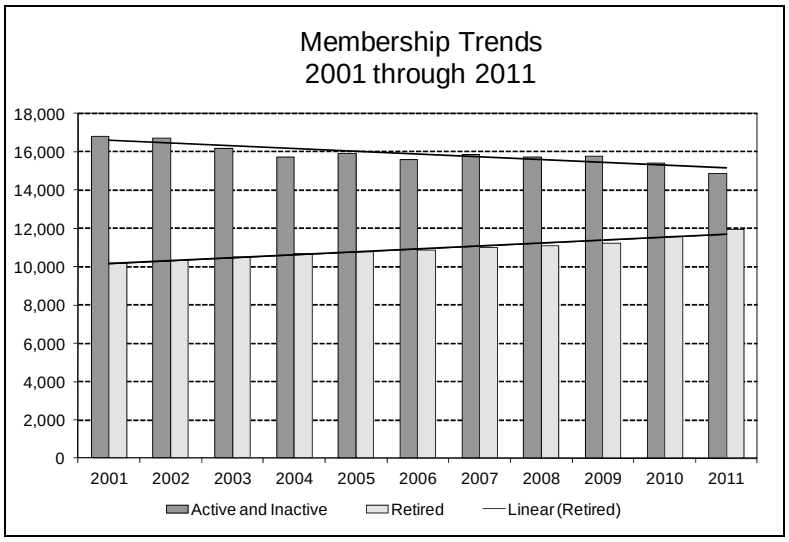


Figure 2

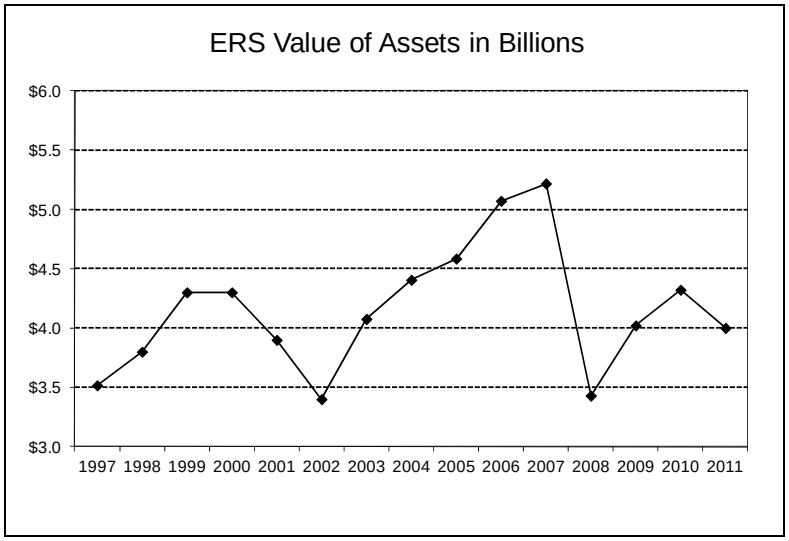
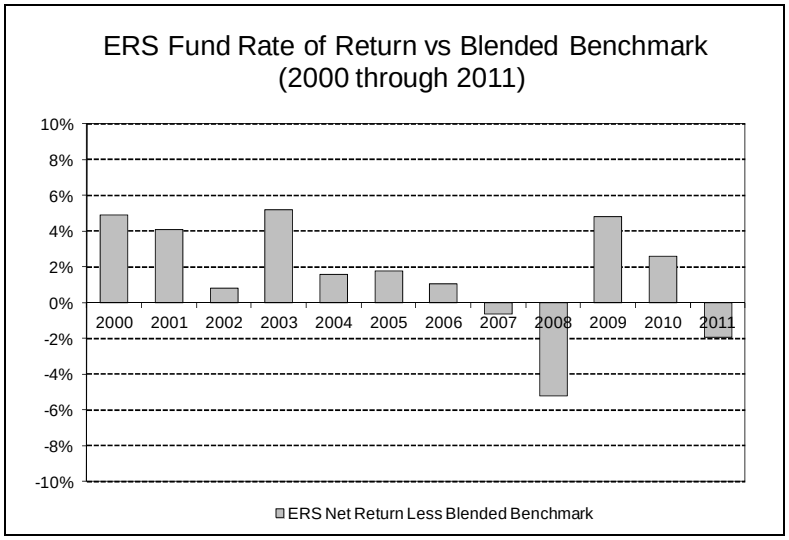


Figure 3



market trends that occur over the life of an investment cycle. Over the long term, ERS' objective is for the Fund to outperform this blended benchmark by 0.5%.

As seen in Figure 3, the Fund had difficulty in 2011 due to losses in the equities portfolio, balanced by better performance in the fixed income and real estate portfolios. The 2011 net rate of return for the ERS fund was -1.4%, while the blended benchmark rate of return was 0.52%.

Customer Service: ERS provides enhanced customer service through a series of public awareness projects. A monthly retiree newsletter keeps members informed on a variety of issues, including the Fund performance, tax issues, and health insurance issues. Letters inform individuals of their rights, options, and answers to their questions. ERS conducts community presentations and pre-retirement seminars for its members on a regular basis. ERS member handbooks, brochures, website, and its telephone system also work to improve customer service delivery. Customer service is evaluated using reception cards relating to the timely servicing of walk-ins and appointments. ERS also uses exit surveys to measure the quality of its counseling services.

RESIZE, RESTRUCTURE, AND REINVEST

ERS' budget is funded almost entirely by assets in the Pension Trust Fund, as approved by the Annuity and Pension Board. Because funds allocated to ERS administration and management are not available for investment, ERS aims to minimize expense growth and operate as cost effectively as possible. The total proposed budget for 2013 reduces spending by 8.5%, or $2.3 million and represents 0.6% of the Pension Trust Fund's assets.

Reductions in 2013 include a significant reduction of $1.5 million in information technology consultant work, and a projected reduction of $1.6 million in investment fees, which is the agency's largest operating expense. Favorable rates on fiduciary insurance save an additional $47,000.

ERS is proceeding with plans to upgrade and replace existing information technology equipment and upgrade its network to support the complex systems managing retirement benefits. The 2013 proposed budget includes $371,000 in additional funding for these items. In 2013, ERS will add a position in the Information Technology area, replacing contracted services with permanent staff at a net savings. The 2013 proposed budget also funds a regular fiduciary audit to validate ERS' compliance with its fiduciary mission and responsibilities.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
1	1.00		Network Administrator	Replace contractual staff with ERS employee.
1	**1.00**	**0.00**	**Totals**	

DEFERRED COMPENSATION PLAN

EXECUTIVE SUMMARY

MISSION: Provide a tax deferred retirement savings option for city employees that is cost effective, responsive to the needs of its participants, and complies with Section 457 of the Internal Revenue Code.

OBJECTIVES: Administer deferred compensation efficiently and effectively while achieving customer satisfaction.

STRATEGIES: Increase employee participation.

Provide educational materials on the Plan's investment options and model portfolios.

Increase participant understanding of post retirement distribution options.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	1.97	2.00	2.00	2.00	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	2	2	2	2	0	0
EXPENDITURES						
Salaries and Wages	$127,231	$128,235	$128,235	$128,235	$0	$0
Fringe Benefits	65,221	72,906	61,553	61,553	-11,353	0
Operating Expenditures	1,037,764	1,149,298	1,240,770	1,240,770	91,472	0
Equipment	0	0	0	0	0	0
Special Funds	0	75,000	75,000	75,000	0	0
TOTAL	$1,230,216	$1,425,439	$1,505,558	$1,505,558	$80,119	$0
REVENUES						
Charges for Services	$1,230,216	$1,425,439	$1,505,558	$1,505,558	$80,119	$0
TOTAL	$1,230,216	$1,425,439	$1,505,558	$1,505,558	$80,119	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Section 5-50 of the Milwaukee City Charter authorizes the establishment of a Deferred Compensation Plan. The Plan is a non-qualified, tax deferred retirement plan governed under Section 457 of the Internal Revenue Code. The plan allows city employees to set aside a portion of their income before federal and state taxes are withheld. The income is not taxed until it is withdrawn from the Plan, usually at retirement when an individual's marginal tax rate may be lower. The Plan is working to allow after tax contributions under the Roth 457 provision.

The Deferred Compensation Plan is self-sustaining and does not impact the city's property tax levy. The Plan is funded entirely by payroll and rollover contributions of city employees and associated earnings. The Plan is administered by a nine member Deferred Compensation Board, which hires contractors to perform enrollment, recordkeeping, marketing and investment selection, and monitoring. The Plan has 7,520 active and retired participants and assets of $646 million as of June 30, 2012.

STRATEGY IMPLEMENTATION

The success of deferred compensation in maintaining a cost effective and responsive plan is measured by increased employee participation and the average deferred amount. During the second quarter of 2011, 4,764 employees were deferring an average of $539 per month. During the second quarter of 2012, the number of employees making deferrals fell to 4,551 and the average monthly deferral decreased to $466. These decreases are a reaction to the challenging economic environment.

Plan participants can deposit their payroll contribution into seven different investment account options: Stable Value, Actively Managed Income, Balanced Socially Conscious, Passively Managed U.S. Equity, Actively Managed Equity, Passively Managed International Equity, and Schwab Personal Choice Retirement. The Board specifies the options for participants and focuses on broad investment categories in developing options.

By offering a variety of investment options and model portfolios, the Board provides plan participants with an opportunity to diversify their investments. The Board has improved investment returns to participants by actively seeking out manager fee reductions, institutional class fund shares, 12 B-1 fee credits, and low operating cost funds.

To assist members in developing an investment plan, the Deferred Compensation Board has provided every participant a new marketing brochure "Designing Your Personal Investment Plan" which includes educational materials to help in diversifying members' assets in the Plan's model portfolios. The Plan provides ongoing investment and retirement workshops to assist plan participants in making informed investment decisions and in 2010 started offering financial advisory services. In 2011, the plan has converted to the new enhanced recordkeeping platform, allowing for automation of Model Portfolios. In addition, Roth 457 and Qualified Domestic Relations Order programs were implemented in 2011. Information on deferred compensation is provided at new employee orientations.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES - None

C. CAPITAL IMPROVEMENTS

EXECUTIVE SUMMARY

MISSION: To maintain and enhance the city's infrastructure in an efficient and cost-effective way to ensure that the city remains economically competitive.

OBJECTIVES: Identify long range capital needs and prioritize within available funding levels.

Avoid accelerated depreciation of capital assets.

STRATEGIES: Match capital borrowing to debt retirements in order to manage the debt levy and enhance the city's financial flexibility.

Utilize capital maintenance and relining to extend life of streets and sewers.

Develop investment strategies to ensure favorable rates of return on city capital investments and avoid accelerated depreciation.

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The 2013 capital improvements budget represents the initial year of a six-year capital improvements plan. The budget and plan identify the city's capital funding needs and provide funding sources to support these identified needs. In general, capital improvements include projects to reconstruct, rehabilitate, or otherwise restore an existing system or facility to full functionality or provide a significant extension of their useful life. They may also include projects to construct a new or more expansive facility to meet increased demands or to enhance economic development through job creation, business formation, and housing production.

HIGHLIGHTS

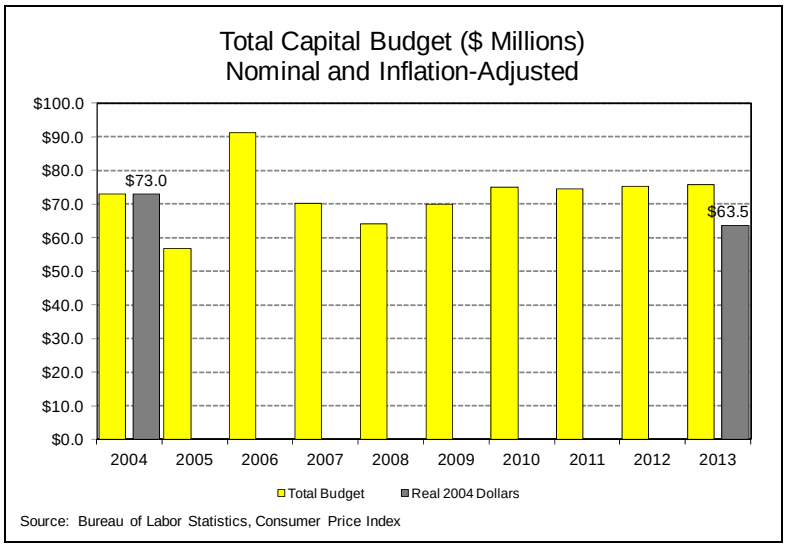
Past capital improvement borrowing levels translated into a destabilizing debt service tax levy. Problems with cost overruns on several larger capital improvement projects led to a need for improved monitoring and evaluation of capital projects. To address the debt tax levy and manage overall city debt within statutory constraints, the 2013-2018 Capital Improvements Plan will set borrowing levels to a point where the amount of borrowing will provide adequate funding of city needs while minimizing its impact on future tax levies.

The 2013 general city capital improvements budget totals $103.9 million, a decrease of $9.5 million, or 8% from the 2012 budget of $113.5 million. The tax levy supported portion of the capital budget, which includes tax levy cash resources as well as tax levy supported general obligation debt, totals $75.8 million. Tax levy cash resources will increase $25,000 from $1,025,000 in 2012 to $1,050,000 in 2013; however this does not include cash revenue from the Sewer Maintenance Fund for Forestry programs supported by the Stormwater Management Fee. It is represented as cash revenue in the line-item budget and has no borrowing or debt service payments.

The city's long term goal is to provide tax levy supported borrowing authorizations that relate to tax levy debt retirements in order to control future increases in the debt service tax levy. Control of new levy supported debt will be accomplished through a combination of prioritizing capital programs and projects through the annual budget process and converting some currently levy supported programs to other revenue sources. For example, the 2013 capital budget continues suspension of levy supported borrowing for Milwaukee Public Schools, which was $4 million in 2007. The city has also utilized lease payments from the Sewer Fund and Water Works for the jointly occupied Tower Facility to pay General Obligation (GO) debt service.

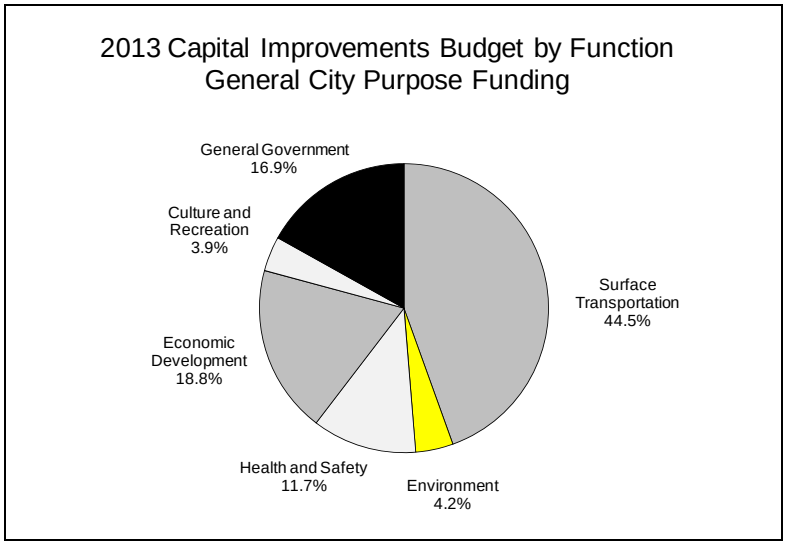
Figure 1 shows capital improvement budgets from 2004 to 2013 in nominal and inflation-adjusted (real) terms. Adjusting for inflation shows relative purchasing power over time. The 2013 proposed budget is flat in terms of total funding, but when inflation is accounted for, the 2013 proposed budget is actually $9.5 million less than in 2004. The city's need for capital investment has not decreased, which requires a careful evaluation of the value and priority of capital projects.

