2014 PROPOSED PLAN AND EXECUTIVE BUDGET SUMMARY

CITY OF MILWAUKEE

STATE OF WISCONSIN

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GUIDE TO BUDGET DOCUMENTS

PLAN AND BUDGET SUMMARY

A document containing a fiscal summary of the 2014 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:

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City Hall - Room 603
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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 14*	Plans and Budget Requests Due
July	Mayor's Public Hearings on Plans and Budgets
July - September	Mayor's Executive Plan and Budget Review
September 24**	Plan and Budget Submitted to Common Council
Mid-October	Legislative Hearings
October 24 and 25	Finance and Personnel Committee Budget Amendment Days
November 1***	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

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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.

The 2014 City Budget: Financial Stability Promotes Reinvestment

Overview: The City's Four Year Budget Sustainability Strategy

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 the city's structural budget balance dating back to the mid-1990's. More recent events, most notably the need to reinitiate employer pension contributions in 2010 after a 15 year hiatus, heightened these challenges and have resulted in a persistent structural gap. The 2013 city budget initiated a four year 2013-2016 Budget Plan to "Resize, Restructure, and Reinvest" in city government as a means to restore structural balance.

The 2014 proposed city budget reflects the initial results of the "3 R" strategy. The strategy can be summarized as follows:

- **Resizing**: City government will need to operate on a smaller overall scale. Between 2010 and 2013, the city budget eliminated approximately 400 Full Time Equivalent (FTEs) positions, for a reduction of ~$32 million. The 2013 budget includes approximately 100 of these FTEs reductions. Using personnel resources more efficiently can produce savings without sacrificing service levels. For example, since 2009 the Fire Department has modified special duty assignment practices and paramedic training protocols to generate almost $4 million in annual savings, without sacrificing emergency response capacity. The city has maintained the staffing capacity to continue priority service levels, and will continue to do so in future years.

- **Restructuring:** Opportunities exist to increase productivity while reducing staffing levels through technology, automation, and functional consolidations. For example, investments in Library circulation automation, Municipal Court electronic case processing, and Workers Compensation administration have enabled annual operating cost reductions of $1.5 million. Substantial consolidation of information technology functions, combined with staff realignments, within the Department of Administration saves about $600,000 annually. Realigning staff within organizations can generate a multiplier effect by focusing the more highly skilled personnel on the most essential core functions. For example, the addition of 16 Police Aide positions since 2004 allows functions such as district jailing to be performed at an annual cost of almost $1 million lower than were Police Officers still performing this task.

  Restructuring has also extended to financial matters, with an emphasis on stabilizing annual pension funding, reducing the employer share of employe health benefit costs, and decreasing the reliance on levy supported debt finance to support capital improvements. An actuarially approved modification to the employer pension contribution method will stabilize funding as a percentage of payroll over the next five years, avoiding potentially destabilizing annual volatility. In addition, accelerated payment of required plan year contributions is estimated to save approximately $4 million a year in avoided interest charges. Restructuring of the employee health benefit premium share and the decision to self-fund all health benefit costs has generated a $20 million annual cost reduction since 2011. Most of the Forestry capital program is now funded via cash from the Storm Water Charge, reducing levy supported debt by $2.4 million annually. In addition, $3.7 million of funding from the Local Solid Waste charge offsets the impact of levy supported borrowing for major fleet equipment.

- **Reinvesting:** In many cases effective resizing and restructuring require investments in equipment, data applications, process improvements, and people. For example, a recent personnel initiative to consolidate residential code enforcement and nuisance enforcement classifications in the Department of Neighborhood Services has established an improved career ladder combined with enhanced professional development for the

affected staff. Increased deployment capabilities have generated productivity improvements valued at $550,000 annually.

In addition, economic development investments will improve the city's capacity to grow and spread the cost of city services over a larger tax base. During 2012, the city added $299 million of real estate value to its tax base due to development, redevelopment, and other property based investments. This 1.13% increase in "net new construction" was the second highest percentage improvement in Milwaukee County, and more than 50% higher than the change in Waukesha County. This performance is expected to continue in future years as a result of the city's investment in Tax Increment Finance projects such as the Brewery, Park East, Reed Street Yards, Northwestern Mutual Life, and Century City, among others.

Fiscal Context and Financial Performance Measures

Last year the Department of Administration's Budget and Management Division (BMD) projected the need to achieve $65 to $75 million of structural improvement in order to achieve ongoing budget sustainability by the end of 2016. The projection was based on the amount of combined revenue increases and expense reductions needed by 2016 for structural balance.

The 2013 budget achieved approximately $21 million of structural budget improvement. This included $12 million in baseline department expense reductions; $1 million in reduced employer paid member pension contributions; $2.5 million in increased tax levy; $2 million of increased municipal service charges; $1.3 million in miscellaneous revenue changes; and $2.3 million in sustainable transfers to the general fund.

Since 2013 budget adoption, additional developments have occurred to improve structural balance by an additional $17 million. This includes approximately $6 million for a lower annual employer pension contribution than previously projected, due to the aforementioned "pre-payment" of employer contributions (~$4 million), and lower than forecast liability growth (~$2 million). In addition, lower than budgeted 2012 expenditures and other program cost savings have reduced the 2014 baseline for employee health care benefits by almost $11 million, compared to last year's projection.

As a result of these positive developments, the need for structural improvement over the next three years is currently projected as between $30 to $35 million. While this challenge is still formidable, it represents considerable improvement in the city's progress towards structural balance. Strong reserve balances are another positive factor that will contribute to the city's ability to successfully resolve this challenge.

2014: Year Two of the 2013 - 2016 Financial Strategy

Effective financial planning begins with objectives and identifies factors that pose challenges and opportunities to structural budget balance. 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 average valued 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 primary challenges to the city's ability to meet these objectives on an ongoing basis:

1. State funding reductions for Shared Revenue and Transportation Aids have reduced the city's fiscal capacity significantly. As Figure 1 illustrates, Shared Revenue (including Expenditure Restraint Program Aid) has declined $89.2 million in inflation adjusted terms since 2003 ($22.7 million in nominal terms). The decline in

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

2. The city's budget has entered a "new normal" era for employer contributions to the City of Milwaukee Employes' Retirement System (CMERS). Between 1996 and 2009 the Plan's funded status allowed the discontinuation of required employer contributions. However, the 2007-2008 Global Financial Crisis (GFC) altered CMERS finance for the foreseeable future.

   Investment losses that occurred during the 2008 GFC resulted in a required employer contribution of $49 million for the 2010 budget. Improved funding status eliminated the employer contribution requirement for the 2011 and 2012 budgets. The city made voluntary contributions to the Employer's Reserve of $44.3 million during these two years. During 2013, an employer contribution of $59.3 million, plus $1.4 million from the Water Works, was required. As Figure 2 illustrates, over the next five years tax levy contributions equivalent to approximately 17.3% of covered payroll (approximately $61 million in 2014) are required under the newly adopted stable contribution policy.

Figure 1

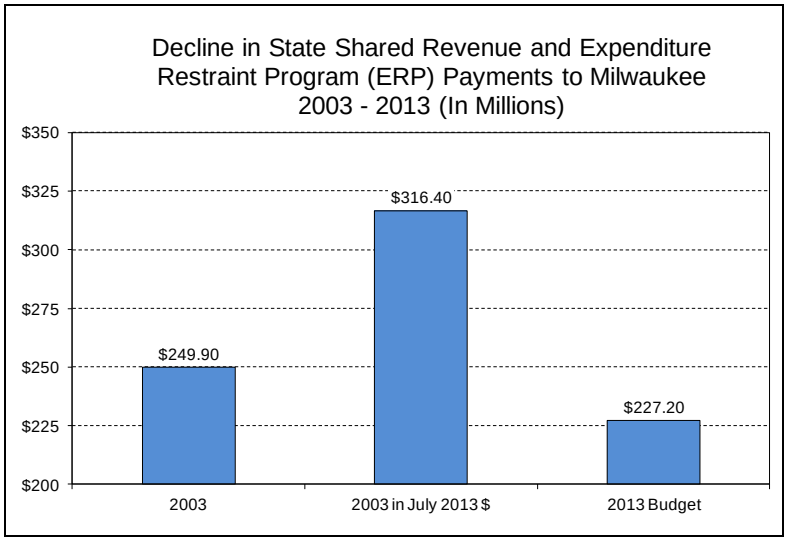
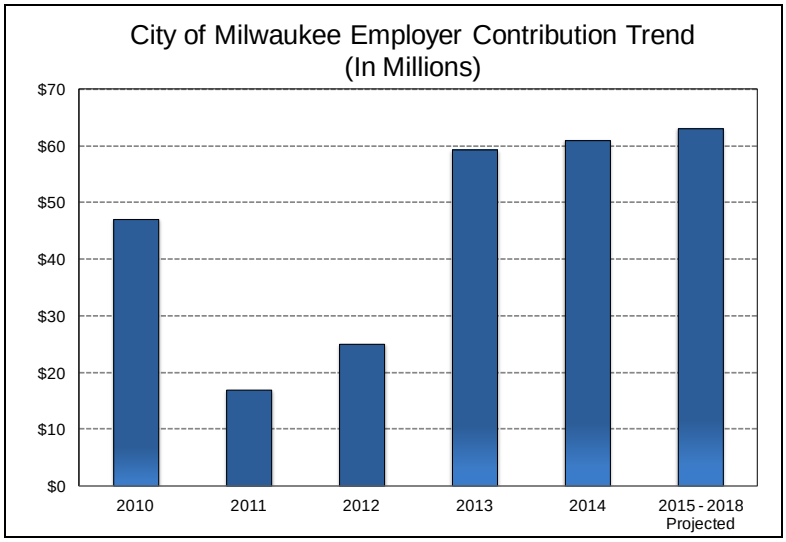


Figure 2



3. State levy limits combined with a projected total of approximately $128 million of annual payments for employer pension contributions and levy supported debt service place considerable pressure on the city's property tax.

4. The need to respond to the blighting influence of vacant and abandoned buildings and to manage an increasing inventory of city owned properties will require a growing amount of expenditures, and will continue to stress the city's operating departments.

BMD has also identified positive factors that it will use to manage these challenges and achieve structural budget balance.

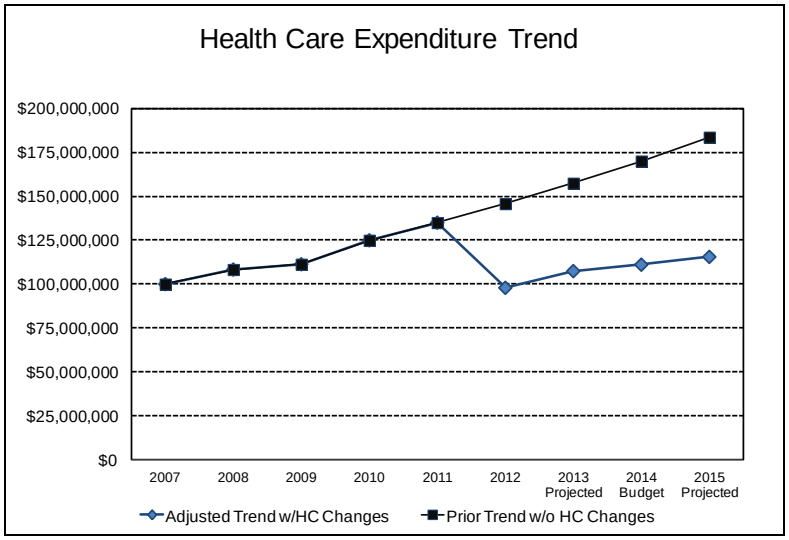
1. As Figure 3 illustrates, a number of initiatives have improved significantly the current baseline for employee health care benefit (EHCB) expenditures, as well as projections for annual growth. Premium cost sharing changes, migrating insured member benefits to self-funding, utilization decreases, and the initial payback from investments in the city's Wellness program have reduced 2013 projected expenditures to $27.8 million (20%)

lower than the 2011 level. Annual increases going forward are projected to be 4%, compared to 9% prior to 2012.

2. The city's capital plan and debt management policies are expected to maintain a stable debt service levy throughout the planning period.

3. The stable pension contribution policy, combined with the Employer's Reserve for pensions and the prepayment of annual required contributions, facilitate effective budget planning and will help avoid disruptive impacts to the annual budget.

Figure 3



4. Cost recovery policies combined with sustainable transfers from the Sewer Maintenance Fund, offset levy needs for almost $60 million of important Department of Public Works operations. This financing strategy improves the ongoing sustainability of Police, Fire, Library, and Health Department programs that rely significantly on levy support.

The 2014 Proposed Executive Budget includes several resizing and restructuring measures that support continuation of positive fiscal trends:

1. The 2014 proposed budget includes significant funding and position strength to implement limited term initiatives. However, the proposal also makes approximately $4 million in reductions to baseline operating expenses. This approach assures the city remains on a sustainable path to responsible pension funding.

2. General city employees hired on or after January 1, 2014 will participate in a revised plan design for pension benefits. This change is expected to save $93 million over 20 years compared to the pre-existing plan design, while maintaining a secure defined retirement benefit.

3. In 2014 the city will modify employee cost sharing for health care benefits to provide that the employer pay 88% of the lowest cost benefit plan, as opposed to 88% of whichever plan the employe chooses. This is expected to save approximately $700,000 annually when fully implemented, compared to current policy.

2014 Budget Bottom Line

The 2014 Proposed Executive Budget includes a levy increase of $3.98 million, which is an increase of approximately 1.59% over the 2013 adopted budget. The owner of a typical residential property will experience an estimated city tax levy increase of $4.85, compared with 2013. The 2014 municipal service fees will increase by $13.59 for the typical residential owner. On a combined basis, the 2014 levy and municipal service charge changes result in an estimated increased cost of $18.44 to the typical residential property owner with one garbage cart, compared with 2013. This 1.3% increase for the typical homeowner is within the parameters of the Administration's objective and also is below the projected 2014 inflation rate.

The 2014 Budget and Strategic Objectives: Reinvesting in Milwaukee

The city's budget is more than an exercise in bookkeeping. Since 2010, the city has made substantial progress toward restoring structural balance through the "3 R" strategy of resizing, restructuring, and reinvesting. As a

result, the 2014 proposed budget will emphasize the reinvesting component of the strategy, in order to resolve important community needs and to enable city departments to deliver their missions effectively.

The 2014 Proposed Executive Budget applies its financial resources to making Milwaukee an attractive place to live, work, and invest. The Mayor's budget priorities and operational strategies are based on five objectives that support mission delivery. These five objectives are:

1. Build safe and healthy neighborhoods.
2. Increase investment and economic vitality throughout the city.
3. Improve workforce development and connect more citizens to family supporting jobs.
4. Help children succeed, prepare for post secondary education, and meet their full potential.
5. Sustain Milwaukee's natural environmental assets.

In addition, the budget includes a cross cutting objective to promote racial, social, and economic equity for all citizens that drives each of the five mission delivery objectives.

Safe and Healthy Neighborhoods

1. The City of Milwaukee is using proactive strategies and operational innovations to maximize the impact of the city budget on public safety. The Police Department's application of analysis driven deployment, staffing and service delivery alternatives, and constructive community relations have contributed to a 13% decline in violent crime and a 35% decline in property crime since mid-2007. These accomplishments have occurred within a stable overall budget and sworn strength levels, while police overtime expenditures have declined $2.8 million between 2008 and 2012.

   However, the last six months have generated increased concerns about robbery, which saw a 20% spike since mid-2012. In addition, in July and August of 2013 the city experienced a total of 145 non-fatal shootings and 29 homicides, an increase of 22% and 45% from 2012. The department's strategy to combat the increase in gun violence is multifaceted. The strategy includes deploying resources to hotspots, increasing proactive efforts, increasing neighborhood foot patrols, expanding the group violence reduction initiative, and increased community engagement activities. The department continues to use intelligence driven policing to combat violence in real time.

   The 2014 proposed budget ensures that adequate resources are available to meet these challenges. First, the proposal provides $2.7 million for 100 new Police Officers to be hired during 2014, including a class of 50 recruits that will begin with the second pay period. Second, the proposal includes an additional $1.8 million of tax levy funding to complete the operating budget absorption of 50 Police Officers that the city hired in mid-2011 with federal stimulus funding. This $4.5 million of financial commitment will enable an average funded strength of 1,855 sworn police, which maintains essentially the same level as in 2013.

   The proposed Police Department budget also includes a restructuring innovation to add more officers to the street. The department currently uses sworn and civilian personnel to perform crime analysis. In many departments throughout the country civilian personnel perform crime analysis. In 2014, the department will begin the full civilianization of these duties. During 2014 the department plans to hire eight Civilian Crime Analysts at different points in the year to initiate this transition. By the end of 2014 eight additional sworn personnel will be assigned to policing work.

   This restructuring will allow for sworn personnel to engage in community policing activities while having critical crime analysis performed by civilian personnel. This initiative will increase the amount of sworn, experienced personnel available for community policing.

The Police partner with other city departments to accomplish their mission. In order to strengthen this collaboration, the 2014 proposed budget proposes to add two additional Special Enforcement Inspectors in the Department of Neighborhood Services (DNS). The new staff will work with the Police Department and Community Prosecution Unit to investigate specific complaints in neighborhoods that occur after hours and on the weekends, such as drug houses, taverns, nightclubs, roaming party houses, and illegal auto repairs. Many of these violations occur on evenings and weekends and involve repeated complaints because these violations are more difficult to abate. Increased staff will provide DNS with sufficient capacity to assign staff on new evening and weekend shifts to abate these repeat nuisances. This will enable DNS, working in conjunction with the Police and City Attorney staff, to reduce nuisance behavior in neighborhoods.

2. The Fire Department will continue to deploy resources sufficient to achieve fire suppression and emergency medical response that are superior to national standards. The 2014 proposed budget reflects modifications to special duty pay and paramedic training that have saved approximately $3.9 million since 2009. The proposed budget also includes funding for the installation of at least 1,500 smoke detectors in homes located in areas of relatively high fire risk. The combination of rapid response capacity and preventive measures have helped the city to an average of six fire deaths a year since 2008, compared to an annual average of twelve during the previous five year period.

Investment and Economic Vitality

1. The City of Milwaukee utilizes a variety of strategies to promote investment and economic development. A major focus is improving employment and neighborhood conditions for all Milwaukeeans, thereby reducing disparity in incomes and economic opportunity.

2. Several recent initiatives stand out with respect to their impacts. The Menomonee Valley Business Park has been a key factor in adding more than 1,200 jobs to the Menomonee Valley since 2006. The Brewery Project has redeveloped Pabst Brewery facilities, adding 350 jobs and 20 acres of affordable housing and office space. These redevelopments are within a short distance of Milwaukeeans seeking job opportunities. The Century City redevelopment has made sites available for up to 1,000 workers on almost 80 acres of land left blighted by industrial decline. City projects in the Third Ward have contributed to the construction of 1,226 new residential units since 2000.

   Recent initiatives aim to continue this progress. City funding for the Reed Street Yards redevelopment is the center of a water technology based strategy and business park with the potential to house up to 1,600 employes. In early September the Global Water Center opened, a $22 million, 100,000 square foot technology and business incubator. The Center will house water related research facilities for universities, existing water related companies and accelerator space for new, emerging water related companies. The facility will be a venue for attracting and creating new businesses in the water industry.

   A "crown jewel" of city redevelopment is the planned construction of a new 1.14 million square foot office tower downtown headquarters for Northwestern Mutual Life Insurance Company. This $450 million investment is expected to generate 1,700 new jobs over the next 15 years.

3. Infrastructure systems are essential to the functioning of the regional economy and to a high quality of life. The 2014 proposed budget continues recent trends that have reduced replacement cycles and improved system condition. The Mayor's proposals reflect a strong investment focus for the city's neighborhoods. Notable examples include:

   - The budget includes $12.5 million for the Local Streets program. In conjunction with the Local Roads Improvement Program (LRIP) funding that is included in the Major Streets appropriation, $14.7 million funding will be available for local streets replacement. In addition, the Tax Increment District plan for the Northwestern Mutual Life project includes $4 million for local street and related improvements near the

headquarters building, and $8.5 million for city infrastructure as part of the gateway to the lake project component.

- The 2014 Street Lighting Program includes $9.3 million. In addition to $4.5 million for paving driven projects, the proposal includes $1 million to replace outdated series circuitry and $800,000 to complete a circuit control station construction.

- The budget includes $10.1 million for the Major and Local Bridge programs. The Major Bridge program is supplemented by an additional $1 million in grant and aid funding. Major projects in 2014 include replacement of the West North Avenue and the West Lisbon Avenue bridges over the Canadian Pacific Railway, as well as rehabilitation projects and design for future bridge replacements.

- The budget includes $3 million for the High Impact Street program, a $2 million increase over 2013. This program uses an investment focus to improve pavement conditions in neighborhoods throughout Milwaukee. The strategy extends the life of high traffic volume streets that are not scheduled for full reconstruction. The pavement grinding and asphalt overlay technique used in this program impacts traffic patterns for only two to three days at a low cost relative to full reconstruction and can extend the useful life of a street by up to seven years. Street segments eligible for the High Impact Street program have a relatively high traffic count, poor pavement condition or the risk of condition becoming poor, and serve an employment or commercial center.

4. The proliferation of foreclosures that has occurred since 2008 has led to a considerable number of tax foreclosures and in rem takings by the city. As of now, the city holds title to 1,052 tax foreclosed properties. And while the number of bank owned foreclosures has begun to level off to pre-2008 levels, the number of tax foreclosed properties is expected to climb further by the end of the year. This has led to neighborhood blight, and a growing inventory of city owned properties.

   The need to respond to the blighting influence of vacant and abandoned buildings and manage an increasing inventory of city owned properties will require a growing amount of expenditures. The strength of the city's reserves and innovative financing strategies will enable substantial limited term investments to prevent and eliminate blight and to repair, maintain, and sell the city's housing inventory. The 2014 proposed budget initiates a multi-year strategy to rejuvenate and transform the city's neighborhoods. The strategy includes approximately $11.7 million to prevent and eliminate blight, maintain, repair and redevelop city owned properties, and to develop strategies for infill and reuse of city owned land.

   The reinvestment focus also supports neighborhood vitality through existing capital programs. In addition to core infrastructure programs, this includes $1,825,000 of investment in neighborhood libraries. The budget will initiate replacements for Forest Home Library and Mill Road Library and a major renovation of Tippecanoe Library. Neighborhood libraries serve multiple community purposes and access to high quality facilities encourages frequent use by neighborhood residents.

5. Sustainability values are not limited to the environment. Business firms that improve their competitive positions by implementing proven sustainable business practices (that cut costs, reduce resource intensity) attract skilled workers, create more jobs, and act as a regional magnet for other innovative companies and entrepreneurs.

   Since 2011 the city's Office of Environmental Sustainability has operated the Me3 sustainable manufacturing grant program which improves business competitiveness by reducing waste, pollution, and other production inefficiencies. Twenty two small and medium sized manufacturing firms have improved their bottom line and growth prospects through a variety of innovations funded by Me3. The estimated payback period has been two years. The 2014 proposed budget includes $75,000 to continue this program.

Workforce Development

A quality work force has become an increasingly important factor in investment and industrial location decisions. Industrial transformation, workplace changes, and a slow recovery from the Great Recession have generated increases in Milwaukee's unemployment. The city budget uses several niches that contribute to improving the city's supply of qualified workers without duplicating the efforts of other government entities.

Earn & Learn is an "umbrella" program that involves employers from the public, private and non-profit sectors. Job placements provide an opportunity for participants to learn meaningful skills and add to their resume. In total, Earn & Learn employed approximately 2,600 young people in the Summer of 2013. The Milwaukee Area Workforce Investment Board, which receives federal youth employment funds, has overall responsibility to operate Earn & Learn.

The program has been highly successful since it began in 2005:

- 16,529 Earn & Learn summer jobs have been filled.
- Employers have participated in the Private Sector Jobs Connection with a 92% employer retention rate from year-to-year.
- The vitality of Milwaukee's regional economy will improve by creating future workers.
- Teens who participate in a Summer jobs program develop positive work habits that last a lifetime.

The 2014 proposed budget includes $300,000 of Community Development Block Grant (CDBG) funds for an estimated 120 Earn & Learn Summer job placements. The Mayor, through his efforts and those of the Department of City Development (DCD), has leveraged private sector support to increase this program's impacts. CDBG resources fund DCD's Youth Development Coordinator, who recruits private sector employers to participate in Earn & Learn.

In 2007 the city became responsible for the Milwaukee Area Workforce Investment Board (MAWIB). MAWIB has increased workforce investment in the community from $11.5 million to a high of $22.5 million. MAWIB is emphasizing coordination and funding of service delivery as opposed to providing training directly. This has resulted in $10 million of additional funding into the community annually and an increase in resources utilizing 72 partners for service delivery. In 2008, 34% of MAWIB's overall budget was dedicated to staff resources; now, only 15% of the budget funds staff.

The Mayor's Manufacturing Partnership is one of the best examples of the city's MAWIB partnership. Since its launch in March 2012, 178 area employers have hired or advanced the skills of 1,009 individuals in manufacturing. This two year initiative supports manufacturing competitiveness by working with employers to fill manufacturing positions with skilled workers. Prominent local companies such as GE Health Care, Harley Davidson Motor Company, HB Performance Systems, Inc. and Master Lock Company, LLC have participated in this initiative.

Outcomes of the Mayor's Manufacturing Partnership have included:

- 210 unemployed jobseekers trained/112 employed - individuals trained and employed in manufacturing jobs.
- 34 trained on-the-job/13 placements - individuals being trained while working.
- 291 direct employment placements - individuals with prior manufacturing skills were matched with jobs.
- 469 incumbent workers trained - individuals who received training to advance their careers in manufacturing.
- 5 apprenticeships - a formal training agreement including on the job training and classroom instruction.

Transitional jobs connect persons in need of employment, and with special challenges in finding work, with training and job placement. Many beneficiaries of transitional jobs are persons reentering the workforce from a period of incarceration. MAWIB has collaborated with the City of Milwaukee in the Milwaukee Builds Initiative, an ongoing program that provides training and placement in jobs needing construction skills. During 2013,

MAWIB has contributed $100,000 for training 25 individuals, while the city has contributed $200,000 for transitional employment wages.

Sector initiatives represent another important MAWIB innovation. These initiatives combine upfront planning regarding workforce needs with employers' direct involvement in defining necessary skills and competencies. MAWIB uses a variety of funding sources and training agencies to deliver trained persons that meet hiring needs.

The Mayor's focus is to have MAWIB target growth industries where there are employment opportunities and strong connections to employers. Growth industries MAWIB is targeting include water and health care with two major federally funded programs. Current sector initiatives include:

- The Water Accelerator grant, which connects industry assets to advance the M7 region's water cluster.
- The five year Health Professions Opportunity Grant (HPOG), which incorporates evidence based, best practices to move low income participants through educational and skills training into certificate/degree programs in the health care field through a one stop career center located in the central city (Health Care Training Institute).
- Health care IT initiative, an innovative program that assists long term unemployed and returning veterans by moving them into high demand health care IT careers from other disciplines utilizing Marquette's MS in computing program.

The MAWIB Reentry Program Portfolio serves individuals released from incarceration, who often encounter significant barriers in finding employment upon release from prisons and jails. To solve this problem, MAWIB continues to grow opportunities to provide workforce services to individuals who have been or are currently in the corrections system. Today, MAWIB is overseeing and/or partnering on five youth and adult reentry initiatives that will provide intensive education and support services as well as paid work experience for more than 450 participants.

The Department of Public Works manages the city's Resident Preference Program (RPP). The RPP leverages employment and training opportunities for city residents via requirements applicable to capital improvement projects. RPP provides that 40% of the labor hours on such projects be allocated to unemployed or under employed city residents. During 2012, the RPP provided more almost 94,000 hours of work and almost $4.1 million of wage income for Milwaukeeans who live in the target area. Fourteen of the 27 skilled trade apprentices that worked on eligible projects were from ethnic minority groups. DPW expects to continue this level of performance during 2013 and 2014.

Helping Children Succeed

Many of Milwaukee's families face enormous challenges in enabling their children's ability to compete in the future and to prepare for educational challenges beyond high school. As with workforce development, the city applies its resources to various niches that complement the child development efforts of families and schools.

Functional literacy is central to success in school and the opportunity to benefit from post-secondary education. Its importance links to all occupational sectors.

The Milwaukee Public Library (MPL) supports literacy acquisition in many ways. Children's services librarians select and recommend appropriate materials for young children, provide guidance to parents and caregivers, and offer in-house, distance, and online reading programs. The Library supports children's educational achievement through appropriate summer reading programs and homework assistance during the school year.

The Teacher in the Library initiative began 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 skills in all academic areas and their classroom performance. Teachers

also provide support, counseling, and advocacy for the parents and caregivers of participating children. Seventy five percent of the more than 1,800 student participants indicated the program helped them gain a better understanding of their school work. This program continues in 2014 at seven branch libraries with $100,000 in CDBG funding.

The Summer Reading Program is a long time staple of the Library's connection to young people, which has evolved as community needs have changed. The Super Reader Summer Reading program promotes reading over the Summer to maintain or improve reading skills while children are out of school and to develop a lifelong habit of reading. In 2013, the program served 22,327 youth including 5,708 youth served at 81 school age youth servicing agencies and 3,534 pre-school children at childcare centers.

In 2014, the Library will continue an extended Super Reader Program outreach to 8,700 children ages birth to 12 at outreach sites, which include childcare classrooms and community based organizations. Outreach educators visit each site three to six times over the Summer and actively engage the children in the Super Reader Program and literacy activities. This effort also encourages parents and other providers to help their children develop reading skills. This program is primarily funded through the Milwaukee Public Library Foundation, with $13,000 in city funding provided in 2014.

Poverty creates enormous challenges for child development. Unfortunately, many children from poor households enter school considerably behind their more fortunate peers in cognitive development. The Milwaukee Health Department (MHD) has initiated action on multiple fronts to help the community overcome these challenges.

For example, MHD's lead poisoning abatement program has significantly reduced the rate of lead poisoning among Milwaukee's children. The proportion of children aged 0 to 5 with high blood lead levels has declined from about 40% in 1995 to 3.3% in 2012. During 2012, the city abated 768 housing units.

The MHD is implementing comprehensive approaches to improve pregnancy outcomes and early childhood development. The Nurse Family Partnership and Empowering Families of Milwaukee initiatives have been shown to improve prenatal health and reduce problematic pregnancies. Development results after birth have also been promising. During 2012, 8.8% of 159 babies born under coverage by these two home visitation programs were premature. This compares favorably with an 11.47% prematurity rate in the pertinent high risk zip codes as a whole.

The Health Department has applied the success of these two grant programs to redirect 16 of its O&M funded Community Health Services Division nurses to home visitation services. This action leverages increased impact on reducing infant mortality and improving early childhood development.

Sustaining Environmental Assets

The fundamentals of environmental protection occur daily in Milwaukee's neighborhoods. Solid waste management is critical to protecting public health and the environment, as well as supporting attractive living conditions.

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.

Mayor Barrett has directed DPW to achieve long term positive environmental impacts. One of the primary targets is a 40% reduction of waste entering the city's waste stream by 2020. In order to achieve this target, DPW is implementing solid waste innovations based on the principles of (a) enabling sustainable, not polluting behavior; and (b) establishing a relationship between the amount of solid waste generation from a household and its level of solid waste charges.

An effective sewer system is essential to protecting the environment and public health. The city continues to inspect each sanitary manhole every five years and has fulfilled all other responsibilities under the stipulation agreement with the Wisconsin Department of Natural Resources regarding prevention of sanitary sewer overflows.

The age of the city's sewers poses a challenge for capital financing. A commitment to a 90 year replacement cycle is a key component of providing for necessary infrastructure preservation. The budget provides $44.6 million for the Sewer Maintenance Fund (SMF) capital program. The funding plan will enable the replacement or relining of 32 miles of city sewer in 2014, sufficient to achieve the desired 90 year replacement cycle. The budget also continues a partnership with the Milwaukee Metropolitan Sewerage District (MMSD) to implement improvements to private property that are expected to reduce the risk and intensity of basement backups.