Figure 1



Functional Categories: Projects included in the 2013 general city funded capital improvements budget are categorized in six functional categories including Surface Transportation, Environment, Health and Public Safety, Economic Development, Culture and Recreation, and General Government. Figure 2 illustrates the portion of the capital budget allocated to each functional area (Water, Parking, Sewer Relief and Relay, and Grant and Aids are excluded).

Figure 2



Surface Transportation projects constitute the largest functional category, which is 44.5% of the general city funded capital budget or $42.6 million. Including grant and aids, total Surface Transportation spending is $100.6 million. Reductions in 2013 grants and aids are balanced by carried borrowing authorizations, maintaining spending at roughly the same level as 2012.

Economic Development is the second largest capital functional area at 18.8% of the general city funded capital budget. New borrowing for Tax Increment Districts in 2013 is reduced from prior budgets, but $67.2 million in total authorized borrowing remains available to support TID projects.

The General Government project category constitutes the third largest functional area, with $16.3 million, or 16.9% of total funding provided for this purpose. This is a net decrease of $1.1 million from 2012, and includes an increase of $1.2 million for underground conduit and manholes.

The Health and Safety projects and Environment projects functional categories comprise a total of about 15.9% of the 2013 general city funded capital budget. Environment programs include the expansion of sewer capacity and infiltration and inflow reduction programs, included in the Sewer Maintenance Fund since 2008. Culture and Recreation projects are the smallest functional category with $3.8 million, or 3.8% of the city funded capital budget. Within this category, central and neighborhood libraries capital projects funding totals $3.7 million.

Funding Sources: The 2013 capital budget is financed through several funding sources including the property tax levy, tax levy supported (General Obligation, or GO) debt, Tax Incremental Districts, special assessments, cash

revenues, and grants and aids. Figure 3 shows funding sources for the 2013 city funded capital budget (excluding grant and aids).

For 2013, the largest funding source is tax levy supported debt financing. Levy supported GO borrowing in the 2013 capital budget is about $74.7 million for city purposes, up from $74.3 million in 2012. Given the life expectancy of the facilities to be constructed or equipment to be purchased, borrowing is the best way to both maximize the city's capital investments and spread the cost of long term investments to all beneficiaries. It is worth noting that similar to the overall budget, the buying power of debt has decreased over time due to inflation, and remains nearly the same as it was in 2004.

Another major source of funding for capital projects is Tax Incremental District borrowing, with $11 million, or 11% of total funding sources. TID borrowing is considered self-supporting because the improvements made within these districts are financed through property tax revenue generated from the incremental values resulting from the improvements. As TID projects continue to close and the creation of new TIDs slowed in 2011, the need for new debt has decreased.

In addition to TID financing, other self supporting funding sources include $15 million of cash revenues, which is 14% of the total, and $2,209,000 of special assessments, which represent 2% of the total. Not included in Figure 3 are capital grant and aids, which are anticipated to be $56.6 million in 2013.

Figure 3

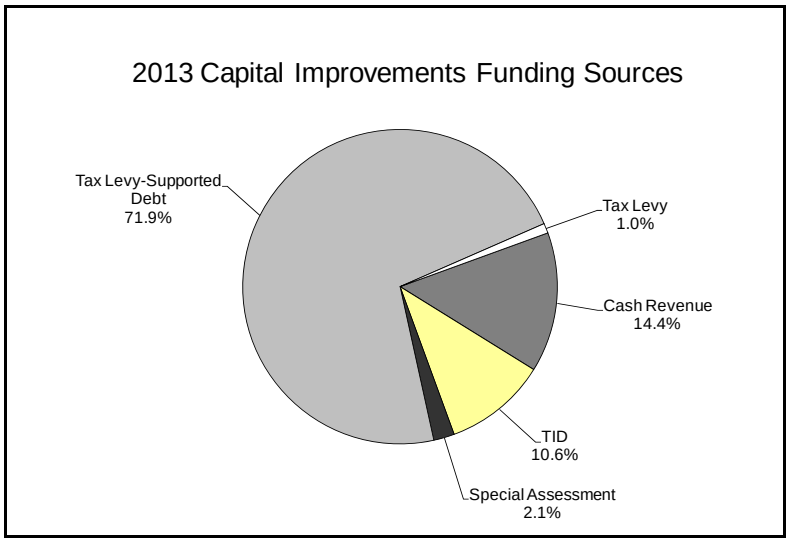
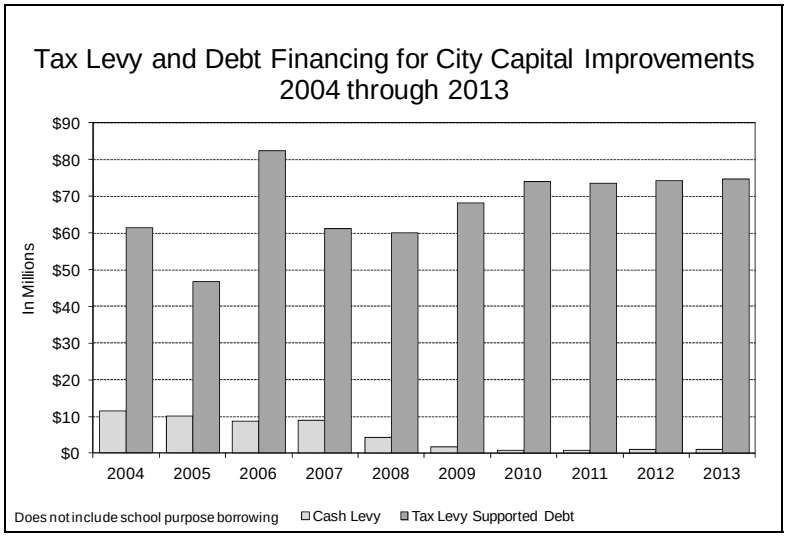


Figure 4



In addition to levy supported GO debt, the tax levy is the other non-self supporting funding source for capital. In 2012, cash supported capital totals $1,050,000 or 1% of all funding sources. Figure 4 shows cash and debt financing trends for capital improvements from 2004 to 2013. These amounts do not include school purpose borrowing. As shown, tax levy financing, while it has fluctuated somewhat, has generally declined from the peak of $17 million in 2002 to just over $1 million in 2013. Tax levy financing for capital projects allows some flexibility to make smaller, high value improvements that may not make sense to finance with GO debt.

Debt Levy Control: The 2006 capital budget suspended the Infrastructure Cash Conversion (ICC) policy goal to institute a change in overall philosophy to managing capital and debt levy impacts. The focus has changed from the basic ICC goal of funding an increasing amount of cash for a defined set of projects considered recurring infrastructure to the larger issue of controlling all capital debt. Through the years, even while the cash percentage for the defined ICC projects increased, overall capital borrowing also increased at an unsustainable rate. The cash conversion policy also contributed to inadequate funding for core infrastructure. This created a situation of

significant annual increases to the debt service levy, impacting the city's ability to fund other programs as it paid principal and interest on outstanding debt. The capital budget will continue to move in the direction of limiting debt issuance to debt retirements to better stabilize the debt service levy.

2013 HIGHLIGHTS AND CHANGES

Major Capital Equipment: Instituted in 2002, Major Capital Equipment Accounts in the Fire Department and Department of Public Works' budgets will continue to fund the purchase of durable equipment with an original unit cost of $50,000 or more through the capital budget. In 2013, the Fire Department will use $2.2 million and the DPW Operations Division will use $6.5 million to replace major fleet equipment.

Sewer Maintenance Fund Transfer to Support the Various Forestry Programs: Through a Common Council Amendment to the 2009 proposed budget, funding for maintaining the city's tree canopy and brush collection was moved from the tax levy to the Stormwater Management Fee. This was done as a transfer payment from the Sewer Maintenance Fund to the General Fund. This policy was expanded in 2010 and 2011 and continues in 2012 by having a $2 million transfer payment made to capital improvements to support the Emerald Ash Borer Readiness and Response, and the Tree Planting and Production Programs, as well as a small component of the Hartung Park Landfill project and a Stump Removal Project. This transfer is represented as cash revenue in the line-item budget. For information on these projects, see the Department of Public Works Operations Division section of the *2013 Proposed Plan and Executive Budget Summary.*

Tax Increment Financing Districts: The 2013 capital budget includes $14.7 million of funding ($11 million self-supported borrowing and $3.7 million cash revenues) to promote economic development and job growth through tax increment financing. Over $60 million in authorized borrowing is still available to tax increment projects city-wide.

Large Scale Project Budget Reporting: In response to the Comptroller's audit of the Canal Street construction project, Common Council File 061597 defines a large scale project as a capital project whose components total at least $2 million in total funding, grantor and city share. The following table identifies these large scale projects to be funded in 2012 by all funding sources associated with the projects, including grant and enterprise funds.

Other capital projects included in the 2013 capital budget are described in more detail in the departmental operating budget sections of the *2013 Proposed Plan and Executive Budget Summary*. Please refer to these sections for more detail on these projects.

2013 LARGE SCALE PROJECTS FUNDING BY SOURCE

	CITY FUNDED CONSTRUCTION	CONSTRUCTION GRANT FUNDS	CONDUIT/ MANHOLES	TRAFFIC CONTROLS	PROJECT TOTAL
MAJOR BRIDGE PROGRAM					
South Whitnall Avenue Bridge over Union Pacific Railroad	$520,000	$2,080,000	$0	$0	$2,600,000
West Capitol Drive Bridge over Branch of Menomonee River	$25,000	$2,635,000	$0	$50,000	$2,710,000
South 27th Street Bridge over Kinnickinnic River	$20,000	$2,500,000	$0	$0	$2,520,000
MAJOR STREETS					
West Lloyd Street - North 47th Street to West Lisbon Avenue	$730,000	$3,296,000	$100,000	$24,000	$4,150,000
CONNECTING HIGHWAYS					
South 27th Street - West Howard Avenue to Kinnickinnic River Pkwy	$332,600	$8,947,400	$120,000	$0	$9,400,000
North 27th Street - West St Paul Avenue to West Highland Blvd	$340,000	$2,992,000	$120,000	$0	$3,452,000
STATE TRUNK HIGHWAYS					
Mayfair Road- Burleigh Street to Silver Spring Drive	$110,500	$6,877,000	$0	$0	$6,987,500
Appleton Avenue - West Capitol Drive to US Highway 45	$675,000	$10,750,000	$150,000	$0	$11,575,000
Howell Avenue - Ryan Road to Grange Avenue	$100,000	$6,050,000	$50,000	$0	$6,200,000

SUMMARY OF DEPARTMENTAL APPROPRIATIONS
OVERVIEW OF 2013 PROPOSED CAPITAL BUDGET
GENERAL CITY PURPOSES

	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
City Funded					
Special Projects	$11,022,000	$8,510,000	$8,510,000	$-2,512,000	$0
Administration, Department of	600,000	1,875,000	1,875,000	1,275,000	0
City Attorney's Office	0	2,074,000	0	0	-2,074,000
City Development, Department of	29,176,000	45,310,000	17,435,000	-11,741,000	-27,875,000
Common Council City Clerk	40,000	252,500	117,500	77,500	-135,000
Fire Department	3,424,000	3,047,000	3,403,000	-21,000	356,000
Health Department	450,000	435,000	435,000	-15,000	0
Library	2,577,000	6,511,000	3,743,000	1,166,000	-2,768,000
Municipal Court	0	0	0	0	0
Neighborhood Services	0	695,000	0	0	-695,000
Police Department	1,502,000	7,435,700	7,375,700	5,873,700	-60,000
Port of Milwaukee	225,000	2,275,000	1,075,000	850,000	-1,200,000
Public Works, Department of	64,440,700	75,039,765	59,961,700	-4,479,000	-15,078,065
Subtotal City Funded	$113,456,700	$153,459,965	$103,930,900	$-9,525,800	$-49,529,065
Grants and Aids Funding					
Port of Milwaukee	$0	$0	$0	$0	$0
Public Works, Department of	74,591,800	56,555,000	56,555,000	-18,036,800	0
Subtotal Grants and Aids Funding	$74,591,800	$56,555,000	$56,555,000	$-18,036,800	$0
Enterprise Funds					
Parking	$790,000	$1,441,000	$1,441,000	$651,000	$0
Sewer Maintenance	43,950,000	41,500,000	44,510,000	560,000	3,010,000
Water	9,320,000	13,850,000	13,850,000	4,530,000	0
Subtotal Enterprise Funds	$54,060,000	$56,791,000	$59,801,000	$5,741,000	$3,010,000
Total Capital Plan	$242,108,500	$266,805,965	$220,286,900	$-21,821,600	$-46,519,065

2013 CAPITAL IMPROVEMENTS FINANCED BY CATEGORY

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
SPECIAL CAPITAL PROJECTS								
Grant and Aid								
Budget	$0	$0	$0	$0	$8,000,000	$8,000,000	$0	$8,000,000
Carryover	(0)	(300,000)	(0)	(0)	(0)	(300,000)	(0)	(300,000)
Municipal Art Fund								
Budget	25,000	0	0	0	0	25,000	0	25,000
Housing Trust Fund								
Budget	0	400,000	0	0	0	400,000	0	400,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Unified Call Center CRM								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(98,131)	(0)	(0)	(0)	(98,131)	(0)	(98,131)
Capital Improvements Committee								
Budget	85,000	0	0	0	0	85,000	0	85,000
Land Management System								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(2,512,000)	(0)	(0)	(0)	(2,512,000)	(0)	(2,512,000)
TOTAL SPECIAL CAPITAL PROJECTS								
Budget	**$110,000**	**$400,000**	**$0**	**$0**	**$8,000,000**	**$8,510,000**	**$0**	**$8,510,000**
Carryover	**($0)**	**($2,910,131)**	**($0)**	**($0)**	**($0)**	**($2,910,131)**	**($0)**	**($2,910,131)**
DEPARTMENT OF ADMINISTRATION								
FMIS Upgrade								
Budget	$0	$0	$0	$0	$0	$0	$0	$0
Carryover	(0)	(331,234)	(0)	(0)	(0)	(331,234)	(0)	(331,234)
HRMS Upgrade								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(385,733)	(0)	(0)	(0)	(385,733)	(0)	(385,733)
E-Server Tape Subsystem								
Carryover	(0)	(180)	(0)	(0)	(0)	(180)	(0)	(180)
E-Server Replacement								
Carryover	(0)	(87,000)	(0)	(0)	(0)	(87,000)	(0)	(87,000)
Exchange Server Replacement								
Carryover	(0)	(25,000)	(0)	(0)	(0)	(25,000)	(0)	(25,000)
Record Center Work Environment Project								
Carryover	(0)	(50,236)	(0)	(0)	(0)	(50,236)	(0)	(50,236)
IT Upgrades								
Budget	100,000	200,000	0	0	0	300,000	0	300,000
SAN Expansion								
Budget	325,000	0	0	0	0	325,000	0	325,000
Procurement Application								
Budget	0	500,000	0	0	0	500,000	0	500,000
Workspace Safety								
Budget	0	750,000	0	0	0	750,000	0	750,000
TOTAL DEPARTMENT OF ADMINISTRATION								
Budget	**$425,000**	**$1,450,000**	**$0**	**$0**	**$0**	**$1,875,000**	**$0**	**$1,875,000**
Carryover	**($0)**	**($879,383)**	**($0)**	**($0)**	**($0)**	**($879,383)**	**($0)**	**($879,383)**
DEPARTMENT OF CITY DEVELOPMENT								
Advance Planning								
Budget	$150,000	$0	$0	$0	$0	$150,000	$0	$150,000
Neighborhood Commercial District Street Improvement Fund								
Budget	0	600,000	0	0	0	600,000	0	600,000
Carryover	(0)	(1,250,000)	(0)	(0)	(0)	(1,250,000)	(0)	(1,250,000)
Tax Increment Financed Urban Renewal Projects (Including Grant Funded Projects)								
Budget	0	0	11,000,000	0	3,685,000	14,685,000	0	14,685,000
Carryover	(0)	(0)	(56,222,323)	(0)	(0)	(56,222,323)	(0)	(56,222,323)
Development Fund								
Carryover	(0)	(852,152)	(0)	(0)	(0)	(852,152)	(0)	(852,152)
Business Improvement Districts								
Budget	0	250,000	0	0	0	250,000	0	250,000
Carryover	(0)	(1,566,618)	(0)	(0)	(0)	(1,566,618)	(0)	(1,566,618)
Façade Program								
Budget	0	500,000	0	0	0	500,000	0	500,000
Carryover	(0)	(500,000)	(0)	(0)	(0)	(500,000)	(0)	(500,000)
Healthy Neighborhoods Initiative								
Budget	50,000	100,000	0	0	0	150,000	0	150,000

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
ADA Riverwalk Construction								
Carryover	(0)	(2,147,513)	(0)	(0)	(0)	(2,147,513)	(0)	(2,147,513)
In Rem Property Management								
Budget	0	150,000	0	0	0	150,000	0	150,000
Housing Infrastructure Preservation Fund								
Budget	0	450,000	0	0	0	450,000	0	450,000
Brownfield Program								
Budget	0	500,000	0	0	0	500,000	0	500,000
TOTAL DEPARTMENT OF CITY DEVELOPMENT								
Budget	**$200,000**	**$2,550,000**	**$11,000,000**	**$0**	**$3,685,000**	**$17,435,000**	**$0**	**$17,435,000**
Carryover	**($0)**	**($6,316,283)**	**($56,222,323)**	**($0)**	**($0)**	**($62,538,606)**	**($0)**	**($62,538,606)**
COMMON COUNCIL CITY CLERK								
LIRA Public Interface								
Budget	$0	$117,500	$0	$0	$0	$117,500	$0	$117,500
TOTAL COMMON COUNCIL CITY CLERK								
Budget	**$0**	**$117,500**	**$0**	**$0**	**$0**	$117,500	$0	$117,500
FIRE DEPARTMENT								
Fire Repair Shop Design and Construction								
Carryover	($0)	(96,131)	($0)	($0)	($0)	($96,131)	($0)	($96,131)
Fire Facilities Maintenance Program								
Budget	0	1,063,000	0	0	0	1,063,000	0	1,063,000
Carryover	(0)	(881,098)	(0)	(0)	(0)	(881,098)	(0)	(881,098)
Major Capital Equipment								
Budget	0	2,230,000	0	0	0	2,230,000	0	2,230,000
Carryover	(0)	(5,203,256)	(0)	(0)	(0)	(5,203,256)	(0)	(5,203,256)
Auxiliary Power Supply								
Budget	0	110,000	0	0	0	110,000	0	110,000
Carryover	(0)	(33,000)	(0)	(0)	(0)	(33,000)	(0)	(33,000)
TOTAL FIRE DEPARTMENT								
Budget	**$0**	**$3,403,000**	**$0**	**$0**	**$0**	**$3,403,000**	**$0**	**$3,403,000**
Carryover	**($0)**	**($6,213,485)**	**($0)**	**($0)**	**($0)**	**($6,213,485)**	**($0)**	**($6,213,485)**
HEALTH DEPARTMENT								
Health Facilities Capital Projects								
Budget	$0	$435,000	$0	$0	$0	$435,000	$0	$435,000
Carryover	(0)	(577,563)	(0)	(0)	(0)	(577,563)	(0)	(577,563)
TOTAL HEALTH DEPARTMENT								
Budget	**$0**	**$435,000**	**$0**	**$0**	**$0**	**$435,000**	**$0**	**$435,000**
Carryover	**($0)**	**($577,563)**	**($0)**	**($0)**	**($0)**	**($577,563)**	**($0)**	**($577,563)**
LIBRARY								
CENTRAL LIBRARY								
RFID System								
Carryover	($0)	($433,326)	($0)	($0)	($0)	($433,326)	($0)	($433,326)
Central Library Improvements Fund								
Budget	0	1,968,000	0	0	0	1,968,000	0	1,968,000
Carryover	(0)	(1,820,982)	(0)	(0)	(0)	(1,820,982)	(0)	(1,820,982)
NEIGHBORHOOD LIBRARIES								
Neighborhood Library Improvement Fund								
Budget	0	1,475,000	0	0	0	1,475,000	0	1,475,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Library Facility Initiatives								
Budget	0	300,000	0	0	0	300,000	0	300,000
Carryover	(0)	(2,807,447)	(0)	(0)	(0)	(2,807,447)	(0)	(2,807,447)
TOTAL LIBRARY								
Budget	**$0**	**$3,743,000**	**$0**	**$0**	**$0**	**$3,743,000**	**$0**	**$3,743,000**
Carryover	**($0)**	**($5,061,755)**	**($0)**	**($0)**	**($0)**	**($5,061,755)**	**($0)**	**($5,061,755)**
NEIGHBORHOOD SERVICES								
Security Upgrades - Anderson Building								
Carryover	($0)	($18,250)	($0)	($0)	($0)	($18,250)	($0)	($18,250)
TOTAL NEIGHBORHOOD SERVICES								
Carryover	**($0)**	**($18,250)**	**($0)**	**($0)**	**($0)**	**($18,250)**	**($0)**	**($18,250)**
MUNICIPAL COURT								
Court Case Management System								
Carryover	($0)	($28,041)	($0)	($0)	($0)	($28,041)	($0)	($28,041)
TOTAL MUNICIPAL COURT								
Carryover	**($0)**	**($28,041)**	**($0)**	**($0)**	**($0)**	**($28,041)**	**($0)**	**($28,041)**
POLICE DEPARTMENT								
Evidence Storage Warehouse								
Carryover	($0)	($1,272,800)	($0)	($0)	($0)	($1,272,800)	($0)	($1,272,800)

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
Remodel Administration Building Offices								
Budget	0	5,755,700	0	0	0	5,755,700	0	5,755,700
Carryover	(0)	(5,374,131)	(0)	(0)	(0)	(5,374,131)	(0)	(5,374,131)
Multi-factor Authentication								
Budget	0	325,000	0	0	0	325,000	0	325,000
District Station Repairs								
Budget	0	90,000	0	0	0	90,000	0	90,000
Carryover	(0)	(204,531)	(0)	(0)	(0)	(204,531)	(0)	(204,531)
Safety Academy Modifications								
Budget	40,000	0	0	0	0	40,000	0	40,000
Data/Comm Center Repairs								
Budget	0	195,000	0	0	0	195,000	0	195,000
District Renovation Program								
Carryover	(0)	(465,000)	(0)	(0)	(0)	(465,000)	(0)	(465,000)
RMS System								
Budget	0	500,000	0	0	0	500,000	0	500,000
Radio and Communications Upgrades								
Budget	0	470,000	0	0	0	470,000	0	470,000
Carryover	(0)	(277,000)	(0)	(0)	(0)	(277,000)	(0)	(277,000)
Automated Fingerprint Identification System								
Carryover	(0)	(87,716)	(0)	(0)	(0)	(87,716)	(0)	(87,716)
Tiburon RMS VMP Upgrade								
Carryover	(0)	(354,000)	(0)	(0)	(0)	(354,000)	(0)	(354,000)
TOTAL POLICE DEPARTMENT								
Budget	**$40,000**	**$7,335,700**	**$0**	**$0**	**$0**	**$7,375,700**	**$0**	**$7,375,700**
Carryover	**($0)**	**($8,035,178)**	**($0)**	**($0)**	**($0)**	**($8,035,178)**	**($0)**	**($8,035,178)**
PORT OF MILWAUKEE								
Liquid Cargo Pier								
Budget	$0	$250,000	$0	$0	$0	$250,000	$0	$250,000
Roadway Paving								
Budget	0	100,000	0	0	0	100,000	0	100,000
Confined Disposal Facility Expansion								
Budget	75,000	0	0	0	0	75,000	0	75,000
Carryover	(0)	(75,000)	(0)	(0)	(0)	(75,000)	(0)	(75,000)
Dockwall Rehabilitation								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(150,000)	(0)	(0)	(0)	(150,000)	(0)	(150,000)
Rail Track and Service Upgrades								
Budget	0	250,000	0	0	0	250,000	0	250,000
Pier Berth and Channel Improvements								
Budget	0	200,000	0	0	0	200,000	0	200,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Port Security								
Budget	0	50,000	0	0	0	50,000	0	50,000
Harbor Maintenance Dredging								
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Terminal Resurfacing								
Budget	0	150,000	0	0	0	150,000	0	150,000
TOTAL PORT OF MILWAUKEE								
Budget	**$75,000**	**$1,000,000**	**$0**	**$0**	**$0**	**$1,075,000**	**$0**	**$1,075,000**
Carryover	**($0)**	**($225,000)**	**($0)**	**($0)**	**($0)**	**($225,000)**	**($0)**	**($225,000)**
DPW ADMINISTRATION								
Public Safety Communications								
Budget	$0	$500,000	$0	$0	$0	$500,000	$0	$500,000
Carryover	(0)	(133,980)	(0)	(0)	(0)	(133,980)	0	(133,980)
Municipal Phone System Upgrade								
Budget	0	0	$0	$0	$0	0	0	0
Carryover	(0)	(720,000)	(0)	(0)	(0)	(720,000)	(0)	(720,000)
TOTAL DPW ADMINISTRATION								
Budget	**$0**	**$500,000**	**$0**	**$0**	**$0**	**$500,000**	**$0**	**$500,000**
Carryover	**($0)**	**(853,980)**	**($0)**	**($0)**	**($0)**	**($853,980)**	**($0)**	**($853,980)**

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
DPW INFRASTRUCTURE SERVICES								
SEWER CONSTRUCTION								
Expansion of Capacity Sewer Program								
Carryover	($0)	($0)	($0)	($0)	($0)	($0)	($0)	($0)
TOTAL SEWER CONSTRUCTION								
Carryover	**($0)**	**($0)**	**($0)**	**($0)**	**($0)**	**($0)**	**($0)**	**($0)**
BRIDGE CONSTRUCTION								
Bridge State and Federal Funded								
Budget	$0	$100,000	$0	$0	$0	$100,000	$5,655,000	$5,755,000
Carryover	(0)	(6,854,000)	(0)	(0)	(0)	(6,854,000)	(0)	(6,854,000)
Bridge Reconstruction Local								
Budget	0	9,785,000	0	0	0	9,785,000	0	9,785,000
Carryover	(0)	(13,612,965)	(0)	(0)	(0)	(13,612,965)	(0)	(13,612,965)
TOTAL BRIDGE CONSTRUCTION								
Budget	**$0**	**$9,885,000**	**$0**	**$0**	**$0**	**$9,885,000**	**$5,655,000**	**$15,540,000**
Carryover	**($0)**	**($20,466,965)**	**($0)**	**($0)**	**($0)**	**($20,466,965)**	**($0)**	**($20,466,965)**
STREET/PAVING CONSTRUCTION								
Street Reconstruction City Contribution to State and Federally Aided Projects								
Budget	$0	$435,000	$0	$1,000	$0	$436,000	$50,900,000	$51,336,000
Carryover	(0)	(18,090,300)	(0)	(0)	(0)	(18,090,300)	(0)	(18,090,300)
Street Reconstruction or Resurfacing Regular City Program								
Budget	0	14,500,000	0	1,000,000	500,000	16,000,000	0	16,000,000
Carryover	(0)	(18,445,230)	(0)	(2,380,800)	(0)	(16,064,430)	(0)	(16,064,430)
Street High Impact Program								
Budget	(0)	1,500,000	(0)	(0)	(0)	1,500,000	0	1,500,000
Alley Reconstruction Program								
Budget	0	1,625,000	0	875,000	0	2,500,000	0	2,500,000
Carryover	(0)	(2,438,809)	(0)	(0)	(0)	(2,438,809)	(0)	(2,438,809)
New Street Construction Program								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(378,235)	(0)	(0)	(0)	(378,235)	(0)	(378,235)
New Street Developer								
Budget	0	0	0	0	400,000	400,000	0	400,000
TOTAL STREET/PAVING CONSTRUCTION					0			
Budget	**$0**	**$18,060,000**	**$0**	**$1,876,000**	**$900,000**	**$20,836,000**	**$50,900,000**	**$71,736,000**
Carryover	**($0)**	**($39,352,574)**	**($0)**	**($2,380,800)**	**($0)**	**($36,971,774)**	**($0)**	**($36,971,774)**
Street Improvements Sidewalk Driveway and Gutter Replacement								
Budget	$0	$1,000,000	$0	$333,000	$0	$1,333,000	$0	$1,333,000
Carryover	(0)	(1,407,151)	(0)	(0)	(0)	(1,407,151)	(0)	(1,407,151)
Street Improvements Street Lighting								
Budget	0	8,540,000	0	0	0	8,540,000	0	8,540,000
Carryover	(0)	(4,121,006)	(0)	(0)	(0)	(4,121,006)	(0)	(4,121,006)
Street Improvements Traffic Control Facilities								
Budget	0	2,055,000	0	0	0	2,055,000	0	2,055,000
Carryover	(0)	(1,963,069)	(0)	(0)	(0)	(1,963,069)	(0)	(1,963,069)
Street Improvements Underground Conduit and Manholes								
Budget	0	1,736,700	0	0	0	1,736,700	0	1,736,700
Carryover	(0)	(2,726,897)	(0)	(0)	(0)	(2,726,897)	(0)	(2,726,897)
Underground Electrical Manhole Reconstruction								
Budget	0	450,000	0	0	0	450,000	0	450,000
Carryover	(0)	(290,594)	(0)	(0)	(0)	(290,594)	(0)	(290,594)
TOTAL SEWER, BRIDGE, STREET/PAVING								
Budget	**$0**	**$13,781,700**	**$0**	**$333,000**	**$0**	**$14,114,700**	**$0**	**$14,114,700**
Carryover	**($0)**	**($10,508,717)**	**($0)**	**($0)**	**($0)**	**($10,508,717)**	**($0)**	**($10,508,717)**
BUILDINGS PROJECTS								
City Hall Complex Remodeling								
Budget	$0	$100,000	$0	$0	$0	$100,000	$0	$100,000
Carryover	(0)	(101,816)	(0)	(0)	(0)	(101,816)	(0)	(101,816)
Space Planning Facilities								
Budget	140,000	65,000	0	0	0	205,000	0	205,000
Carryover	(0)	(96,723)	(0)	(0)	(0)	(96,723)	(0)	(96,723)