The budget also supports innovation regarding the improvement of water quality. The Milwaukee Metropolitan Sewerage District has developed Total Maximum Daily Loads (TMDLs) for all the region's streams and rivers, as well as Lake Michigan. TMDLs specify the maximum amount of a pollutant a water body can receive and still meet water quality standards. A TMDL analysis is required by the U. S. Environmental Protection Agency for all impaired water bodies. TMDLs establish the pollutant reductions needed from each pollutant source to meet water quality goals.

The City of Milwaukee and other local governments lobbied successfully for State storm water permit regulations to allow for a TMDL based compliance option in place of a singular numeric limit that focused on total suspended solids (TSS). The TSS focus resulted in expensive operations that in many cases had little impact on improving water quality. The TMDL approach, which in our region has identified fecal coliform bacteria, phosphorous, and sediment as the pollutants of concern, will result in a more cost effective regulatory protocol. During 2014, DPW will initiate a $1 million annual program that implements this approach to State permit compliance. In addition, the Budget and Management Division will collaborate with DPW and the Office of Environmental Sustainability to review the potential for pollutant trading approaches that may offer substantial potential for regional water quality improvement.

Conclusion

The 2014 proposed budget continues progress towards ongoing structural balance. The improvements that the city has made to its financial condition enable this budget to initiate significant efforts to rejuvenate Milwaukee's neighborhoods and improve the local economy. The restructuring of health care benefits and pension finance has generated a stabilizing influence on the annual budget, which enables city departments to continue mission critical services within a moderate level of increased cost (1.3%) to the typical property owner.

2014 PROPOSED BUDGET AND TAX RATE COMPARED TO PRIOR YEAR

PURPOSE OF EXPENDITURE AND FUNDING SOURCE	2013 ADOPTED BUDGET	2014 PROPOSED BUDGET	CHANGE 2014 MINUS 2013 ADOPTED	2013 ADOPTED	2014 PROPOSED	CHANGE 2014 MINUS 2013 ADOPTED
A. GENERAL CITY PURPOSES						
1. Budget (Expenditure Authority)	$581,262,450	$590,610,013	$9,347,563			
2. Non Tax Levy Funding	484,391,281	494,269,358	9,878,077			
3. Tax Levy Funding	96,871,169	96,340,655	-530,514	$3.97	$4.02	$0.05
B. EMPLOYEE RETIREMENT						
1. Budget (Expenditure Authority)	$125,999,240	$127,690,232	$1,690,992			
2. Non Tax Levy Funding	46,301,227	41,762,830	-4,538,397			
3. Tax Levy Funding	79,698,013	85,927,402	6,229,389	$3.26	$3.58	$0.32
C. CAPITAL IMPROVEMENTS						
1. Budget (Expenditure Authority)	$104,180,900	$123,286,000	$19,105,100			
2. Non Tax Levy Funding	103,130,900	117,995,000	14,864,100			
3. Tax Levy Funding	1,050,000	5,291,000	4,241,000	$0.04	$0.22	$0.18
D. CITY DEBT						
1. Budget (Expenditure Authority)	$342,020,360	$277,932,565	$-64,087,795			
2. Non Tax Levy Funding	274,248,688	216,123,540	-58,125,148			
3. Tax Levy Funding	67,771,672	61,809,025	-5,962,647	$2.77	$2.58	$-0.20
F. CONTINGENT FUND						
1. Budget (Expenditure Authority)	$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	$0.20	$0.21	$0.00
SUBTOTAL (A+B+C+D+E+F)						
1. Budget (Expenditure Authority)	**$1,158,462,950**	**$1,124,518,810**	**$-33,944,140**			
2. Non Tax Levy Funding	**908,072,096**	**870,150,728**	**-37,921,368**			
3. Tax Levy Funding	**250,390,854**	**254,368,082**	**3,977,228**	**$10.25**	**$10.61**	**$0.36**
G. PARKING FUND						
1. Budget (Expenditure Authority)	$51,951,107	$51,462,476	$-488,631			
2. Non Tax Levy Funding	51,951,107	51,462,476	-488,631			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
H. GRANT AND AID						
1. Budget (Expenditure Authority)	$69,363,873	$50,622,451	$-18,741,422			
2. Non Tax Levy Funding	69,363,873	50,622,451	-18,741,422			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
I. DEVELOPMENT FUND						
1. Budget (Expenditure Authority)	$7,912,216	$11,705,477	$3,793,261			
2. Non Tax Levy Funding	7,912,216	11,705,477	3,793,261			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
J. WATER DEPARTMENT						
1. Budget (Expenditure Authority)	$100,854,626	$98,354,443	$-2,500,183			
2. Non Tax Levy Funding	100,854,626	98,354,443	-2,500,183			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
K. SEWER MAINTENANCE FUND						
1. Budget (Expenditure Authority)	$102,133,548	$99,766,197	$-2,367,351			
2. Non Tax Levy Funding	102,133,548	99,766,197	-2,367,351			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
M. COUNTY DELINQUENT TAXES FUND						
1. Budget (Expenditure Authority)	$11,300,000	$10,530,000	$-770,000			
2. Non Tax Levy Funding	11,300,000	10,530,000	-770,000			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
SUBTOTAL (G+H+I+J+K+M)						
1. Budget (Expenditure Authority)	**$343,515,370**	**$322,441,044**	**$-21,074,326**			
2. Non Tax Levy Funding	**343,515,370**	**322,441,044**	**-21,074,326**			
3. Tax Levy Funding	**0**	**0**	**0**	$0.00	$0.00	$0.00
TOTAL (A thru M)						
1. Budget (Expenditure Authority)	**$1,501,978,320**	**$1,446,959,854**	**$-55,018,466**			
2. Non Tax Levy Funding	**1,251,587,466**	**1,192,591,772**	**-58,995,694**			
3. Tax Levy Funding	**250,390,854**	**254,368,082**	**3,977,228**	**$10.25**	**$10.61**	**$0.36**

Tax Rates and Assessed Value - 2014 rate column is based on an estimated assessed value of: $23,975,007,625 as of September 11, 2013.

COMPARISONS BY BUDGET SECTIONS BETWEEN 2014 PROPOSED BUDGET VERSUS 2013 ADOPTED AND 2014 REQUESTED BUDGETS, REVENUES, TAX LEVIES, AND RESULTING CHANGES

	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
A. General City Purposes					
Appropriations					
Salaries and Wages	$344,802,153	$357,737,799	$358,061,867	$13,259,714	$324,068
Fringe Benefits	144,975,343	146,925,642	149,747,703	4,772,360	2,822,061
Operating Expenditures	72,128,523	74,552,900	73,032,777	904,254	-1,520,123
Equipment Purchases	6,026,587	9,106,638	8,198,702	2,172,115	-907,936
Special Funds	8,283,186	9,662,701	9,986,201	1,703,015	323,500
Special Purpose Account Miscellaneous*	16,922,001	18,108,466	16,130,466	-791,535	-1,978,000
Workers Compensation Special Purpose Accounts	14,400,000	15,600,000	15,000,000	600,000	-600,000
Employee Health Care Special Purpose Accounts	118,700,000	115,200,000	110,200,000	-8,500,000	-5,000,000
Fringe Benefit Offset	-144,975,343	-146,925,642	-149,747,703	-4,772,360	-2,822,061
Total Appropriations	$581,262,450	$599,968,504	$590,610,013	$9,347,563	$-9,358,491
Funding Sources					
General City Revenues	$469,491,281	$467,771,621	$472,107,403	$2,616,122	$4,335,782
Tax Stabilization Fund Withdrawal	14,900,000	$16,500,000	$22,161,955	7,261,955	5,661,955
Property Tax Levy	96,871,169	$115,696,883	$96,340,655	-530,514	-19,356,228
Total Revenues	$581,262,450	$599,968,504	$590,610,013	$9,347,563	$-9,358,491
B. Employee Retirement					
Total Appropriations	$125,999,240	$129,683,232	$127,690,232	$1,690,992	$-1,993,000
Funding Sources					
Non-Property Tax Revenue	$46,301,227	$44,162,830	$41,762,830	$-4,538,397	$-2,400,000
Property Tax Levy	79,698,013	85,520,402	85,927,402	6,229,389	407,000
Total Revenues	$125,999,240	$129,683,232	$127,690,232	$1,690,992	$-1,993,000
C. Capital Improvements					
Total Capital Improvements Program					
Appropriations	$104,180,900	$140,987,760	$123,286,000	$19,105,100	$-17,701,760
Funding Sources					
1. Borrowing (General Obligation)					
a. New	$74,964,900	$106,886,760	$85,304,000	$10,339,100	$-21,582,760
2. Borrowing (Tax Incremental Districts)					
a. New	$11,000,000	$16,000,000	$15,000,000	$4,000,000	$-1,000,000
3. Special Assessments (Internal Borrowing)					
a. New	$2,209,000	$1,626,000	$1,626,000	$-583,000	$0
4. Cash Financed					
a. From Revenues	$14,957,000	$15,265,000	$16,065,000	$1,108,000	$800,000
c. From Tax Levy	1,050,000	1,210,000	5,291,000	4,241,000	4,081,000
d. Total Cash Financed	16,007,000	16,475,000	21,356,000	5,349,000	4,881,000
Total Revenues (Capital Improvements)	$104,180,900	$140,987,760	$123,286,000	$19,105,100	$-17,701,760
D. City Debt					
Total Appropriations					
(Includes Borrowing for Milwaukee Public Schools)	$342,020,360	$553,432,565	$277,932,565	$-64,087,795	$-275,500,000
Funding Sources					
Revenues	$219,736,001	$28,842,708	$35,842,708	$-183,893,293	$7,000,000
TID Increments	22,107,453	20,815,607	20,815,607	-1,291,846	0
Delinquent Tax Revenue	32,405,234	33,465,225	33,465,225	1,059,991	0
Offset and Premium	0	401,000,000	126,000,000	126,000,000	-275,000,000
Property Tax Levy	67,771,672	69,309,025	61,809,025	-5,962,647	-7,500,000
Total Revenues	$342,020,360	$553,432,565	$277,932,565	$-64,087,795	$-275,500,000

	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 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	$1,158,462,950	$1,429,072,061	$1,124,518,810	$-33,944,140	$-304,553,251
Less: Non-Property Tax Revenues	$908,072,096	$1,152,335,751	$870,150,728	$-37,921,368	$-282,185,023
Property Tax Levies	$250,390,854	$276,736,310	$254,368,082	$3,977,228	$-22,368,228
Special Revenue Accounts (Items G through M)					
G. Parking					
Total Appropriations	$51,951,107	$53,158,476	$51,462,476	$-488,631	$-1,696,000
Funding Sources					
Current Revenues	$22,097,300	$21,605,900	$22,023,900	$-73,400	$418,000
Capital Improvements from Reserves	5,000,000	5,000,000	5,000,000	0	0
Withdrawal from Reserves	1,962,807	1,687,576	1,723,576	-239,231	36,000
Citation Revenue and Processing	22,000,000	21,000,000	21,000,000	-1,000,000	0
New Borrowing	891,000	3,865,000	1,715,000	824,000	-2,150,000
Total Revenues	$51,951,107	$53,158,476	$51,462,476	$-488,631	$-1,696,000
H. Grant and Aid					
Total Appropriations	$69,363,873	$49,095,384	$50,622,451	$-18,741,422	$1,527,067
Funding Sources					
Grantor Share	$69,363,873	$49,095,384	$50,622,451	$-18,741,422	$1,527,067
Total Revenues	$69,363,873	$49,095,384	$50,622,451	$-18,741,422	$1,527,067
I. Economic Development					
Total Appropriations	$7,912,216	$8,505,477	$11,705,477	$3,793,261	$3,200,000
Funding Sources					
BID Assessment/Excess TID Revenue	$7,912,216	$8,505,477	$11,705,477	$3,793,261	$3,200,000
Total Revenues	$7,912,216	$8,505,477	$11,705,477	$3,793,261	$3,200,000
J. Water Works					
Appropriations					
Operating Budget	$76,304,626	$76,906,720	$78,309,443	$2,004,817	$1,402,723
Capital Improvements Program	13,850,000	13,825,000	13,825,000	-25,000	0
Debt Service (Principal and Interest)	5,250,000	6,220,000	6,220,000	970,000	0
Capital Funding from Retained Earnings	5,450,000	1,925,000	0	-5,450,000	-1,925,000
Total Appropriations	$100,854,626	$98,876,720	$98,354,443	$-2,500,183	$-522,277
Funding Sources					
Current Operating Revenues	$78,186,000	$80,808,000	$80,808,000	$2,622,000	$0
Non-Operating Revenues	6,950,000	7,092,000	7,092,000	142,000	0
Proceeds from Borrowing	8,000,000	11,500,000	4,000,000	-4,000,000	-7,500,000
Use of Retained Earnings	7,718,626	-523,280	6,454,443	-1,264,183	6,977,723
Total Revenues	$100,854,626	$98,876,720	$98,354,443	$-2,500,183	$-522,277
K. Sewer Maintenance					
Appropriations					
Operating Budget	$57,623,548	$62,665,197	$55,216,197	$-2,407,351	$-7,449,000
Capital Improvements Program	44,510,000	41,650,000	44,550,000	40,000	2,900,000
Total Appropriations	$102,133,548	$104,315,197	$99,766,197	$-2,367,351	$-4,549,000
Funding Sources					
Sewer User Fee	$28,389,121	$29,227,099	$28,934,192	$545,071	$-292,907
Storm Water Management Fee	25,720,339	26,685,447	27,006,356	1,286,017	320,909
Charges for Services	1,782,830	1,727,338	1,727,338	-55,492	0
Miscellaneous Revenue and Retained Earnings	8,181,258	10,075,313	2,598,311	-5,582,947	-7,477,002
Proceeds from Borrowing	38,060,000	36,600,000	39,500,000	1,440,000	2,900,000
Total Revenues	$102,133,548	$104,315,197	$99,766,197	$-2,367,351	$-4,549,000

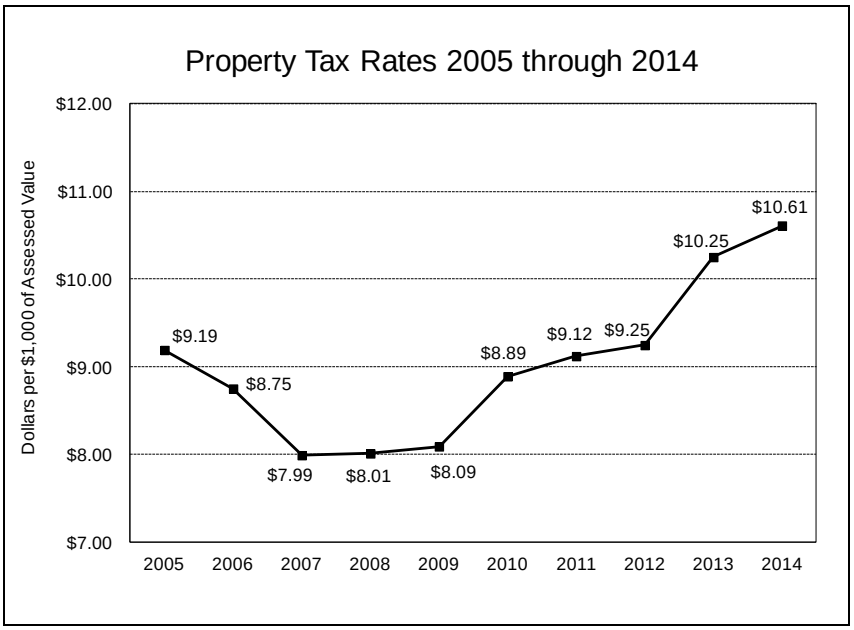
	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
M. County Delinquent Taxes					
Appropriations					
Operating Budget	$11,300,000	$10,530,000	$10,530,000	$-770,000	$0
Total Appropriations	$11,300,000	$10,530,000	$10,530,000	$-770,000	$0
Funding Sources					
Operating Revenue	$11,300,000	$10,530,000	$10,530,000	$-770,000	$0
Total Revenues	$11,300,000	$10,530,000	$10,530,000	$-770,000	$0
Subtotals Special Revenue Account Budgets (Items G through M)					
Total Budgets	$343,515,370	$324,481,254	$322,441,044	$-21,074,326	$-2,040,210
Total Revenues (Non-Property Tax)	$343,515,370	$324,481,254	$322,441,044	$-21,074,326	$-2,040,210
Grand Totals (Items A through M)					
Budget Appropriations	$1,501,978,320	$1,753,553,315	$1,446,959,854	$-55,018,466	$-306,593,461
Less: Non-Property Tax Revenues	$1,251,587,466	$1,476,817,005	$1,192,591,772	$-58,995,694	$-284,225,233
Property Tax Levies	$250,390,854	$276,736,310	$254,368,082	$3,977,228	$-22,368,228

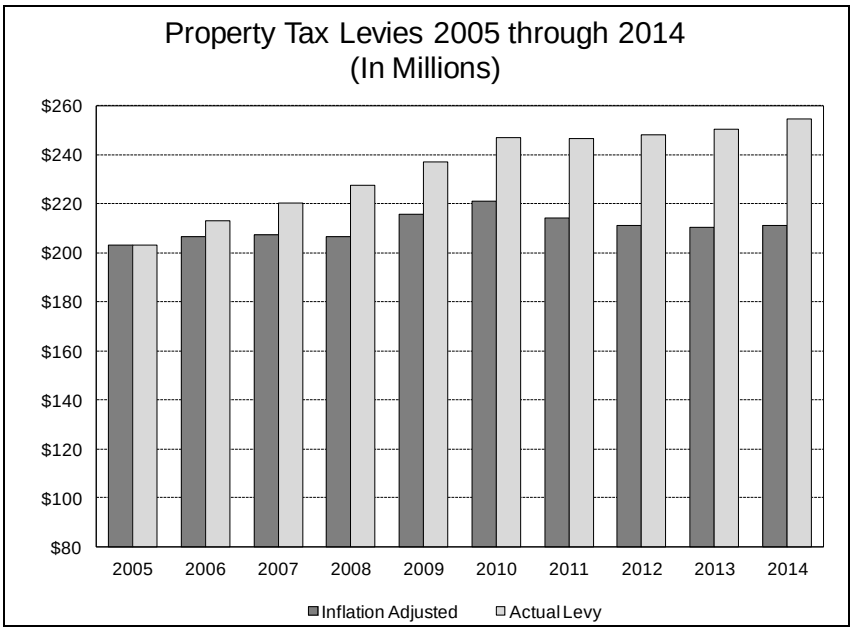
Note: All adopted budgets for governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance reserved for tax stabilization. For budget purposes, the fund balance reserved for tax stabilization is reflected as other financing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

PROPERTY TAX RATE AND LEVY COMPARISON

The graphs below show property tax rates and levies for the City of Milwaukee from 2005 through the 2014 budget. The 2014 tax rate of $10.61 is $0.36 higher than the 2013 rate of $10.25. The 2014 tax levy of $254.4 million is $4 million or 1.59% higher than the 2013 levy. The property tax rate has increased by $1.42 from $9.19 in 2005 to the 2014 rate of $10.61. During this same period, the "real" or inflation adjusted property tax levy has increased by $8.2 million.

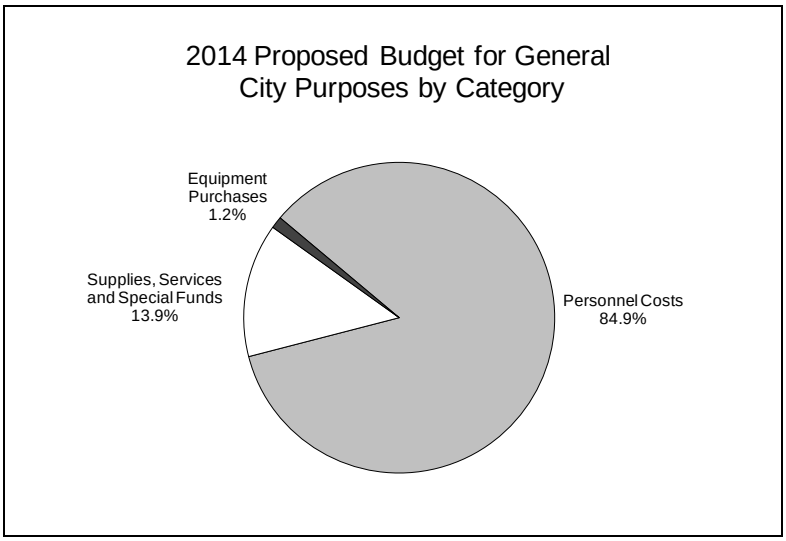




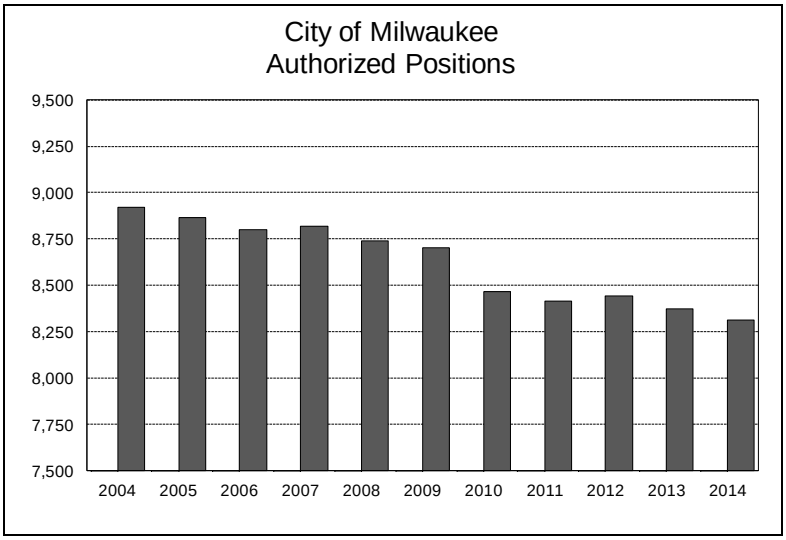
GENERAL CITY PURPOSES SPENDING

The pie chart below depicts the proportions of general city purposes spending allocated to Personnel Costs (84.9%), Supplies, Services, and Special Funds (13.9%), and Equipment Purchases (1.2%) in the 2014 proposed budget.

It should be noted that the 2014 proposed budget funds approximately $9.7 million of major equipment purchases in the capital budget.



The following bar graph indicates changes in authorized positions from 2004 to 2014. Funding for personnel costs (which include salary and wages) relates directly to the number of positions authorized citywide. Excluding temporary and seasonal staff, the 2014 proposed budget reflects a net decrease of 62 positions from 2013 levels (8,373 in 2013 to 8,311 in 2014).



CHANGE IN POSITIONS

	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
General City Purposes					
Administration, Department of	144	141	146	2	5
Assessor's Office	56	56	56	0	0
City Attorney	63	63	63	0	0
City Development, Department of	142	131	134	-8	3
Common Council City Clerk	111	111	111	0	0
Comptroller's Office	67	67	67	0	0
Election Commission	829	2,389	2,389	1,560	0
Employee Relations, Department of	76	78	78	2	0
Fire and Police Commission	22	21	21	-1	0
Fire Department	1,028	1,027	1,012	-16	-15
Health Department	254	254	252	-2	-2
Library	372	368	370	-2	2
Mayor's Office	14	14	15	1	1
Municipal Court	42	42	43	1	1
Neighborhood Services, Department of	269	269	272	3	3
Police Department	2,872	2,867	2,848	-24	-19
Port of Milwaukee	37	37	37	0	0
Public Works, Department of **(Total)**	**(2,286)**	**(2,286)**	**(2,269)**	**(-17)**	**(-17)**
Administrative Services Division	46	46	47	1	1
Infrastructure Services Division	802	802	810	8	8
Operations Division	1,438	1,438	1,412	-26	-26
Special Purpose Account	11	11	11	0	0
Treasurer's Office	58	57	57	-1	0
General City Purposes Total	**8,753**	**10,289**	**10,251**	**1,498**	**-38**
General City Purposes Total *	**7,934**	**7,910**	**7,872**	**-62**	**-38**
Pensions					
Deferred Compensation	2	2	2	0	0
Employees' Retirement System	53	54	54	1	0
Pensions Total	**55**	**56**	**56**	**1**	**0**
Parking Fund	120	120	120	0	0
Sewer Maintenance Fund	146	146	146	0	0
Water Works	369	369	369	0	0
Subtotal Budgeted Positions	**9,443**	**10,980**	**10,942**	**1,499**	**-38**
Less Temporary Positions	1,070	2,631	2,631	1,561	0
Total Budgeted Positions	**8,373**	**8,349**	**8,311**	**-62**	**-38**

*Does not include Election Commissioners and Election Commission temporary election workers (819 in 2013 and 2,379 in 2014) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
O&M Funded

	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
General City Purposes					
Administration, Department of	92.47	95.87	98.37	5.90	2.50
Assessor's Office	40.55	40.55	40.55	0.00	0.00
City Attorney	57.00	57.00	57.60	0.60	0.60
Common Council City Clerk	90.90	91.90	90.90	0.00	-1.00
Comptroller's Office	49.16	49.16	49.84	0.68	0.68
Department of City Development	27.15	30.40	34.40	7.25	4.00
Election Commission *	7.00	7.00	7.00	0.00	0.00
Employee Relations, Department of	46.90	47.67	47.67	0.77	0.00
Fire and Police Commission	12.60	12.60	12.60	0.00	0.00
Fire Department	1,010.99	1,019.99	1,004.99	-6.00	-15.00
Health Department	141.94	139.84	140.03	-1.91	0.19
Library	285.39	294.23	292.15	6.76	-2.08
Mayor's Office	10.50	10.50	12.00	1.50	1.50
Municipal Court	35.40	35.40	36.40	1.00	1.00
Neighborhood Services, Department of	204.30	204.50	207.50	3.20	3.00
Police Department	2,672.53	2,673.00	2,693.00	20.47	20.00
Port of Milwaukee	21.00	21.00	20.00	-1.00	-1.00
Public Works, Department of **(Total)**	(965.14)	(1,008.66)	(1,012.84)	(47.70)	(4.18)
Administrative Services Division	39.30	40.24	41.38	2.08	1.14
Infrastructure Services Division	286.46	322.41	321.41	34.95	-1.00
Operations Division	639.38	646.01	650.05	10.67	4.04
Special Purpose Accounts	4.00	4.00	4.00	0.00	0.00
Treasurer's Office	27.44	27.45	27.45	0.01	0.00
General City Purposes Total	**5,802.36**	**5,870.72**	**5,889.29**	**86.93**	**18.57**
Pensions					
Deferred Compensation	2.00	2.00	2.00	0.00	0.00
Employees' Retirement System	42.50	43.50	43.50	1.00	0.00
Pensions Total	**44.50**	**45.50**	**45.50**	**1.00**	**0.00**
Parking Fund	117.75	117.75	117.75	0.00	0.00
Sewer Maintenance Fund	103.65	100.05	100.05	-3.60	0.00
Water Works	343.72	344.07	345.07	1.35	1.00
Grand Total	**6,411.98**	**6,478.09**	**6,497.66**	**85.68**	**19.57**

*Election Commission does not include temporary election workers (1.81 FTEs in 2013 and 31.64 FTEs in 2014) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
Non-O&M Funded

	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
General City Purposes					
Administration, Department of	40.37	34.97	37.47	-2.90	2.50
Assessor's Office	0.00	0.00	0.00	0.00	0.00
City Attorney	2.00	2.00	2.00	0.00	0.00
Common Council City Clerk	2.00	1.00	1.00	-1.00	0.00
Comptroller's Office	9.34	9.34	8.66	-0.68	-0.68
Department of City Development	82.85	69.60	68.60	-14.25	-1.00
Election Commission	0.00	0.00	0.00	0.00	0.00
Employee Relations, Department of	8.60	5.71	5.71	-2.89	0.00
Fire and Police Commission	1.80	0.80	0.80	-1.00	0.00
Fire Department	4.00	1.80	1.80	-2.20	0.00
Health Department	100.73	103.85	101.45	0.72	-2.40
Library	21.49	16.32	17.37	-4.12	1.05
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	39.20	39.00	39.00	-0.20	0.00
Police Department	54.48	49.00	34.00	-20.48	-15.00
Port of Milwaukee	0.00	0.00	0.00	0.00	0.00
Public Works, Department of **(Total)**	(389.96)	(373.31)	(374.72)	(-15.24)	(1.41)
Administrative Services Division	4.35	4.94	4.80	0.45	-0.14
Infrastructure Services Division	310.74	300.13	307.13	-3.61	7.00
Operations Division	74.87	68.24	62.79	-12.08	-5.45
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
General City Purposes Total	**756.82**	**706.70**	**692.58**	**-64.24**	**-14.12**
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	11.35	14.95	14.95	3.60	0.00
Water Works	8.95	10.60	10.60	1.65	0.00
Grand Total	**777.12**	**732.25**	**718.13**	**-58.99**	**-14.12**

ESTIMATED FULL TIME EQUIVALENTS
All Funding Sources

	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
General City Purposes					
Administration, Department of	132.84	130.84	135.84	3.00	5.00
Assessor's Office	40.55	40.55	40.55	0.00	0.00
City Attorney	59.00	59.00	59.60	0.60	0.60
Common Council City Clerk	92.90	92.90	91.90	-1.00	-1.00
Comptroller's Office	58.50	58.50	58.50	0.00	0.00
Department of City Development	110.00	100.00	103.00	-7.00	3.00
Election Commission *	7.00	7.00	7.00	0.00	0.00
Employee Relations, Department of	55.50	53.38	53.38	-2.12	0.00
Fire and Police Commission	14.40	13.40	13.40	-1.00	0.00
Fire Department	1,014.99	1,021.79	1,006.79	-8.20	-15.00
Health Department	242.67	243.69	241.48	-1.19	-2.21
Library	306.88	310.55	309.52	2.64	-1.03
Mayor's Office	10.50	10.50	12.00	1.50	1.50
Municipal Court	35.40	35.40	36.40	1.00	1.00
Neighborhood Services, Department of	243.50	243.50	246.50	3.00	3.00
Police Department	2,727.01	2,722.00	2,727.00	-0.01	5.00
Port of Milwaukee	21.00	21.00	20.00	-1.00	-1.00
Public Works, Department of **(Total)**	(1,355.10)	(1,381.97)	(1,387.56)	(32.46)	(5.59)
Administrative Services Division	43.65	45.18	46.18	2.53	1.00
Infrastructure Services Division	597.20	622.54	628.54	31.34	6.00
Operations Division	714.25	714.25	712.84	-1.41	-1.41
Special Purpose Accounts	4.00	4.00	4.00	0.00	0.00
Treasurer's Office	27.44	27.45	27.45	0.01	0.00
General City Purposes Total	**6,559.18**	**6,577.42**	**6,581.87**	**22.69**	**4.45**
Pensions					
Deferred Compensation	2.00	2.00	2.00	0.00	0.00
Employees' Retirement System	42.50	43.50	43.50	1.00	0.00
Pensions Total	**44.50**	**45.50**	**45.50**	**1.00**	**0.00**
Parking Fund	117.75	117.75	117.75	0.00	0.00
Sewer Maintenance Fund	115.00	115.00	115.00	0.00	0.00
Water Works	352.67	354.67	355.67	3.00	1.00
Grand Total	**7,189.10**	**7,210.34**	**7,215.79**	**26.69**	**5.45**

*Election Commission does not include temporary election workers (1.81 FTEs in 2013 and 31.64 FTEs in 2014) due to staffing fluctuations between election and non-election years.

COMPARISON OF 2014 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

	2011 ACTUAL** EXPENDITURES	2012 ACTUAL** EXPENDITURES	2013 ADOPTED BUDGET	2014 PROPOSED BUDGET	CHANGE 2014 PROPOSED VERSUS 2013 ADOPTED
A. General City Purposes					
1. Budgets for General City Purposes					
Administration, Department of	$7,911,880	$8,772,385	$10,334,585	$10,940,218	$605,633
Assessor's Office	4,321,532	4,360,415	4,397,696	4,450,800	53,104
City Attorney	7,677,150	7,701,548	7,472,224	7,310,736	-161,488
City Development, Department of	4,402,677	4,486,733	3,097,335	3,596,808	499,473
City Treasurer	3,134,126	2,999,418	2,877,619	2,838,244	-39,375
Common Council City Clerk	8,272,253	8,149,917	8,243,977	8,253,988	10,011
Comptroller	5,059,695	4,947,993	5,201,535	5,184,392	-17,143
Election Commission	1,460,730	4,052,288	1,371,679	2,676,195	1,304,516
Employee Relations, Department of	4,547,106	4,500,505	4,492,713	4,613,330	120,617
Fire and Police Commission	1,218,887	1,379,117	1,392,584	1,535,019	142,435
Fire Department	105,360,530	108,250,353	103,873,222	104,536,907	663,685
Health Department	12,288,838	11,903,828	12,626,673	12,666,079	39,406
Library	21,506,485	21,625,286	21,593,610	21,768,088	174,478
Mayor's Office	1,227,168	1,114,170	1,101,366	1,192,204	90,838
Municipal Court	3,437,745	3,359,290	3,297,997	3,402,630	104,633
Neighborhood Services, Department of	15,466,734	16,442,563	19,858,426	20,835,056	976,630
Police Department	236,850,036	236,634,356	237,538,363	243,738,043	6,199,680
Port of Milwaukee	4,480,849	4,380,145	4,581,521	4,639,303	57,782
Public Works Department (Total)	(122,840,992)	(118,379,208)	(117,390,531)	(121,461,073)	(4,070,542)
Administrative Services Division	4,815,997	4,353,928	3,815,752	3,558,838	-256,914
Infrastructure Services Division	37,748,379	37,849,057	37,595,621	37,496,985	-98,636
Operations Division	80,276,616	76,176,223	75,979,158	80,405,250	4,426,092
Special Purpose Accounts	164,034,592 *	132,053,806 *	155,494,137	154,718,603	-775,534
Unified Call Center	256,159	644,307	0	0	0
Fringe Benefit Offset	-152,762,403	-147,726,025	-144,975,343	-149,747,703	-4,772,360
Total Budgets for General City Purposes	$582,993,761 **	$558,411,606 **	$581,262,450	$590,610,013	$9,347,563

* 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	$16,926,577	$16,697,663	$16,519,800	$17,931,000	$1,411,200
Licenses and Permits	13,285,855	14,411,188	13,799,360	13,879,600	80,240
Intergovernmental Revenue	273,239,399	260,141,436	259,575,900	259,743,700	167,800
Charges for Services	108,700,962	113,880,757	112,222,821	115,002,303	2,779,482
Fines and Forfeitures	5,076,199	5,041,542	5,129,000	4,755,400	-373,600
Miscellaneous Revenue	36,274,952	45,762,419	38,244,400	36,495,400	-1,749,000
Fringe Benefits	26,712,213	25,575,166	24,000,000	24,300,000	300,000
Total Revenues	$480,216,157	$481,510,171	$469,491,281	$472,107,403	$2,616,122
Tax Stabilization Fund Withdrawals	$14,600,000	$13,767,000	$14,900,000	$22,161,955	$7,261,955
Property Tax Levy	111,574,808	109,910,738	96,871,169	96,340,655	-530,514
Total Financing for General City Purposes	$606,390,965	$605,187,909	$581,262,450	$590,610,013	$9,347,563
B. Employees' Retirement					
1. Budgets for Employees' Retirement					
Firemen's Pension Fund					
Pension Contribution	$40,748	$35,091	$36,000	$36,000	$0
Lump Sum Supplement Contribution	122,471	114,445	100,000	85,000	-15,000

	2011 ACTUAL** EXPENDITURES	2012 ACTUAL** EXPENDITURES	2013 ADOPTED BUDGET	2014 PROPOSED BUDGET	CHANGE 2014 PROPOSED VERSUS 2013 ADOPTED
Policemen's Pension Fund					
Pension Contribution	$268,667	$208,956	$221,538	$228,538	$7,000
Lump Sum Supplement Contribution	0	30,000	30,000	30,000	0
Employees' Retirement Fund					
Pension Contribution	$0	$0	$59,310,000	$61,600,000	$2,290,000
Administration	20,244,217	18,294,065	24,546,844	25,020,959	474,115
Employers' Share of Employees' Annuity Contribution	22,878,684	22,288,217	4,100,000	8,400,000	4,300,000
Annuity Contribution Employer's Reserve Fund	17,350,000	25,000,000	18,400,000	13,400,000	-5,000,000
Social Security					
Social Security Tax	$18,159,920	$16,965,063	$17,742,000	$17,250,000	$-492,000
Former Town of Lake Employees' Retirement Fund					
Pension Contribution	$7,273	$7,273	$7,300	$7,300	$0
Deferred Compensation	$1,230,216	$1,258,354	$1,505,558	$1,632,435	$126,877
Total Budgets for Employees' Retirement	$80,302,196 **	$84,201,464 **	$125,999,240	$127,690,232	$1,690,992
2. Source of Funds for Employees' Retirement					
Fringe Benefits Pension	$1,142,103	$1,170,834	$1,268,449	$1,273,783	$5,334
Charges to Retirement Fund	19,875,599	17,885,890	24,172,534	24,644,935	472,401
Charges to Deferred Compensation	1,230,216	1,258,354	1,505,558	1,632,435	126,877
Charges to Other Governmental Units	0	0	871,686	721,677	-150,009
Miscellaneous Revenue/Reserve Fund	74,400	77,700	18,483,000	13,490,000	-4,993,000
Property Tax Levy	60,012,663	58,016,150	79,698,013	85,927,402	6,229,389
Total Financing for Employees' Retirement	$82,334,981	$78,408,928	$125,999,240	$127,690,232	$1,690,992
C. Capital Improvements					
1. Budgets for Capital Improvements					
Special Capital Projects or Purposes	$964,589	$334,604	$8,510,000	$8,710,000	$200,000
Administration, Department of	1,307,220	368,799	1,875,000	1,060,000	-815,000
City Attorney	0	0	0	2,010,000	2,010,000
City Development, Department of	25,046,714	46,502,156	17,585,000	23,450,000	5,865,000
Common Council City Clerk	0	27,039	117,500	175,000	57,500
Election Commission	0	2,340	0	0	0
Fire and Police Commission	0	1,771	0	150,000	150,000
Fire Department	3,354,721	1,593,289	3,403,000	4,437,000	1,034,000
Health Department	430,626	94,830	435,000	425,000	-10,000
Library	5,015,122	1,450,566	3,743,000	3,383,000	-360,000
Municipal Court	132,442	56,080	0	144,000	144,000
Neighborhood Services, Department of	48,169	0	0	2,220,000	2,220,000
Police Department	5,308,880	3,604,418	7,375,700	9,177,000	1,801,300
Port of Milwaukee	1,108,133	1,000,774	1,075,000	750,000	-325,000
Public Works, Department of (Total)	(31,485,604)	(45,585,733)	(60,061,700)	(67,195,000)	(7,133,300)
Administration Division	742,288	418,150	500,000	0	-500,000
Infrastructure Services Division	25,156,879	41,028,963	49,189,700	54,268,000	5,078,300
Operations Division	5,586,437	4,138,620	10,372,000	12,927,000	2,555,000
Total Budgets for Capital Improvements (Other than Parking, Water Works and Sewer Maintenance)	$74,202,220 **	$100,622,399 **	$104,180,900	$123,286,000	$19,105,100
2. Source of Funds for Capital Improvements					
General Obligation Borrowings					
New Borrowing	$50,692,806	$49,560,773	$74,964,900	$85,304,000	$10,339,100

	2011 ACTUAL** EXPENDITURES	2012 ACTUAL** EXPENDITURES	2013 ADOPTED BUDGET	2014 PROPOSED BUDGET	CHANGE 2014 PROPOSED VERSUS 2013 ADOPTED
Tax Increment District Public Improvements					
New Borrowing	$19,481,319	$41,656,112	$11,000,000	$15,000,000	$4,000,000
Anticipated Special Assessments					
New Authorizations	$973,431	$1,776,160	$2,209,000	$1,626,000	$-583,000
Capital Improvement Revenues					
Cash Revenues	$2,670,955	$6,223,573	$14,957,000	$16,065,000	$1,108,000
Property Tax Levy	383,709	1,405,781	1,050,000	5,291,000	4,241,000
Total Financing for Capital Improvements					
(Other than Parking, Water Works and Sewer Maintenance)	$74,202,220 *	$100,622,399 *	$104,180,900	$123,286,000	$19,105,100
* Does not include school board expenditures.					
D. City Debt (Including School Purposes)					
1. Budget for City Debt					
Bonded Debt (Principal)	$331,960,073	$417,107,000	$300,015,000	$237,219,504	$-62,795,496
Bonded Debt (Interest)	37,184,872	37,992,000	47,262,057	45,462,380	-1,799,677
Bonded Debt (Fees)	444,221	651,000	400,000	195,000	-205,000
Bonded Debt (Issuance Expenses)	1,040,564	933,000	1,390,000	1,453,000	63,000
Subtotal	$370,629,730	$456,683,000	$349,067,057	$284,329,884	$-64,737,173
Less: Prepayment					
Prepayment Deduction (PDAF)	$-4,900,000	$-4,500,000	$-5,500,000	$-5,000,000	$500,000
Special Assessment	-1,677,907	-1,424,430	-1,546,697	-1,397,319	149,378
Total Budget for City Debt (a)	$364,051,823 **	$450,758,570 **	$342,020,360	$277,932,565	$-64,087,795

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

Milwaukee School Board		
2011	$15,947,420	
2012	$15,149,361	
2013	$16,741,000	(est.)
2014	$17,301,000	(est.)

2. Source of Funds for City Debt					
Revenues	$242,334,770	$324,498,570	$219,736,001	$35,842,708	$-183,893,293
TID Increments from Prior Year	24,834,453	27,716,000	22,107,453	20,815,607	-1,291,846
Delinquent Tax Revenues	27,673,793	29,807,000	32,405,234	33,465,225	1,059,991
Offsets and Premium	0	0	0	126,000,000	126,000,000
Property Tax Levy	69,208,807	68,737,000	67,771,672	61,809,025	-5,962,647
Total Financing for City Debt	$364,051,823	$450,758,570	$342,020,360	$277,932,565	$-64,087,795
F. Common Council Contingent Fund					
1. Budget for Common Council Contingent Fund					
Common Council Contingent Fund	[4,910,689] *	[2,108,896] *	$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
* 2011 and 2012 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)	$1,101,550,000	$1,193,994,039	$1,158,462,950	$1,124,518,810	$-33,944,140
Non-Tax Levy	$885,800,002	$996,908,137	$908,072,096	$870,150,728	$-37,921,368
Tax Levy	$246,179,987	$243,069,669	$250,390,854	$254,368,082	$3,977,228
Subtotal Financing for (Estimated Revenues) Common Council Controlled Budgets					
(Except Water and Special Revenue Accounts)	$1,131,979,989	$1,239,977,806	$1,158,462,950	$1,124,518,810	$-33,944,140
Special Revenue Accounts Sections G through M					

	2011 ACTUAL** EXPENDITURES	2012 ACTUAL** EXPENDITURES	2013 ADOPTED BUDGET	2014 PROPOSED BUDGET	CHANGE 2014 PROPOSED VERSUS 2013 ADOPTED
G. Parking					
1. Budget for Parking Program					
Operating and Maintenance Expense	$25,696,917	$24,895,826	$26,960,107	$27,497,476	$537,369
Transfer to General Fund	22,787,000	20,410,157	18,550,000	17,250,000	-1,300,000
Transfer to Pension Fund	0	2,000,000	0	0	0
Capital Improvement Program	1,523,462	1,417,012	1,441,000	1,715,000	274,000
Capital Improvements to be Financed from Available Cash Reserves	0	0	5,000,000	5,000,000	0
Total Budget for Parking Program	$50,007,379 **	$48,722,995 **	$51,951,107	$51,462,476	$-488,631
2. Source of Funds for Parking Operations					
Parking Permits	$3,899,683	$3,887,663	$3,888,000	$3,891,000	$3,000
Meters	4,937,172	4,972,236	4,946,000	4,974,400	28,400
Rental and Lease of Facilities	7,078,422	6,524,077	7,488,300	7,093,500	-394,800
Towing of Vehicles	3,489,643	3,766,134	3,500,000	3,900,000	400,000
Vehicle Disposal	1,641,417	1,425,866	1,600,000	1,425,000	-175,000
Miscellaneous	608,485	740,858	675,000	740,000	65,000
Subtotal Financing of Parking Operations	$21,654,822	$21,316,834	$22,097,300	$22,023,900	$-73,400
Other Funding Sources					
Withdrawal from Reserves	$3,731,172	$3,830,455	$1,962,807	$1,723,576	$-239,231
Citation Revenue	23,097,923	22,158,694	22,000,000	21,000,000	-1,000,000
Capital Improvements to be Financed from Available:					
Cash Reserves	$0	$0	$5,000,000	$5,000,000	$0
New Borrowing	1,523,462	1,417,012	891,000	1,715,000	824,000
Subtotal Other Funding Sources	$28,352,557	$27,406,161	$29,853,807	$29,438,576	$-415,231
Total Financing for Parking	$50,007,379	$48,722,995	$51,951,107	$51,462,476	$-488,631
H. Grants and Aids Projects (Except Capital Projects)					
1. Budget for Grants and Aids Projects					
Grantor Share (Non-City)	$78,677,026	$78,233,318	$69,363,873	$50,622,451	$-18,741,422
Total for Grants and Aids Projects	$78,677,026 **	$78,233,318 **	$69,363,873	$50,622,451	$-18,741,422
2. Source of Funds for Grants and Aids Projects					
Grantor Share (Non-City)	$78,677,026	$78,233,318	$69,363,873	$50,622,451	$-18,741,422
Total Financing for Grants and Aids Projects (Except Capital Projects)	$78,677,026	$78,233,318	$69,363,873	$50,622,451	$-18,741,422
I. Economic Development Fund					
1. Budget for Economic Development Fund					
Business Improvement Districts	$8,097,342	$6,995,398	$7,912,216	$11,705,477	$3,793,261
Total Budget for Economic Development Fund	$8,097,342	$6,995,398	$7,912,216	$11,705,477	$3,793,261
2. Source of Funds for Economic Development Fund					
Business Improvement District Assessments/Excess TID Revenue	$8,097,342	$6,995,398	$7,912,216	$11,705,477	$3,793,261
Total Source of Funds for Economic Development Fund	$8,097,342	$6,995,398	$7,912,216	$11,705,477	$3,793,261
J. Water Works					
1. Budget for Water Works, Department of Public Works					
Operating Budget	$72,227,528	$74,061,512	$81,554,626	$84,529,443	$2,974,817
Capital Improvements Program	12,170,208	10,269,980	13,850,000	13,825,000	-25,000
Deposits to Special Accounts (Retained Earnings)	13,800,358	6,232,691	5,450,000	0	-5,450,000
Total Expenditures and Deposits	$98,198,094 **	$90,564,183 **	$100,854,626	$98,354,443	$-2,500,183

	2011 ACTUAL** EXPENDITURES	2012 ACTUAL** EXPENDITURES	2013 ADOPTED BUDGET	2014 PROPOSED BUDGET	CHANGE 2014 PROPOSED VERSUS 2013 ADOPTED
2. Source of Funds for Water Works					
Operating Revenue	$77,634,977	$82,924,610	$78,186,000	$80,808,000	$2,622,000
Non-Operating Revenue	8,392,909	6,303,731	6,550,000	6,692,000	142,000
Proceeds from Borrowing	11,625,000	4,000,000	8,000,000	4,000,000	-4,000,000
Retained Earnings/Miscellaneous	545,208	-2,664,158	8,118,626	6,854,443	-1,264,183
Total Source of Funds for Water Works	$98,198,094	$90,564,183	$100,854,626	$98,354,443	$-2,500,183
K. Sewer Maintenance					
1. Budget for Sewer Maintenance					
Operating Budget	$43,396,115	$42,455,765	$57,623,548	$55,216,197	$-2,407,351
Capital Budget	31,433,967	28,667,909	44,510,000	44,550,000	40,000
Deposit to Retained Earnings	10,859,013	15,974,557	0	0	0
Total Budget for Sewer Maintenance	$85,689,095 **	$87,098,231 **	$102,133,548	$99,766,197	$-2,367,351
2. Source of Funds for Sewer Maintenance					
Sewer User Fee	$27,147,793	$29,124,898	$28,389,121	$28,934,192	$545,071
Storm Water Fee	22,866,090	24,164,552	25,720,339	27,006,356	1,286,017
Charges for Services	1,773,909	1,666,224	1,782,830	1,727,338	-55,492
Miscellaneous Revenue	4,881,653	3,474,648	2,882,623	1,913,813	-968,810
Retained Earnings	0	0	5,298,635	684,498	-4,614,137
Proceeds from Borrowing	29,019,650	28,667,909	38,060,000	39,500,000	1,440,000
Total Source of Funds for Sewer Maintenance	$85,689,095	$87,098,231	$102,133,548	$99,766,197	$-2,367,351
M. Delinquent County Taxes					
1. Budget for Delinquent County Taxes					
Delinquent County Taxes and Tax Certificate Purchases	$11,362,381	$10,529,770	$11,300,000	$10,530,000	$-770,000
Total Budget for Delinquent County Taxes	$11,362,381	$10,529,770	$11,300,000	$10,530,000	$-770,000
2. Source of Funds for Delinquent County Taxes					
Purchase of Milwaukee County Delinquent Taxes	$11,362,381	$10,529,770	$11,300,000	$10,530,000	$-770,000
Total Source of Funds for Delinquent County Taxes	$11,362,381	$10,529,770	$11,300,000	$10,530,000	$-770,000
Subtotal Budget Authorization for Special Revenue Accounts	$332,031,317	$322,143,895	$343,515,370	$322,441,044	$-21,074,326
Subtotal Estimated Revenues for Special Revenue Accounts	$332,031,317	$322,143,895	$343,515,370	$322,441,044	$-21,074,326
Total All Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,433,581,317	$1,516,137,934	$1,501,978,320	$1,446,959,854	$-55,018,466
Total Financing Revenues of Budgets Under the Control of the Common					
(Includes Water and Special Revenue Accounts)	$1,464,011,306	$1,562,121,701	$1,501,978,320	$1,446,959,854	$-55,018,466

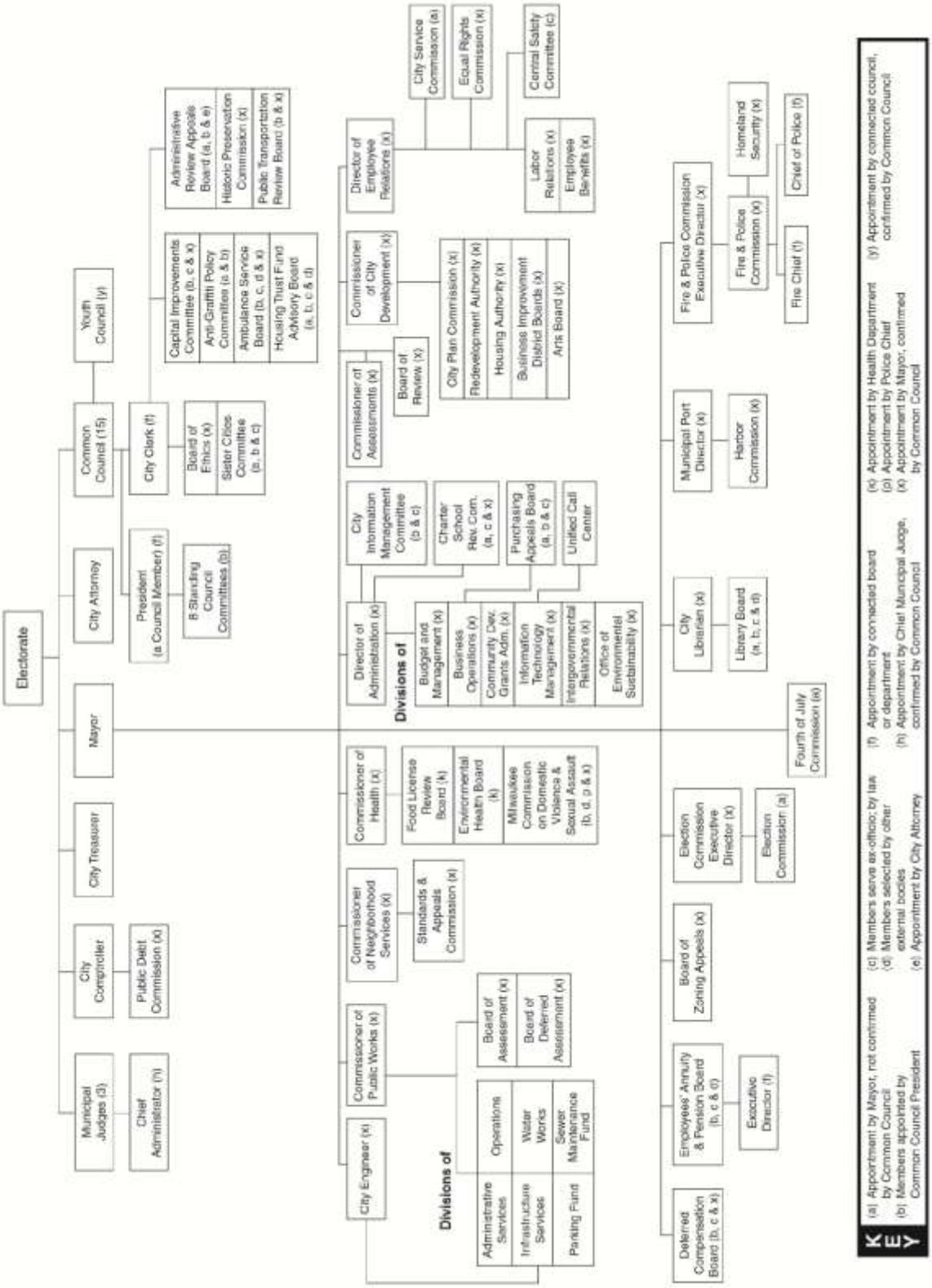
** Expenditures include funding carried over from prior year.

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

	2012	2013	2014
General Obligation Bonds or Short Term Notes			
New Borrowing			
General City Purposes	$75,098,100	$75,855,900	$87,019,000
Schools	2,000,000	2,000,000	2,000,000
Subtotal New Borrowing	**$77,098,100**	**$77,855,900**	**$89,019,000**
Subtotal	**$77,098,100**	**$77,855,900**	**$89,019,000**
Special Assessment Borrowing			
New Borrowing	$1,065,600	$2,209,000	$1,626,000
Subtotal	**$1,065,600**	**$2,209,000**	**$1,626,000**
Contingency Borrowing			
New Borrowing	$200,000,000	$200,000,000	$200,000,000
Subtotal	**$200,000,000**	**$200,000,000**	**$200,000,000**
Tax Incremental District Borrowing			
New Borrowing	$22,000,000	$11,000,000	$15,000,000
Subtotal	**$22,000,000**	**$11,000,000**	**$15,000,000**
Delinquent Taxes Borrowing			
New Borrowing	$37,000,000	$37,000,000	$37,000,000
Subtotal	**$37,000,000**	**$37,000,000**	**$37,000,000**
Revenue Anticipation Borrowing			
New Borrowing	$400,000,000	$400,000,000	$400,000,000
Subtotal	**$400,000,000**	**$400,000,000**	**$400,000,000**
Water Works Borrowing			
New Borrowing	$8,690,000	$8,000,000	$4,000,000
Subtotal	**$8,690,000**	**$8,000,000**	**$4,000,000**
Sewer Maintenance Fund Borrowing			
New Borrowing	$37,510,000	$38,060,000	$39,500,000
Subtotal	**$37,510,000**	**$38,060,000**	**$39,500,000**
Total All Borrowing			
New Borrowing	$783,363,700	$774,124,900	$786,145,000
Total	**$783,363,700**	**$774,124,900**	**$786,145,000**

CITY OF MILWAUKEE ORGANIZATION CHART

Source: City Clerk's Office • September 2013



I. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

PROPERTY TAX SUPPLEMENTED FUNDS
SUMMARY OF EXPENDITURES

EXPENSE CATEGORY	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
A. General City Purposes	$558,411,606	$581,262,450	$599,968,504	$590,610,013	$9,347,563	$-9,358,491
B. Employees' Retirement	84,201,464	125,999,240	129,683,232	127,690,232	1,690,992	-1,993,000
C. Capital Improvements	100,622,399	104,180,900	140,987,760	123,286,000	19,105,100	-17,701,760
D. City Debt	450,758,570	342,020,360	553,432,565	277,932,565	-64,087,795	-275,500,000
F. Contingent Fund	2,108,896 *	5,000,000	5,000,000	5,000,000	0	0
TOTAL	$1,193,994,039	$1,158,462,950	$1,429,072,061	$1,124,518,810	$-33,944,140	$-304,553,251

*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: Reduce economic disparities that affect Milwaukeeans.

Provide mission critical city services through annual budgets that limit tax levy and municipal service charge changes on the average value residential property to 3% or less.

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 effectiveness in the operation of citywide information technology.

Improve energy efficiency in homes and business firms.

STRATEGIES: Implement a four year city budget Stabilization Plan that achieves ongoing structural budget balance by the end of 2016.

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

Increase the ongoing level of external, non-stimulus funding available for the city budget by $2 million annually.

Continue grant program focus on economic development and employment generation.

Implement programs that increase the number of Small Business Enterprise (SBE) firms located in Milwaukee.

Improve nutritional options and reduce food insecurity through the HOME GR/OWN program.

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

Provide management oversight of city operations through the Accountability in Management (AIM) program.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	71.11	92.47	95.87	98.37	5.90	2.50
FTEs - Other	24.19	40.37	34.97	37.47	-2.90	2.50
Total Positions Authorized	114	144	141	146	2	5
EXPENDITURES						
Salaries and Wages	$4,562,245	$5,414,946	$5,558,384	$5,622,079	$207,133	$63,695
Fringe Benefits	2,201,487	2,601,127	2,612,440	2,642,377	41,250	29,937
Operating Expenditures	791,092	830,856	1,104,961	1,164,461	333,605	59,500
Equipment	11,558	25,100	32,000	50,600	25,500	18,600
Special Funds	1,206,003	1,462,556	1,385,701	1,460,701	-1,855	75,000
TOTAL	$8,772,385	$10,334,585	$10,693,486	$10,940,218	$605,633	$246,732
REVENUES						
Charges for Services	$157,893	$75,700	$773,100	$773,100	$697,400	$0
Miscellaneous	553,389	380,400	424,500	424,500	44,100	0
TOTAL	$711,282	$456,100	$1,197,600	$1,197,600	$741,500	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

Goals

The Department of Administration supports all of the city's mission delivery goals through its policy, planning, financial management, procurement, sustainability, and information technology service responsibilities. These are:

1. Build safe and healthy neighborhoods.
2. Increase investment and economic vitality throughout the city.
3. Improve workforce development and connect more citizens to family supporting jobs.
4. Help children succeed, prepare for post-secondary education, and meet their full potential.
5. Sustain Milwaukee's natural environmental assets.
6. Promote racial, social, and economic equity for all citizens.

Objectives

1. Reduce economic disparities that affect Milwaukeeans.
2. 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.
3. 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.
4. Increase efficiency and effectiveness in citywide operation information technology.
5. Improve energy efficiency in homes and business firms.

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 the city's community goals. 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 policy and programs for

environmental sustainability. In addition, DOA is the key operating entity for the delivery of city information technology services.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Combined percentage increase from prior year of changes to the property tax levy and municipal service charges on the average valued residential property.	1.4%	- 1.9%	1.3%
Percent of tax levy allocated to debt service and employer pension contribution [A.]	37.8%	50.8%	47.9%
Combined number of jobs created and persons trained and placed in jobs through CDBG and HOME funded projects.	420	420	420
Number of firms receiving SBE certification.	29	50	50
Average speed time for response at Unified Call Center {minutes:seconds}.	4:53	:36	:36
Days needed to resolve IT service requests.	5.19	4.6	4.45
Number of homes receiving energy efficiency upgrades via Me2.	361	685	400
Number of manufacturing firms receiving Me3 grants.	9	4	8

[A] Note: The 2012 actual includes $27 million voluntary contribution to the Employer's Reserve. No employer pension contribution was required.

STRATEGY IMPLEMENTATION

Fiscal Sustainability: 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 the city's structural budget balance dating back to the mid-1990's. More recent events, especially the return to employer pension contributions, heightened these challenges and produced a persistent structural gap. The 2013 city budget initiated a four year 2013-2016 Budget Plan to "Resize, Restructure, and Reinvest" in city government as a means to restore structural balance.

Last year the Department of Administration's Budget and Management Division (BMD) projected the need to achieve $65 to $75 million of structural budgetary improvement in order to achieve ongoing budget sustainability by the end of 2016. The projection was based on the amount of combined revenue increases and expense reductions needed by 2016 for structural balance.

The 2013 budget achieved approximately $21 million of structural budget improvement. Since the 2013 budget adoption, additional developments have occurred to improve structural balance by an additional $17 million. This includes approximately $6 million for a lower annual employer pension contribution than previously projected. In addition, lower than budgeted 2012 expenditures and other program cost savings have reduced the 2014 baseline for employee health care benefits by almost $11 million, compared to last year's projection.

As a result of these positive developments, the need for structural improvement over the next three years is currently projected as between $30 and $35 million. While this challenge is formidable, it represents considerable improvement in the city's progress towards structural balance. Strong reserve balances are another positive factor that will contribute to the city's ability to successfully resolve this challenge.

A key DOA objective is improving the city's fiscal sustainability. DOA's annual budgetary objective is to 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. From a long term perspective, DOA intends to 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 2014 Proposed Executive Budget meets both of these objectives.

Sustainable Pension Financing: The City of Milwaukee operates a home rule retirement plan, the Employees Retirement System (CMERS). Currently employed members include all city government employees and certain employees from "city agencies" such as Milwaukee Public Schools, the Milwaukee Metropolitan Sewerage District, the Wisconsin Center District, and the Housing and Redevelopment Authorities.

The Plan's January 1, 2013 funded ratio of 91% makes it one of the best funded Public Employee Retirement System (PERS) plans in the United States. No employer contributions were required between 1996 and 2009, but following the 2008 global financial crisis, the system's funded status fell from 131% to 99% on an actuarial basis. The city made an employer contribution of $49 million in 2010; the city made voluntary contributions totaling $44.3 million to the employer's reserve for pensions in 2011 and 2012; and the city made a $60.7 million required contribution in 2013, which includes $59.3 million from the tax levy.

The primary issue for the city has been the move from no employer contributions to $60 million plus contributions within a property tax levy of $250 million per year, and with declining State aids and restrictive levy limits. The secondary issue has been significant potential year-to-year volatility in the city's required contribution.

On April 30, 2013 the Common Council adopted a stable employer contribution policy, under which the actuary establishes a stable percent of payroll for five years, thus facilitating budget planning and avoiding year-to-year volatility. As a result, the budget for employer pension contributions is essentially stable at approximately $61 million for five years, thus eliminating potential volatility of between $10 million and $20 million a year. The new policy also eliminates the "full funding limit", which means the city will continue to contribute employer share of normal cost after the system's funded status returns to 100%.

Modifications to the plan design for new general city employees hired on or after January 1, 2014 were adopted in 2013. Under the modifications, which are projected to save the city $93 million over 20 years, the plan design remains defined benefit, but at a lower normal cost than the pre-existing design.

Intergovernmental Relations: DOA's Intergovernmental Relations Division (IRD) is responsible for managing the city's Federal and State lobbying efforts. IRD focuses on preserving and increasing approximately $270 million in annual intergovernmental revenue and $130 million in federally funded grant and aids. This includes maintaining and seeking additional funding sources, and successfully promoting and managing the city's legislative agenda. Given the city's fiscal constraints, it is imperative for the city's long term sustainability that IRD pursues opportunities to diversify revenues and develop strategies to cooperate with other levels of government.