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
Recreational Facilities Citywide								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(109,913)	(0)	(0)	(0)	(109,913)	(0)	(109,913)
Facility Systems Program								
Budget	0	1,446,000	0	0	0	1,446,000	0	1,446,000
Carryover	(0)	(823,124)	(0)	(0)	(0)	(823,124)	(0)	(823,124)
Environmental Remediation Program								
Budget	0	150,000	0	0	0	150,000	0	150,000
Carryover	(0)	(121,803)	(0)	(0)	(0)	(121,803)	(0)	(121,803)
ADA Compliance Program								
Budget	0	245,000	0	0	0	245,000	0	245,000
Carryover	(0)	(451,900)	(0)	(0)	(0)	(451,900)	(0)	(451,900)
Facilities Exterior Upgrades Program								
Budget	0	923,000	0	0	0	923,000	0	923,000
Carryover	(0)	(901,929)	(0)	(0)	(0)	(901,929)	(0)	(901,929)
City Hall Restoration Program								
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
City Hall Foundation and Hollow Walk								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(5,060,000)	(0)	(0)	(0)	(5,060,000)	(0)	(5,060,000)
Municipal Garages/Outlying Facilities Remodeling								
Budget	0	1,400,000	0	0	0	1,400,000	0	1,400,000
Carryover	(0)	(764,613)	(0)	(0)	(0)	(764,613)	(0)	(764,613)
MacArthur Square Plaza Restoration								
Budget	0	0	0	0	0	(0)	0	0
Carryover	(0)	(1,075,563)	(0)	(0)	(0)	(1,075,563)	(0)	(1,075,563)
ZMB Lower Parking Floor Restoration								
Budget	0	0	0	0	0	(0)	0	0
Carryover	(0)	(342,368)	(0)	(0)	(0)	(342,368)	(0)	(342,368)
Energy Efficiency and Renewable Energy								
Budget	0	150,000	0	0	0	150,000	0	150,000
Carryover	(0)	(150,000)	(0)	(0)	(0)	(0)	(0)	(0)
Building Exterior Façade Restoration								
Carryover	(0)	(271,033)	(0)	(0)	(0)	(271,033)	(0)	(271,033)
Municipal Service Building Canal Street								
Budget	0	75,000	0	0	0	75,000	0	75,000
Carryover	(0)	(75,000)	(0)	(0)	(0)	(75,000)	(0)	(75,000)
City Facilities Consolidation								
Budget	60,000	0	0	0	0	60,000	0	60,000
Carryover	0	(60,000)	0	0	0	(60,000)	0	(60,000)
Hartung Park Landfill Closure								
Carryover	0	(140,000)	(0)	(0)	(0)	(140,000)	(0)	(140,000)
TOTAL BUILDINGS PROJECTS								
Budget	**$200,000**	**$4,554,000**	**$0**	**$0**	**$0**	**$4,754,000**	**$0**	**$4,754,000**
Carryover	**($0)**	**(10,125,785)**	**($0)**	**($0)**	**($0)**	**($10,125,785)**	**($0)**	**($10,125,785)**
TOTAL DPW INFRASTRUCTURE SERVICES								
Budget	**$200,000**	**$46,280,700**	**$0**	**$2,209,000**	**$900,000**	**$49,589,700**	**$56,555,000**	**$106,144,700**
Carryover	**($0)**	**($80,454,041)**	**($0)**	**($2,380,800)**	**($0)**	**($78,073,241)**	**($0)**	**($78,073,241)**
DPW OPERATIONS DIVISION								
SANITATION SECTION								
Sanitation Headquarters Modifications (Various Sites)								
Budget	$0	$500,000	$0	$0	$0	$500,000	$0	$500,000
Carryover	(0)	(387,724)	(0)	(0)	(0)	(387,724)	(0)	(387,724)
TOTAL SANITATION SECTION								
Budget	**$0**	**$500,000**	**$0**	**$0**	**$0**	**$500,000**	**$0**	**$500,000**
Carryover	**($0)**	**($387,724)**	**($0)**	**($0)**	**($0)**	**($387,724)**	**($0)**	**($387,724)**
FORESTRY SECTION								
Concealed Irrigation and General Landscaping								
Budget	$0	$500,000	$0	$0	$0	$500,000	$0	$500,000
Carryover	(0)	(447,000)	(0)	(0)	(0)	(447,000)	(0)	(447,000)
Production and Planting Program								
Budget	0	0	0	0	1,420,000	1,420,000	0	1,420,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Emerald Ash Borer Readiness and Response								
Budget	0	0	0	0	952,000	952,000	0	952,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
TOTAL FORESTRY SECTION								
Budget	**$0**	**$500,000**	**$0**	**$0**	**$2,372,000**	**$2,872,000**	**$0**	**$2,872,000**
Carryover	**($0)**	**($447,000)**	**($0)**	**($0)**	**($0)**	**($447,000)**	**($0)**	**($447,000)**

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
FLEET SECTION								
Two Way Radio Replacement								
Carryover	($0)	($727,421)	($0)	($0)	($0)	($727,421)	($0)	($727,421)
Major Capital Equipment								
Budget	0	6,500,000	0	0	0	6,500,000	0	6,500,000
Carryover	(0)	(5,375,575)	(0)	(0)	(0)	(5,375,575)	(0)	(5,375,575)
TOTAL FLEET SECTION								
Budget	**$0**	**$6,500,000**	**$0**	**$0**	**$0**	**$6,500,000**	**$0**	**$6,500,000**
Carryover	**($0)**	**($6,102,996)**	**($0)**	**($0)**	**($0)**	**($6,102,996)**	**($0)**	**($6,102,996)**
TOTAL DPW OPERATIONS DIVISION								
Budget	**$0**	**$7,500,000**	**$0**	**$0**	**$2,372,000**	**$9,872,000**	**$0**	**$9,872,000**
Carryover	**($0)**	**($6,937,720)**	**($0)**	**($0)**	**($0)**	**($6,937,720)**	**($0)**	**($6,937,720)**
TOTAL DEPARTMENT OF PUBLIC WORKS								
Budget	**$200,000**	**$54,280,700**	**$0**	**$2,209,000**	**$3,272,000**	**$59,961,700**	**$56,555,000**	**$116,516,700**
Carryover	**($0)**	**(88,245,741)**	**($0)**	**($2,380,800)**	**($0)**	**($85,864,941)**	**($0)**	**($85,864,941)**
TOTAL PROJECTS								
Budget	**$1,050,000**	**$74,714,900**	**$11,000,000**	**$2,209,000**	**$14,957,000**	**$103,930,900**	**$56,555,000**	**$160,485,900**
Carryover	**($0)**	**($115,698,810)**	**($56,222,323)**	**($2,380,800)**	**($0)**	**($174,301,933)**	**($0)**	**($174,301,933)**

D. CITY DEBT

EXECUTIVE SUMMARY

MISSION: Manage and control outstanding debt through equitable financing of capital improvements.

OBJECTIVES: Limit annual growth in the debt service tax levy to 1% or less.

STRATEGIES: Stabilize the debt service property tax levy by developing a comprehensive debt policy for debt capacity and capital financing to reduce the amount of debt issued annually.

Ensure compliance with debt policy by developing a working debt forecast model that analyzes the impact of debt financing in future years.

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Effective management that stabilizes debt service costs and controls outstanding debt supports the goal to deliver services at competitive cost and improve fiscal capacity.

Milwaukee faces aging infrastructure and comparably lower income levels than surrounding areas. The city's strength is in its strong financial management, sizable fund balances and moderate debt levels. The city's overall capacity to meet its financial obligations remains strong.

The city has maintained a high bond rating for general obligation debt. Recently, Moody's Investors Services rated them Aa2 stable, and Standard & Poor's rated them AA stable. Table 1 details the city's performance on several commonly used debt indicators.

OVERVIEW

The 2013 debt expenditures total $342.0 million, an increase of $47.3 million from 2012. There is an increase of $38.3 million for Revenue Anticipation Notes (RAN). The remaining debt decreased by $9 million to reflect recent borrowings and revenue changes. Table 2 shows expenditures for self-supporting and tax levy supported city debt while Table 3 illustrates the distribution of their funding sources. Highlights of the major changes in city debt expenditures and funding sources follow.

Table 1

City Debt Indicators Relationship to Standard & Poor's Debt Benchmarks

Debt Indicators		S & P Rating
Economic		
Income as Percent of 2010 National Average	65.8%	Low
Market Value Per Capita	$44,375	Moderate
Taxpayer Concentration (Top Ten Taxpayers)	6.2%	Diverse
Financial		
Unreserved Debt Reserve Balance	11.8%	N/A
Unreserved General Fund Balance	5.5%	Exceeds 5% Goal
Debt		
Direct Debt Per Capita	$1,451	Moderate
Direct Debt Percent of Market Value	3.3%	Moderate
Debt Maturing Within Ten Years	85.0%	Standard is 50.0%

Table 2

CITY DEBT EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	30,565,632	32,405,234	32,405,234	1,839,602	0
MPS Loans, ADA and Information System	6,659,602	6,562,669	6,562,669	-96,933	0
Parking	1,658,156	1,527,829	1,527,829	-130,327	0
Sewer Maintenance Fund	8,223,910	7,527,750	7,527,750	-696,160	0
Special Assessments	1,424,430	1,546,697	1,546,697	122,267	0
Tax Increment Districts	20,050,861	22,107,453	22,107,453	2,056,592	0
Water Works	4,380,033	3,854,414	3,854,414	-525,619	0
Subtotal	$74,025,963	$76,595,385	$76,595,385	$2,569,422	$0
Tax Levy Debt					
General City	$76,215,252	$84,937,091	$84,937,091	$8,721,839	$0
RANs City and MPS	137,562,500	175,862,500	175,862,500	38,300,000	0
Schools	10,836,861	9,878,331	9,878,331	-958,530	0
Subtotal	$224,614,613	$270,677,922	$270,677,922	$46,063,309	$0
Total Debt Needs	$298,640,576	$347,273,307	$347,273,307	$48,632,731	$0
Fees and Issuance Costs	$2,025,000	$1,790,000	$1,790,000	$-235,000	$0
Deduction for PDAF Prepayment	-4,500,000	-4,500,000	-5,500,000	-1,000,000	-1,000,000
Deduction for Segregated S.A.	-1,424,430	-1,546,697	-1,546,697	-122,267	0
Total	$294,741,146	$343,016,610	$342,016,610	$47,275,464	$-1,000,000

Table 3

CITY DEBT SOURCE OF FUNDS	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	30,565,632	32,405,234	32,405,234	1,839,602	0
MPS Loans, ADA and Information System	6,659,602	6,562,669	6,562,669	-96,933	0
Parking	1,658,156	1,527,829	1,527,829	-130,327	0
Sewer Maintenance Fund	9,023,910	8,527,750	8,527,750	-496,160	0
Tax Increment Districts	24,336,886	22,107,453	22,107,453	-2,229,433	0
Water Works	5,680,033	5,154,414	5,154,414	-525,619	0
Subtotal	$78,987,558	$77,348,688	$77,348,688	$-1,638,870	$0
General Obligation Debt Financing					
Other Revenues	$147,017,018	$192,700,000	$196,900,000	$49,882,982	$4,200,000
Tax Levy	68,736,570	72,967,922	67,767,922	-968,648	-5,200,000
Subtotal	$215,753,588	$265,667,922	$264,667,922	$48,914,334	$-1,000,000
Total Debt Needs	$294,741,146	$343,016,610	$342,016,610	$47,275,464	$-1,000,000

CITY DEBT EXPENDITURES AND SOURCES OF FUNDS

General City (Excluding Schools and Revenue Anticipation Notes): Debt service associated with city borrowing for capital improvement projects, not including RAN borrowing, is $84.9 million in 2013, an increase of $8.7 million from 2012. The property tax levy for debt service is $67.8 million, a decrease of $1.0 million from 2012.

Milwaukee Public Schools (MPS): The tax levy debt cost for school borrowing will be $9.9 million in 2013, a decrease of $1.0 million from 2012. Since 1989, the city has provided MPS with $182.3 million in borrowing authority for school improvements.

Tax Incremental Districts (TIDs): The incremental property taxes collected on the value increment portion of the property retire the debt incurred for city funded district improvements. In the 2013 budget, debt service for TIDs is $22.1 million while revenues are $22.1 million.

Delinquent Taxes: The 2013 budget includes $32.4 million to finance delinquent tax borrowing which is $1.8 million greater than 2012. Estimates of sources of funds from the collection of delinquent taxes and interest penalties are $32.4 million in 2013, an increase of $1.8 million from 2012.

Parking Debt: A transfer from the Parking Fund, equivalent to the amount of annual outstanding debt service, entirely offsets parking related debt service costs. In the 2013 debt budget, the Parking Fund provides $1.5 million to finance debt service costs associated with parking capital projects.

Special Assessments: The abutting property owners pay for a portion of the project's infrastructure cost through an assessment charge. When taxpayers choose a six year payment option, the city borrows money to finance the project. The 2013 debt budget includes approximately $1.5 million to finance debt service costs associated with special assessment borrowing.

Figure 1

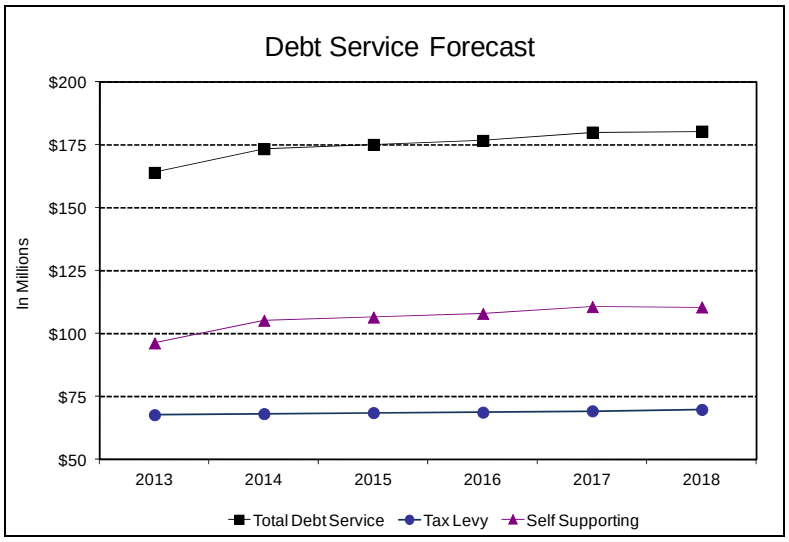
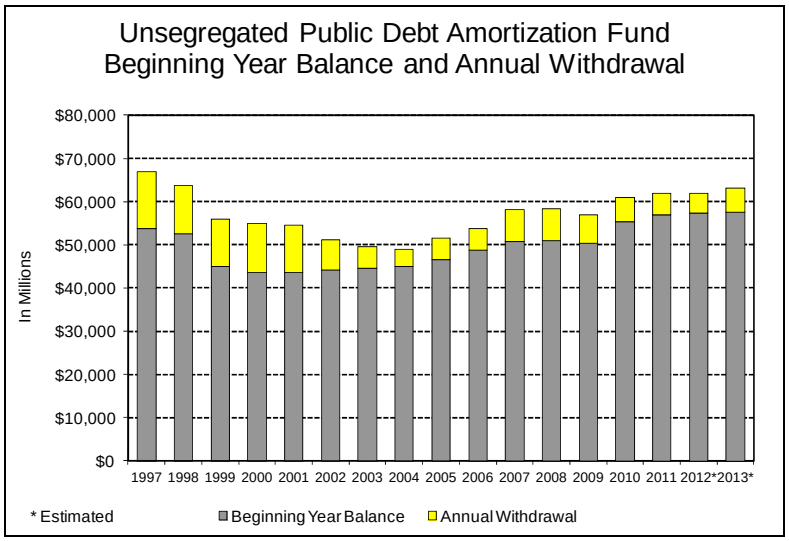


Figure 2



Water Works: The 2013 debt budget includes $3.9 million for Water Works' debt service costs. The Water Works' uses annual earnings to pay water related debt service costs.

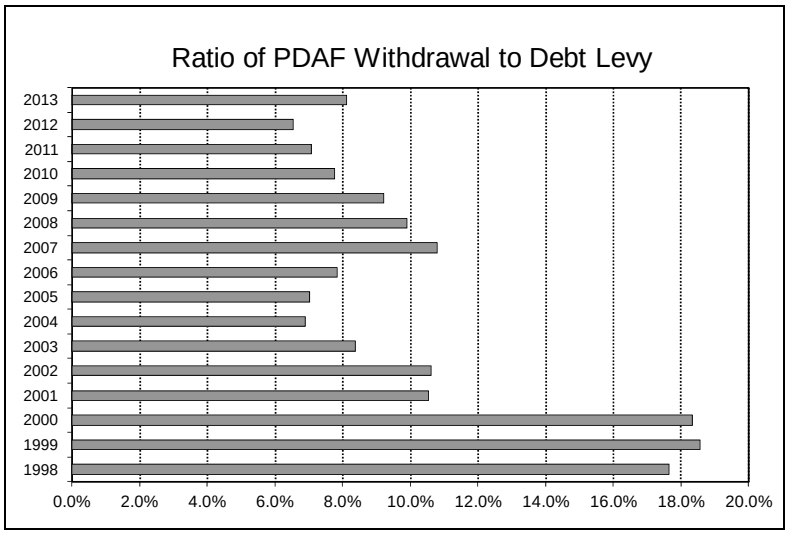
Sewer Maintenance: Approximately $7.5 million in debt service for 2013 relates to sewer capital projects. Beginning in 2009, the Sewer Maintenance Fund paid the general obligation debt service related to sewer projects.