During 2013, IRD focused on the State government level because of the importance of the biennial budget to the city's finances. In 2014, IRD will continue to be responsible for identifying and developing relationships with other governmental jurisdictions in order to promote opportunities to solve intergovernmental issues to the city's advantage.

In 2013, IRD led efforts to secure:

- Critical amendments to the original version of Senate Bill 179, a revision to landlord tenant law, which would otherwise have eliminated the city's authority to manage problems or blighting conditions that may result from private property ownership.
- An important clarification to statutory language enabling local governments to set the design and selection of health care plans for protective service employees. The city's position regarding the Milwaukee Police Association has been under adjudication. The statutory clarification will secure an estimated $1.9 million in annual cost avoidance for the city's self-funded health benefits plans.
- A provision enacted in the 2013-2015 State Budget that eliminates the negative property taxpayer impacts of the school choice funding flaw. Over the next 12 years, this change is projected to eventually save city property taxpayers $120 million a year as school choice enrollment continues to expand.

Primary areas of focus in 2014 include:

- Coordinating a strategy and securing commitments for a collaborative multiagency State and Federal investment in the 30th Street Industrial Corridor.
- Continued efforts to amend State and Federal law to reduce access to illegal firearms.
- Continued efforts to secure State or Federal funding for foreclosure demolition in the wake of a gubernatorial budget veto of the $3.5 million fund that IRD secured in a Joint Committee on Finance amendment.
- Maximizing the city's ability to benefit from the Federal government's Ladders of Opportunity investments in high poverty urban communities, which includes programs designed to create jobs, increase economic activity, improve education opportunities, leverage private investment and reduce violent crime.

Intergovernmental relations are complex and require coordination among multiple parties. The division continues to face a challenging political environment which requires that a majority of staff time is dedicated to defensive efforts. Nonetheless, over the last four legislative sessions IRD has managed the city's interest in 50 acts of the State Legislature and aims to have another ten items from the city's legislative agenda enacted into law before the end of the 2013-2014 legislative session.

Cost Effective Procurement: DOA's Business Operations Division (BOD) is the city's centralized buying and supply management agency responsible for the procurement of approximately $65 million in goods and services annually; and disposal of the city's surplus, obsolete and confiscated goods. BOD contributes to fiscal sustainability by managing a competitive procurement system which delivers value to city departments.

BOD has initiated a cost saving and environmentally friendly approach to the procurement of printing toner. The city estimates $100,000 in 2014 proposed budget benefits from this initiative. Of that, $25,000 will be revenue generated by the recycling of empty toner cartridges through Office Max and their partner, Clover Technologies. Savings of $75,000 will be due to the purchase of remanufactured toner instead of brand name toner.

Under the new program, each department will have a "Green Captain" who maintains a collection box for their area. Once full, the captain will ship the collection box to the toner remanufacturing facility via UPS at no charge to the city. These departments will only be able to order remanufactured toner through the office supply contract with Office Max.

External Funding Opportunities: Cities across the nation are using their assets in innovative ways to help finance local services. The Milwaukee Civic Partnership Initiative (MCPI) aims to increase city revenue by expanding

marketing partnerships with private sector businesses and nonprofit organizations in the areas of advertising, naming rights, sponsorships, and in-kind contributions.

Common Council File Number 120396, adopted in September 2012, directed the DOA to issue a RFP for a consultant to develop and execute the MCPI. DOA will submit a contract with the selected vendor to the Common Council in September, 2013 for approval.

MCPI has two phases. Phase 1, to begin in October 2013, will identify and evaluate the city's assets and should be completed in three to four months. Phase 2 will begin in early 2014 and will facilitate marketing partnerships with corporations and nonprofits based on the Phase 1 asset evaluation. The vendor will be the exclusive marketing and sales representative for the city for assets included in Phase 2. An MCPI team comprised of representatives from several departments will review and oversee the vendor's marketing proposals.

DOA will establish a goal for net return, based on Common Council decisions on permissible assets to include in the MCPI, and the outcome of the Phase 1 evaluation. DOA will regularly monitor and update this goal.

Reducing Economic Disparities: The American Community Survey estimated that during 2010 24.8% of Milwaukee's households lived below the federal poverty line. DOA's role in financing city government and its mission delivery objectives has a powerful impact on improving local economic conditions. DOA also helps implement programs that reduce economic disparities among Milwaukeeans.

Milwaukee Fatherhood Initiative: The Milwaukee Fatherhood Initiative (MFI) was launched in 2005 by Mayor Barrett and other community leaders to increase the number of children with involved, responsible, and committed fathers. The MFI has connected over 7,000 men to services in the areas of education, employment, child support, driver's license recovery, and men's health. The annual MFI summit is the largest annual gathering of men in the state, and the majority of participants are African American males.

In late 2012, the Mayor placed the MFI under the oversight of the Department of Administration and established the following four strategic goals: 1) strengthen the MFI governance and infrastructure; 2) engage, equip, and empower fathers by connecting them to new and existing resources that promote responsible fatherhood; 3) strengthen MFI data collection, performance measurement, and reporting systems; and 4) develop a funding strategy to ensure MFI's future sustainability.

In addition to operating its main office on Milwaukee's northwest side (located on 5003 West Lisbon Avenue) and through the support of the Housing Authority of the City of Milwaukee, in the Spring of 2013 the MFI established a new south side satellite office (La Luz Del Mundo Family Services located on 1570 West Greenfield Avenue. Luz Del Mundo is playing a key role in expanding MFI services to Spanish speaking and other south side residents.

Milwaukee was recently selected by the National League of Cities to receive technical assistance to reduce disparities between black males and their peers. DOA is actively involved with Milwaukee's Black Male Achievement Initiative. The MFI is a lead partner and key strategic implementer due to the fact that father absence is one of the biggest contributing factors to poor outcomes for black men and boys. According to 2011 U. S. Census data, one in three children live apart from their fathers and the problem is most acute in the African American community. Nearly two in three African American children live in father absent homes. Father absence is strongly linked to poverty, teen pregnancy, juvenile delinquency, and many other social problems.

The 2014 proposed budget includes $50,000 of city support for MFI. In addition, during the fourth quarter of 2013, DOA will play a lead role in developing external sources of funding for MFI.

Linking Environmental Protection and Waste Reduction to Economic Growth: An efficiently managed city spends less on administrative, maintenance and rework costs which frees up resources for mission delivery. Business firms that improve their competitive positions by implementing proven sustainable business practices

(that cut costs, reduce resource intensity) attract skilled workers, create more jobs, and act as a regional magnet for other innovative companies and entrepreneurs.

Currently, the City of Milwaukee's Office of Environmental Sustainability (OES) has three broad goals: improve overlapping economic and environmental efficiencies in city government operations; encourage the implementation of economically viable sustainability practices by area businesses; and, raise the awareness of the everyday impacts our actions have on human health and the environment. Since 2011, OES has made a significant impact on reducing economic disparity through its Milwaukee Energy Efficiency Initiative. ME programs have accomplished a 4:1 return on investment of grant dollars; raised $33 million in private capital; and stimulated $18 million in economic activity.

Me2 helps households live more comfortably and stretch their energy bills effectively. Since 2011, Me2 has helped plan and finance more than 1,100 residential energy efficiency upgrades. The program through June of 2013, has stimulated $6.3 million in projects, all completed by private sector contractors using local labor.

Through the Milwaukee Energy Efficiency (Me2) program for commercial properties, OES is helping rebuild Milwaukee. Me2 helps owners of commercial buildings replace the aging lighting, heating and cooling systems, and pay for those improvements as they save on their energy bills.

Me2 helps businesses reinvest dollars into their building that they otherwise would have wasted on high energy bills from outdated equipment. Commercial Me2 has approved more than $16 million of energy saving projects on over 130 properties. In 2014, OES will continue to support the market for commercial energy efficiency projects through the Me2 PACE financing program.

The City of Milwaukee implemented a Community Workforce Agreement as part of the Me2 program. This workforce agreement ensures that the jobs created through the Me2 program benefit people who live in the city. All commercial and residential contractors are committed to hiring city residents as part of the Residents Preference Program (RPP) and paying family supporting wages. Workers also must have safety training. Additionally, minority owned and operated Milwaukee firms have collectively completed hundreds of projects supported by Me2. In 2014 OES will continue to operate residential Me2 through the program's loan fund.

OES is also involved in assisting small and medium sized Milwaukee manufacturers improve their competitiveness. The ME3 sustainable manufacturing program helps firms lower their costs by reducing waste, pollution and other production inefficiencies. Twenty-two manufacturing firms have improved their bottom line and growth prospects through a variety of innovations funded by this program. Projects have had an average payback period of two years. Over $5 million in investment and annual savings have been achieved so far by the 22 Me3 firms (with an initial investment from the city of just over $200,000). The 2014 proposed budget includes $75,000 of tax levy funding to continue this program.

Improving Nutritional Options: Healthy nutrition is essential for people of all ages. The HOME GR/OWN initiative, which addresses insufficient access and demand for local, healthy food, was nationally recognized as a top innovative idea in America by Bloomberg Philanthropies in 2013. It is now in the early stages of implementation which include identifying long term funding sources while targeting repurposing of foreclosed properties and vacant lots for food related uses. The initiative aims to increase the use of city owned foreclosed land and buildings for growing, processing, and distributing food to catalyze the local food value chain. Proposed funding of $45,000 from CDBG supports initiative staffing.

Grant Focus on Employment Generation: Gainful employment is a sustainable path to reducing economic disparity. The unemployment rate in Milwaukee has remained above 10%, despite several successful redevelopment projects. Mayor Barrett has directed that grant and aid activities place employment opportunities at the top of their agenda.

DOA's Community Development Grants Administration (CDGA) is responsible for applying for, recommending the allocation of, and overseeing the effective use of local, State and Federal funds for programs in targeted central city neighborhoods. Most of the funding is to assist lower income families and remove blight.

Grants support housing rehab programs, special economic development relating to job and business development, and public service programs such as crime prevention, job training, housing for homeless, youth recreation programs and community organization programs. Funding is awarded to the city through Federal entitlement guidelines and through competitive applications.

CDGA has worked effectively with a number of community based organizations, as well as the Milwaukee Workforce Investment Board (MAWIB), to generate employment via grant funding. During 2012 funds from the CDBG and HOME grants generated an estimated 420 new jobs, training opportunities, and job placements. CDGA will focus attention on the potential for increased leverage from its grant making, in part to enable more opportunities for relatively difficult to employ individuals. A specific opportunity may involve matching opportunities with the Wisconsin Foodshare Employment and Training Program (FSET). FSET is a voluntary program for food share program recipients. Recipients can benefit from this program if they are facing chronic unemployment and seeking services to assist them with job development, placement and retention; or seeking occupational skills and prevocational training, and support services.

The FSET "50-50 Match" could become a source of leverage for targeted employment opportunities. Until recently, the FSET program has been largely overlooked by non-governmental workforce development providers as a potential funding source. However, an innovative model pioneered in the State of Washington demonstrated that third party workforce development providers may leverage their own resources to meet non-Federal match requirements, and receive a 50% reimbursement under a cooperative agreement or contract with the State. The existing effective collaboration between CDGA and MAWIB in the Milwaukee Builds Initiative could become a prototype for application to this leveraging strategy.

Improving the Effectiveness and Efficiency of Information Technology: The 2014 proposed budget continues to consolidate city information technology and management under the Information Technology and Management Division (ITMD). In 2014, ITMD will add the Port and DCD to the list of departments for which it provides IT support. Two DCD/RACM IT positions will move to ITMD, and ITMD support will replace the services of an IT consultant currently utilized by the Port. ITMD will also be performing an inventory of city desktop computers and printers and instituting a standardized replacement cycle for city IT resources. Restructuring efforts continue along the established path of a more centralized approach to IT development and maintenance. This restructuring will:

1. Align the 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. Improve the overall IT environment related to security and data integrity.
4. Provide IT focus on enterprise wide needs and service delivery.
5. Generate various economies of scale, especially in the area of Help Desk and application support.
6. Reduce risk through uniformity and standardization of IT systems and applications.

ITMD is a significant component of the city's restructuring effort. Between 2010 and 2013, IT personnel costs have declined approximately $700,000 as more applications and personnel are centralized in DOA and technical positions have replaced management level positions.

Workload and response data reflect improvements in IT productivity. Through the first three quarters of 2013, the time needed to resolve IT issues has dropped from 5.19 days in 2012 to 4.60 days in 2013. IT service requests are logged through the RITS system and include a wide variety of requests. The decrease in average time required for service resolution in 2013 represents greater efficiency in IT support, as well as an increase in desktop support requests. ITMD has processed 8,338 service requests thus far in 2013, compared to 6,133 requests for all of 2012.

Response time is expected to improve again in 2014, while the number of requests will continue to increase with the addition of Port and DCD into the group of departments that ITMD fully supports.

Unified Call Center: In 2011, the city implemented the Unified Call Center (UCC). The 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.

During 2012, the UCC's Lagan technology application was implemented on time and within budget. The UCC agents and systems submit and monitor requests for services to responsible City of Milwaukee agencies.

During 2013, operational changes and management initiatives have improved the effectiveness of the Unified Call Center. In 2013 call transfers and abandoned calls are down 64% (July 2012 to July 2013) and call volumes and average speed of answer have improved dramatically. The UCC is now handling more than 90% of Parking information, permission, and complaint calls on a daily basis. The UCC has also made progress with other department call types.

The expansion of technology efforts including the development of mobile access applications, improvements in the ability to review and report on service delivery performance, and refinements to unifying citywide information and access points to City of Milwaukee services will begin in 2014.

RESIZE, RESTRUCTURE AND REINVEST

In 2013, ten IT support positions were reclassified to create a clear chain of command and promotional path for staff. The reclassification results in a saving of approximately $50,000 in salary.

ITMD will also be providing IT support for the Port in 2014. This replaces the professional consultant contract for approximate annual savings of $30,000.

In order to continue consolidation of IT service delivery, the 2014 proposed budget shifts two positions, one from RACM and one from DCD, into ITMD. Although no net savings are projected to result from this change in 2014, it will increase the capacity of ITMD to deploy IT resources across city government, and enable the investment of approximately $75,000 of CDBG funding into community based initiatives. In addition, the 2014 proposed budget adds an administrative position in order to make consolidation more effective.

Due to the significant service improvements that the UCC has implemented during 2013, the 2014 proposed budget includes further restructuring of citywide Call Center operations. As more city agencies direct calls to 286-CITY, the UCC call intake will increase over 25%. The Call Center has absorbed this growth through management initiatives, training, and agent efficiency, but capacity is becoming more limited. In addition, the UCC takes the majority of parking information, permission, and complaint calls. As a result, the equivalent of 2.0 FTEs positions will be reimbursed via Parking Fund revenues during 2014. As mapped out initially in 2012, Parking Enforcement staff will continue to handle escalated enforcement and complaint issues, dispatching operations, and legal matters relating to citywide parking enforcement.

The Mayor's vision for the city's Unified Call Center includes making it an integral part of the Mayor's Accountability in Management (AIM) program. Currently, this involves integrating real time data about service demand and customer complaints into decisions to adjust operational strategies. Ultimately, the Mayor expects that the UCC can help formulate meaningful information about service delivery and customer concerns which managers and elected officials can use to improve city operations. The 2014 proposed budget includes the addition of a Program Assistant III position to assist in organizing Call Center data into a knowledge base and a business intelligence system that will improve performance information reporting and documentation.

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			IT Support Services Manager	Information technology positions reclassified.
1			IT Support Services Supervisor	
-2			Network Analyst Senior	
1			IT Support Specialist Lead	
1			IT Support Specialist Senior	
-1			Information Technology Specialist	
1			IT Support Associate	
-1			Computer Operator III	
1			IT Support Associate	
-2			Network Analyst Assistant	
-1			Network Analyst Assistant	
-1			Network Analyst Assistant I	
-1			Telecommunications Analyst Associate	
5			IT Support Specialist	
-1			Automated Systems Specialist	
1			IT Support Specialist	
-1			Applications Programmer	
1			Programmer Analyst	
-1			Office Supervisor I	
1			Administrative Specialist Senior	

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1		-1.00	Project Coordinator B.I.G.	Eliminated due to grant funding expiration.
1	1.00		Administrative Assistant II	Position created to manage workload.
1	1.00		Network Coordinator Senior	Transferred from DCD.
1	1.00		Network Analyst Assistant	Transferred from RACM.
-1			Unified Call Center Director	Restructure of Unified Call Center staffing.
1			Call Center Operations and Analytics Manager	
-1			UCC Call Center Manager	
-1			UCC Supervisor	
2			Call Center Supervisor	
-8			UCC Customer Service Representative IV	
9	1.00		UCC Customer Service Representative III	
-1			UCC Customer Service Representative III (Aux)	
1		1.00	Program Assistant III	Positions added to manage workload.
1		1.00	UCC Customer Service Representative IV	
-1		-1.00	NSP Program Coordinator	Positions eliminated due to grant expiration.
-1		-1.00	Business Services Specialist NSP	
	0.30	-0.30	Environmental Sustainability Director	Positions shifted to operating budget due to grant expiration.
	0.30	-0.30	Environmental Sustainability Program Manager	
	0.50	-0.50	Project Manager Milwaukee Shines	
		-0.50	Graduate Intern	Position not funded due to grant expiration.
	0.80	-0.30	Various Positions	Miscellaneous adjustments.
2	**5.90**	**-2.90**	**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: Ensure and demonstrate consistency and transparency in assessment operations.

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

STRATEGIES: Utilize technology to increase transparency, availability 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 real estate market information.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	42.55	40.55	40.55	40.55	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	56	56	56	56	0	0
EXPENDITURES						
Salaries and Wages	$2,529,821	$2,582,658	$2,652,475	$2,638,980	$56,322	$-13,495
Fringe Benefits	1,253,304	1,218,340	1,287,261	1,271,320	52,980	-15,941
Operating Expenditures	445,266	440,698	399,500	369,400	-71,298	-30,100
Equipment	0	0	0	15,100	15,100	15,100
Special Funds	132,024	156,000	156,000	156,000	0	0
TOTAL	$4,360,415	$4,397,696	$4,495,236	$4,450,800	$53,104	$-44,436
REVENUES						
Charges for Services	$668,149	$500,500	$600,500	$600,500	$100,000	$0
TOTAL	$668,149	$500,500	$600,500	$600,500	$100,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increase investment and economic vitality throughout the city.
   - Generate accurate, consistent, and fair assessments of the city's taxable property.
   - Provide an open, transparent, and responsive assessment process.

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 improved 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. In 2012, foreclosures in the city totaled 1,691, an increase from 128 in 2009. 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 over $100 million of the city's property tax base in 2012, and efforts 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 currently engaged in litigation with several property owners over valuation disputes under Wisconsin State 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. In 2012, over 2,000 hours and 17% of its operating budget was spent on these cases.

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 responsiveness to the public.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Objections to assessments as a percentage of taxable parcels.	1.72%	1.44%	1.50%
Appeals to the Board of Review as a percentage of taxable parcels.	0.41%	0.35%	0.35%
Assessment ratio (assessed value : sale price) for properties sold during the year.	96%	96%	98%

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 10% of sales prices in 2012. As shown in Figure 1, foreclosures of all kinds increased substantially from 2008 to 2012. Increases in foreclosures and non-arms' length transactions from 2008 through 2012 complicated the housing market and the assessment process. The maintenance of a 95.6% 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 59% between the 1999 and 2013 assessment years (see Figure 2). Overall, Assessor FTEs have decreased 12%, with little change in total real estate parcels and levels of appeals in that time. The Assessor has managed to increase parcels per FTE by 16% since 2004 without a demonstrable decrease in accuracy or increase in contested assessments.

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 2012 valuation year, the Assessor's coefficient of dispersion was 9.38.

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 1.02 for the 2012 assessment cycle, indicating a high degree of accuracy and fairness in valuing property.

Figure 1

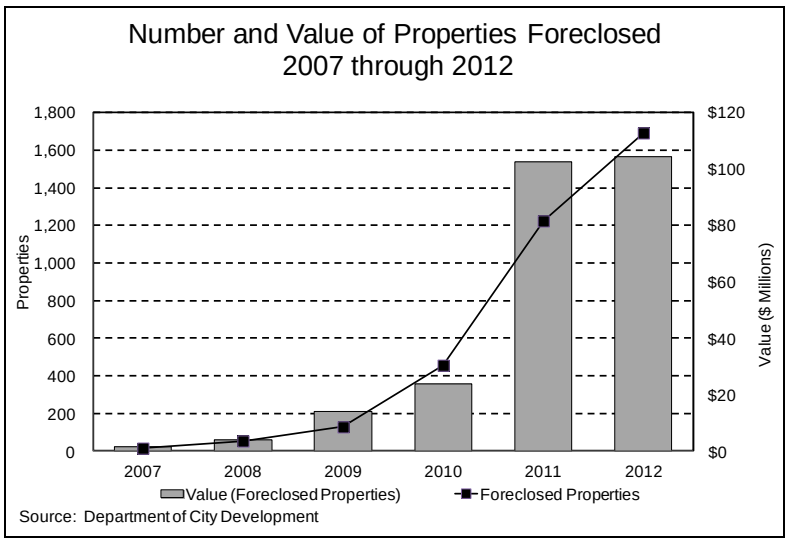
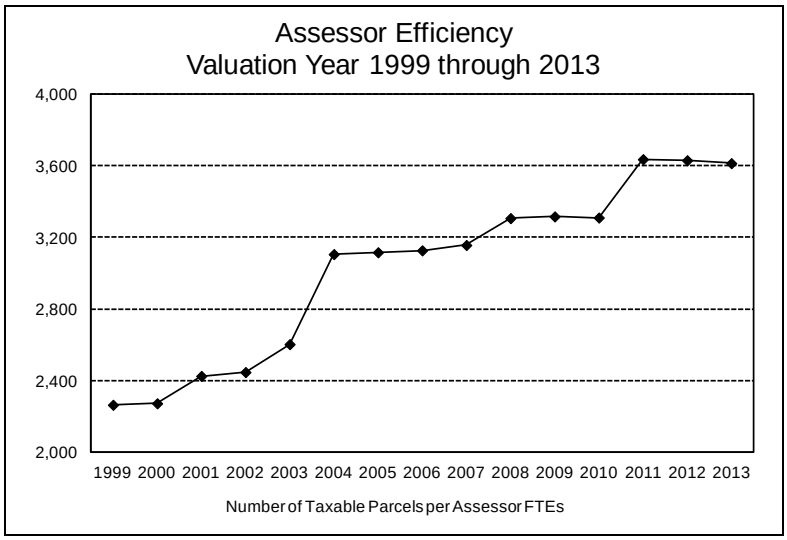


Figure 2



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 8,000 tax exempt properties in 2012 with an estimated exempted value over $5.6 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 increase by 1% from the 2013 budget and decrease by 4% from 2012 actual spending. Net of fringe benefits, the total department budget increases $124 from the 2013 budget.

The 2013 budget included elimination of two service contracts, with work performed under those contracts being absorbed by the Assessor's existing staff. Those savings contribute to operating expenses decreasing 16% from the 2013 budget, and nearly 36% from 2012 actuals.

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. To meet these mandates, the Assessor has reclassified a position and reallocated workloads within the department to focus more on maintenance and upgrades to the valuation system.

In 2014, the Assessor's office will upgrade approximately half of the office's computer workstations, most of which exceed the standard useful life of four years and require access to databases and other systems which are also undergoing upgrades. The Assessor is also exploring implementation of tablet and mobile technology for assessment work in the field and reduction of data entry time by Appraiser staff.

Figure 3

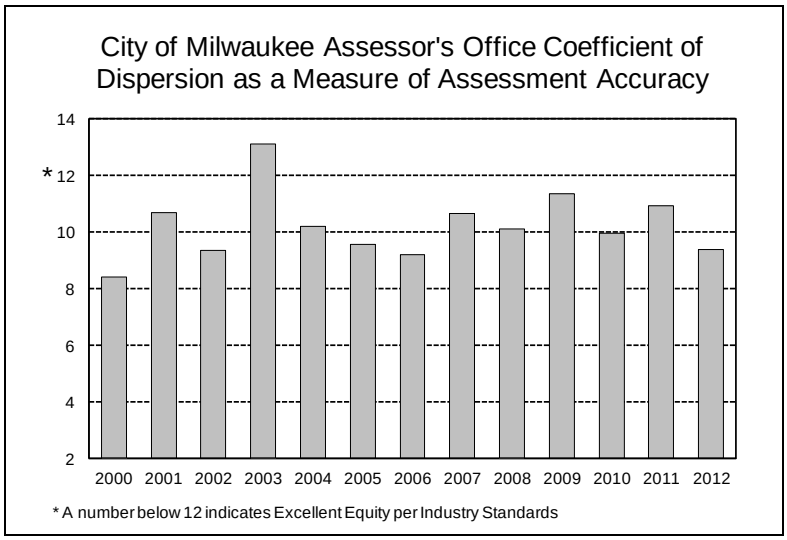
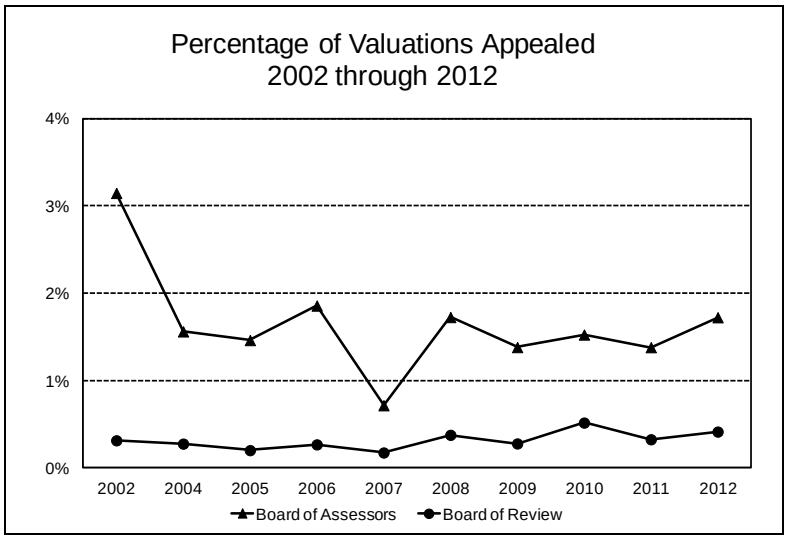


Figure 4



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

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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	55.99	57.00	57.00	57.60	0.60	0.60
FTEs - Other	1.24	2.00	2.00	2.00	0.00	0.00
Total Positions Authorized	63	63	63	63	0	0
EXPENDITURES						
Salaries and Wages	$4,882,935	$4,743,124	$4,735,739	$4,675,739	$-67,385	$-60,000
Fringe Benefits	2,349,402	2,276,700	2,225,671	2,197,597	-79,103	-28,074
Operating Expenditures	398,346	407,400	407,400	398,900	-8,500	-8,500
Equipment	70,865	45,000	40,000	38,500	-6,500	-1,500
Special Funds	0	0	0	0	0	0
TOTAL	$7,701,548	$7,472,224	$7,408,810	$7,310,736	$-161,488	$-98,074
REVENUES						
Charges for Services	$764,038	$826,000	$797,400	$797,400	$-28,600	$0
TOTAL	$764,038	$826,000	$797,400	$797,400	$-28,600	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Improve the city's fiscal capacity.
   - Protect the city's interests in litigation.
   - Manage risk so that liabilities do not disrupt finances.

2. Build safe and healthy neighborhoods.
   - Reduce nuisances that detract from neighborhood quality of life.

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 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

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

RESIZE, RESTRUCTURE, AND REINVEST

Assistant City Attorney Restructuring: The 2014 proposed budget increases Assistant City Attorney staffing by 0.6 FTEs. This reflects increased workload involving the Milwaukee Public Schools and increased prosecution of subrogation cases.

Legal Office Assistant Restructuring: The 2014 proposed budget restructures Legal Office Assistant staffing to accurately reflect the actual work performed by these staff.

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 2014 proposed budget provides $1,225,000 for the Damages and Claims Fund for anticipated liability exposure. The Collection Contract Fund is funded at $885,000. Policy premiums of $429,689 are required for the Local Government Insurance Fund. The Outside Counsel/Expert Witness Fund maintains funding of $430,000 to prepare for upcoming lawsuits.

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		Assistant City Attorney III	Restructuring of Assistant City Attorney staff.
-2	-1.20		Assistant City Attorney III	
1	0.80		Assistant City Attorney III	
1	1.00		Legal Office Assistant IV	Restructuring Legal Office Assistant staff to better reflect actual duties performed.
4	4.00		Legal Office Assistant III	
-5	-5.00		Legal Office Assistant II	
0	**0.60**	**0.00**	**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 half of 1% or more annually.

Increase total employment and develop quality employment in the city.

Support stable and high quality housing and commercial developments throughout the city.

Increase total sales, rehabilitation efforts, and redevelopment of city owned real estate.

Increase commerce and neighborhood vitality in the city.

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

Improve regional marketing of commercial real estate opportunities.

Identify 20 acres each year 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.

Promote the city as a place to do business, raise families, and enjoy a high quality of life.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	41.35	27.15	30.40	34.40	7.25	4.00
FTEs - Other	88.65	82.85	69.60	68.60	-14.25	-1.00
Total Positions Authorized	163	142	131	134	-8	3
EXPENDITURES						
Salaries and Wages	$2,711,969	$1,948,233	$2,111,836	$2,267,250	$319,017	$155,414
Fringe Benefits	1,339,906	935,152	992,563	1,065,608	130,456	73,045
Operating Expenditures	281,566	138,950	138,950	138,950	0	0
Equipment	8,707	0	0	0	0	0
Special Funds	144,585	75,000	75,000	125,000	50,000	50,000
TOTAL	$4,486,733	$3,097,335	$3,318,349	$3,596,808	$499,473	$278,459
REVENUES						
Charges for Services	$469,066	$15,100	$10,100	$10,100	$-5,000	$0
Licenses and Permits	700,393	50,000	50,000	50,000	0	0
Miscellaneous	320,618	381,000	353,000	353,000	-28,000	0
TOTAL	$1,490,077	$446,100	$413,100	$413,100	$-33,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Build safe and healthy neighborhoods.
   - Reallocate significant resources to eliminating the impact of tax foreclosed property.
   - Continue support for neighborhood business through BID programs.
   - Administer and fund 4th of July festivities, Arts Board, and other cultural initiatives.

2. Increase investment and economic vitality throughout the city.
   - Invest strategically in housing and business development through targeted programs.
   - Leverage private and other investment to match city commitments.
   - Utilize Tax Increment Financing as a development tool throughout the city.
   - Provide commercial streetscape.

3. Improve workforce development and connect more citizens to family supporting jobs.
   - Assist employers locating in Milwaukee and fund redevelopment of commercial and industrial sites.
   - Promote the city as a place to do business through the M7 and other strategic partnerships

4. Help children succeed, prepare for post-secondary education, and meet their full potential.
   - Continue to place large numbers of Milwaukee teens in the Earn & Learn Summer Youth Employment program, as well as job and internship opportunities.

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.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Net new construction (% of Equalized Value).	0.8%	1.2%	1.2%
Sales, transfers, and dispositions of tax foreclosed property as a share of inventory.	250	250	350
Percentage increase in value of property for closing Tax Increment Districts.	308%	835%	28%

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.

Mayor Barrett's Strong Neighborhood Investment Program: The City of Milwaukee is undertaking a major citywide effort to reduce the number and mitigate the impacts of tax foreclosed properties. The city's tax enforcement process takes up to three years until foreclosure is filed, which allows property owners the maximum opportunity to settle delinquent taxes and keep their property. The city's inventory of foreclosed properties increased by a factor of ten from 2008 to 2012, to roughly 1,100 properties.