Miller Park Project: The 2013 budget includes $1.1 million in revenue to offset debt service costs related to the Miller Park Stadium Project. This amount reflects an agreement with the Milwaukee Economic Development Corporation (MEDC) and the Southeastern Wisconsin Professional Baseball Park District.

Field Operations Facility Lease Payment: The city has constructed a new facility for the Sewer Maintenance Fund and Water Works at the Tower Automotive site. An annual rental payment from the Sewer Maintenance Fund and Water Works will fund this project. In 2013, the rental payment is $2.3 million.

DEBT TAX LEVY STABILITY

Figure 3



The city has structural budget problems created by limited revenue sources and substantial wage, health care benefit and pension cost growth.

A debt stability plan requires a solid capital improvements plan. Limits on the level of borrowing directly influence future debt payments. Annual borrowing must equal the level of annual debt retirements to stabilize the debt tax levy. The city currently retires approximately $55 million in property tax levy supported debt annually.

As shown in Figure 1, the tax levy for debt service levels off in 2013 at roughly $67.8 million and will grow by approximately $0.5 million annually through 2018. Total debt service will continue to grow at a relatively slow rate to a total of $180.5 million by 2018.

PUBLIC DEBT AMORTIZATION FUND

The Public Debt Commission oversees the use of the Public Debt Amortization Fund (PDAF). The primary sources of revenue for the fund are one-third of earnings on city investments and earnings on the fund's investments.

The PDAF withdrawal for the 2013 budget is $5.5 million. The 2013 fund balance is $57.0 million or $6.5 million more than the 2009 balance of $50.5 million. The annual withdrawal balances the competing goals of reducing the tax levy for debt service versus maintaining a sufficient reserve balance. Figure 2 illustrates how the unsegregated balance of the PDAF dipped to approximately $43.5 million in 2000. Since 2001, the fund balance has grown from a low of $43.5 million to the current balance of $57.0 million, despite a low interest rate environment.

The 2013 PDAF withdrawal reflects the need to use the fund to control the debt service property tax levy. Figure 3 shows the ratio of the PDAF withdrawal to the debt tax levy. The 2013 budget has an 8.1% ratio, among the lower levels over this period.

During the remainder of 2012 and into early 2013, the DOA Budget and Management Division will work with the Comptroller to develop a new PDAF withdrawal policy. The current policy adopted in 1997, reflects the policy needs at that time. Changes in the city's financial position, borrowing policy and bond rating agency views of the PDAF make it an opportune time to review the policy.

F. COMMON COUNCIL CONTINGENT FUND

EXECUTIVE SUMMARY

MISSION: To provide budgetary authority and funding to pay for emergencies that may arise during the year for which no express provisions have been made elsewhere in the city's budget.

OBJECTIVES: Allow funding of unauthorized emergency expenditures on a timely basis.

STRATEGIES: Adhere to guidelines and standards in considering requests for withdrawals. Maintain the Fund's integrity as an "emergencies only" source of funds.

SUMMARY OF EXPENDITURES

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
Common Council Contingent Fund	[4,910,689]	$5,000,000	$5,000,000	$5,000,000	$0	$0
TOTAL	[4,910,689]	$5,000,000	$5,000,000	$5,000,000	$0	$0

SOURCE OF FUNDS

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
Property Tax Levy	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$0	$0
TOTAL	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$0	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Common Council Contingent Fund provides funding for emergency situations that require expenditures above budget authorizations. Requests must be approved by three-quarters of the Common Council before funds can be used and should meet one of the following criteria:

- Emergency circumstances;
- Obligatory circumstances; or
- Fiscal advantage and/or compliance with fiscal management principles.

Additional established guidelines and standards must be met relative to the Finance and Personnel Committee's review of Contingent Fund requests. The guidelines and standards focus on:

- Timelines and process requirements; and
- Information that must be provided to the Finance and Personnel Committee upon request, including:
  - Statement of action requested, including the account where the Contingent Fund appropriation is needed;
  - Purpose of action, including the impact on program service or activity and program objectives; and
  - A description of the emergency that prompts the request.

Limiting Contingent Fund requests to these criteria forces departments to manage within their allocated budgets and discourages use of the Fund for initiating new projects or programs.

SPECIAL REVENUE FUNDS

This section of the budget includes funds supported by revenues other than the city property tax levy. Revenues other than the city property tax offset the appropriations in this section. Any property tax levies related to these special revenue funds are provided in other sections of the city's budget.

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
G. Parking Fund	$50,007,379	$55,829,554	$51,357,708	$51,901,107	$-3,928,447	$543,399
H. Grant and Aid Project Fund	78,677,026	63,846,247	61,363,873	69,363,873	5,517,626	8,000,000
I. Economic Development Fund	8,097,342	7,703,639	8,912,216	7,912,216	208,577	-1,000,000
J. Water Works	98,198,094	97,315,968	100,023,700	101,211,400	3,895,432	1,187,700
K. Sewer Maintenance Fund	85,689,095	94,685,124	95,779,584	102,108,548	7,423,424	6,328,964
M. Delinquent County Taxes Fund	11,362,381	12,300,000	11,300,000	11,300,000	-1,000,000	0
TOTAL	$332,031,317	$331,680,532	$328,737,081	$343,797,144	$12,116,612	$15,060,063

G. PARKING FUND

EXECUTIVE SUMMARY

MISSION: Leverage city parking assets and programs to support overall city goals and diversify the city's financial base.

OBJECTIVES: Maintain parking assets to ensure clean and safe on- and off-street parking.

Ensure the best customer experience possible.

Ensure parking is appropriately priced and effectively collect parking revenues.

Enforce parking and motor vehicle regulations.

STRATEGIES: Utilize technology to enhance customer service and increase cost effectiveness.

Maintain competitive and economically efficient pricing for parking facilities.

Make payment simple and accessible and maximize revenue collections.

Minimize administrative and operating costs, and maintain current asset-to-liability ratio over 2.0.

Mitigate risk and provide safe conditions for public parking and tow facilities.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	128.75	119.75	117.75	117.75	-2.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	131	122	120	120	-2	0
EXPENDITURES						
Salaries and Wages	$4,637,093	$4,844,132	$4,710,303	$4,725,858	$-118,274	$15,555
Fringe Benefits	2,856,477	2,640,905	2,543,563	2,551,963	-88,942	8,400
Operating Expenditures	13,735,982	14,894,556	14,278,556	14,248,000	-646,556	-30,556
Equipment	355,773	247,000	253,000	253,000	6,000	0
Special Funds	4,111,592	5,002,804	5,131,286	5,181,286	178,482	50,000
Transfer to General Fund	22,787,000	20,410,157	18,000,000	18,500,000	-1,910,157	500,000
Transfer to Pension Reserve Fund	0	2,000,000	0	0	-2,000,000	0
TOTAL OPERATING	$48,483,917	$50,039,554	$44,916,708	$45,460,107	$-4,579,447	$543,399
Capital Projects	$1,523,462	$5,790,000	$6,441,000	$6,441,000	$651,000	$0
TOTAL BUDGET	$50,007,379	$55,829,554	$51,357,708	$51,901,107	$-3,928,447	$543,399

	2011 ACTUAL REVENUES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
OPERATING REVENUES						
Structures	$7,056,995	$7,343,000	$7,467,300	$7,467,300	$124,300	$0
Meters	4,937,172	5,118,000	4,946,000	4,946,000	-172,000	0
Permits	3,899,683	3,912,000	3,888,000	3,888,000	-24,000	0
Towing	3,489,643	3,700,000	3,500,000	3,500,000	-200,000	0
Lots	21,427	24,000	21,000	21,000	-3,000	0
Parking Citation Revenue	23,097,923	23,000,000	22,000,000	22,000,000	-1,000,000	0
Miscellaneous	608,485	800,000	675,000	675,000	-125,000	0
Vehicle Disposal	1,641,417	1,550,000	1,600,000	1,600,000	50,000	0
Sale of Real Property	0	0	0	0	0	0
Withdrawal From Reserves	3,731,172	4,592,554	819,408	1,362,807	-3,229,747	543,399
TOTAL OPERATING	$48,483,917	$50,039,554	$44,916,708	$45,460,107	$-4,579,447	$543,399
CAPITAL EXPENDITURES						
Structures	$981,753	$790,000	$0	$0	$-790,000	$0
Other Projects	541,709	0	1,441,000	1,441,000	1,441,000	0
TOTAL EXPENDITURES	$1,523,462	$790,000	$1,441,000	$1,441,000	$651,000	$0
CAPITAL FINANCING						
Proceeds from Borrowing	$1,523,462	$790,000	$1,441,000	$891,000	$101,000	$-550,000
Retained Earnings	0	5,000,000	5,000,000	5,550,000	550,000	550,000
Carryover Borrowing (Informational Purposes Only)	(0)	(2,984,764)	(2,225,792)	(2,225,792)	(-758,972)	(0)
TOTAL FINANCING	$1,523,462	$5,790,000	$6,441,000	$6,441,000	$651,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Parking Fund is an Enterprise Fund administered by the Department of Public Works (DPW), and finances the city's on- and off-street parking expenses through revenues received from these services. The Parking Fund's responsibilities include managing city owned parking structures and lots; towing, storing and disposing of vehicles; managing parking enforcement; information desk operations, and citation processing. Operating the Parking Fund as an Enterprise Fund allows the city to use its excess revenues to transfer money to the city's General Fund, reducing the city's overall property tax levy and diversifying the city's revenue base.

The Parking Fund operates five city owned parking structures; operates and maintains approximately 6,650 on-street parking spaces; manages approximately 45 parking lots; issues nearly 825,000 parking citations each year; annually tows approximately 27,000 illegally parked and abandoned vehicles to the city's tow lot; and issues approximately 146,000 night parking permits each year. These activities provide convenient, efficient, and cost effective on- and off-street parking for Milwaukee's residents, businesses, and visitors.

STRATEGY IMPLEMENTATION

Financial Management: To remain financially viable, the Parking Fund's goal is to maintain at least a 2:1 ratio of current assets to current liabilities. At the end of 2011, the Fund's ratio was 6.3:1 and the 2012 projected ratio is 4.7:1 (see Figure 1). Current liabilities have remained relatively constant over the last six years, and Parking expenses have been minimized through restructuring of functions and process improvements.

The Fund's strength results from its diverse revenue streams (see Figure 2). This diversity provides financial stability because if one type of revenue underperforms in any given year, it is not as damaging to the Fund. The largest source of parking revenue is citations, which generated about $23 million in 2011 and will generate $22 million in 2013. Citation revenue is driven by issuance, which has been reduced due to economic factors and greater compliance.

Technology Improvements: Two major technology improvements budgeted for 2013 will increase cost effectiveness and enhance customer service: converting multi-space meters from cellular to wireless, and adding license plate recognition technology to night parking enforcement.

The multi-space meter project began in 2007, and multi-space meters currently cover over 2,900 parking spaces. Each meter controls multiple parking spaces and accepts coins, credit and debit card payments. Currently, these meters use cellular phone technology to securely communicate payment and parking data between the meter, credit card processing, and Parking Enforcement Officers.

In 2013, multi-space meters in the downtown and Third Ward areas will be converted from cellular to wireless connection via the city's existing network. Wireless will decrease transaction times and save approximately $120,000 each year in service fees, with no added maintenance cost.

Figure 1

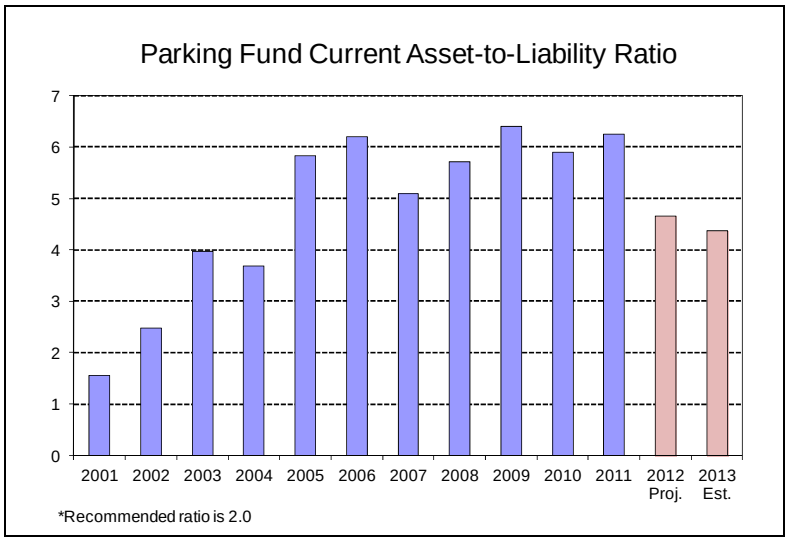
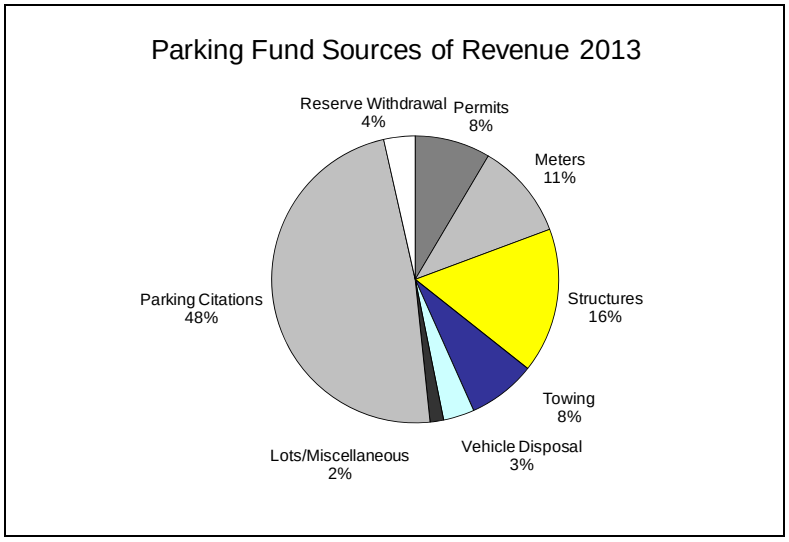


Figure 2



Overnight on-street parking in the city requires a permit, currently available both online and in-person at any Police District Station. In 2013, Parking will add license plate recognition technology to approximately 30 enforcement vehicles, allowing night parking permits to be issued and tracked by plate number. Vinyl permits will be eliminated, saving printing, staff, and maintenance costs, and enforcement productivity will increase. Kiosks will remain in service to accept payment and sell permits, but the permit printing and issuance function will no longer be required. License plate recognition will also enhance the ability of enforcement staff to identify stolen vehicles, expired registration, and scofflaw vehicles more effectively, increasing the quality of enforcement.

Outstanding Parking Revenue Collection Strategies: DPW takes a proactive approach to increase the collection of unpaid parking citations and outstanding towing and storage fees. Various initiatives have increased the collection of outstanding fees.

- **New Citation Management Contract:** In 2009, DPW Parking entered into a new citation processing and management agreement with Duncan Solutions. This new contract reduced citation processing fees by nearly 20% and reduced payments by the city to collect citations older than 80 days by approximately 4.7%. The new contract reduced costs to 16% of citation revenues in 2011.