The 2014 proposed budget marks the first year of a three year citywide effort to address all sides of the tax foreclosure issue and stabilize the city's neighborhoods. The 2014 proposed budget includes $11.7 million, including $7.6 million in new funding, for:

- **Prevention ($425,000):** Code violations can generate fees, which eventually transfer to the tax bill, sometimes doubling the total tax bill for low and fixed income homeowners and leading to tax foreclosure. To prevent these properties from becoming tax foreclosures, programs administered through DCD and the Department of Neighborhood Services (DNS) aimed at helping owners with critical code and safety repairs will continue with increased funding. The Administration will pursue State legislation in the upcoming session requiring deed recordation as well as clarifying the responsibility of foreclosing lenders and the foreclosure process. A working group of city staff, including the Treasurer and City Attorney, to deal proactively with the tax foreclosure issue will also be established.
- **Mitigation ($8.4 million):** Many properties coming into city possession after long term vacancy require demolition to prevent safety hazards and criminal activity from undermining the blocks they sit on. The city anticipates demolishing 300 properties in 2014. Of the 300 demolitions, 100 will be done by the Department of Public Works (DPW) using newly provided staffing and equipment.
- **Revitalization ($2.4 million):** The long term emphasis of the Administration's plan is preserving the value of property in the city. Major rehabilitation and renovation efforts, and the Council supported lease-to-own program for occupants of tax foreclosed rental properties, will help buyers of city owned properties bring them into code compliance and take care of major repairs. The city is increasing its management and rehab staffing, and partnering with community organizations and realtors to market properties, both for traditional sales and innovative development strategies.

- **Renewal ($490,000):** DCD will take the lead on establishing plans for innovative infill and reuse of city vacant lots, including beautification and post demolition development. The city is also exploring partnerships with community organizations to sell tax foreclosures to qualified and capable buyers.

These programs will result in 300 blighted or unsafe homes being demolished and a total estimated sales volume of 350 homes. As the Strong Neighborhoods Investment Program progresses and demolition backlogs are eliminated, more funding will be dedicated to rehab and stabilization efforts. The city will work on a concentrated basis to not only remove blighted properties and care for city owned properties, but to rehab and redevelop blocks and neighborhoods in a unified approach, maximizing the benefit to neighbors and neighborhoods.

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. The opening of J.H. Ahern's facility and the Hank Aaron Trail and Three Bridges Park in the Menomonee Valley are two highlights of Valley redevelopment in 2013. Recently, growing city business Rishi Tea has announced its intention to relocate to the Valley.

30th Street Industrial Corridor: The city, RACM, and partners continue to work on site

Small Businesses: The main employers in any community are existing small businesses. In 2014, DCD will continue support for BID and façade grant programs at 2013 levels as a complement to the focus on *in rem* properties. This assistance comes from the various funds and programs under DCD's control, including façade grants, loan programs, and other grants.

Through TIDs and these small business programs, DCD reported the following accomplishments in 2012:

- Jobs created and retained: 2,447
- New housing constructed: 687
- Investment leveraged: $184 million
- Foreclosed properties sold, generated $1.4 million in expected investment

In 2014, 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 Street 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 2012, DCD and MAWIB placed 2,634 youth in city, private sector, and non-profit internships.

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 2014 budget to align resources to meet challenges and generate the most value possible for Milwaukee residents and businesses.

Through 2012, approximately three full time staff worked on the city's combined property inventory, and in 2012 the city spent $1.8 million on the management and marketing of city properties. In 2013, through the adopted budget, CDBG reprogramming, and several Council resolutions, the Mayor and Council added 4.0 FTEs and an additional $1.6 million for tax foreclosed properties. The 2014 proposed budget allocates $7.6 million in new

funding and adds as the first stage in a three year plan aimed at reducing city inventory and preserving the city's property value. The total 2014 city commitment for tax foreclosed property is $11.7 million, and 25.65 FTEs.

Most of this funding comes from tax levy supported sources, including the operating budget and levy supported debt in the city capital budget. Excess revenues from Tax Increment Districts, $1.6 million in 2014, will offset some of the additional tax levy cost. In 2015 and 2016, more of the revitalization and transformation work on tax foreclosures will be funded by actual tax increments under a provision in State law allowing TID increments to be used for affordable housing, reducing the direct burden on the tax levy and aligning a significant amount of short term resources to a focused effort to reduce tax foreclosures and get city owned homes back on the tax roll.

The restructuring associated with DCD's work on tax foreclosures is minimal, due to the staffing and programs in place related to the Neighborhood Stabilization Program (NSP). The various initiatives undertaken by the city and its partners for NSP leveraged $27 million in Federal funding to generate $130 million in additional investment, all focused on reducing the impact of bank foreclosures from 2009 through 2012.

The NSP program was phased out but the staffing and program structures are already in place to do very similar work with city owned properties. Positions and staff supporting NSP work have already been redirected to work on tax foreclosed properties. A major advantage of using city funds for this work is that, unlike Federal funds, city funds can be used in any area of the city, and allow for a wider range of targeted investment.

In 2014, four positions from the Redevelopment Authority of the City of Milwaukee will move to the city's budget, reflecting changes in the Redevelopment Authority's workload and the city related duties of these positions.

CAPITAL PROJECTS

Advanced Planning Fund ($150,000): Funding supports land use, engineering, marketing and economic studies related to economic and real estate development activities.

Neighborhood Commercial District Street Improvement Fund ($400,000): 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 2014 proposed budget provides the following TID borrowing authority:

- **New Borrowing for Potential New TIDs ($15 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.
- **Developer Revenues ($3.5 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.

Façade Program ($250,000): This funding supports façade improvement grants to businesses throughout the city aimed at keeping neighborhood commercial corridors viable. City funding is leveraged 3:1 via contributions from property owners and BIDs to fund commercial corridor façade improvements.

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

Housing Infrastructure Preservation Fund ($300,000): 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 potential for resale and renovation, and will reduce negative impacts of such properties on neighborhoods.

In Rem Property Maintenance ($1,900,000): This funding supports code compliance, rehabilitation, and other work done on tax foreclosed properties owned by the city in order to make them livable and marketable. The 2014 proposed budget includes $300,000 for rehabilitation and repair of properties in the city's lease-to-own program and $1.6 million to fund rehab loans for buyers of city owned properties as well as innovative rehab purchase programs with community partners.

Vacant Lot Beautification ($200,000): This new program as part of the Strong Neighborhoods Investment Program will fund work by city staff and neighborhood groups to creatively and constructively reuse and beautify city owned vacant lots.

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	Real Estate Coordinator	Two positions added (Real Estate Coordinator and Program Assistant II) and reallocate funding and authority for former NSP positions to support Mayor Barrett's Strong Neighborhood Investment Program.
1	1.00		Program Assistant II	
-1		-1.00	Community Outreach Liaison	
1	1.00		Community Outreach Liaison	
-1		-1.00	Accountant I	
1	1.00		Accountant I	
1	1.00		Housing Rehab Specialist	
-2		-1.00	Housing Rehab Specialist	
1	1.00	-1.00	Housing Program Specialist	
	-0.10	0.10	Housing Rehab Specialist	Reduced NSP funded positions to match the program's phase out.
-1		-0.50	Housing Program Specialist	
-1		-0.50	Office Assistant IV	
1	1.00		Accounting Specialist DCD	Positions moved from RACM to city funding and authorization to match duties and workload.
1		1.00	Grant Budget Analyst	
1	0.50	0.50	Procurement and Compliance Manager	
1	0.55	0.45	Resource and Administration Manager	
	0.30	-0.30	Community Outreach Liaison	Reallocate funding from grant to O&M.
-1	-0.75	-0.25	Accounting Manager City Development	Reclassification.
1	0.75	0.25	Accounting Manager Senior	
-1		-1.00	Network Coordinator Senior	Transferred to DOA ITMD.
-11		-11.00	Various HACM Positions	Reduce positions and FTEs due to annual attrition of city funded HACM positions.
-8	**7.25**	**-14.25**	**Totals**	

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

The Housing Authority of the City of Milwaukee (HACM) 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

The Redevelopment Authority of the City of Milwaukee (RACM) 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

The Milwaukee Economic Development Corporation (MEDC) 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

The Neighborhood Improvement Development Corporation (NIDC) 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 and improve customer service with the use of Internet transactions.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	92.40	90.90	91.90	90.90	0.00	-1.00
FTEs - Other	3.00	2.00	1.00	1.00	-1.00	0.00
Total Positions Authorized	112	111	111	111	0	0
EXPENDITURES						
Salaries and Wages	$5,036,519	$4,929,893	$4,937,875	$4,945,161	$15,268	$7,286
Fringe Benefits	2,373,273	2,366,349	2,378,078	2,381,542	15,193	3,464
Operating Expenditures	625,192	880,100	911,600	852,600	-27,500	-59,000
Equipment	28,285	29,200	45,750	37,650	8,450	-8,100
Special Funds	86,648	38,435	37,035	37,035	-1,400	0
TOTAL	$8,149,917	$8,243,977	$8,310,338	$8,253,988	$10,011	$-56,350
REVENUES						
Charges for Services	$5,342,178	$5,457,900	$5,460,000	$5,460,000	$2,100	$0
Licenses and Permits	4,509,315	4,124,100	4,423,000	4,423,000	298,900	0
TOTAL	$9,851,493	$9,582,000	$9,883,000	$9,883,000	$301,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

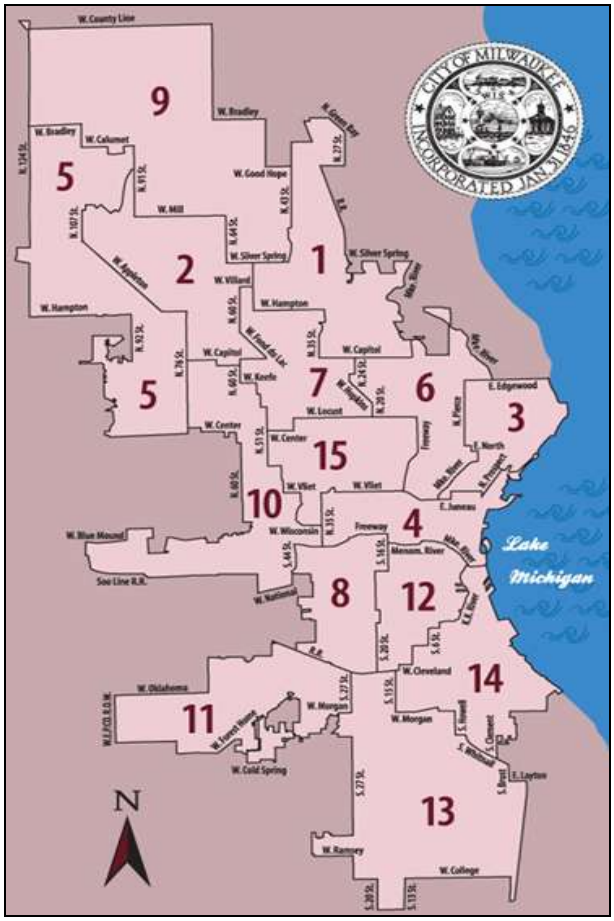
Community Goals and Department Objectives:

1. Enhance the safety, prosperity and quality of life of Milwaukee's citizens.
   - Utilize legislation, regulations, and the annual budget to support this goal.

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.

Map 1



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:

- Central Administration Division,
- Public Information Division,
- Legislative Reference Bureau, and
- 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.

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 2014 proposed operating budget totals $8.2 million, a 0.2% decrease from the 2013 budget. The salary of one position was adjusted downward to reflect actual workload.

City Channel Digital Conversion: The 2014 capital budget includes $175,000 for Phase 1 of the City Channel Digital Conversion Project to upgrade the Master Control Area for the city's public broadcasting platform to a digital format. The current analog system is outdated and could soon become incompatible with the systems used by the entities that carry the city's programming. Replacement of outdated analog equipment will become prohibitively expensive and difficult to find over the next few years as manufacturers stop making new replacement parts. Work on this project will take place in August while the Council is on recess in order to minimize impact on service delivery.

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		Research and Analysis Manager	Position no longer funded in anticipation of LRB reorganization.
	0.35	-0.35	Graphic Designer II	Elimination of Me2 grant funding.
	-1.00		Accounting Assistant II	Reorganization of administrative and staffing functions.
	-1.00		Council Information Specialist	
	1.00		Program Assistant I	
	1.00		Staff Assistant	
	0.65	-0.65	Various Positions	Miscellaneous adjustments.
0	**0.00**	**-1.00**	**Totals**	

COMPTROLLER

EXECUTIVE SUMMARY

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

OBJECTIVES: Provide essential financial services, continuously improve business processes, and guide decisions to the city's lasting financial strengths.

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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	45.98	49.16	49.16	49.84	0.68	0.68
FTEs - Other	7.01	9.34	9.34	8.66	-0.68	-0.68
Total Positions Authorized	67	67	67	67	0	0
EXPENDITURES						
Salaries and Wages	$3,088,554	$3,260,564	$3,311,886	$3,277,906	$17,342	$-33,980
Fringe Benefits	1,544,277	1,565,071	1,557,056	1,540,606	-24,465	-16,450
Operating Expenditures	300,220	360,900	360,900	340,900	-20,000	-20,000
Equipment	14,942	15,000	55,000	25,000	10,000	-30,000
Special Funds	0	0	0	0	0	0
TOTAL	$4,947,993	$5,201,535	$5,284,842	$5,184,412	$-17,123	$-100,430
REVENUES						
Charges for Services	$507,255	$430,000	$480,000	$480,000	$50,000	$0
TOTAL	$507,255	$430,000	$480,000	$480,000	$50,000	$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.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Percentage of actual revenues to revenue estimate.	102.6%	100% - 102%	100% - 102%
Internal audit work products.	16	N/A	14
Unqualified audit opinion by the city's independent auditor.	Yes	Yes	Yes
Bond rating (Standard & Poor's).	AA	AA	AA
Bond rating (Moody's).	Aa2	Aa2	Aa2

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 2012, General Fund revenues exceeded the Comptroller's estimate by $12.3 million or 2.6%. This additional revenue contributes to the TSF balance for 2014 proposed 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 and manageable capital needs. 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.

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
	0.68	-0.68	Various Positions	Reduced Community Development Block Grant funding.
0	**0.68**	**-0.68**	**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 Spring and Fall primary and general elections in 2014.

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

Ensure compliance with Wisconsin State law, including recently enacted or proposed changes.

Increase the availability of trained and competent election workers.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	27.08	8.81	42.32	38.64	29.83	-3.68
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	2,156	829	2,389	2,389	1,560	0
EXPENDITURES						
Salaries and Wages	$2,256,464	$870,867	$2,037,338	$1,864,184	$993,317	$-173,154
Fringe Benefits	549,418	185,412	181,011	181,011	-4,401	0
Operating Expenditures	1,246,406	315,400	658,000	631,000	315,600	-27,000
Equipment	0	0	0	0	0	0
TOTAL	$4,052,288	$1,371,679	$2,876,349	$2,676,195	$1,304,516	$-200,154

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Ensure access to fair and transparent elections.
   - Facilitate voter registration, provide accessible and efficient voting sites, and effectively address voter's complaints.
   - Process timely and accurate election results to the public and election overnight agencies.

The Election Commission manages all aspects of public elections in the City of Milwaukee. The Commission registers eligible voters and operates approximately 193 polling locations which are staffed by between 1,200 and 2,500 (depending on anticipated voter turnout) election workers. The Commission also provides the necessary documents, supplies, and ballots to each voting site on election days and oversees all aspects of absentee voting, including in-person absentee, absentee by mail, military and overseas absentee voters. The Commission 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.

There are four elections scheduled in 2014: the Spring Primary and Spring General Election, Fall Primary and Fall General Election. The Spring election cycle is limited to county and State judicial offices, while the Fall election cycle includes the Governor, State Representatives, several State Senate seats and other State offices.

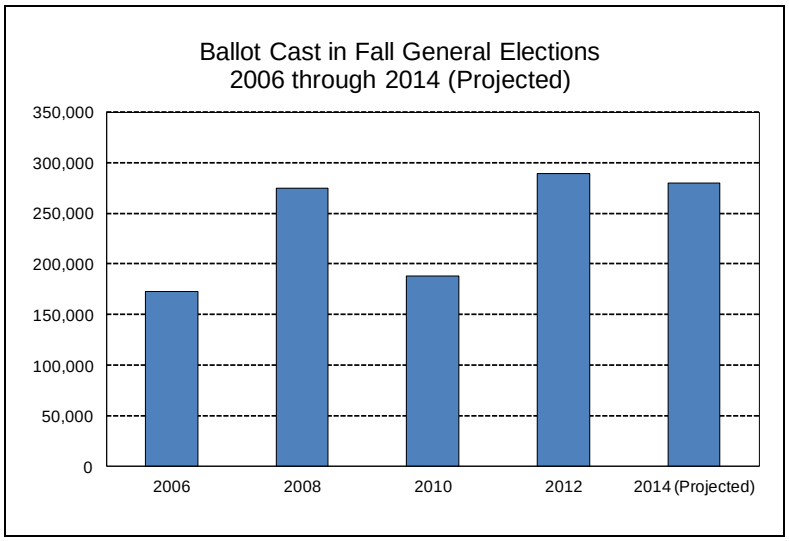
Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Enter 100% of voter registrations in a prompt and timely manner.	100%	100%	100%
Mail all absentee ballot requests within 72 hours of receipt.	85%	100%	100%
Maintain an average wait time at voting sites of less than 15 minutes.	20 minutes	5 minutes	15 minutes
Elections programming occurs with 100% accuracy.	100%	100%	100%
Election results are reviewed with 100% accuracy prior to the State's official canvass.	100%	100%	100%

STRATEGY IMPLEMENTATION

Historically, the Election Commission has successfully recruited and retained an outstanding pool of poll workers to assist with elections. In 2014, the Commission will evaluate and retool election worker training, assignment and staffing to ensure sufficient staff and voting site efficiencies at every site for each election. Milwaukee's 193 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.

Figure 1



In addition to staffing needs, the City of Milwaukee is subject to the Section 203 bilingual election worker and materials requirement of the Voting Rights Act. These requirements were met with success in 2013 and in 2014 will include additional recruitment and retention efforts for bilingual election workers. The department's workload will be comparable to the 2008 election, with voter turnout projected at 280,000 voters for the Fall election (see Figure 1). Higher expected turnout, and increased accountability for all election process, creates the need for more resources in 2014.

The Election Commission will also evaluate voter registration efforts, including the Special Registration Deputy program and institutionalizing voter registration for students turning 18 in Milwaukee Public Schools.

Milwaukee maintains a model of neighborhood based voting to encourage accessible elections for city residents. With the completion of the recent redistricting, the Commission will use data gathered from voters and from community members regarding the location and appropriateness of voting sites and will facilitate adjustments where necessary.

Numerous changes are proposed or have been made to the Wisconsin statutes that govern election administration. The Commission will integrate these changes into election worker training curriculum so that election workers are equipped to effectively and efficiently operate voting sites on Election Day.

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
-17	6.62		Temporary Office Assistant II	Change in temporary staffing based on estimated 2014 election workload.
3	2.17		Temporary Election Laborer	
1,574	21.04		Election Inspector	
1,560	**29.83**	**0.00**	**Totals**	

DEPARTMENT OF EMPLOYEE RELATIONS

EXECUTIVE SUMMARY

MISSION: Develop and deliver innovative human resource policies, programs, and services designed to support the city's mission by recruiting, developing, and retaining a high performing and diverse work while delivering quality customer service.

OBJECTIVES: Establish and administer organizational framework to effectively 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 to fill departmental vacancies.

Establish programs and services to control the growth rate in health care costs while maintaining employee accountability and responsibility for care.

Establish and monitor risk management and safety programs to ensure safe and productive workplaces and control associated expenditures.

STRATEGIES: Ensure all recruitment and testing activities comply with applicable regulations and work with city departments to refer a diverse and qualified pool of candidates to fill vacancies in a timely manner.

Oversee and promote the establishment of harmonious and cooperative working relationships between departments, their employees and employee representatives.

Monitor the effectiveness of switching from an insured HMO plan to a self-funded model and continue to explore additional cost reduction opportunities regarding health care benefits and health care delivery systems.

Enhance risk management and safety programs to ensure that policies, practices, and decisions at operating department level are consistent with the goal of minimizing injuries in the workplace, increasing management's accountability for employee safety and controlling associated costs.

Implement the Management Trainee program as a means to attract entry level talent to city government.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	45.00	46.90	47.67	47.67	0.77	0.00
FTEs - Other	8.60	8.60	5.71	5.71	-2.89	0.00
Total Positions Authorized	73	76	78	78	2	0
EXPENDITURES						
Salaries and Wages	$2,656,795	$2,712,982	$2,812,667	$2,805,667	$92,685	$-7,000
Fringe Benefits	1,300,624	1,302,231	1,321,953	1,318,663	16,432	-3,290
Operating Expenditures	423,187	388,500	390,000	387,000	-1,500	-3,000
Equipment	53,085	20,000	20,000	20,000	0	0
Special Funds	66,814	69,000	82,000	82,000	13,000	0
TOTAL	$4,500,505	$4,492,713	$4,626,620	$4,613,330	$120,617	$-13,290
REVENUES						
Charges for Services	$160,816	$182,000	$169,000	$169,000	$-13,000	$0
Miscellaneous	363,678	279,400	351,900	351,900	72,500	0
TOTAL	$524,494	$461,400	$520,900	$520,900	$59,500	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Develop and deliver innovative human resource policies, programs, and services designed to support the city's mission by recruiting, developing, and retaining a high performing and diverse work while delivering quality customer service.
   - Establish and administer organizational framework to effectively 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 to fill departmental vacancies.
   - Establish programs and services to control the growth rate in health care costs while maintaining employee accountability and responsibility for care.
   - Establish and monitor risk management and safety programs to ensure safe and productive workplaces and control associated expenditures.

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 and Labor Relations;
- Compensation and Employee Benefits;
- Recruitment and Selection; 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.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Turnaround time between notification of position vacancy and establishment of eligible list.	157 days	121 days	90 days
Percentage of candidates referred who are minorities.	43%	45%	40%
Percentage of candidates referred who are women.	58%	62%	65%
Health care cost per contract.	$11,037	TBD	$12,141

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 2012, DER processed 8,553 applications, conducted 141 exam sessions and approved over 1,689 individuals for hiring eligible lists.

In 2014, DER anticipates going live with the new web based Recruiting and Applicant Tracking Management System that will automate and streamline the full hiring life cycle including online requisition and referrals, online job postings and applicant tracking, examination planning and scoring, e-mail and paper notices, and state of the art reporting. The implementation of this system will enhance the Staffing Division's ability to more effectively and efficiently work with departments to fill vacancies by:

- Increasing access to online candidate information and credentials,
- Automating the requisition, certification, and referral processes, and
- Working with departments to prepare recruitment and job analyses information in advance of a vacancy.

Compensation and Pay Practices: In 2014, DER will continue to work with departments and employee groups in the development and implementation of skill based or competency based pay delivery models similar to those implemented for inspectors in the Department of Neighborhood Services, mechanics in the Department of Public Works, license support personnel in the City Clerk's Office. These pay delivery systems are anticipated to replace former pay progression policies that were based on time in grade considerations. Expansion of those systems will create the opportunity to recognize and reward employees for the acquisition and application of skills and job related credentials and for meeting performance standards. In addition, the Compensation Division will work on developing recommendations to address pay compression and recruitment challenges stemming from wage freezes over the last several years. Recommendations are anticipated to establish greater flexibility to address recruitment and retention difficulties.

DER will work with the Budget and Management Division to ensure that recommendations are financially viable and sustainable.

Management Trainee Program: In 2013, a new Management Trainee program was created to attract new managerial talent to the city and to enhance succession planning initiatives. The program allows the city to recruit and hire trainees for up to two years in various assignments until permanent placement opportunities are available in city departments. The purpose is to encourage college graduates to remain in or migrate to Milwaukee after graduation and apply their professional skills locally.

A recruitment and selection process was implemented to screen and test over 208 applications received by DER. Management Trainee assignments were selected to support foreclosure related initiatives in the Department of Neighborhood Services, the city's HOME GR/OWN initiative, and to provide support to the Chair of the Common Council's Finance and Personnel Committee. The 2014 proposed budget includes two additional Management Trainee positions that will be funded with carryover funds from 2013 to 2014.

Succession Planning: In 2013, DER created a succession planning model for the Comptroller's Office. The Comptroller's Office was selected for this pilot program because of the number of critical positions where turnover is expected in the upcoming years and because of the required professional level competencies assumed for many of the positions. The Succession Plan includes the identification of key positions and competencies requires for successful performance as well as rating scales associated with each competency. The Plan also includes eligibility criteria for participation as well as defined roles and responsibilities for participants and for mentors. In 2014, DER anticipates sharing the Succession Plan with other city departments and customizing the Plan to meet their specific needs.

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 creation of employee handbooks and departmental work rules post-Act 10 have resulted in increased reliance by employees and employee representatives on DER staff to clarify, interpret, and enforce certain terms and conditions of employment. DER's Compliance Office has seen an increased in the number of calls and inquiries regarding workplace issues that were formerly handled by labor groups and subject to grievance procedures. In 2014, DER anticipates this trend to continue and internal resources will be deployed to ensure appropriate staffing levels based on demand.

Health Care: In 2014, DER will continue to assess the impact of shifting from an insured HMO to a fully self-funded health care plan. DER will review and analyze two full years of utilization data with 12% employee premium share and higher deductibles and co-insurance payments. DER will also continue its efforts with the Wellness Your Choice Milwaukee program and has seen promising results after completion of the first three years of the program. Tobacco use declined by 24% which translates to $1.25 million in avoided health care costs and the number of members with normal blood pressure increased and the number with elevated blood pressure decreased. There are still areas that need improvement and the city will focus additional efforts to target problematic areas such as pre-diabetes and healthy weight management in 2014 through Phase II of the Wellness program.

The second phase of the wellness initiative called "Healthy Rewards" will complement the city's wellness initiative by adding an outcome based wellness incentive program. This voluntary "Healthy Rewards" program will provide employees and spouses (members) with an opportunity to earn $150 for reaching certain biometric and activity related goals. To be eligible to participate in the "Healthy Rewards" program and earn the $150 incentive, members will need to complete the initial three step health assessment process. Members are eligible for the "Healthy Rewards" program whether or not they enroll in the city's health insurance program. Since participation is voluntary, members who choose not to participate will not be subject to any additional fees.

Worker's Compensation: In 2014, DER will continue to improve the overall effectiveness of the Workers' Compensation Risk Management program implemented in 2009. This program has resulted in significant reductions in the number of claims, recordable cases, incidence rate, and lost work days. The main focus of the 2014 initiatives will be to increase accountability for safety at the supervisory level for injury prevention and hazard identification and create a stronger link between claims management and the identification of hazards related to policies, practices, skills sets, to better identify problem areas and implement solutions.

RESIZE, RESTRUCTURE, AND REINVEST

Beginning in 2014, DER is changing the percentage the city pays for the higher cost PPO/Choice Plus Health Care Plan. The city will pay the same dollar amount for the PPO/Choice Plus Plan as it does for the lower cost EPO Plan, instead of paying 88% of the total cost. This will shift some costs for the higher cost plan from the city to the employee.

In 2014, salary funding for the Employee Assistance Program will be shifted from a reimbursable source to an O&M source but funded through the health care account. This was done to reduce administrative burden in charging the salary, but will remain not have a net levy impact.

DER will implement a new phase of the Wellness program in 2014 which will serve to incentivize improvements made by employees in measurable health indicators. The goal of this initiative is to encourage employees to adopt behaviors that help prevent illnesses like diabetes that drive a large portion of the city's health care costs.

In 2014, the Department of Employee Relations will increase investment in recruiting and fostering managerial talent by adding two additional Management Trainee positions to supplement the three already approved in the 2013 budget. These positions will serve to meet current needs in city departments while training these individuals to fill managerial roles as positions become available.

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
	0.85	-0.85	Employee Assistance Coordinator	Funding shifted from reimbursable to O&M, funded through health care account with no tax levy impact.
		-2.04	Auxiliary Resource Positions	Reconfiguration of Auxiliary resource positions.
2			Equal Rights Commissioners	Changed to reflect number specified in City Code of Ordinances.
	-0.08		Various Positions	Miscellaneous adjustments.
2	**0.77**	**-2.89**	**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 Fire and Police 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 promote opportunities for citizen interaction with the Fire and Police Commission.

Promote diverse public service departments.

Increase community awareness of the Office of Emergency Management and Homeland Security mission.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	11.60	12.60	12.60	12.60	0.00	0.00
FTEs - Other	1.80	1.80	0.80	0.80	-1.00	0.00
Total Positions Authorized	21	22	21	21	-1	0
EXPENDITURES						
Salaries and Wages	$702,953	$787,614	$753,232	$753,232	$-34,382	$0
Fringe Benefits	336,395	378,055	354,019	354,019	-24,036	0
Operating Expenditures	252,695	151,415	318,459	269,868	118,453	-48,591
Equipment	3,661	2,900	2,900	2,900	0	0
Special Funds	83,413	72,600	155,000	155,000	82,400	0
TOTAL	$1,379,117	$1,392,584	$1,583,610	$1,535,019	$142,435	$-48,591

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Build safe and healthy neighborhoods.
   - Ensure 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 Fire and Police departments.
   - Prevent, respond to and recover from major disruptive events.

One of the city's goals is to build safe and healthy neighborhoods. The Fire and Police departments are key to supporting this goal. The Fire and Police Commission (FPC) provides oversight to these departments and supports their operations. This ensures 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.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Average time to resolve formal complaints.	45 days	25 days	25 days
Average time to resolve disciplinary appeals.	120 days	120 days	120 days
Number of outreach events and community contacts.	142	229	229

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).

Since 2009, the Commission partnered with the University of Wisconsin Milwaukee to conduct an analysis of the Milwaukee Police Department's (MPD) use of force incidents. This analysis is ongoing and the data and report conclusions have served as a foundation for policy and training improvement. The Commission also issues an annual report on the use of force incidents involving firearm discharges and vehicle pursuits. The data from this report and previous reports will be used for future analysis of MPD policies, procedures and training. The Commission provides periodic summaries of officer involved shootings and an evaluation of taser deployment and usage by the MPD. The Commission also provides a scene response, independent investigation, and public report on all officer involved shootings and in-custody death incidents.

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, fax, e-mail, the Commission's website, and 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 can refer them to the citizen board or Police Department for disciplinary action when rule violations are identified.

The citizen complaint process has four goals:

- Increase transparency and community confidence in the complaint process.