- **Tax Revenue Intercept Program (TRIP):** The city began participating in the TRIP program in 2002. Beginning in 2009, all persons with vehicles registered in Wisconsin who have unpaid parking citation balances exceeding $40 are registered with the Wisconsin Department of Revenue (DOR). Since inception in the TRIP program, over $35 million in outstanding parking debt has been collected by the City of Milwaukee. TRIP collections were $2.6 million in 2011.

- **Citation Payment Plans**: As part of the 2009 citation processing contract, payment plans were required to allow persons seeing the Citation Review Manager to be able to pay their citations over a period up to one year without having to schedule a hearing in Municipal Court. In 2011, 6,173 customers utilized payment plans for outstanding parking citations without requiring a Municipal Court hearing.

Rate Study in 2013: Parking rates are more than a fee for service. Effectively priced parking increases accessibility and discourages congestion, and helps local businesses maximize customer traffic. The 2013 proposed budget includes funding for a rate study for meters, to ensure that the city, residents, and visitors receive the maximum benefit from these parking assets.

Tow Lot Enhancements: In 2012, Parking purchased a building at the Lincoln Avenue tow lot from the Water Works, and is utilizing this property to securely house high value vehicles and those stored as evidence. Additionally, Parking has assumed management of seized and evidence vehicles at the Tow Lot, freeing up police personnel for other duty.

RESIZE, RESTRUCTURE, AND REINVEST

The 2013 proposed budget for Parking includes a transfer to the General Fund of $18.5 million, a reduction of $3.9 million from the 2012 adopted budget. The 2013 transfer provides a comparable level of relief to property taxpayers and addresses the long term stability of the fund. This also reduces Parking Fund reserve use by $2.7 million.

Two major spending pressures on the Parking Fund are debt service, for both capital project and Miller Park, and future payments toward accrued pension liability. As an enterprise operation, Parking must account for these costs, which will add $1.4 million to the Parking budget by 2015. By 2017, due in part to debt and pension costs and constraints on revenue growth, the Parking Fund will need to reduce the General Fund transfer to $15 million to maintain adequate reserves. This amount provides long term certainty for both the Parking Fund and the city.

Parking will eliminate two vacant Tow Lot positions in 2013, and will reduce the budget for intra-city payments and charges by nearly $500,000. Combined with future savings from wireless technology for multi-space meters and potential savings from converting night parking permissions from vinyl permits to license plates, Parking should save $600,000 in operating costs beginning in 2014, in addition to ongoing efforts to both grow revenue and manage expenses.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	-1.00		Vehicle Salvage Supervisor	Elimination of vacant positions.
-1	-1.00		Tow Lot Attendant	
-2	**-2.00**	**0.00**	**Totals**	

H. GRANT AND AID FUND

EXECUTIVE SUMMARY

OBJECTIVES: The Grant and Aid Fund provides expenditure authority for federal, state, and other grants whose proceeds are restricted to operating expenditures for specific purposes. Expenditures are made in accordance with the grant and aid process established in city ordinances. Grants support the objectives and strategies of departments.

STRATEGIES: Manage changes in Community Development Block Grant (CDBG) and HOME funding, including potential changes in the allowable uses of CDBG funding.

Manage funding and reporting through the Housing and Economic Recovery Act and the American Recovery and Reinvestment Act.

Identify and obtain new grant funding sources, including the Continuum of Care grant.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
Grantor Share (Non-City)	$78,677,026	$63,846,247	$61,363,873	$69,363,873	$5,517,626	$8,000,000
TOTAL	$78,677,026	$63,846,247	$61,363,873	$69,363,873	$5,517,626	$8,000,000

The Grant and Aid Fund is a "parent" account that accumulates grant funds prior to allocation on a project-by-project basis during the fiscal year. In order to expend funds, a Common Council resolution is adopted to authorize a specific project, create a sub-account, and allocate specific funding from the "parent" account. The fund provides expenditure authority for both planned and potential or unanticipated grants.

OTHER SERVICE AND BUDGET CHANGES

The 2013 grant and aid budget of $69.4 million includes an $8.5 million (18.6%) increase in anticipated grant funding. Unanticipated grant funding decreases by $3 million (16.7%) to $15 million (see Table 1). The decrease in unanticipated grant funding reflects an overall decrease in grant funding available to the City of Milwaukee.

Table 1

Comparison of Projected Grant Activity (Grantor Share)

Department	2012	2013	Difference
Administration	$22,503,589	$32,468,819	$9,965,230
City Development	1,235,000	1,060,000	-175,000
Fire	391,929	515,693	123,764
Fire & Police Commission	207,992	261,325	53,333
Health	8,122,872	7,777,467	-345,405
Library	1,048,200	1,057,700	9,500
Police	9,905,847	8,833,120	-1,072,727
Public Works	2,430,818	2,389,749	-41,069
Unanticipated	18,000,000	15,000,000	-3,000,000
Totals	$63,846,247	$69,363,873	$5,517,626

Community Development Grants Administration (CDGA): The Community Development Grants Administration anticipates receiving approximately $32.1 million in grant funds. This is an increase of $10.9 million or 51.2% from the 2012 budget. The majority of the increase reflects the addition of $11 million for the Continuum of Care grant. CDGA became

the lead agency for this grant, as authorized in Common Council File 120123. There are also increases in the Community Development Block Grant (CDBG) program of $1.1 million (8.3%) and the Emergency Shelter Grant program of $583,243 (78.8%). There is a decrease in the HOME program of $1.8 million or 30%.

The Department of Administration Information and Technology Management Division anticipates $328,765 in grant funding for the Connecting Milwaukee Communities grant, a decrease of $911,235 from the $1.24 million anticipated for 2012. This grant funds computer literacy classes and trainings, internet service, network support, and staff that assist users in computer and Internet use at the Milwaukee Public Library, Housing Authority, and United Community Center. This grant, funded through the American Recovery and Reinvestment Act, will expire in 2013.

Department of City Development grant funding decreases by $175,000 to $1,060,000. Although the 2013 proposed budget includes $75,000 for a new Coastal Management grant, there is a $250,000 reduction in the Economic Development Initiatives grant, which is funded through the U.S. Department of Commerce and provides assistance with environmental studies and enhancement of potential industrial and commercial development sites. There is no change in grant funding for brownfields and the Arts Board.

Fire Department grant funding increases by $123,764 (32%) to $515,693. The department anticipates increased funding from the Urban Areas Security Initiative (UASI) grant and a new Fire Prevention and Safety grant. The department anticipates a $20,345 reduction in the EMS Funding Assistance Program grant and a $29,891 decrease in the Metropolitan Medical Response System (MMRS) grant.

The Fire and Police Commission anticipates grant funding to increase by $53,333 (26%) to $261,325. The increase results from a new Regional Communication Interoperability Planning grant.

Health Department grant funding decreases by $345,405 (4.3%) to $7.8 million. While some grant funding has ended, including the Blood Center Flu, Church Based Health and Wellness, Preventive Health, Sexual Assault Planning, and Urban Areas Security Initiative grants, the department has already secured or anticipates receiving additional grants, including Around the Corner to Better Health ($40,000), HIV Seek, Test, Treat ($70,000), Immunization HPV ($29,431), and HUD Lead Abatement grant ($157,000). There are additional changes to other Health Department grants.

Library grant funding increases by $9,500 (0.9%) to $1.05 million, the result of a $10,800 (1.1%) increase in the Talking Book and Braille Library grant, which offsets a $1,300 (1.5%) decrease in the Interlibrary Loan Services grant.

Police Department grant funding decreases by $1 million (10.8%) to $8.8 million. Most of this change is the result of a $515,000 decrease in anticipated equipment grants and a $551,034 decrease in anticipated funding through various Homeland Security grants. There are additional changes to other Police Department grants.

Department of Public Works grant funding decreases by $41,069 (1.7%) to $2.4 million. This reflects an anticipated $40,000 decrease in the State of Wisconsin Recycling grant and an anticipated $1,069 decrease in the Miles of Travel Monitoring grant.

Unanticipated grant funding is $15 million, a $3 million (16.7%) decrease from the $18 million in 2012.

Capital Grant Funding: In addition to operating grants, certain city departments, particularly the Department of Public Works, also receive significant grant funding for capital improvement projects. For information on capital grants, see the *Capital Improvements* section of the *2013 Proposed Plan and Executive Budget Summary*.

I. ECONOMIC DEVELOPMENT FUND

EXECUTIVE SUMMARY

MISSION: Provide expenditure authority for economic development purposes.

OBJECTIVES: Promote development in commercial areas.

STRATEGIES: Provide owner financed development.

Work cooperatively with local businesses to improve the appearance of business districts.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
Business Improvement Districts	$7,208,601	$7,703,639	$7,912,216	$7,912,216	$208,577	$0
Excess TID Revenue	888,741	0	1,000,000	0	0	-1,000,000
TOTAL	$8,097,342	$7,703,639	$8,912,216	$7,912,216	$208,577	$-1,000,000

STRATEGY IMPLEMENTATION

The Economic Development Fund supports the goal of increasing investment and economic vitality throughout the city. The 2013 proposed budget for the Economic Development Fund is $7.9 million. There is no tax levy impact in this fund. Revenue of $7.9 million will be received from BID assessments to finance budgeted expenses.

Business Improvement Districts are special assessment districts created at the petition of local commercial property owners. In accordance with Sec. 66.608 Wis. Stats., the city has established over 40 Business Improvement Districts (BIDs). Each year the BIDs work with the city to develop a plan and budget. This budget becomes the basis for an assessment charged to businesses in the BID area. Because the BIDs do not have taxing authority, the city collects the assessment on their behalf. Through an appropriation in the city budget, the city provides the dollars it collects to the BIDs.

SERVICES

There are 35 active BIDs throughout Milwaukee; each is governed by a local board. Collectively, these BIDs annually raise over $7.9 million for activities ranging from economic development and administration to streetscaping and public safety. The following is a list of active BIDs for 2013 and their corresponding budgets as well as budget authority for new potential BIDS:

NID #1 (Brewery) $32,828

BID #2 (Historic Third Ward) $601,682

BID #3 (RiverWalk) $0

BID #4 (Greater Mitchell Street) $139,635

BID #5 (Westown) $92,749

BID #8 (Historic King Drive) $193,551

BID #9 (735 North Water RiverWalk) $0

BID #10 (Avenues West) $134,625

BID #11 (Brady Street Business Area) $146,045

BID #13 (Oakland Avenue) $7,875

BID #15 (RiverWalk) $428,592

BID #16 (West North Avenue) $158,800

BID #17 (North 76th and Brown Deer) $0

BID #19 (Villard Avenue) $79,823

BID #20 (East North Avenue) $228,867

BID #21 (Downtown Management District) $3,166,234

BID #25 (Riverworks) $217,806

BID #26 (Menomonee Valley) $128,717

BID #27 (Burleigh) $61,188

BID #28 (North Avenue Gateway District) $36,650

BID #29 (Teutonia, Capitol, Atkinson) $96,927

BID #31 (Havenwoods) $187,019

BID #32 (North Avenue Market Place) $96,087

BID #35 (Becher/Kinnickinnic) $38,103

BID #36 (Riverworks II) $45,054

BID #37 (30th Street Industrial Corridor) $174,828

BID #38 (Cesar Chavez) $26,500

BID #39 (Center Street Market Place) $66,543

BID #40 (Airport Gateway) $351,439

BID #41 (Downer) $79,329

BID#42 (Schlitz Park) $113,000

BID #43 (South 27th Street) $127,137

BID #44 (Kinnickinnic) $54,583

BID #45 (Silver Lane) $0

BID #46 (Basilica Square) $0

BID #47 (Lincoln Village) $0

Potential New NIDs $100,000

Potential New BIDs $500,000

J. WATER WORKS

EXECUTIVE SUMMARY

MISSION: Provide a safe and reliable supply of water to customers at a competitive price.

OBJECTIVES: Treat, store, and distribute high quality, affordable water to all customers.

Achieve 100% compliance with Safe Drinking Water Act standards.

Leverage the Water Works as an asset to the community to attract business and bolster the city's livability.

STRATEGIES: Improve the utility's rate of return while maintaining a strong competitive position in the regional water market.

Balance cost recovery with affordable and reasonable rates.

Invest in treatment plants and pumps to maintain reliable operation of the multiple barrier treatment process.

Market Milwaukee water to surrounding communities and nationally, consistent with the Great Lakes Compact.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	358.72	346.70	344.38	344.38	-2.32	0.00
FTEs - Other	11.44	5.46	8.95	8.95	3.49	0.00
Total Positions Authorized	382	367	371	371	4	0
EXPENDITURES						
Salaries and Wages	$16,729,270	$18,752,146	$18,447,383	$18,447,383	$-304,763	$0
Fringe Benefits	8,970,733	9,323,442	9,990,317	9,990,317	666,875	0
Operating Expenditures	40,141,072	42,535,380	44,798,000	44,601,000	2,065,620	-197,000
Equipment	1,251,614	1,355,000	2,038,000	2,038,000	683,000	0
Special Funds	5,134,839	6,840,000	5,450,000	6,834,700	-5,300	1,384,700
TOTAL	$72,227,528	$78,805,968	$80,723,700	$81,911,400	$3,105,432	$1,187,700

CAPITAL BUDGET SUMMARY

CAPITAL BUDGET						
Mains Program	$3,909,320	$630,000	$8,000,000	$8,000,000	$7,370,000	$0
Plants and Other	8,260,888	8,690,000	5,850,000	5,850,000	-2,840,000	0
TOTAL CAPITAL BUDGET	$12,170,208	$9,320,000	$13,850,000	$13,850,000	$4,530,000	$0
CAPITAL FINANCING						
Retained Earnings/Cash	$379,175	$500,000	$5,450,000	$5,450,000	$4,950,000	$0
Bond Issue	11,625,000	8,690,000	8,000,000	8,000,000	-690,000	0
Assessments	0	30,000	100,000	100,000	70,000	0
Developer Financed	166,033	100,000	300,000	300,000	200,000	0
TOTAL CAPITAL FINANCING	$12,170,208	$9,320,000	$13,850,000	$13,850,000	$4,530,000	$0

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
REVENUES						
Operating	$77,634,978	$77,727,000	$78,186,000	$78,186,000	$459,000	$0
Non-Operating	8,392,908	7,000,000	6,550,000	6,550,000	-450,000	0
Developer Capital and Assessments	166,033	130,000	400,000	400,000	270,000	0
Bond Issue	11,625,000	8,690,000	8,000,000	8,000,000	-690,000	0
Withdrawal From Retained Earnings	379,175	-5,421,032	1,437,700	2,625,400	8,046,432	1,187,700
TOTAL REVENUES	$98,198,094	$88,125,968	$94,573,700	$95,761,400	$7,635,432	$1,187,700
EXPENDITURE AUTHORIZATIONS						
Operating	$77,227,528	$78,805,968	$80,723,700	$81,911,400	$3,105,432	$1,187,700
Capital Funding	12,170,208	9,320,000	13,850,000	13,850,000	4,530,000	0
Deposit To Retained Earnings	8,800,358	0	0	0	0	0
TOTAL AUTHORIZATIONS AND DEPOSITS	$98,198,094	$88,125,968	$94,573,700	$95,761,400	$7,635,432	$1,187,700

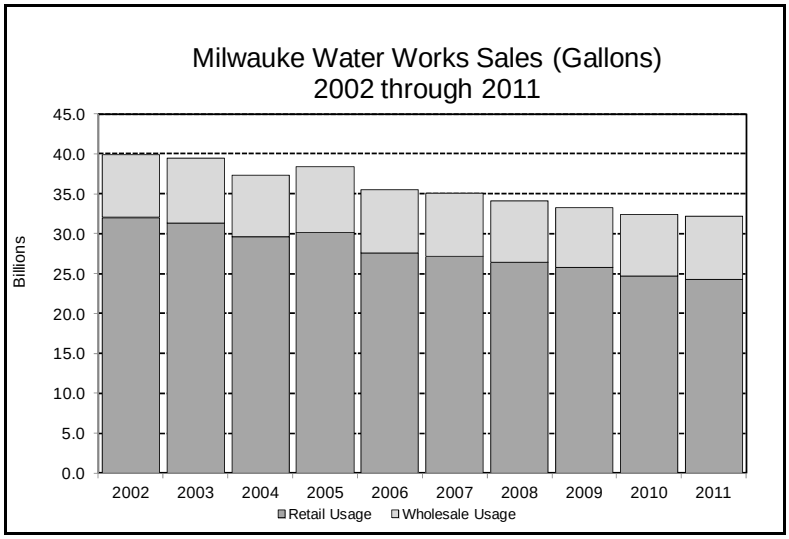
DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

A safe, reliable supply of water is critical to public health and economic development. Milwaukee's advanced multi-barrier treatment process, which includes ozone disinfection, allows it to provide some of the cleanest water in the country. The Great Lakes are the world's largest source of fresh water, and Milwaukee's proximity to Lake Michigan gives it an economic advantage over other areas of the country. A sustainable supply of drinking water supports Milwaukee's key industries and promotes long term business and residential growth.

The Milwaukee Water Works (MWW) is a municipally owned water utility regulated by the State of Wisconsin Public Service Commission (PSC) and the Wisconsin Department of Natural Resources (DNR). From its Howard Avenue and Linnwood Plants, MWW pumps and treats water from Lake Michigan for distribution throughout the Milwaukee area. It delivers this water through 1,955 miles of mains to approximately 868,000 retail customers in the City of Milwaukee and five suburbs. MWW also provides wholesale water services to Milwaukee County institutions and ten suburbs across Milwaukee, Ozaukee, and Waukesha Counties.

Water sales declined in 2011, decreasing 0.6% from 2010. Since 2002, metered water sales have declined 21%, mirroring national trends. Increased water efficiency, slower population growth, and a changing industrial customer base have reduced water sales for utilities nationwide. Figure 1 shows retail and wholesale water sales for MWW since 2002.

Figure 1



Despite decreases in consumption, the Water Works' cost for electricity, chemicals, and construction and maintenance of the water distribution system does not change. Since 2009, the cost of treatment chemicals has more than doubled. From 2009 through 2011, electricity costs for the utility have increased by 20%. In 2013, MWW will begin paying a regular portion of salary costs to fund accrued

pension liabilities, adding $1.4 million in ongoing cost. Mandated costs, including the cost of cross-connection inspections, inspections of facilities and plants, and pensions, add expense without generating revenue or increasing water production.

The utility's cost structure directly affects water rates. Water rates are based on a Rate of Return requested by the city and established by the PSC, and the rate formula allows the utility to recover operating costs and make investments in the upkeep of the treatment and distribution system. Regular consumption decreases since the mid-1970s have reduced revenue growth and put pressure on MWW to both control spending and increase rates. Based on 2011 rates, every 1% decrease in consumption reduces revenues by approximately $1.4 million.

To balance affordability and cost recovery, MWW has reduced spending on both operations and capital investment in 2010 and 2011 as a rate increase took effect. Overtime spending decreased 15% from 2009 to 2011, and overall salaries and wages were reduced 12%. Spending on maintenance, grounds services, and contract services was also reduced, and total capital spending declined 59% from 2009 through 2011. These reductions allowed MWW to continue providing high quality water and service while rebuilding its reserves, without needing an additional rate increase.

Given existing cost structures and the need to bring capital investment and replacement cycles back to normal levels, MWW will likely need a series of moderate rate increases in the next four to five years. However, Milwaukee water will continue to be high quality and high value compared with other local communities.

QUALITY AND RELIABILITY

In 2011, Water Works repaired 86% of main breaks within 24 hours and the average time that customers were without water was 4.4 hours. Water mains are replaced primarily according to the frequency of main breaks. In 2011, Water Works installed 1.5 miles of water mains, and will replace another 9 miles in 2012 and 2013.

In 2011, MWW achieved its goal of providing safe, high quality drinking water. The utility was in full compliance with the Safe Drinking Water Act 365 days last year. The utility substantiated no water quality complaints that were attributable to water treatment activities. Typically, plumbing issues within a customer's building explain most water quality complaints.

RESIZE, RESTRUCTURE, AND REINVEST

As water use continues to decrease, MWW must be increasingly prudent in its operations and capital investments. The 2013 proposed budget reflects a number of efficiencies and improvements MWW is utilizing to manage and reduce costs. MWW is investing in a real time work order system, which will replace the existing paper process and allow MWW field crews to work and communicate more efficiently. Real time work orders will also save administrative work for job scheduling and decrease data transfer time between field crews and customer service.

The major improvement planned for implementation in 2013 is the advent of monthly meter reading and billing for all customers. Monthly reading will more readily detect leaks and other service problems, and allow city residents and businesses to budget the municipal service bill as a monthly rather than a quarterly expense.

Monthly reading and billing are leveraged by the Automated Meter Replacement (AMR) initiative, which began in 2010. AMR will replace every MWW retail customer's meter with a new longer-lasting meter, reducing overall reading and billing costs. Staff added for AMR implementation and systems upgrades associated with AMR allow monthly reading to be implemented for only a third of the cost.

MWW continues to upgrade and add systems at the Howard treatment plant which allow more automated control of treatment and pumping. As consumption decreases, these improvements will reduce the cost of operating two treatment plants and keep fixed costs from growing as a share of total operating expense.

The 2013 proposed budget also includes ongoing savings in labor and materials. Hydrant Service Workers that inspect all MWW hydrants in accordance with DNR regulations will be reduced from four full time year-round positions to six seasonal positions. Fluoride levels in treated water will be reduced from 1.1 mg/L to 0.7 mg/L, which is anticipated to be the new Centers for Disease Control standard, saving $197,000.

Spending on mains and other capital investments will increase by $4.53 million, or nearly 50%. The 2012 budget minimized capital cost to allow MWW to rebuild fund reserves. Proposed 2013 funding for main replacements totals $8 million, including mains financed via developer funding and assessments. Non-mains project funding for 2013 is $5.5 million, including implementing backup power capacity at pumping stations, painting of storage tanks, and smaller facility projects at the two treatment plants.

These increases are part of a six-year plan to return to historical levels of capital investment and preserve the quality of MWW's water treatment and distribution infrastructure. MWW's last rate increase was implemented 12 months later than anticipated, forcing a drawdown of reserves to fund normal operating and capital costs. While the last rate increase helped rebuild reserves and move MWW towards normal levels of capital investment, ongoing costs continue to grow and consumption continues to decline.

Working with the Budget and Management Division, MWW has developed a six year financial plan calling for small regular rate increases of 3% for three years, and a single increase of 8%. These increases, combined with debt authorizations, operating cost controls, and gradually increasing capital investment, will rebuild MWW reserves and return mains and plant investment to normal levels by 2019.

City of Milwaukee residential customers will see an increase averaging $8 per year over four years, or $0.66 per month under the new monthly billing system. Even with this increase, treated water delivered to the home will still only cost $0.27 per hundred gallons.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
1	1.00		Administrative Assistant III	Title changes due to reclassifications.
-1	-1.00		Administrative Assistant II	
1	1.00		Accounting Assistant III	
-1	-1.00		Accounting Assistant II	
2	2.00		Water Plant Maintenance Manager	
-7	-7.00		Water Meter Reader	
7	7.00		Water Meter Reading Specialist	
-2	-2.00		Water Maintenance Manager	
1	1.00		Network Coordinator Senior	
-1	-1.00		Systems Analyst Senior	
-1	-1.00		Business Services Specialist	Vacant position eliminated.
1	1.00		Business Services Supervisor	New position added for 2013
2	0.67		Accounting Assistant III	Monthly billing startup staffing.
1	1.00		Program Assistant I	Bankruptcy monitoring and processing.
	1.00		Customer Service Representative III	Fund previously unfunded authorized position.
-1	-1.00		Water Meter Reader	Reduce one position.
	-3.49	3.49	Various Positions	Increase Water Engineering capital allocation.
-1	-1.00		Hydrant Service Worker	Convert to seasonal.
3	1.50		Hydrant Service Worker (0.5 FTE)	
	-1.00		Water Treatment Plant Operator	Unfund two positions at Howard; fund one position at Linnwood.
-1	-1.00		Water Microbiologist II	Hire vacant position at lower level to facilitate daily water quality readings.
1	1.00		Water Laboratory Technician	
4	**-2.32**	**3.49**	**Totals**	

SEWER MAINTENANCE FUND

EXECUTIVE SUMMARY

MISSION: Protect people, property, and the environment from sewage, flooding, erosion, and polluted runoff.

OBJECTIVES: Improve surface water quality by eliminating sanitary sewer overflows.

Reduce the risk of property damage due to flooding and basement backups.

STRATEGIES: Maintain a 90 year sewer replacement cycle or better.

Reduce stormwater Infiltration and Inflow (I&I) into sanitary sewer basins that the State of Wisconsin and Milwaukee Metropolitan Sewerage District have stipulated for correction.

Conduct and monitor projects for private lateral rehabilitation on private property to assess its effectiveness at reducing Infiltration and Inflow into the sanitary system.

Develop and implement a Capacity, Management, Operations, and Maintenance (CMOM) program to govern operations.

BUDGET SUMMARY

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	98.42	108.05	108.05	103.65	-4.40	-4.40
FTEs - Other	16.04	24.95	24.95	11.35	-13.60	-13.60
Total Positions Authorized	164	164	164	146	-18	-18
EXPENDITURES						
Salaries and Wages	$4,558,129	$5,029,748	$4,717,637	$4,421,553	$-608,195	$-296,084
Fringe Benefits	2,612,303	2,514,876	2,264,466	2,122,345	-392,531	-142,121
Operating Expenditures	6,026,679	6,383,000	6,373,000	6,215,500	-167,500	-157,500
Equipment	77,429	270,500	487,100	416,100	145,600	-71,000
Special Funds	30,121,575	36,537,000	40,437,381	44,423,050	7,886,050	3,985,669
O&M TOTAL	$43,396,115	$50,735,124	$54,279,584	$57,598,548	$6,863,424	$3,318,964
Capital Projects	$31,433,967	$43,950,000	$41,500,000	$44,510,000	$560,000	$3,010,000
Deposit to Retained Earnings	10,859,013	0	0	0	0	0
TOTAL	$85,689,095	$94,685,124	$95,779,584	$102,108,548	$7,423,424	$6,328,964
REVENUES						
Sewer Maintenance Fee	$27,147,793	$27,589,039	$28,140,129	$28,389,121	$800,082	$248,992
Stormwater Maintenance Fee	22,866,090	23,815,129	24,301,011	25,720,339	1,905,210	1,419,328
Charges for Services	1,773,909	1,391,530	1,782,830	1,782,830	391,300	0
Interest Revenue	2,878,661	17,000	242,623	242,623	225,623	0
Miscellaneous Revenue	12,258	349,421	0	0	-349,421	0
Proceeds from Borrowing	29,019,650	37,510,000	35,100,000	38,060,000	550,000	2,960,000
Grant and Aid	1,946,482	2,640,000	0	2,640,000	0	2,640,000
Assessable	44,252	0	0	0	0	0
Withdrawal from Retained Earnings	0	1,373,005	6,212,991	5,273,635	3,900,630	-939,356
TOTAL	$85,689,095	$94,685,124	$95,779,584	$102,108,548	$7,423,424	$6,328,964

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The core purpose of a sewer system is to deliver all sanitary sewer flows to treatment plants, minimize surface flooding, and reduce the risk of basement backups in homes. The City of Milwaukee maintains a sewer system of 2,450 miles of public sewers, which connect to hundreds of miles of privately owned sewer laterals, and the Milwaukee Metropolitan Sewerage District (MMSD) system. The system transports sanitary sewage to MMSD facilities for treatment by treating wastewater before returning it to rivers and Lake Michigan, the sewerage system reduces the risk of waterborne illnesses and protects water quality. The sewer system also plays a key role in protecting property by mitigating flooding.

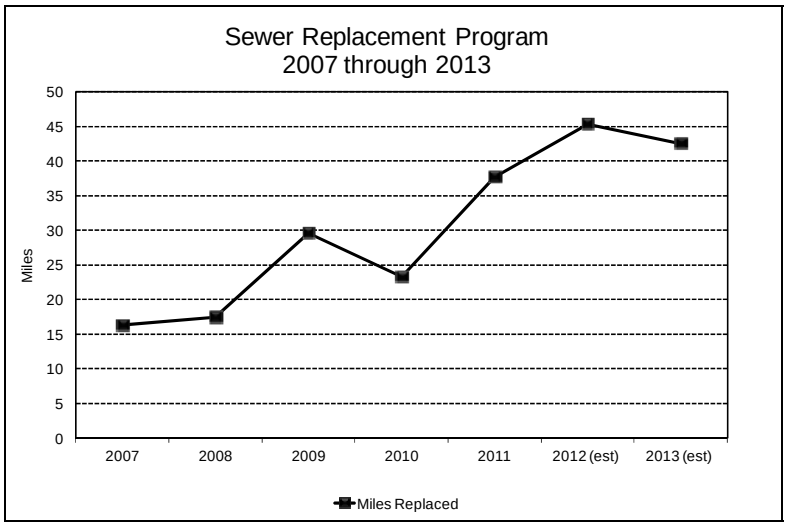
The regional sewer system contributes to the goal to sustain, enhance, and promote Milwaukee's natural environmental assets. The integrated nature of the region's systems requires coordinated management strategies across the various stakeholders. Milwaukee's regional sewer system, operates much more effectively than systems in other major Great Lakes cities; (as measured by the number of annual sewer overflows). However, leaky sewers and private laterals throughout the region, coupled with the increasing frequency of large storms, present enormous challenges to the regional sewer system. During large storms, when too much stormwater enters the sanitary sewer system, it must discharge stormwater and sewage, known as Sanitary System Overflows (SSOs), or basement backups will result.

STRATEGY IMPLEMENTATION

Replacing and lining sewers is a critical aspect of maintaining the sewer system and reducing the amount of rainwater that enters the sanitary sewer system. In order to maximize the probability of eliminating sanitary sewer overflows the city strives to have a sewer replacement cycle of 90 years, or 27 replaced or relined miles a year. The 2013 proposed capital budget includes $32.8 million to replace 10 miles of sewer and an additional $10.3 million to reline 32 miles of sewer. DPW will target this investment to the sewer sheds with the highest levels of infiltration and inflow and the greatest risk of basement backups. As Figure 1 shows, since 2007 the city has increased its efforts to replace and line sewers.

Leaky sewer laterals located on private property are a major contributor to infiltration and inflow (I&I). In 2011, the city's Flooding Study Task Force found that private property sources account for between 60% and 80% of the clear water that enters sanitary sewer systems. In 2011, the city began a demonstration project to address private property I&I. In 2012, the city conducted a larger scale project that included inspecting lateral connections and lateral rehabilitation at 526 homes. Monitoring sewer flows in these areas will determine the effectiveness of private property work in reducing clear water flows to the sanitary sewers. In 2013, the city will use data from these projects to continue conducting I&I reduction projects on homes in a target area. The 2013 Sewer Maintenance Fund I&I capital budget includes an estimated $2.64 million in grants from MMSD for work on private property.

Figure 1



As DPW and MMSD phase in larger system improvements, extremely large storms will trigger the system's bypass pumps to discharge effluent from the system to reduce the risk of costly basement backups in residents' homes. The 2013 proposed capital budget includes $750,000 million for

rehabilitation of eight bypass pumps and one lift station. With the severity of storms increasing, bypass pumps and lift stations play a critical role in reducing the risk of basement backups.