Figure 1

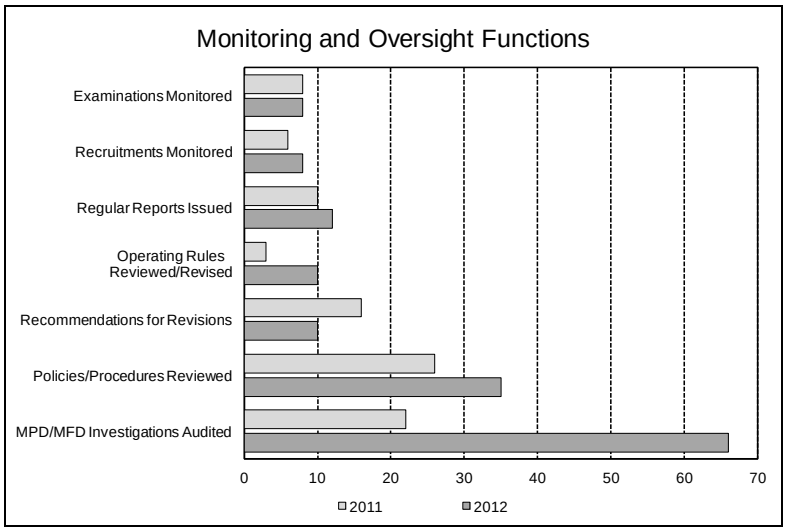


Figure 2

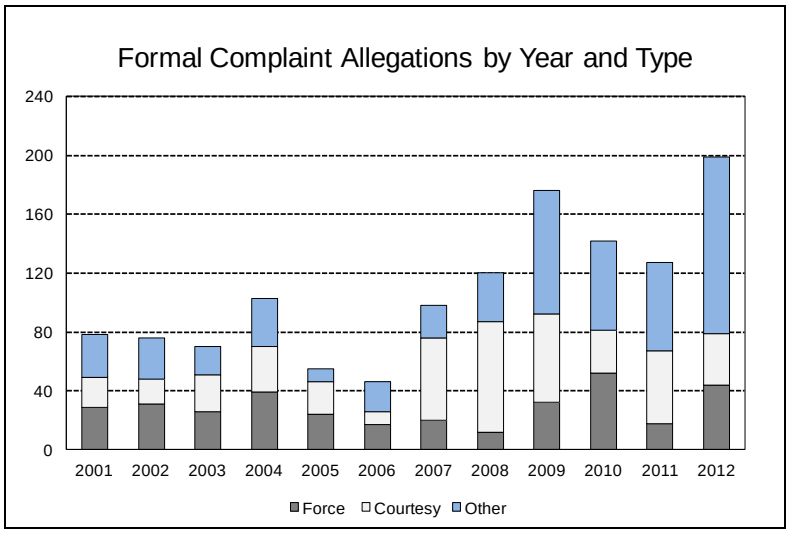
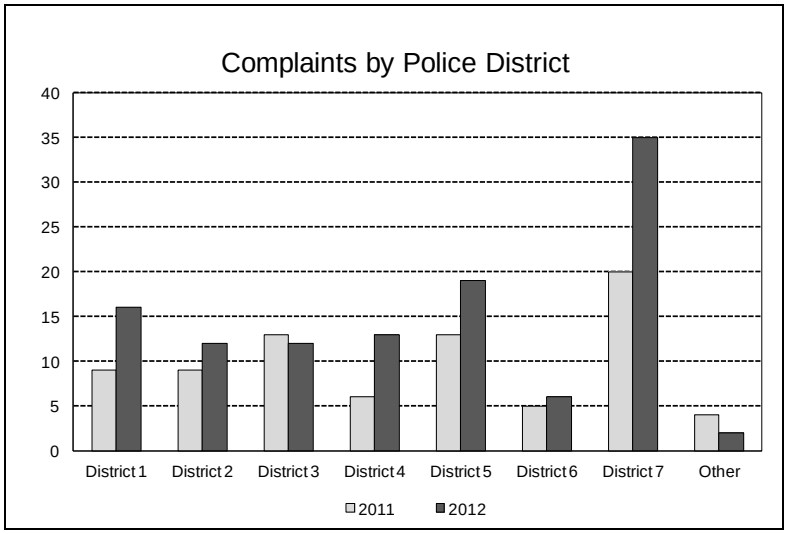
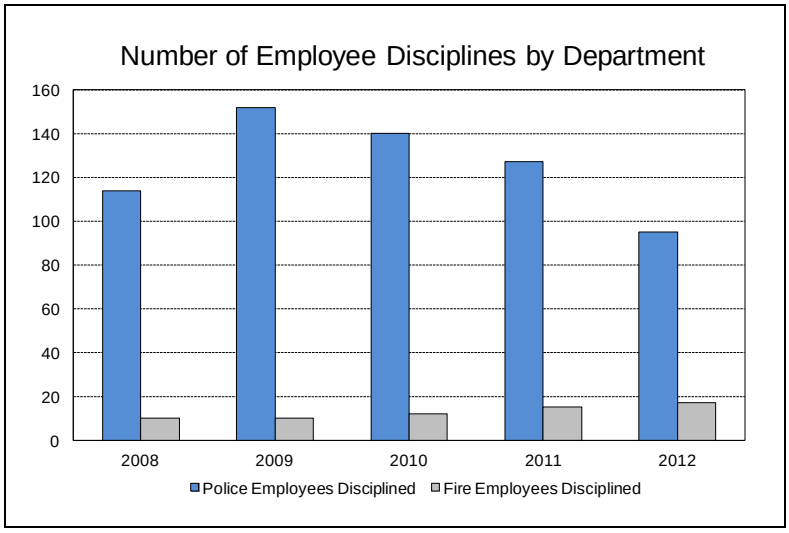


Figure 3



- 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 Fire and Police departments.
- Monitor and audit complaints and discipline investigations conducted by the Fire and Police departments to ensure a fair and thorough process.

Figure 4



The current complaint process has significantly shortened the time needed to resolve a complaint from an average of 270 days in 2008 to 45 days in 2012. 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 uses 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.

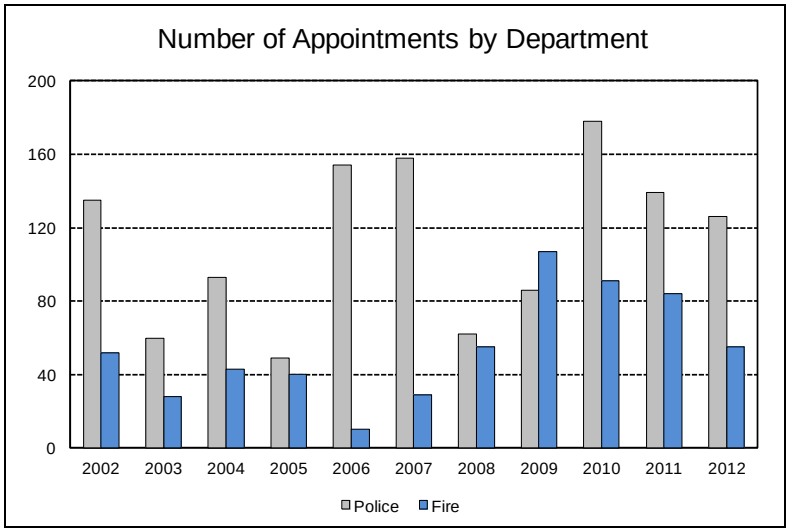
Disciplinary Appeals: Members of the Fire and Police departments may appeal to the Commission if they believe they have been unfairly dismissed, demoted, or suspended for more than five days by their department Chief. Disciplinary appeals are decided by the Board, who may elect to sustain, modify, or 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 2013, the Commission hired a new Community Relations Manager and will build 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 working to improve response rates on periodic citizen surveys of complainants.

Recruitment and Testing: The Commission has a longstanding commitment to ensure the public safety workforce is representative of the Milwaukee community. In 2012 the Commission created a new position of Fire Cadet, with a primary purpose of preparing young adults to begin a career in fire fighting. In addition to Chief selection, since 2011 the Commission has 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.

Figure 5



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 2013 the FPC completed testing 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. In 2013, the Commission will complete this job analysis for Police Telecommunicator, Police Dispatcher, Fire Equipment Dispatcher, Police Sergeant, Police Lieutenant, Police Detective, Fire Lieutenant and Fire Captain. The Commission will also administer newly designed examination processes for all of the above positions.

Office of Emergency Management and Homeland Security (OEMHS): OEMHS operations have been supported in the past almost entirely by Federal grant funding. 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 2012, OEMHS managed and provided oversight for more than $4.1 million in regional UASI funding and expenditures.

OEMHS has coordinated damage assessment and successful application for disaster funding in response to flooding and blizzard events, 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. Federal funding for the UASI program is being eliminated in 2013 for 31 U.S. cities, including Milwaukee. The Commission is seeking State of Wisconsin emergency management grant funding to continue OEMHS operations but this funding source is not certain.

RESIZE, RESTRUCTURE, AND REINVEST

The 2014 proposed budget for the Fire and Police Commission is approximately $1.5 million.

The 2014 proposed budget includes funding for development and administration of a new promotional exam for Police Lieutenant, as well as funding for testing and processing of additional Fire Cadets, Fire Fighters, Police Aides and Police Officers.

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	Grant Monitor Homeland Security	Grant funding expired.
-1	**0.00**	**-1.00**		

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.

STRATEGIES: Distribute 1,500 smoke detectors to residential properties annually.

Provide public educations and community fire prevention programs to reduce the risk of fire deaths, fire injuries and to reduce property loss and damage.

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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	1,199.16	1,010.99	1,019.99	1,004.99	-6.00	-15.00
FTEs - Other	3.29	4.00	1.80	1.80	-2.20	0.00
Total Positions Authorized	1,022	1,028	1,027	1,012	-16	-15
EXPENDITURES						
Salaries and Wages	$70,152,432	$68,285,025	$69,479,628	$68,034,773	$-250,252	$-1,444,855
Fringe Benefits	31,033,351	29,362,561	30,571,037	29,935,301	572,740	-635,736
Operating Expenditures	6,071,013	5,649,156	5,621,813	5,593,513	-55,643	-28,300
Equipment	675,321	309,500	315,420	739,220	429,720	423,800
Special Funds	318,236	266,980	1,014,600	234,100	-32,880	-780,500
TOTAL	$108,250,353	$103,873,222	$107,002,498	$104,536,907	$663,685	$-2,465,591
REVENUES						
Charges for Services	$5,605,868	$5,781,100	$5,753,200	$5,753,200	$-27,900	$0
TOTAL	$5,605,868	$5,781,100	$5,753,200	$5,753,200	$-27,900	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Prevent loss of life, limit fire related property damage, and improve the chances of survival from life threatening medical circumstances.
   - Limit fire related deaths to less than ten per year.
   - Maintain a 95% recovery rate from penetrating trauma.

The Milwaukee Fire Department (MFD) 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. The department is structured into three organizational divisions:

- Operations Division (Fire Suppression): Responsible for all 24 hour shift personnel and their activities; the division includes the Dive Rescue, Hazardous Materials (HazMat), and the Heavy Urban Rescue Team (HURT) special teams.
- Emergency Medical Services (EMS) and Training Division: Oversees the Training Academy and the EMS Bureau.
- Administration: Includes the Construction and Maintenance Bureau, 9-1-1 Dispatch Center/IT Bureau and oversees the civilian staff.

Key Performance Measures

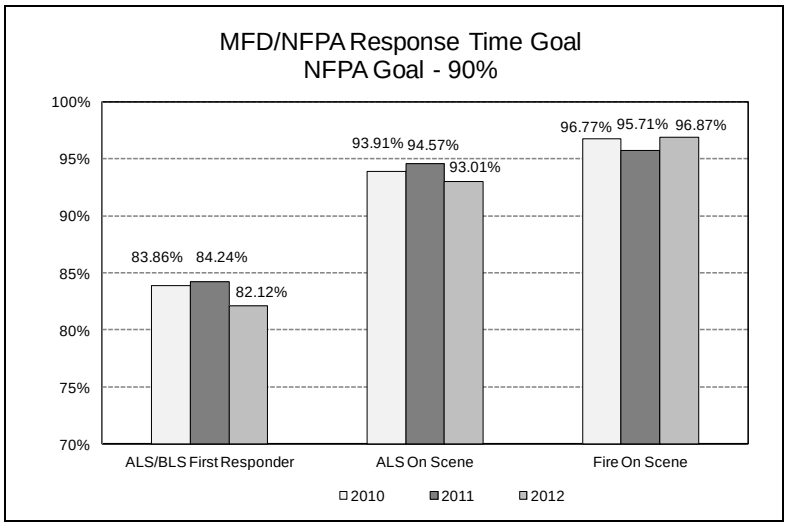
Measure	2012 Actual	2013 Planned	2014 Planned
Limit fire related deaths to less than ten per year.	8	2	0
Maintain a 95% recovery rate from penetrating trauma.	91.1%	95%	95%
Install 1,500 smoke detectors.	1,435	1,500	1,500

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 MFD 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 7 seconds in 2012, and is 3 minutes 13 seconds through July of 2013.

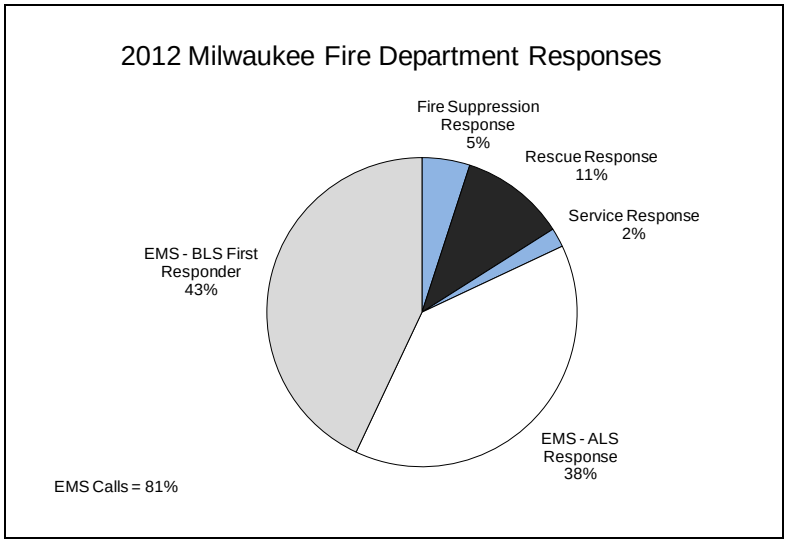
Figure 1



Indicators tracked through the AIM program show that the Advanced Life Support responses provided by the MFD have a positive impact on survival rates for penetrating trauma incidents. In 2012, incidents treated by responders stabbing victims had a recovery rate of 96.4% and 85.8% of gunshot victims survived (see Figure 2).

Fire Prevention and Safety: The department's community programs emphasize fire prevention because fewer fires create fewer situations where a fire death or fire injuries 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.

Figure 2



In 2012, the department made 7,767 fire prevention contacts to residents in one and two family dwellings. Education programs include Poster to Billboard contest, Sesame Street, Elder Safe, the Survive Alive House, and the Mobile Survive Alive Houses and reached over 135,000 residents in 2012. 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 2014 proposed budget includes continuing operational resizing by reducing the department by one company, which saves about $1 million.

Department restructuring continues with various special duty management controls including improved vacation scheduling, return to work, and safety programs. The Milwaukee Fire Department has saved nearly $3.9 million since 2009 through the restructuring of its use of special duty pay. Although the department has reduced the number of companies operating over the last four years, these savings are in addition to those budget reductions and have not affected service levels.

Additional restructuring efforts are underway to create mutual aid agreements with municipalities in Milwaukee County. These agreements will provide better service throughout the community through lower response times. The agreements are also anticipated to achieve savings through the elimination of duplicated services and reduced prices on equipment through joint purchasing agreements.

During 2013 the department restructured to bring the repair of turnout gear and equipment in house. This change is estimated to save approximately $85,000 on an annual basis. The 2014 proposed budget continues this process change.

The Fire Department is reinvesting through the Fire Cadet program. The 2013 budget added 26 positions to the program, for a total of 39. The aim of the additional investment was to increase diversity and create career opportunities for Milwaukee's youth. The 2014 proposed budget continues funding for the Fire Cadet program at this level.

A further reinvestment is in the wellness of the Fire Department staff. The Wellness program includes components such as physicals, physical fitness, mental fitness, and healthy eating and living. The Wellness program not only

benefits the members of the department but also helps reduce the likelihood of injuries on the job. In 2014, the department will be working with the Department of Employee Relations to coordinate the Wellness program with the city's general Wellness program.

CAPITAL PROJECTS

The 2014 capital budget supports the major equipment and facilities maintenance needs of the Fire Department. The budget includes $4,437,000 in capital funding for replacement of major fire suppression and EMS apparatus, building upgrades, and 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
-1		-1.00	Battalion Chief, Fire	UASI grant expiration.
	0.50	-0.50	Battalion Chief, Fire	MMRS grant expiration.
-1			Audiovisual Specialist II	Title change.
1			Media Specialist	
1	1.00		Inventory Control Assistant III	New position.
-1	-1.00		Fire Captain	Decommissioning of one additional company.
-2	-2.00		Fire Lieutenant	
-9	-9.00		Fire Fighter	
-3	-3.00		Heavy Equipment Operator	
	7.50		Fire Cadets	Funding for full year.
-1			Fire Lieutenant	Technical correction.
-1	-1.00		Inventory Control Assistant III	Reflects Position Ordinance change.
1	1.00		Fire Equipment Repairer I	
		-0.70	Various Positions	Various grant adjustments.
-16	**-6.00**	**-2.20**	**Totals**	

HEALTH DEPARTMENT

EXECUTIVE SUMMARY

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

OBJECTIVES: Control the spread of communicable disease.

Reduce lead poisoning of children.

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: Implement the school readiness immunization initiative 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 through a risk based inspection program.

Provide nursing and social support to at-risk families through comprehensive home visitation programs.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	140.91	141.94	139.84	140.03	-1.91	0.19
FTEs - Other	77.28	100.73	103.85	101.45	0.72	-2.40
Total Positions Authorized	256	254	254	252	-2	-2
EXPENDITURES						
Salaries and Wages	$6,613,667	$7,193,580	$7,187,059	$7,158,740	$-34,840	$-28,319
Fringe Benefits	3,247,513	3,452,918	3,377,918	3,364,608	-88,310	-13,310
Operating Expenditures	1,731,986	1,707,077	1,751,883	1,783,883	76,806	32,000
Equipment	5,000	5,000	5,000	5,000	0	0
Special Funds	305,662	268,098	236,848	353,848	85,750	117,000
TOTAL	$11,903,828	$12,626,673	$12,558,708	$12,666,079	$39,406	$107,371
REVENUES						
Charges for Services	$1,100,937	$927,200	$957,200	$957,200	$30,000	$0
Licenses and Permits	594,936	522,400	537,400	602,400	80,000	65,000
TOTAL	$1,695,873	$1,449,600	$1,494,600	$1,559,600	$110,000	$65,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Build safe and healthy neighborhoods.
   - Control the spread of communicable disease.
   - Reduce injuries, disabilities, and deaths due to violence.
   - Prevent the spread of food borne disease.

2. Help children succeed, prepare for post secondary education and meet their full potential.
   - Reduce the infant mortality rate.
   - Improve immunization rates.
   - Reduce the proportion of children with lead poisoning.

The Health 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 Zeidler Municipal Building and a satellite office within the new University of Wisconsin Milwaukee Zilber School of Public Health.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Percent of all food inspections with one or more critical risk violations.	36%	35%	35%
Number of clients seen at STD clinics.	5,191	5,400	5,400
Number of immunizations administered for the city and MPS.	18,882	15,000	12,000
Percentage of children with high blood lead level.	3.3%	3.4%	3.4%

STRATEGY IMPLEMENTATION

Childhood Immunizations: Improving immunization rates has helped suppress outbreaks of various vaccine preventable diseases including measles, mumps and pertussis over the past five years as well ensuring community health during seasonal influenza epidemics. However, significant challenges remain to achieving K-12 school immunization rates that exceed the 95% goal including:

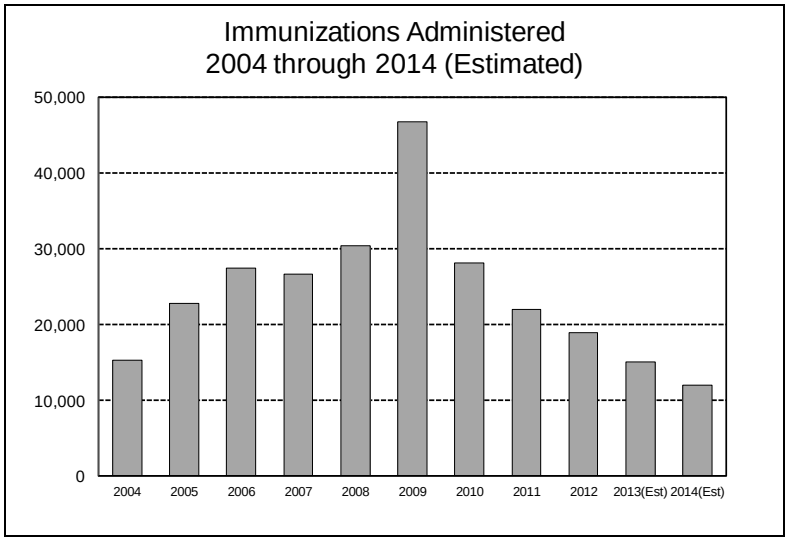
- Increases in personal belief waivers by parents and guardians.
- New vaccination requirements for children and young adults.
- Parental and healthcare provider awareness of patient vaccination status.

As Figure 1 indicates, immunizations directly administered by the department to the public during 2014 will most likely continue to decrease due to implementation of the federally mandated Affordable Care Act and required referral of insured patients to private medical providers for vaccination services.

In 2014, the department is participating in a broad based community coalition around improving adult and childhood vaccinations known as Immunize Milwaukee. This coalition will leverage partner agency resources and

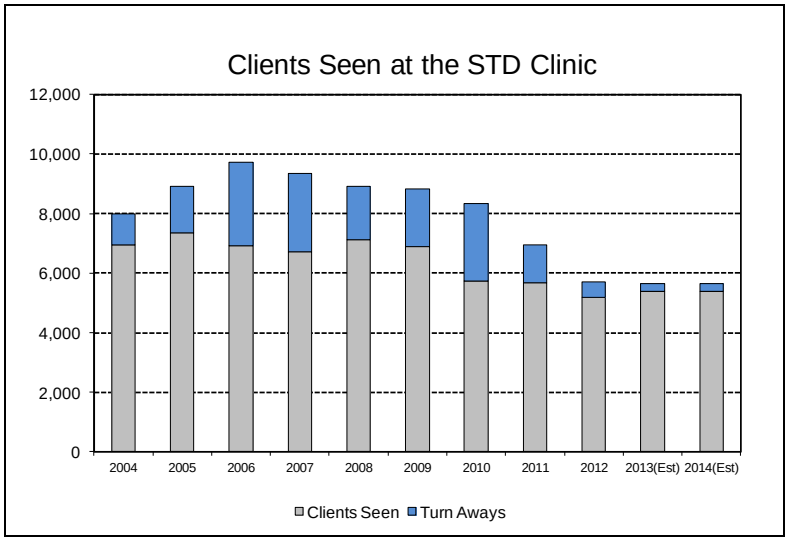
commitment that will serve to promote and sustain immunization practices within Milwaukee. The department continues to work with health care providers and other community agencies in ensuring immunization services and capacity in the city, including reducing disparities in vaccination rates within minority groups.

Figure 1



Sexually Transmitted Disease: Milwaukee has among the highest incidence rates for gonorrhea and chlamydia in the country. 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 6,000 clients (see Figure 2) each year and continues to maximize client outreach and services through newer programs and initiatives that increasingly involve partnership with other community based organizations. The department performs educational outreach and testing at various events throughout the community each year. This allows 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.

Figure 2



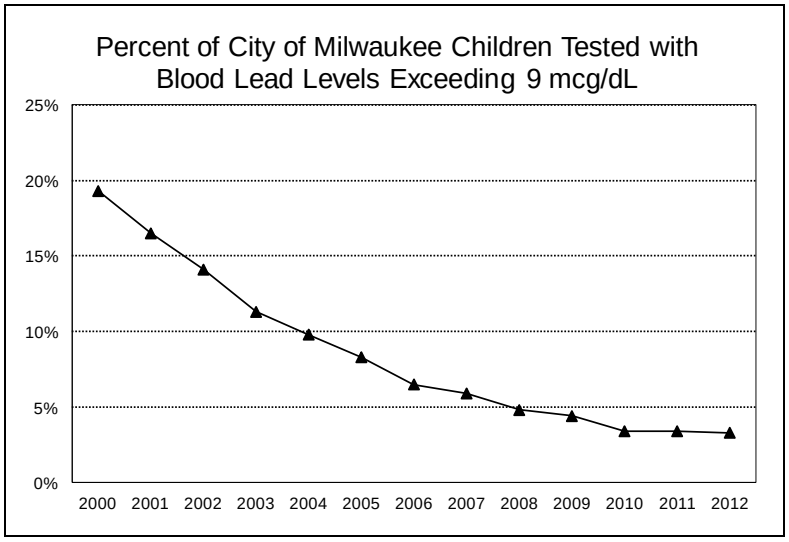
The Milwaukee Health Department (MHD) work with other community health care providers, community based organizations, MPS and other partners on effective STD and HIV prevention and control. For example, MHD partners with Diverse and Resilient, Inc. to help reach young African American homosexual and bisexual men. The partnership targets the root causes associated with the rise of HIV among this population and promotes close collaborations with community agencies to maximize client reach and reduce disease transmission. A Communicable Disease Specialist from MHD conducts STD screening one day a week at Diverse and Resilient, Inc. to further leverage this partnership.

To better serve individuals with HIV, MHD partners with ARCW by housing a "Linkage to Care" specialist to provide timely referrals to clients in need of care services and to increase the number of HIV positive individuals who are retained in appropriate medical care and treatment programs.

The department also focuses on process improvements that positively impact service outcomes at the Keenan STD clinic. In 2012, the department launched a quality improvement process to identify problematic areas and improve program efficiency. This has significantly decreased the number of client turn aways at the clinic. In 2012, only 9.7% of clients were turned away at the Keenan STD clinic as compared to 22.1% in 2011.

Field Delivered Testing and Treatment (FDTT) allows the department to mitigate transmission of STDs outside of actual clinic visits and services. FDTT is a service which authorizes Communicable Disease Specialists to treat and test clients in the field if indicated criteria are met. This expands the number of clients who are able to be served and makes services more accessible to those at high risk of infection who are unable or do not seek clinical diagnosis and treatment.

Figure 3



Lead Poisoning: Research suggests a link between lead poisoning and childhood and adult IQ levels, performance in school, and propensity for violent crime. In response, the Health Department designs and implements cost effective prevention and intervention strategies aimed at reducing childhood lead poisoning in the home environment. Historically 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 prevention strategy is directed toward identifying and eliminating lead based paint hazards in residential 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 approach requires close collaboration with property owners to ensure availability of lead safe housing within the community. 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 3.3% in 2012. 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% of eligible children ten years earlier.

Two lead hazard control grants made 744 units lead safe in 2012. In 2013, the program is projecting completing only 279 units reflecting a marked decrease in available federal funding to local public health agencies for these activities.

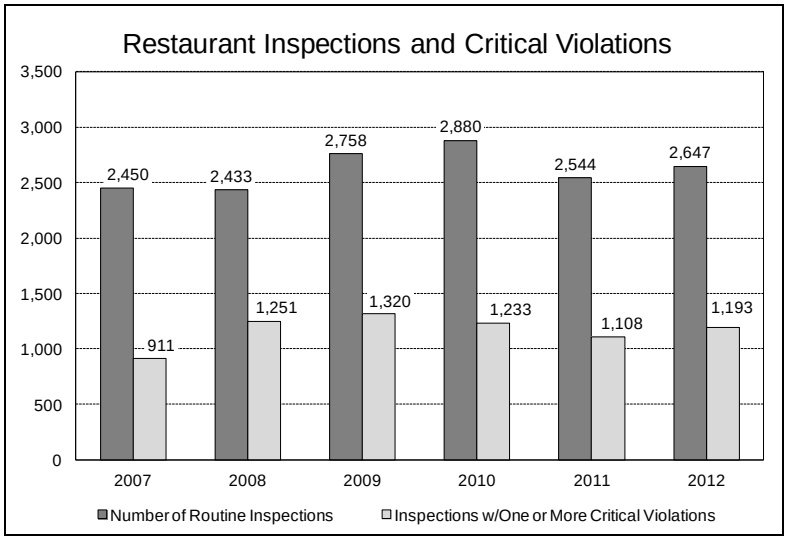
However, the Milwaukee Health Department Lead Program has partnered with the Social Development Commission (SDC) Weatherization Program to provide laboratory assistance and residential inspections to assure 210 additional lead safe housing units by 2015. The Lead Program continues to provide comprehensive monitoring of federally funded housing rehabilitation projects conducted in partnership with the Department of City Development. In 2013, approximately 250 housing rehabilitation projects were monitored by the Health Department to assure lead safe work practices.

In terms of enforcement, in 2012 the Health Department issued 182 legally binding lead orders on residential properties and achieved an 80% compliance rate. In addition, 39 citations were served on contractors or property owners for unsafe work practices or creating lead nuisances.

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 collaboratively develops, implements, and evaluates effective and sustainable approaches to preventing interpersonal and community violence, including sexual assault, domestic violence, human trafficking and gun violence.

Family Violence Prevention Fund research reports that after separation from an abusive situation, batterers often use visitation and exchange of children as an opportunity to inflict additional physical and psychological abuse on victims and their children. OVP, through its Commission on Domestic Violence and Sexual Assault, is the lead partner in a $400,000 U.S. Department of Justice grant to establish a "Safe Exchange" visitation site for families affected by domestic violence. Throughout 2014 and 2015, the Commission staff, with partners, will identify a site, establish protocols and policies related to safe exchange and visitation.

Figure 4



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. OVP is working collaboratively with the Medical College, Children's Hospital of Wisconsin, and Community Advocates Brighter Futures to develop violence prevention strategies and programming targeted toward youth and gun violence.

OVP will conduct an evidenced based community readiness assessment in anticipation of a comprehensive sexual assault outreach effort in 2014. The development of an outreach campaign was identified as a significant need in the city's Office of Justice Assistance funded sexual assault initiative.

With its partners from the Homicide Review Commission, OVP co-convened a Juvenile Violence Work Group comprised of stakeholders from 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 were developed by the team. In conjunction with Milwaukee's Community Justice Council, the work group will develop strategies for implementation.

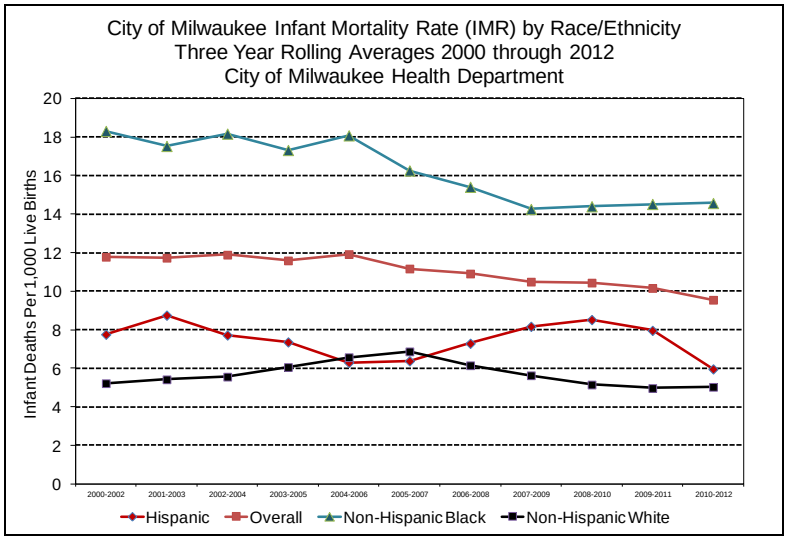
OVP staff will continue to engage the faith community in violence prevention work, including through Ceasefire Sabbath, Unity for Safer Neighborhoods, and Faith and Domestic Violence convocations.

Food Safety: The department's goal is to identify and eliminate critical risk violations found during food inspections. When violations are observed, inspectors educate the operators in order to eliminate the practice resulting in the violation. In 2012, the department performed 7,637 food inspections, of those 2,647 were routine inspections of restaurants. Approximately 45% of all restaurant inspections resulted in the identification of one or more critical risk violations (see Figure 4). The most prevalent risks include improper holding, cross contamination, and personal hygiene.

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 2010-2012 three year averages show that non-Hispanic African Americans in Milwaukee had an infant mortality rate of 14.6 per 1,000 infant mortality rate compared to an 6.0 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. The Empowering Families program 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, the program has enrolled over 784 new clients and seen 764 infants. In 2012, 100% of the women involved in the program were receiving prenatal care and around 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.

Figure 5



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
- Improved school readiness

The NFP has enrolled 414 families since the program's inception, and in 2012, 70% of new mothers had initiated breastfeeding and 85% of the infants were current with recommended immunization schedules.

The department will host its third annual Safe Sleep Sabbath in October 2013. The goal of this event is to garner the support of more than 100 clergy to alert their congregations to the troubling infant mortality statistics in Milwaukee and share critical information to promote safe sleep practices for infants. This year, the department partnered with the Milwaukee Fire Department and local youth organizations to go door to door in a targeted neighborhood taking infant safe sleep practices directly to the homes. MHD has also had an ongoing safe sleep campaign since December 2009. In addition, the department is an official "Cribs for Kids" site and through August 2013 has distributed nearly 2,500 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.

The 2014 proposed budget creates a new Safe Sleep/Infant Mortality Initiative Special Fund with funding of $47,000. This initiative will fund the distribution of pack and play crib sets to at-risk families. This initiative was previously funded through the Community Development Block Grant (CDBG) but is shifted to the operating budget in 2014 as a result of reduced CDBG funding for city programs.

MHD Laboratory: The Laboratory processes over 80,000 specimens per year with over 500,000 test results available online to a variety of users and agencies. Fee-for-service tests generate approximately $200,000 in revenue each year. The lab provides diagnostic and surveillance capabilities for communicable and emerging infectious diseases and supports emergency preparedness and bio-threat responses at the local, state and national levels. The lab includes testing to support the lead poisoning and prevention program, monitoring food borne diseases, beach and drinking water safety, gastrointestinal and respiratory disease surveillance and outbreak investigations.

The MHD Laboratory has been recognized through national awards as a leader in both community partnership building (2013 NACCHO Model Practice Award) and test development (APHL National Emerging Leader Award). Respective examples include a recent workforce development communitywide project which included Milwaukee's health care systems and academic institutions, and being the first public health lab to develop a test that will detect 19 microbes in a single test with graduate student assistance from UWM. This allows for improved and efficient outbreak investigations. The laboratory was also recently recognized nationally for its development of a same day beach water quality test with ongoing partnership with the UWM Zilber School of Public Health.

RESTRUCTURE, RESIZE, AND REINVEST

The 2014 proposed budget includes a restructuring of Consumer Environmental Health staff to promote greater efficiencies within the department. A vacant Program Assistant and an Auxiliary Custodial Laborer position are eliminated. This will not interrupt service levels and the department will maintain existing clinic services. Restructuring also includes assigning a Nursing Manager position to oversee all nursing duties and responsibilities

The department's Administrative staff are resized by creating a new Human Resource Analyst position to better manage critical tasks such as training and development, coordination of interns and fellows, FMLA compliance and recruitment. The intent is to fund this position using carryover funds from 2013 in 2014.

Several reinvestments are included in the 2014 proposed budget including service and repair of lab instruments and service contracts for UASI funded lab equipment, actions needed to maintain laboratory capacity. In addition, $12,000 is included to establish accreditation with the Public Health Accreditation Board. Funds will have to be appropriated over the next five years to maintain this accreditation. Accredited status will enhance the department's competitiveness when seeking grant funding opportunities.

CAPITAL PROJECTS

The 2014 proposed budget creates a new Facility Maintenance Special Fund with funding of $70,000. This will fund various ongoing and recurring routine maintenance projects at the different health facilities that are necessary to adequately maintain these facilities but which do not qualify to be funded in the capital budget. The 2014 Capital Improvements budget also includes $425,000 for several projects at the various health facilities, including a $300,000 sprinkler installation at the Keenan facility.

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
	-0.10	0.10	Public Health Research and Policy Director	Position partially grant funded.
1	0.50	-0.50	Infectious Disease Epidemiologist	Loss of grant funding.
1		1.00	Communicable Disease and Immunizations Supervisor	New grant funded position.
2		2.00	Communicable Disease Specialist	New STD grant funded positions.
-1		-1.00	MAIG Coordinator	Expiration of MAIG grant.
-1	-0.25		Information Technology Specialist	Positions transferred to DOA.
-1		-0.25	Network Analyst Assistant I	
-1	-0.13	-0.13	Telecommunications Analyst Associate	
1	1.00		Human Resource Analyst	New position.
1		0.50	Office Assistant II	Position changes in CDBG grant.
-1		-1.00	Nutritionist	Position changes in WIC program.
1		1.00	Health Project Coordinator WIC	
1		1.00	Dietetic Technician Bilingual	
-2		-2.00	Breastfeeding Peer Counselor	
-1	-1.00		Program Assistant II	Positions eliminated.
-1	-0.20		Custodial Worker II/City Laborer	
-1		-1.00	Public Health Nurse	
		0.20	Dietetic Technician	Positions converted to full time.
	0.25		Microbiologist II	
	-1.98	0.80	Various Positions	Miscellaneous adjustments.
-2	**-1.91**	**0.72**	**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 access to technology and electronic resources.

Provide resources for persons seeking employment opportunities.

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.

Support early literacy initiatives and enhance literacy services to adults and children through out-of-school learning.

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

Expand support for programs and services through use of volunteers.

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

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	275.57	285.39	294.23	292.15	6.76	-2.08
FTEs - Other	16.38	21.49	16.32	17.37	-4.12	1.05
Total Positions Authorized	377	372	368	370	-2	2
EXPENDITURES						
Salaries and Wages	$11,708,985	$11,669,888	$11,824,844	$11,736,357	$66,469	$-88,487
Fringe Benefits	5,726,362	5,601,547	5,557,677	5,516,088	-85,459	-41,589
Operating Expenditures	2,548,909	2,549,480	2,615,229	2,628,229	78,749	13,000
Equipment	1,641,030	1,759,513	1,944,232	1,874,232	114,719	-70,000
Special Funds	0	13,182	13,182	13,182	0	0
TOTAL	$21,625,286	$21,593,610	$21,955,164	$21,768,088	$174,478	$-187,076
REVENUES						
Charges for Services	$1,239,173	$1,277,400	$1,192,800	$1,192,800	$-84,600	$0
TOTAL	$1,239,173	$1,277,400	$1,192,800	$1,192,800	$-84,600	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Help children succeed, prepare for post-secondary education, and meet their full potential.
   - Encourage reading and improve the literacy rate.
   - Support digital inclusion through access to technology and electronic resources.

2. Improve workforce development and connect more citizens to family supporting jobs.
   - Provide training and resources for persons seeking employment opportunities.

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 branch 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 focuses on developing adult literacy skills to improve employability, job retention, and basic literacy. Six branch libraries and Central Library provide drop-in tutoring programs and have special materials to develop basic reading skills. The Washington Park branch offers 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 development and out-of-school learning so children successfully meet learning milestones. 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 are 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.

Key Performance Measures

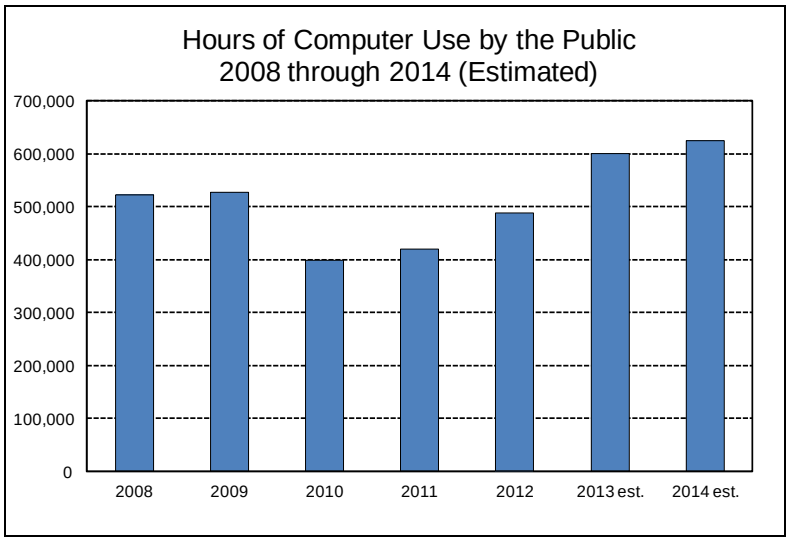
Measure	2012 Actual	2013 Planned	2014 Planned
Patrons served by early literacy programs.	26,613	25,700	25,700
Patrons served by school age programs.	8,397	14,635	16,900
Summer Reading program participation.	21,696	22,327	23,000
Public computer hours.	487,955	490,000	500,000
Digital materials circulation.	66,373	126,000	225,000
Job lab computer centers attendance.	3,457	3,500	3,550
Adult programs attendance.	17,461	17,635	17,811

STRATEGY IMPLEMENTATION

Job Drop-In Labs and Computer Training: The Library places a high priority on technology skills development. In 2012, MPL offered 816 computer classes focused on providing residents with computer skills. In 2012, 3,270 participants utilized 564 drop-in labs and 4,037 participants attended scheduled classes. Through July 2013, 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 donations.

Overall usage of public computers continues at high levels. During the first half of 2013, the library added four self-service laptop kiosks and reallocated laptops so that all branches can now make them available to the public. Through July 2013, compared to the same period in 2012, computer use has increased slightly. Computer use is projected to increase through 2014 (see Figure 1). Because of their much wider availability, laptop checkout has increased 46% in the first seven months of 2013 compared to 2012. 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 website. 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. An ideal time to provide children their first library card is in first grade when they can print their

names and are learning to read. In the 2011-2012 school year, MPL issued 1,705 cards to first graders. In the 2012-2013 school year, MPL issued 1,897 cards to first graders and spoke to 4,238 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 3 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 14 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 donations from private foundations to the Milwaukee Public Library Foundation.

RESIZE, RESTRUCTURE, AND REINVEST

Technology Specialist Positions: Milwaukee received $2.5 million through the Broadband Technology Opportunities Program (BTOP) grant, funded through the American Recovery and Reinvestment Act. The Milwaukee Public Library received $1.5 million of this funding, which was used to initially purchase and deploy 240 new laptops to branch libraries, to upgrade wireless speeds and infrastructure at library facilities, and to provide skills training to city residents at branch libraries. More recently the library has used BTOP funding to add four self-service laptop kiosks to the library system. Although grant funding will expire in 2013, six Library Technology Specialist positions previously funded through the grant will be funded through the Library's operating budget. These positions will manage laptops, teach classes, and provide assistance to library customers. These staff will rotate throughout all the branch libraries.

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 skills in all academic areas 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 2014 at seven branch libraries, Atkinson, Bay View, Center Street, Forest Home, Martin Luther King, Villard Square and Washington Park, with $100,000 in CDBG funding support.

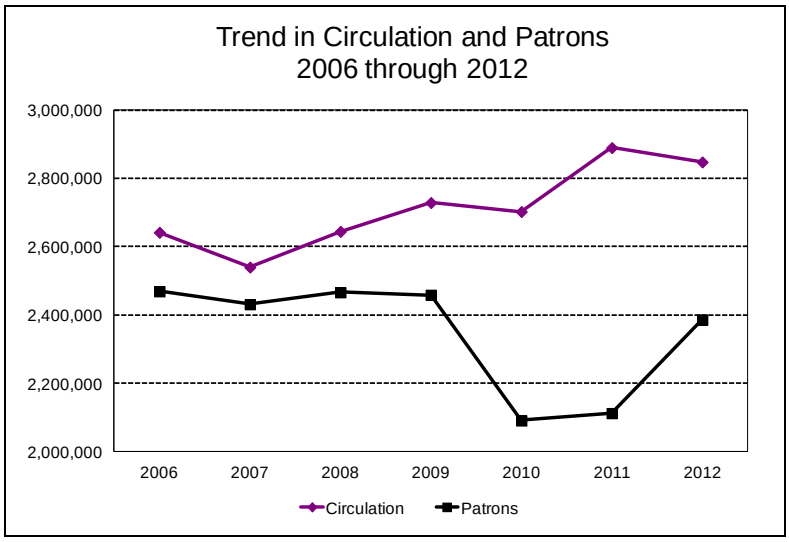
Summer Reading Program: The Super Reader Summer Reading program promotes reading over the summer to maintain or increase reading skills while children are out of school and to develop a lifelong habit of reading. In 2013, the program served 22,327 youth including 5,708 youth served at 81 school age youth servicing agencies and 3,534 pre-school children at childcare centers.

In 2014, the library will continue extended Super Reader program outreach to 8,700 children ages birth to 12 at outreach sites, which includes childcare classrooms and community based organizations. Outreach educators visit each site three to six times over the summer and actively engage the children in the Super Reader program and literacy activities. This effort also encourages parents and other providers to help their children develop reading skills. The Super Reader program, summer outreach, and coordinator who makes visits to after school programs throughout the school year to elementary age children, costs approximately $140,000. This is primarily funded through the Milwaukee Public Library Foundation, with $13,000 in city funding provided in 2014. City funding replaces CDBG funding which is no longer available for this program.

Volunteer Program: The 2014 proposed budget adds an additional position, reflected as a Personnel Analyst in the budget, to coordinate a new volunteer program. Classification of the position with an appropriate title will occur in 2014. This position will be responsible for identifying volunteer opportunities within the library system,

developing job descriptions, recruiting, hiring, training, deploying, evaluating and managing a volunteer corps to help expand the library's service capacity in a cost effective manner. Volunteers may help library staff with Summer Reading Club registration, literature distribution, reading to children, basic equipment maintenance, and by assisting the public with the use of copying machines, self-checkout, and basic computer skills. In the first year, the Library anticipates volunteer hours will represent more than $300,000 in value.

Figure 2



Maintaining Library Hours: The 2014 proposed budget maintains hours at all library facilities. Central library will be open 54 hours per week. Neighborhood libraries will be open between 39 and 50 hours per week. Sunday hours will continue to be available from October through April from 1 pm to 5 pm at Central, Capitol and Zablocki libraries. As shown in Figure 2, increased library hours since 2010 has allowed the public to increase their use of library services.

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 72%. The RFID/Self-Check systems create operating efficiencies and streamline the processing of returned materials.

East Library Development: The East Library capital project allows the city to develop a valuable property and replace an aging library. Total capital funding of $3.55 million has been provided for the project, which will replace the current East Library with a new 16,000 square foot library as part of a mixed use project that includes multi-story apartments and a first floor retail space. Groundbreaking occurred on July 30, 2013. Construction is expected to be completed in October 2014. During construction, library services are being provided through a temporary location at 2430 North Murray Avenue.

Neighborhood Library Improvements: The 2014 capital budget includes $1.8 million for several neighborhood library improvements, including $175,000 to replace the Center Street roof, $100,000 to construct a public emergency exit at Center Street, $150,000 to replace the carpet at Zablocki, and $750,000 for renovation of the Tippecanoe facility. The total cost for renovating Tippecanoe, including HVAC system replacement, making accessibility and other facility improvements, is $4.4 million. An additional $2.75 million is planned for 2015 to fully fund this renovation. The 2014 proposed budget also includes $600,000 in funding to begin two new mixed use projects, replacing the current Forest Home and Mill Road facilities. The plan is to replace the Forest Home, Mill Road, Capitol and Martin Luther King facilities with mixed use buildings over the next several years. Neighborhood libraries serve multiple community purposes and access to high quality facilities encourages frequent use by neighborhood residents.

Central Library Improvements: The capital budget includes $1.56 million for improvements to Central Library. This includes $200,000 for ongoing repair of the building's historic mosaic tile and scagliola, $130,000 for masonry work on the building's exterior, and $580,000 for replacement of an air handling unit. Funding of $200,000 is provided to complete carpet replacement in public areas on the first floor that was initially funded in 2013, and $448,000 is provided to upgrade an elevator and to complete an upgrade of the fire alarm system that was initially

funded in 2013. The upgrade is needed to meet code requirements and to link the fire alarms to the building management system.

Express Vending Library: The 2013 capital budget included $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. The library is working in partnership with the Housing Authority of the City of Milwaukee to install this library within Westlawn Gardens. The vending library is scheduled for installation in November 2013.

Strategic Planning: In 2012, the Library began a new strategic planning process. The resulting plan will establish customer, community, and organization goals and priorities for the next three to five years. The data driven process relies heavily on census, library use, and market segmentation data. Service responses are being developed based on an increased understanding of the needs of individual communities, library staff experience and input, and key issues identified by the Library Board: Literacy, Technology, and Funding. The Plan is expected to be approved by the Library Board in October 2013. Funding for this project was made available through the Milwaukee Public Library Foundation.

OTHER SERVICE AND BUDGET CHANGES

Books and Materials: A total of $1.57 million is allocated to fund materials purchased for Central Library and all 12 neighborhood libraries. This represents an increase of $30,719 or 2% from the 2013 budget. These funds will purchase books, media, electronic databases, serials, e-books and other resources. The use of e-books has increased 150% in the first seven months of 2013 compared to 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 expire at the end of 2013. MCFLS and MPL have agreed on new contracts and these will be submitted to the Mayor and Common Council for approval before the end of 2013.

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
-6		-5.17	Library Technology Specialist (F)	Replace grant funded positions with operating funded positions because of grant expiration.
2	5.81		Library Technology Specialist	
1	1.00		Personnel Analyst	Position created to manage new volunteer program.
	-0.15	0.15	Library Facilities Manager	Reflect work on capital projects.
1	0.10	0.90	Facilities Project Coordinator	Position created to help manage and oversee library renovation projects.
-2	**6.76**	**-4.12**	**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: Aggressively address the foreclosure crisis in Milwaukee and foster neighborhood investment.

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.

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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	11.50	10.50	10.50	12.00	1.50	1.50
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	14	14	14	15	1	1
EXPENDITURES						
Salaries and Wages	$734,810	$703,577	$705,054	$781,091	$77,514	$76,037
Fringe Benefits	349,026	351,789	331,375	367,113	15,324	35,738
Operating Expenditures	27,344	43,000	43,000	41,000	-2,000	-2,000
Equipment	2,990	3,000	3,000	3,000	0	0
TOTAL	$1,114,170	$1,101,366	$1,082,429	$1,192,204	$90,838	$109,775

Strong Neighborhood Investment Program: Mayor Barrett's 2014 proposed budget includes $11.7 million in total funding as the first allocation towards a three year comprehensive initiative to deal with city owned properties and continue stabilizing the city's neighborhoods. The 2014 proposed budget adds $7.6 million in new funding through both the operating and capital budgets aimed at reducing the impact of city owned and abandoned homes and bringing a unified approach to redevelopment and neighborhood stabilization.

The 2014 proposed budget includes $425,000 for efforts to help owners avoid tax foreclosure, including a doubling of funding for the DNS Essential Services Program. The budget also makes a major commitment in 2014 to demolishing homes, allocating $5.4 million for demolition of 200 abandoned or foreclosed homes and 100 city owned properties. The city will take the lead, with a newly created DPW demolition crew removing city owned properties. The ongoing maintenance of city owned lots and properties will require $3.1 million in 2014.

As blighted homes are removed, DCD and partners will begin a comprehensive, targeted rehab effort on properties for owner-occupancy and responsible rental use. Buyers will be able to obtain low interest rehab loans, and city funding for rehab will leverage additional rehab financing programs offered through WHEDA and SDC, among others. A rent-to-own program for city foreclosed rental properties will allow purchase of those properties by the current tenants, and existing programs to renovate city owned properties will continue. Total revitalization funding is $2.4 million for 2014.

Mayor Barrett is committed to a comprehensive effort, and the initial year of the Strong Neighborhood Investment Program will include $490,000 for innovative housing rehab programs, vacant lot reuse and beautification, as well as funding for a full time coordinator for the initiative and related efforts. Funding for these renewal efforts and the partnerships the city will enter will receive increasing funding in 2015 and 2016 as the immediate work of eliminating blighted properties is reduced.

Connecting Residents and Youth with Employment: A quality work force is a crucial component of investment and industrial location decisions. The recession and slow recovery have increased Milwaukee's unemployment rate, and Mayor Barrett is utilizing the Milwaukee Area Workforce Investment Board (MAWIB) to launch programs to connect the city's unemployed residents to jobs with local manufacturing companies.

The Mayor's Manufacturing Partnership, initiated in March 2012, was created to address the skills gap between unemployed city residents and open manufacturing positions. Working with local companies such as GE Healthcare, Harley Davidson Motor Company, HB Performance Systems, Inc. and Master Lock Company, LLC, the Mayor's Manufacturing Partnership has been able to accomplish the following outcomes through the summer of 2013:

- 112 employed in manufacturing jobs.
- 34 unemployed jobseekers trained on the job, with 13 resulting in employment.
- 291 individuals with prior manufacturing experience connected with jobs.
- 466 employed individuals received training to advance their skills.
- 5 apprenticeships including on the job training and classroom instruction.

The Earn & Learn Program, operating under MAWIB, is a summer jobs program for Milwaukee teens. Young people employed through the Earn & Learn Program have the opportunity to learn meaningful skills while adding to their resumes. Employed in jobs such as clerical, recreation, manual work, and food service, the youth involved in this program develop beneficial work habits and confidence in their future in the job market. Since 2005 to 2012, 16,529 Summer jobs have been filled through the Earn & Learn Program.

Public Safety: The 2014 proposed budget reaffirms the Mayor's commitment to building safe neighborhoods by adding 100 new Police Officers in 2014. Fifty Officers will be hired at the beginning of the year and will be on the street by summer. The additional fifty Officers will be hired by the end of 2014 and will be available for patrol

duties in 2015. The Mayor's 2014 proposed budget continues the 2013 budget initiative to transition Officers that had been funded through the Community Oriented Policing Services (COPS) grant from the U.S. Department of Justice to tax levy supported funding. The COPS grant, which funded three years of salary and benefits for 50 Police Officers, expired midyear 2013. In 2013 $1.2 million was added to the Police Department's budget to begin the transition as grant funding expired. The 2014 proposed budget adds an additional $1.8 million to complete the transition for a full year's cost of over $3 million. Mayor Barrett will continue funding these Officers through 2014.

Infant Mortality and Teenage Pregnancy: Infant mortality is an important indicator of a community's overall social and economic well being. Preliminary 2010-2012 three year averages show that non-Hispanic African Americans in Milwaukee had an infant mortality rate of 14.6 per 1,000 live births compared to a 6.0 rate for Hispanic residents and a 5.0 rate for non-Hispanic White residents. The African American rate is nearly three times higher than the White rate. However, the overall three year average infant mortality rate has decreased from 10.16 per 1,000 for 2009-2011 to 9.55 for 2010-2012, a 6% reduction.

The Mayor's 2014 budget continues to fund both the Empowering Families Program and Nurse Family Partnership, two intensive home visiting programs that support healthy births. In addition, the Mayor's budget funds the creation of a new Safe Sleep/Infant Mortality Initiative Special Fund, which was previously CDBG funded. This initiative will fund the distribution of Pack 'n Play crib sets to at-risk families.

It was almost a decade ago that Milwaukee had the second highest teen birthrate in the nation among the 50 largest cities. In 2012, we announced that, for the fifth consecutive year, Milwaukee saw a decrease in the teen birthrate. In 2011, the most recent data available, Milwaukee saw a 6.8% drop in the teen birthrate, 33 fewer births per 1,000 females aged 15 to 19. There were declines in every racial and ethnic group. The Milwaukee model for reducing teen pregnancy birth rates, a partnership between Mayor Barrett, the Milwaukee Health Department (MHD), and United Way of Greater Milwaukee, is working.

In 2011, MHD received a grant from the State of Wisconsin, to expand efforts focused directly at serving youth aged 11 to 19. Through this new grant, the Personal Responsibility Education Program (PREP) was initiated. PREP's goals are to:

- Educate adolescents on both abstinence and contraception to prevent pregnancy and sexually transmitted infections.
- Educate adolescents on adulthood preparation subjects.

The ultimate outcome is healthy transition to adulthood for all Milwaukee youth leading to decreased risk of teen pregnancy in our community. In 2012, Plain Talk and PREP outreach and education reached over 22,000 youths and adults in Milwaukee.

Environmental Sustainability: The Office of Environmental Sustainability (OES) was created to seek an alignment of economic and environmental interests that improve quality of life in Milwaukee for both current residents and businesses and for future generations by embracing smart, achievable sustainability principles. In 2012, Mayor Barrett appointed a public-private Green Team led by OES, tasked with developing the city's first Sustainability Plan, *ReFresh Milwaukee*.

ReFresh Milwaukee is a strategic ten year framework for implementing sustainability principles to make Milwaukee a great place to live and raise a family. The plan outlines the need for action and highlights priority strategies in each of the eight identified issue areas: buildings, energy, food systems, human capital, land and urban ecosystems, mobility, resource recovery, and water. OES has several programs that will help to achieve the goals and targets established in *ReFresh Milwaukee*. The Me2 Program has improved energy efficiency in over 1,100 homes, and the Me3 Program has reduced waste and pollution at 22 manufacturers. Milwaukee Shines has raised over $2 million for residential solar loans, and HOME GR/OWN will address insufficient access to and demand for local, healthy food.

OTHER SERVICE AND BUDGET CHANGES

Position and Salary Changes: The 2014 proposed budget adds an Interagency Housing Coordinator position to implement and direct the Mayor's Housing Initiative. The proposed budget also funds one Office Assistant III (0.5 FTE) through 2013 carryover funds. The other Operating Services account was reduced by $2,000 based on recent expenditure history.

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		Interagency Housing Coordinator	To oversee the Mayor's Housing Initiative.
	0.50		Office Assistant III	This position will perform administrative duties as necessary.
1	**1.50**	**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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	34.41	35.40	35.40	36.40	1.00	1.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	42	42	42	43	1	1
EXPENDITURES						
Salaries and Wages	$1,917,861	$1,861,822	$1,879,112	$1,929,000	$67,178	$49,888
Fringe Benefits	910,420	893,675	883,183	906,630	12,955	23,447
Operating Expenditures	496,881	504,500	524,000	524,000	19,500	0
Equipment	2,812	3,000	3,000	3,000	0	0
Special Funds	31,316	35,000	40,000	40,000	5,000	0
TOTAL	$3,359,290	$3,297,997	$3,329,295	$3,402,630	$104,633	$73,335
REVENUES						
Charges for Services	$1,733,859	$1,805,500	$1,797,800	$1,797,800	$-7,700	$0
Forfeitures	5,041,542	5,129,000	5,005,400	4,755,400	-373,600	-250,000
TOTAL	$6,775,401	$6,934,500	$6,803,200	$6,553,200	$-381,300	$-250,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Build safe and healthy neighborhoods.
   - Adjudicate ordinance violations in a timely and equitable manner.
   - Effectively enforce judgments.
   - Use alternative sentencing for defendants when appropriate.

2. Connect citizens to jobs.
   - Assist 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 over $6 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.

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.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Average days from filing to judgment.	34	34	34
Number of enforced driver license suspensions lifted.	13,321	13,000	12,750

STRATEGY IMPLEMENTATION

The Municipal Court's 2014 proposed budget is based on an estimated 120,000 cases. Case volume has been decreasing over the past three years and is expected to reduce in 2014. Filings decreased by 4% to 134,877 in 2012 from 140,180 in 2011 and 142,790 in 2010. Traffic cases were 66% of total caseload in 2012, a 2% decrease from 2011 (see Figure 1)

Evening court sessions, begun in 2003, were offered on 11 dates in 2012. A total of 26 sessions were scheduled for 599 defendants on 870 cases in 2012, with 467 defendants or 78% appearing in court. Since evening court is more convenient for some, a high percentage of scheduled defendants actually appear for their hearings, which can shorten the time to resolution of the case for the defendants who choose a night court session.

Drivers License Recovery and Employability Project: The 2014 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 included in a Special Purpose Account.

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 44% of the project's 2012 revenues. The Center projects 37% of its 2014 funding to come from the City of Milwaukee.

Figure 1

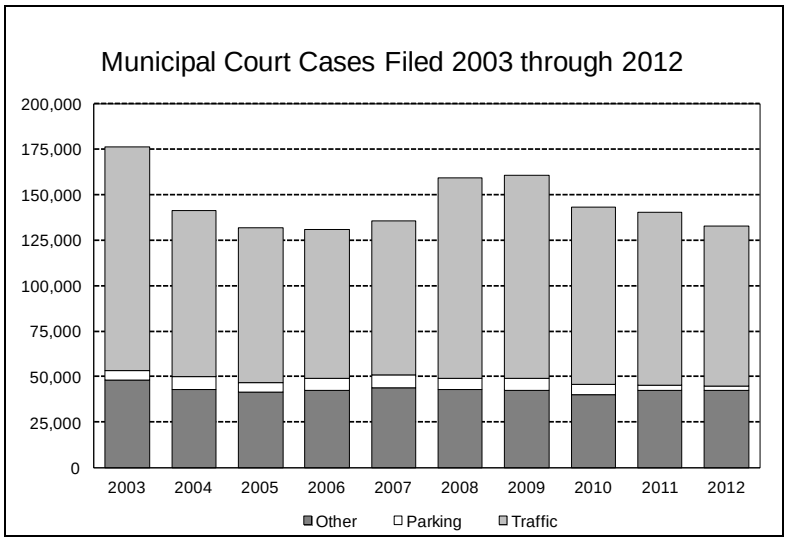
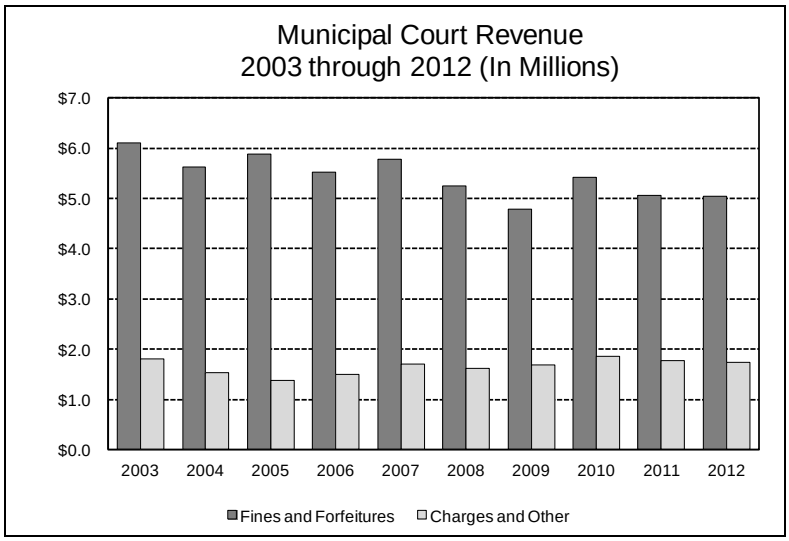


Figure 2



In 2012, the project served 799 clients, and actively managed 405 cases. Of 415 cases closed, 244 obtained licenses, for a license recovery rate of 58%. In 2013, the project is maintaining a high recovery rate of 64%, with 129 of the 201 clients whose cases were closed successfully obtaining driving privileges.

Court Revenues: Total Court revenue in 2012 decreased by $67,726 from 2012, a 1% decrease. Most of this decrease was in Court Clerk Fees and Fines and Forfeitures. Court revenue fluctuates on an annual basis (see Figure 2) 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.

RESIZE, RESTRUCTURE, AND REINVEST

Improving Case Management: The Municipal Court continues to progress with 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 2013 one Court Services Assistant II was not funded, providing an estimated $41,360 in salary and fringe benefit savings. As the project continues to improve court processes, additional savings will be realized. 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. In 2013, the Court focused on minor improvements to the system to make the new paperless processes (such as the electronic receipt of charging documents) even more efficient. The Court plans to offer expanded online services in 2014, including the ability to request a first-time due date extension.

Increasing Information Technology Support: The 2014 proposed budget adds one Network Analyst Senior position to the Municipal Court. This position will provide the Court with an additional information technology resource for supporting and maintaining the Court's case management information system. This position will help manage the existing workload, allow for better support on a 24/7/365 basis, and provide increased ability to cover staff absences and staggered shifts during primary business hours.

Virtual Server and SAN Replacement: The 2014 capital budget includes $144,000 to replace servers and the storage area network that support the Court's operations. The Court uses servers and a storage area network (SAN), initially purchased in 2009, to support its case management information system (CATS) and other software applications. The Court's operations depend upon these servers and SAN working effectively. In 2014, the devices will be five years old and will reach the end of their useful life. Replacing the assets will ensure reliable information technology infrastructure and hardware to host the Court's software applications. The project will prevent any potential asset failure that would adversely impact the Court's operations, and could have significant ramifications in terms of failing to operate Court sessions in an effective manner.

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 Analyst Senior	Increase support for the Court's information technology systems and infrastructure.
1	**1.00**	**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.

Reduce blight inducing conditions.

Increase investment in Milwaukee.

Improve the safety of buildings.