Green infrastructure is a strategy to manage stormwater and improve water quality. These projects help reduce the Total Daily Maximum Loads (TMDLs) of Total Suspended Solids (TSS), bacteria, and phosphorus. In 2013, the capital budget includes $500,000 for the installation of bio-swales and other green infrastructure projects.

The city is the owner of various channels and drainage ditches. Channels assist in water quality by carrying stormwater to local waterways. These channels have a 25 year storm capacity. Channel capacity can diminish due to sediment buildup and vegetation growth. In 2013, the city will provide $160,000 to restore the capacity of the channel located between Acacia Street, Green Tree Road, and 74th Street.

RESIZE, RESTRUCTURE, AND REINVEST

Crew Operations: Historically, sewer crews consist of sewer maintenance staff and DPW Fleet staff. DPW Fleet staff drives or operates the various large vehicles and equipment required by each crew. Sewer Maintenance reimburses DPW Fleet for this service. In addition, the use of sewer equipment is subject to the availability of DPW Fleet staff. When DPW Fleet staff is unavailable, sewer crews cannot perform their duties. During 2012, sewer crew leaders were trained to operate certain large vehicles and pieces of sewer maintenance equipment. The training provides Sewer Maintenance with the flexibility to operate their equipment when DPW Fleet staff is unavailable. In 2013, the proposed budget reduces the payment made to DPW Fleet for their staff by approximately three FTEs, resulting in savings of $234,000.

Drafting Section Transfer: In order to consolidate all of the DPW drafting work in one central location, the drafting functions of Sewer Maintenance are transferred to the Central Drafting and Mapping section in the Infrastructure Services Division. However, the funding of these positions does not change.

Stormwater Management Fee: In 2013, the Stormwater Management Fee per quarter per Equivalent Residential Unit (ERU) will increase 8.0% to $16.13. All one to four unit residential properties are charged one ERU per quarter. Charges for other properties are based on their impervious surface (one ERU is equivalent to 1,610 square feet of impervious surface). Regular rate increases will be necessary in 2014 and beyond, particularly if the city further increases its investment in private property work. This will generate $25.7 million in 2013.

Local Sewerage Charge: In 2013, the rate will increase 5.0% to $1.29 per one hundred cubic feet of water (CCF). The typical residential user will pay $87.72 a year for local service. Like the Stormwater Management fee, regular increases in 2014 and beyond are expected. This will generate $28.4 million in 2013.

Capital Financing: The Sewer Fund has successfully used the State of Wisconsin's Clean Water Fund to finance some debt. Clean Water Fund loans, issued as revenue bonds, provide below market interest rates to communities to finance replacement and lining of sanitary and combined sewer projects. General Obligation (GO) debt or Revenue Bonds (RB) finance sewer capital projects that do not qualify for the Clean Water Fund. GO bonds typically have lower interest rates than Revenue Bonds, and do not have "reserve" requirements. Sewer Fund revenues secure Revenue Bonds and are exempt from the city's GO debt limit, which is 5% of the city's equalized value. However, bondholders require that Revenue Bonds normally include a 10% debt service reserve. Historically, reserves have been withheld from the budgeted borrowing authority to allow the city to use either type of borrowing. The issuance of GO or RB debt is determined by market conditions at the time of issuance. The 2013 capital budget adds a reserve to each project requiring borrowing authority to allow for the proper reserves, while also fully funding the capital improvement. This reserve is not expended on capital improvements.

In 2013, the city will cash finance $3.8 million in sewer capital to improve fund sustainability. This cash financing will cover the pump replacement projects, salary and fringe benefits associated with the design and project management of sewer capital projects, and manhole inspection projects.

Debt Fund Transfer: The 2013 proposed budget includes a $9.7 million transfer from the Sewer Maintenance Fund to the Debt Fund for sewer related GO debt service.

Payment to the General Fund: The Sewer Fund makes an annual payment to the General Fund to finance street sweeping and leaf collection services, provided by the Department of Public Works Operations Division. In 2009, the Common Council voted to fund tree pruning and brush collection from the Sewer Maintenance Fund. The 2013 proposed budget will transfer $14.4 million from the Sewer Maintenance Fund to the General Fund to pay for all tree care costs and pension payments associated with street sweeping, leaf collection, brush collection, and pruning. Street trees help reduce stormwater flows by absorbing water through their root system. The transfer also includes $40,000 to fund the Health Department's Beach Water Quality and Advisory program. An additional $3.6 million transfer to the capital fund will support the tree planting and stump removal capital program, the Emerald Ash Borer Prevention program, concealed irrigation, and curb and gutter activities related to local street capital projects.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	-1.00		Civil Engineer II	Positions eliminated.
-1	-1.00		Civil Engineer V	
-1	-0.15	-0.85	Engineering Drafting Technician V	Transferred to Infrastructure Services.
-6	-0.90	-5.10	Engineering Drafting Technician IV	
-9	-1.35	-7.65	Engineering Drafting Technician II	
-18	**-4.40**	**-13.60**	**Totals**	

M. COUNTY DELINQUENT TAX FUND

EXECUTIVE SUMMARY

MISSION: Provide appropriation authority to purchase Milwaukee County delinquent property taxes.

OBJECTIVES: Provide a funding mechanism to purchase delinquent county property taxes without affecting the city's tax levy.

STRATEGIES: Return tax delinquent properties to the tax rolls and increase future city revenue.

SUMMARY OF EXPENDITURES

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
Purchase of Delinquent County Taxes	$11,362,381	$12,300,000	$11,300,000	$11,300,000	$-1,000,000	$0
TOTAL	$11,362,381	$12,300,000	$11,300,000	$11,300,000	$-1,000,000	$0

SOURCE OF FUNDS

	2011 ACTUAL EXPENDITURES	2012 ADOPTED BUDGET	2013 REQUESTED BUDGET	2013 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2012 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2013 REQUESTED
County Delinquent Taxes Collected	$11,362,381	$12,300,000	$11,300,000	$11,300,000	$-1,000,000	$0
TOTAL	$11,362,381	$12,300,000	$11,300,000	$11,300,000	$-1,000,000	$0

In accordance with Sec. 74.83 Wis. Stats., the City of Milwaukee is authorized to enter into an agreement with Milwaukee County to purchase county delinquent personal property taxes and real estate tax certificates. The initial agreement was executed in December 1987.

The authority to collect county delinquent property taxes enables the City Treasurer to consolidate the collection of delinquent taxes. Consolidation of the delinquent taxes provides a more efficient and effective tax collection administration by eliminating the burden of duplicate collections by the city and county.

The city purchases the county's delinquent personal property and real estate taxes at the close of the current tax collection period each February. In addition, the city also purchases the county's real estate taxes that become delinquent during the installment collection cycle each month. The city acquires an asset, delinquent county property taxes receivable, and generates revenue by keeping the interest and penalty charges collected on the delinquent taxes outstanding.

This account is the city's mechanism to purchase the county's delinquent property taxes. It is related to other delinquent tax collection efforts in the city debt budget.

II. PROPOSED BORROWING AUTHORIZATIONS
General Obligation Bonds or Short Term Notes

		Reauthorization of 2012 Authority (1) (2)	New 2013 Authority	Total
A.	**Grants and Aids Projects** Specific purposes not contemplated at the time the budget was adopted			
1.	For public improvements authorized under section 62.11(5) for any of the purposes enumerated in section 67.05(5)(b).			
2.	For harbor improvements authorized under section 30.30.			
3.	For library improvements authorized under section 229.11 and 229.17.			
4.	For convention complex and exposition center improvements authorized under section 229.26.			
5.	For blight elimination, slum clearance, redevelopment, community development and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335, 66.1337 and 66.1105.			
6.	For developing sites for industry and commerce to expand the tax base as authorized under section 66.1101 and 66.1103.			
	Subtotal Grants and Aids Projects (Lines 1 to 6) (3).	$300,000	$0	$300,000
7.	Low interest mortgage loans under section 62.237.			
8.	For blight elimination, slum clearance, redevelopment, community development and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335, 66.1337 and 66.1105.			
9.	Parking lots or other parking facilities.			
10.	Housing public purpose under section 67.12(12).			
	Subtotal Grants and Aids Projects (Lines 7 to 10) (3).			
B.	**Renewal and Development Projects**			
1.	For providing financial assistance to blight elimination, slum clearance, redevelopment and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335, 66.1337 and 66.1105.			
	MEDC Loan Program.			
	Subtotal Renewal and Development Projects.	$5,066,283	$2,350,000	$7,416,283
C.	**Public Improvements**			
1.	Public buildings for housing machinery and equipment.	$14,837,960	$9,706,500	$24,544,460
2.	Harbor improvements.	225,000	1,000,000	1,225,000
3.	Parking facility improvements.	2,225,792	891,000	3,116,792
4.	Purchase of sites for and construction of engine houses, fire stations reconstruction, remodeling, planning, design and site acquisition.	6,213,485	3,403,000	9,616,485
5.	Police Department facility construction.	8,035,178	7,335,700	15,370,878
6.	Bridge and viaduct.	20,466,965	9,885,000	30,351,965
7.	Sewage disposal, sewer improvement and construction.	0	0	0
8.	Street improvements and construction.	51,245,271	32,941,700	84,186,971
9.	Parks and public grounds.	556,913	500,000	1,056,913
10.	Library improvements authorized under section 229.11 and 229.17.	5,061,755	3,743,000	8,804,755
11.	Rubbish	3,690,000	3,850,000	7,540,000
	Subtotal General Obligation Bonds or Short Term Notes (Sections A through C).	$117,924,602	$75,605,900	$193,530,502
D.	**Contingent Borrowing**			
	Borrowing for a public purpose not contemplated at the time the budget was adopted.			
	Contingent borrowing.	$0	$200,000,000	$200,000,000
	Subtotal General Obligation Bonds or Short Term Notes.	$0	$200,000,000	$200,000,000
E.	**School Board Borrowing**			
1.	School purposes (A).	$6,000,000	$2,000,000	$8,000,000
2.	For school purposes authorized under section 119.498 and/or 66.1333.	0		0
	Subtotal General Obligation Bonds or Short Term Notes.	$6,000,000	$2,000,000	$8,000,000
F.	**Borrowing for Special Assessments**			
1.	To finance public improvements in anticipation of special assessments levied against property.			
2.	General city.	$2,380,800	$2,209,000	$4,589,800
	Subtotal General Obligation Bonds or Local Improvements Bonds.	$2,380,800	$2,209,000	$4,589,800

		Reauthorization of 2012 Authority (1) (2)	New 2013 Authority	Total
G.	**Tax Incremental Districts**			
1.	For paying project costs in accordance with project plans for Tax Incremental Districts.	$0	$0	$0
2.	For providing financial assistance to urban renewal projects authorized under section 67.05(5)(b).	$56,222,323	$11,000,000	67,222,323
	Subtotal General Obligation Bonds, Short Term Notes or Revenue Bonds.	$56,222,323	$11,000,000	$67,222,323
H.	**Borrowing for Delinquent Taxes**			
	To finance general city purposes for anticipated delinquent taxes.	$0	$37,000,000	$37,000,000
	Subtotal General Obligation Bonds or Short Term Notes.	$0	$37,000,000	$37,000,000
I.	**Revenue Anticipation Borrowing**			
	To borrow in anticipation of revenue in accordance with section 67.12 of the Wisconsin State Statutes.	$0	$400,000,000	$400,000,000
	Subtotal General Obligation Bonds or Short Term Notes.	$0	$400,000,000	$400,000,000
J.	**Water Works Borrowing**			
	Water Works mortgage revenue bonds or general obligation bonds.	$12,710,000	$8,000,000	$20,710,000
	Subtotal Revenue Bonds or General Obligation Bonds.	$12,710,000	$8,000,000	$20,710,000
K.	**Sewer Maintenance Fund Borrowing**			
	Sewer Maintenance Fund revenue bonds or general obligation bonds including prior years.	$65,903,581	$38,060,000	$103,963,581
	Subtotal Revenue Bonds or General Obligation Bonds.	$65,903,581	$38,060,000	$103,963,581
	Total General Obligation Bonds or Short Term Notes	$261,141,306	$773,874,900	$1,035,016,206

(1) Reauthorization of Prior Unused Borrowing Authority:

It is the intent of such reauthorization to expressly authorize the issuance and sale of such obligations (either bonds or notes) as set forth in this borrowing section of the budget, for the purposes and amounts enumerated herein. Such carryover borrowing (reauthorization of prior unused borrowing authority) is also reflected in the capital budget for informational purposes but such amounts are excluded from the capital budget totals to avoid duplication.

(2) Bond authorizations included and approved by the Common Council in the preceding municipal budget and further approved by the adoption of a resolution of intent are herein continued and are deemed to be with the same force and effect as though they had been specifically enumerated, both as to purpose and amount in this municipal budget.

(3) The purpose of this borrowing is to provide funds in connection with projects undertaken by the city with federal or other financial assistance. Expenditures shall be made only after adoption of a Common Council resolution adopted in accordance with Common Council Resolution File 66-1893 as amended.

(A) Design plans for any alteration to building exteriors and interiors shall be reviewed and approved by the city.

III. CLARIFICATION OF INTENT

Employee Fringe Benefits

Employee fringe benefit costs are allocated to operating and capital budgets on an estimated basis for informational purposes only. Such estimated expenditures are 100% appropriation offset for operating budgets and 100% revenue offset for the capital budget to avoid any impact on the city's tax levy. Actual fringe benefit costs, such as health care benefits, life insurance, and pensions, are budgeted separately in non-departmental accounts, which are funded from the property tax levy.

The amount included in each departmental (or budgetary control unit) operating budget on the line entitled "Estimated Employee Fringe Benefits" is subject to adjustment by unilateral action of the City Comptroller, during the budget year, if the actual rate charged against salaries paid is at variance with the estimated rate used in calculating the budgeted amount.

Departmental Salary Appropriations

Department net salary and wage appropriations reflect current wage rates and expenditures and are limited to these amounts. Funding of future salary increases from the Wages Supplement Fund will be restricted to wage settlements only. These transfers must be pre-approved by the Budget and Management Director.

Footnotes

Section 18-06-12 of the Milwaukee City Charter states that the adoption of the budget shall be the authority for the expenditure by a department for the purposes therein provided and of the amounts assigned to the department thereby and no further action by the Common Council shall be necessary to authorize any department to make such expenditures. The City Attorney has advised that footnotes contained in the line item budget are informational only and not controlling over expenditures unless a corresponding resolution specifying the footnote's intent is also adopted by the Common Council.

POSITIONS ORDINANCE AND SALARY ORDINANCE

The Positions Ordinance and the Salary Ordinance for the city may be obtained from the City Clerk's Office upon request. They therefore have not been included in this publication.

TAX LEVY TO RATE CONVERSION TABLE

Assessed Value Used in Conversion Calculation as of August 22, 2012: $24,352,427,185

Tax Rate Per $1,000 of Assessed Valuation	Levy Change	Levy Change	Tax Rate Per $1,000 of Assessed Valuation
$0.01	$243,524	$5,000	$0.00
$0.05	$1,217,621	$10,000	$0.00
$0.10	$2,435,243	$50,000	$0.00
$0.25	$6,088,107	$100,000	$0.00
$0.50	$12,176,214	$500,000	$0.02
$1.00	$24,352,427	$1,000,000	$0.04

Formula for deriving tax rate per $1,000 of assessed value from known assessed value and levy:

$$\text{TAX RATE} = \frac{\text{TAX LEVY}}{\text{ASSESSED VALUE/1,000}}$$

Formula for deriving levy from known rate and assessed value:

TAX LEVY = TAX RATE x (ASSESSED VALUE/1,000)

Formula for deriving assessed value from known rate and levy:

ASSESSED VALUE = (TAX LEVY/TAX RATE) x 1,000

Note: Results are Approximate Due to Rounding