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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	177.71	204.30	204.50	207.50	3.20	3.00
FTEs - Other	30.51	39.20	39.00	39.00	-0.20	0.00
Total Positions Authorized	251	269	269	272	3	3
EXPENDITURES						
Salaries and Wages	$8,835,342	$10,439,619	$10,670,487	$10,836,959	$397,340	$166,472
Fringe Benefits	4,307,982	5,011,017	4,944,228	5,093,371	82,354	149,143
Operating Expenditures	1,259,768	1,222,765	1,222,765	1,354,165	131,400	131,400
Equipment	93,500	191,025	242,561	256,561	65,536	14,000
Special Funds	1,945,971	2,994,000	2,994,000	3,294,000	300,000	300,000
TOTAL	$16,442,563	$19,858,426	$20,074,041	$20,835,056	$976,630	$761,015
REVENUES						
Charges for Services	$15,925,358	$15,218,600	$16,318,600	$16,566,600	$1,348,000	$248,000
Licenses and Permits	6,478,285	6,792,850	6,858,600	6,958,600	165,750	100,000
Intergovernmental Aids	1,100,257	1,075,000	1,100,000	1,100,000	25,000	0
TOTAL	$23,503,900	$23,086,450	$24,277,200	$24,625,200	$1,538,750	$348,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Build safe and healthy neighborhoods.
   - Improve neighborhood conditions.
   - Reduce blight inducing conditions.
   - Improve the safety of buildings.

2. Increase investment and economic vitality throughout the city.
   - Increase investment in Milwaukee.

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 2013, the average complaint response is 6.9 days. The violation goal is to close all violations within 45 days of the compliance date established by Inspectors. Through July 2013, an average of 74.5% of violations met this goal.

Key Performance Measures

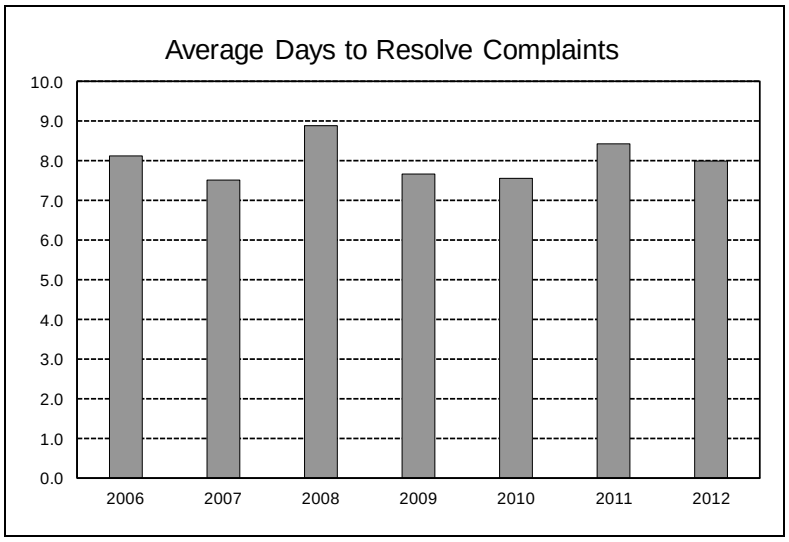
Measure	2012 Actual	2013 Planned	2014 Planned
Average days to respond to complaints.	8.0	8.0	8.0
Average days to confirm garbage abatement.	18.2	17.9	16.5
Three year public structure fire incident rate.	0.247	0.247	0.247
Percentage of Development Center timelines met.	N/A	85%	90%

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, litter and garbage nuisances, and structural building problems as quickly as possible. Timely abatement minimizes further deterioration while supporting reinvestment into properties and improved neighborhood cleanliness and appearance. One measure of this service is the timeliness of resolving complaints, as measured by the average time to close out complaints. In 2012, complaint response time was on average 8.0 days (see 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 2012, an average of 72.8% of violations were abated within 45 days of the initial compliance date. In 2012, 33,358 complaints were closed out, 20,674 violation orders were abated and 3,334 graffiti complaints were closed.

Figure 1



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 register 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 4,786 known vacant properties in the city. Of those, 2,895 properties are in the registration program. The remaining properties are either government owned, in pre-foreclosure, are under an active raze order, have received a modification, are an active rehabilitation, or are in probate. An estimated 290 vacant properties will be added in 2013. In 2014, six positions 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.

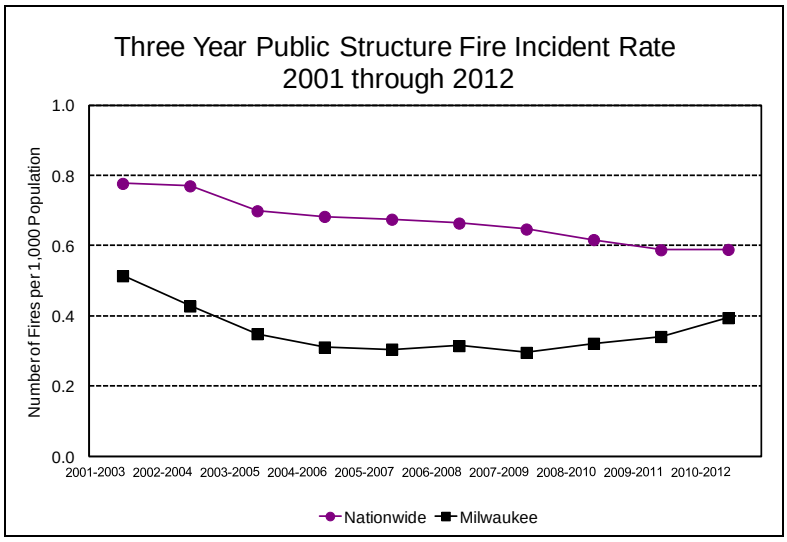
The program requires each rental unit to obtain a residential rental certificate. Units with no critical violations receive a four year certificate. Units with violations and that abate the violations receive a one year certificate. If violations are identified, a repair order or advisory is issued to 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, 87.3% of the 625 structures have a four year certificate. In the Lindsay Heights area, 77.7% of the 551 structures have a four year certificate.

From 2010 through July 2013, 6,151 orders have been issued in the RRI program, including 3,252 in the UWM area and 2,899 in the Lindsay Heights area. Orders in both areas decreased significantly in 2012 compared to 2011. In the UWM area, orders decreased by 26%, from 934 to 688. In the Lindsay Heights area, orders decreased by 25%, from 781 to 585. The trend through August 2013 indicates that total orders for both areas in 2013 will be lower than in 2012. In addition, complaints in 2012 were 24% lower than in 2011.

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. The three year rate of 0.395 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 2002 and 2012, the number of fires, on a three year rolling average basis, has decreased 28%.

Figure 2



Foreclosures: Foreclosures represent a continuing challenge for the city. As of September 5, 2013, there are 3,639 city properties in foreclosure. 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.

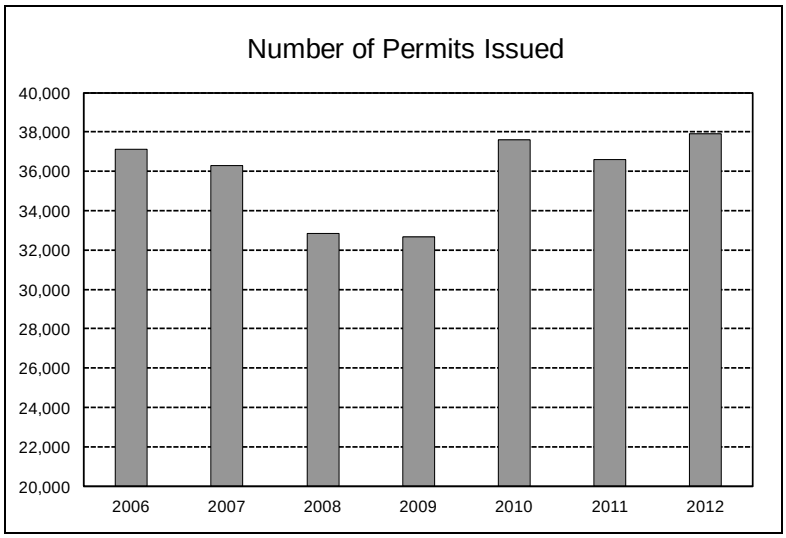
RESTRUCTURE, RESIZE, AND REINVEST

Development Center Improvements: The 2013 budget transferred the Development Center from the Department of City Development to the Department of Neighborhood Services. The goal was 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.

As part of the Development Center restructuring, DNS implemented 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. Other improvements include redesigning the website to make it more customer friendly and helpful to developers, integrating training for Inspectors and Plan Examiners, instituting a quality control program, and seeking State code changes to facilitate flexibility in the permit and inspection process.

Figure 3



Timelines for various reviews were established and as of August 2013 these timelines were met 84.5% of the time. For smaller commercial projects, the "walk through" plan review has reduced timeframes for appointments from two weeks to three days and projects have been reviewed on the same day 95% of the time. The expedited review program for projects in existing buildings has completed 82% of the reviews on the day of the appointment. In 2012, the number of permits issued remained at a high level compared to the decrease following the beginning of the housing market crisis in 2008 (see Figure 3).

The 2014 proposed budget includes improving the intake process by training four Office Assistants to perform basic intake for plan review and occupancy permits. The staff will be trained so that they can read blue prints and verify that customers have the necessary documents required for the initial plan exam. This will expedite plan reviews, reduce unnecessary wait times for plan reviews, and increase customer service. Funding is provided for training and the anticipated increased salary that will result when reclassification of these positions is approved in 2014. In addition, capital funding is provided for remodeling of the intake counter to support implementation of this operational change.

Expanded Special Enforcement: The 2014 proposed budget expands and improves the Special Enforcement program by adding two additional Special Enforcement inspectors. There are currently 14 Special Enforcement staff. The new staff will work with the Police Department and Community Prosecution Unit to investigate specific complaints in neighborhoods that occur after hours and on the weekends, such as drug houses, taverns, nightclubs, roaming party houses, and illegal auto repairs. Many of these violations occur on evenings and weekends and involve repeated complaints because these violations are more difficult to abate. Increased staff will provide sufficient capacity to assign staff on new evening and weekend shifts to more effectively abate these repeat nuisances. This will enable DNS, working in conjunction with the Police and City Attorney, to reduce nuisance behavior in neighborhoods.

Increased Demolition Funding: The large increase in vacant, abandoned and foreclosed properties has increased razing needs. The 2014 proposed budget includes $1.3 million in a DNS special fund to support demolition of properties that require razing because they are deteriorated beyond repair, present a safety hazard, and/or have an extensive history of criminal activity. It also includes funding for site preparation for the demolition of city owned *in rem* properties. Another $2.2 million in capital funding is provided to DNS for demolition. This includes funding for demolitions of privately owned buildings. DNS will also coordinate with DPW in utilizing a new city staffed demolition crew to raze city owned *in rem* properties. The goal is to expedite demolition of these properties in order to remove blighting and unsafe properties, which also attract criminal activity, from neighborhoods on a

more timely basis. In total, over $5 million is provided for demolitions with an expected 300 properties being razed.

Expanded Maintenance of Essential Services Program: The 2014 proposed budget includes $130,000 for the Maintenance of Essential Services Special Purpose Account, renamed the Essential Services and Compliance Program, an increase of $65,000 from the 2013 budget. This program is modified to allow DNS inspectors to refer residential properties for repair to avoid DNS enforcement and related fees. Contractors will perform the repairs necessary to correct the code violations, with the repairs funded through a 0% interest Deferred Payment Loan. The loan will be placed as a lien against the property and will be due and payable upon sale of the property. Eligibility criteria will limit the program to persons of low-income whose properties are not tax delinquent, not in foreclosure, and properly insured.

Restructure Nuisance Garbage Clean-up Contract: The 2014 proposed budget restructures the nuisance garbage cleanup contract to streamline the abatement process. Currently, the Department of Public Works manages the garbage cleanup contracts for both city owned and privately owned properties. In 2014, DPW will maintain the contract for all public properties, but the contract for privately owned properties will shift to DNS. This includes the creation of a Program Assistant III position in DNS to manage the contract, monitor the cleanup vendor and resolve customer concerns. This change involves no funding increase and will streamline the cleanup process, abate nuisance garbage violations in a more timely manner, and improve customer service.

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 building 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.

A contract with a vendor was executed in June 2013 with the project kick off in July. The system is expected to be implemented in January 2015.

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		Special Enforcement Inspector	Expand Special Enforcement staffing.
1	1.00		Program Assistant III	Shift nuisance garbage collection contract to DNS from DPW.
	0.20	-0.20	Program Assistant II	Correction to reflect funding source.
3	**3.20**	**-0.20**	**Totals**	

POLICE DEPARTMENT

EXECUTIVE SUMMARY

MISSION: Create and maintain neighborhoods capable of sustaining civic life. Reduce the level of crime, fear, and disorder through community based, problem oriented, and data driven policing.

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

Maintain high clearance rates.

Increase community readiness to cooperate with police.

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, Police Service Specialists and Crime Analysts as force multipliers.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	2,463.72	2,672.53	2,673.00	2,693.00	20.47	20.00
FTEs - Other	80.78	54.48	49.00	34.00	-20.48	-15.00
Total Positions Authorized	2,904	2,872	2,867	2,848	-24	-19
EXPENDITURES						
Salaries and Wages	$159,670,912	$159,544,740	$161,482,832	$161,925,832	$2,381,092	$443,000
Fringe Benefits	62,271,655	62,222,448	62,978,304	66,389,591	4,167,143	3,411,287
Operating Expenditures	13,712,867	14,302,926	15,049,881	13,450,881	-852,045	-1,599,000
Equipment	978,922	1,468,249	4,016,575	1,971,739	503,490	-2,044,836
Special Funds	0	0	0	0	0	0
TOTAL	$236,634,356	$237,538,363	$243,527,592	$243,738,043	$6,199,680	$210,451
REVENUES						
Intergovernmental	$660,450	$744,900	$554,700	$702,700	$-42,200	$148,000
Charges for Services	148,064	66,600	86,800	558,800	492,200	472,000
TOTAL	$808,514	$811,500	$641,500	$1,261,500	$450,000	$620,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Create and maintain neighborhoods capable of sustaining civic life.
   - Decrease crime by 10% annually to improve standing among cities of comparable size.
   - Maintain high clearance rates.
   - Increase community readiness to cooperate with police.

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.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Decrease total crime by 10% annually.	-10.3%	-10%	-10%
Achieve a 70% homicide clearance rate.	65.2%	70%	70%
Ratio of proactive policing to citizen complaints.	0.13%	0.12%	0.12%

STRATEGY IMPLEMENTATION

The department uses strategic staffing practices to optimize patrol capacity. The 2014 proposed budget funds a sworn strength of 1,855, including 100 new Police Officers. The department will continue to optimize its patrol resources 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.

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.

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 2013, 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. The Office of Justice Ass[istance 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 2013 to the same time period of the previous five years. Since 2007, violent crime decreased 12.8%, property crime decreased 34.6%, and overall crime decreased 30.1%.

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.

Table 1

City of Milwaukee Uniform Crime Statistics

Summary Crime Counts 2007 - 2013 Comparison of January through June

	2007 Total	2008 Total	2009 Total	2010 Total	2011 Total	2012 Total	2013 Total	2007-2013 Change	2008-2013 Change	2009-2013 Change	2010-2013 Change	2011-2013 Change	2012-2013 Change
Homicide	57	45	51	50	51	45	45	-21.1%	0.0%	-11.8%	-10.0%	-11.8%	0.0%
Aggravated Assault	3,131	3,062	2,379	2,281	1,938	2,701	2,586	-17.4%	-15.5%	8.7%	13.4%	33.4%	-4.3%
Rape	130	91	109	102	96	118	105	-19.2%	15.4%	-3.7%	2.9%	9.4%	-11.0%
Robbery	1,904	1,720	1,670	1,508	1,662	1,517	1,819	-4.5%	5.8%	8.9%	20.6%	9.4%	19.9%
Total Violent Crime	**5,222**	**4,918**	**4,209**	**3,941**	**3,747**	**4,381**	**4,555**	**-12.8%**	**-7.4%**	**8.2%**	**15.6%**	**21.6%**	**4.0%**
Burglary	3,380	3,467	3,387	3,427	3,666	3,755	3,478	2.9%	0.3%	2.7%	1.5%	-5.1%	-7.4%
Theft	11,946	11,620	10,988	10,882	9,089	8,745	7,323	-38.7%	-37.0%	-33.4%	-32.7%	-19.4%	-16.3%
Auto Theft	4,373	3,925	2,775	2,182	2,586	2,493	2,025	-53.7%	-48.4%	-27.0%	-7.2%	-21.7%	-18.8%
Arson	185	172	212	131	161	189	169	-8.6%	-1.7%	-20.3%	29.0%	5.0%	-10.6%
Total Property Crime	**19,884**	**19,184**	**17,362**	**16,622**	**15,502**	**15,182**	**12,995**	**-34.6%**	**-32.3%**	**-25.2%**	**-21.8%**	**-16.2%**	**-14.4%**
Grand Totals	**25,106**	**24,102**	**21,571**	**20,563**	**19,249**	**19,563**	**17,550**	**-30.1%**	**-27.2%**	**-18.6%**	**-14.7%**	**-8.8%**	**-10.3%**

RESIZE, RESTRUCTURE, AND REINVEST

Funded Strength and Recruit Class: The 2014 proposed budget funds a sworn strength of 1,855 sworn Officers. This represents a minor decrease, less than 1%, from the 2013 budgeted strength of 1,862, and no change from the projected average strength for 2013 which is based on actual strength levels during the year. The budget anticipates hiring 100 new Officers during 2014. Fifty Officers will be hired in the beginning of the year and available for patrol duties during the summer of 2014. An additional 50 Officers will be hired in late 2014 and available for patrol duties in 2015.

Civilianization of Crime Analysts Analysis Function: The department currently uses sworn personnel to perform crime analysis. In many departments throughout the country crime analysis duties are performed by civilian personnel. In 2014 the department is proposing to begin the civilianization of these duties. This restructuring will allow for sworn personnel to engage in community policing activities while still having the needed crime analysis performed by civilian personnel. This restructuring will have a positive impact on the amount of sworn personnel available for community policing. By the end of 2014, it is projected eight sworn personnel will be added to community policing.

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 expires during 2013. The 2013 budget included approximately $1.2 million to continue staffing after grant expiration. The 2014 proposed budget adds an additional $1.8 million to fund the staffing costs for an entire year, over $3 million in total annual costs.

Partnership with Milwaukee Public Schools: Since 2007, the department has partnered with the Milwaukee Public School (MPS) system to reduce violence at several targeted MPS high schools. A proposed restructuring of the program will make Officers available to schools district wide during hours that extend into the evening. This will provide greater flexibility in the distribution of police resources.

Police Vehicle Repairs: The 2014 proposed budget includes a change to the funding for police vehicle repair. Previously repair costs have been budgeted in the Police Department operating expenditures account and the department made numerous reimbursable payments to the Department of Public Works (DPW) for the repairs throughout the year. In 2014, the repair costs are budgeted directly in DPW as an operating expense. The 2014 funding, combined with a service level agreement between the two departments, provides for the same level of service as provided for in recent budgets. The primary benefit of this change is to reduce the time, administrative transactions, and complexity which resulted from the reimbursable funding approach. This restructuring change reduces the Police Department's operating account by $1.5 million.

Cellular 911 Emergency Calls: In 2013, the city and Milwaukee County agreed to a three year Memorandum of Understanding (MOU) to improve 9-1-1 communications. The MOU improves 9-1-1 emergency call services for cell phone calls. Prior to the MOU, cell phone calls that originated in the city went to the County Sheriff's Department first and then was transferred to MPD. The agreement eliminates the need for call transfer and enhances rapid response abilities.

Furlough Days: All sworn and civilian employees of the department will take three furlough days in 2014. 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.

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 2014 proposed budget reduces the total overtime budget by $400,000 to $12.5 million.

CAPITAL BUDGET

The 2014 capital budget continues 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. Phase I was completed in 2013.

The 2014 proposed budget includes $5.99 million for construction of phase three and design of phase four.

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 2014 proposed budget includes $1,400,000 to design, develop, and begin implementation during 2014.

Uninterruptable Power Supply System Replacement: Uninterruptable power supply systems provide the Police Department power when a power outage occurs. The systems are critical in maintaining data and communication systems that are essential to public safety services. The 2014 proposed budget includes $696,000 to replace systems that are beyond their useful life at several locations.

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 2014, there is $365,000 for the installation of a new site in District 4.

District Station Renovation Program: The 2014 proposed budget includes $500,000 for various repairs and upgrades at the district stations, including a repair at the District 6 garage.

IT Server and Data Storage Replacement: The department uses approximately 85 servers to operate critical systems such as the Computer Aided Dispatch system and Records Management system. Many of these servers are beyond their useful lives and must be replaced. The 2014 proposed budget includes $225,000 to replace servers.

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
	15.00	-15.00	Police Officer	COPS grant funding expiration.
-1		-1.00	Police Officer	Beat Patrol grant reduction
-1		-1.00	Police Lieutenant	UASI grant expiration.
-2		-2.00	Police Officer	
-2		-2.00	Police Service Specialist Investigator	
-1	-1.00		Police ID Supervisor	Position eliminated.
1	1.00		Records Manager Position	New position.
20	5.00		Crime Analyst	Increase position authority.
1		1.00	Crossing Guard	Position added for Zoo Interchange grant.
-22			Detective	Eliminates long vacant positions.
-7			Police Officer	
-10			Office Assistant II	
	0.47	-0.48	Various Positions	Miscellaneous adjustments.
-24	**20.47**	**-20.48**	**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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	21.00	21.00	21.00	20.00	-1.00	-1.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	37	37	37	37	0	0
EXPENDITURES						
Salaries and Wages	$1,160,149	$1,199,676	$1,287,300	$1,196,151	$-3,525	$-91,149
Fringe Benefits	559,733	575,845	605,031	574,152	-1,693	-30,879
Operating Expenditures	940,565	1,006,000	1,006,000	991,000	-15,000	-15,000
Special Funds	1,719,698	1,800,000	2,203,000	1,878,000	78,000	-325,000
TOTAL	$4,380,145	$4,581,521	$5,101,331	$4,639,303	$57,782	$-462,028
REVENUES						
Charges for Services	$5,720,383	$4,581,521	$4,581,521	$4,639,303	$57,782	$57,782
TOTAL	$5,720,383	$4,581,521	$4,581,521	$4,639,303	$57,782	$57,782

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increasing investment and economic vitality throughout the city.
   - Provide land for businesses.
   - Stimulate trade and business.

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.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Tonnage growth.	-30.4%	0%	0%
Percentage of total expenses covered by revenues.	138%	100%	100%
Port related job growth.	624 (direct jobs) 792 (indirect)	624 (direct jobs) 792 (indirect)	624 (direct jobs) 792 (indirect)

STRATEGY IMPLEMENTATION

Approximately 67% of the Port's 2012 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 $1.35 million in 2012. The Port transfers any excess revenue to the city's General Fund to ease the property tax burden.

In 2012, the Port generated operating revenue of approximately $4.4 million, a slight increase over 2011. While Port revenues have remained relatively stable in 2013, the Port's revenues exceeded expenses by approximately $1.3 million.

The Port's total tonnage decreased by 30% in 2012, due to a 34% decrease in dry bulk tonnage. Dry bulk includes salt, coal and limestone and comprises approximately 44% of the Port's tonnage. Tonnage of economically sensitive products, cement and liquid bio-fuels, also dropped, while steel 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

Resize

- The 2014 proposed budget eliminates the funding and FTE associated with one upper management position. This change will save $94,000.

Restructure

- As part of consolidating information technology management and support, the 2014 proposed budget moves the Port's technology support related functions to DOA ITMD.
- The 2011 and 2012 budgets provided funds to support a Marketing and Financial study of the Port. In 2014, the Port will review the study's recommendations and make changes that will positively impact the city's economic and employment outlooks.

Reinvest

- The 2014 proposed budget includes $500,000 in Special Funds to maintain and improve the Port's facilities. Maintaining high quality facilities helps attract tenants, increase revenues and positively impacts the local economy.
- The 2014 capital budget includes $750,000 to support Port facility improvements. Specifically, $4 million is budgeted to replace the Port's oldest and most important crane. Secondly, $500,000 is provided to improve the Port's rail track. These projects will support the Port's competitive advantages for many years.

In 2014, 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

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		Port Operations Director	Management restructuring.
0	**-1.00**	**0.00**	**Totals**	

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 for underutilized businesses and residents.

STRATEGIES: Investigate, review and solve complex problems regarding the planning and implementation of major projects and events, as they relate to public rights of way and infrastructure.

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

Administer the Emerging Business Enterprise and Residential Preference programs.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	46.51	39.30	40.24	41.38	2.08	1.14
FTEs - Other	7.38	4.35	4.94	4.80	0.45	-0.14
Total Positions Authorized	58	46	46	47	1	1
EXPENDITURES						
Salaries and Wages	$2,633,749	$2,220,795	$2,132,820	$2,188,325	$-32,470	$55,505
Fringe Benefits	1,329,398	1,065,981	1,002,425	1,028,513	-37,468	26,088
Operating Expenditures	360,900	498,976	422,000	312,000	-186,976	-110,000
Equipment	29,881	30,000	30,000	30,000	0	0
TOTAL	$4,353,928	$3,815,752	$3,587,245	$3,558,838	$-256,914	$-28,407
REVENUES						
Charges for Services	$1,429,595	$1,298,000	$650,000	$650,000	$-648,000	$0
Licenses and Permits	1,753,489	1,305,500	1,455,200	1,455,200	149,700	0
TOTAL	$3,183,084	$2,603,500	$2,105,200	$2,105,200	$-498,300	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increase investment and economic vitality throughout the city.
   - Provide courteous and professional assistance to developers and residents in the project development process, including technical utility reviews and the issuance of permits.

- Administer and coordinate services between the city and developers for out-of-program sewer, water and paving improvements.
- Work closely with business organizations in the planning and implementation of streetscape improvements through commercial districts.

2. Improve workforce development and connect more citizens to family supporting jobs.
   - Provide employment opportunities to Milwaukee businesses and residents through the EBE and RPP programs.

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.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
SBE participation as a percent of total annual contract payments.	25.4%	25%	25%
RPP wages paid as a percent of total contract.	53.8%	50%	50%
Employee work days lost due to injury.	5,207	5,000	4,750

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. Minimizing injuries reduces both lost work days and worker's compensation costs. In 2014, the Safety Section will continue working 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

Technology Support Services Transfer: As a result of transferring the Technical Support Section to the Information and Technology Management Division in the Department of Administration, DPW Administrative Services will make related reductions totaling over $100,000.

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 playfield reconstruction. The RPP provides that 40% of the labor hours on such projects be allocated to unemployed or underemployed city residents. These projects are funded through the city's capital program. Contracts awarded for capital projects 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 2012, the RPP provided 93,000 hours of work and $4.1 million of wage income for Milwaukee target area residents.

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 I	Duties transferred from Infrastructure.
	-0.50	0.50	Accounting Assistant II	Funding change.
	0.64	-0.64	Civil Engineer II	
	0.94	0.59	Various Positions	Miscellaneous adjustments.
1	**2.08**	**0.45**	**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: Maintain and improve the condition of the city's transportation, communication and related infrastructure systems.

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.

Use the High Impact Local Street Initiative to increase performance of segments with high traffic counts.

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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	298.27	286.46	322.41	321.41	34.95	-1.00
FTEs - Other	299.14	310.74	300.13	307.13	-3.61	7.00
Total Positions Authorized	803	802	802	810	8	8
EXPENDITURES						
Salaries and Wages	$15,511,364	$16,268,890	$16,385,017	$15,773,773	$-495,117	$-611,244
Fringe Benefits	7,872,537	7,809,068	7,680,815	7,413,674	-395,394	-267,141
Operating Expenditures	14,237,821	13,247,663	13,759,038	13,939,038	691,375	180,000
Equipment	227,335	258,000	370,500	370,500	112,500	0
Special Funds	0	12,000	0	0	-12,000	0
TOTAL	$37,849,057	$37,595,621	$38,195,370	$37,496,985	$-98,636	$-698,385
REVENUES						
Charges for Services	$5,263,317	$3,560,500	$4,272,500	$4,272,500	$712,000	$0
Miscellaneous	242,186	217,000	177,000	177,000	-40,000	0
TOTAL	$5,505,503	$3,777,500	$4,449,500	$4,449,500	$672,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increasing investment and economic vitality throughout the city.
   - Improve infrastructure condition.

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 2014, ISD will use approximately $135.3 million to support its objectives, including $37.9 million in operating funds, $52.6 million in capital funds and $44.8 million in State and Federal aid. Grant and aid funds are used primarily for two capital programs:

- Major Bridge program; and
- Major Street Improvements program

In the 2014 proposed budget, grant funds constitute 80% of the Major Bridge program and 87.6% 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.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Percentage of bridges with sufficiency rating greater than 50.	91.1%	92.5%	92.5%
Response time to pothole calls for service.	3 days 3 hours	3 days	3 days
Street lights converted from series to multiple circuits.	200	900	900
Local street replacement cycle.	62 years	57 years	62 years

STRATEGY IMPLEMENTATION

ISD improves 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

Table 1

Major Streets

Source of Funds	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2014-2019 Average
City Funding (1)	$6,213,800	$5,612,550	$3,735,800	$5,354,400	$5,868,500	$7,592,800	$5,729,642
Assessable (2)	$1,000	$365,000	$563,500	$275,000	$888,500	$635,000	$454,667
Grant and Aid	$43,778,200	$43,015,750	$12,949,700	$43,141,760	$19,688,000	$28,801,200	$31,895,768
Annual Totals	**$49,993,000**	**$48,993,300**	**$17,249,000**	**$48,771,160**	**$26,445,000**	**$37,029,000**	**$38,080,077**

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

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

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 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 $42.5 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 2014 proposed budget includes $50 million for the Major Streets program (see Table 1). There are ten major street reconstruction projects scheduled for 2014 in addition to several bike trail projects, street lighting and traffic improvements in the central business district and various signal and safety improvement projects.

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 2014 proposed budget provides $16.5 million for the Resurfacing and Reconstruction program, which will resurface or reconstruct approximately 15.9 miles of local streets. Approximately $1.3 million of these funds will be used for capital maintenance. Capital maintenance activities serve to both extend pavement life and to help prevent problems such as potholes. The Department of Public Works aims to quickly repair potholes reported by both citizens and city crews. In 2012, street maintenance crews achieved an average response time of 3.1 days for potholes reported to the city's Call Center. Over the past five years, the Department of Public Works has expended on average about $1.6 million per year to repair potholes.

The city is committed to investing and improving its transportation infrastructure. The 2014 proposed Local Streets budget includes $3 million for the High Impact Street program. This program extends the life of high traffic volume streets that are not scheduled for full reconstruction. The pavement grinding and asphalt overlay technique used in this program impacts traffic patterns for only two to three days at a low cost relative to full reconstruction and can extend the useful life of a street by up to seven years. Street segments eligible for the High

Table 2

Local Street Resurfacing/Reconstruction Funding 2014 - 2019 Plan

Source of Funds	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2014-2019 Average
City Funding (1)	$10,400,000	$13,700,000	$12,300,000	$13,700,000	$12,900,000	$13,700,000	$12,783,333
Assessable (2)	$1,000,000	$1,200,000	$1,200,000	$1,300,000	$1,300,000	$1,300,000	$1,216,667
LRIP (3) State Funding	$1,067,500	$0	$1,067,500	$0	$1,067,500	$0	$533,750
City Match	$1,067,500	$0	$1,067,500	$0	$1,067,500	$0	$533,750
Assessable Match/Carryover	$0	$0	$0	$0	$0	$0	$0
Annual Totals	**$13,535,000**	**$14,900,000**	**$15,635,000**	**$15,000,000**	**$16,335,000**	**$15,000,000**	**$15,067,500**
Cost Per Mile	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000
Expected Miles Completed	15.92	17.53	18.39	17.65	19.22	17.65	17.73
Replacement Cycle (Years)	**62**	**56**	**54**	**56**	**51**	**56**	**56**

(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.

Impact Street program have a relatively high traffic count, poor pavement condition or the risk of condition becoming poor, and serve an employment or commercial center.

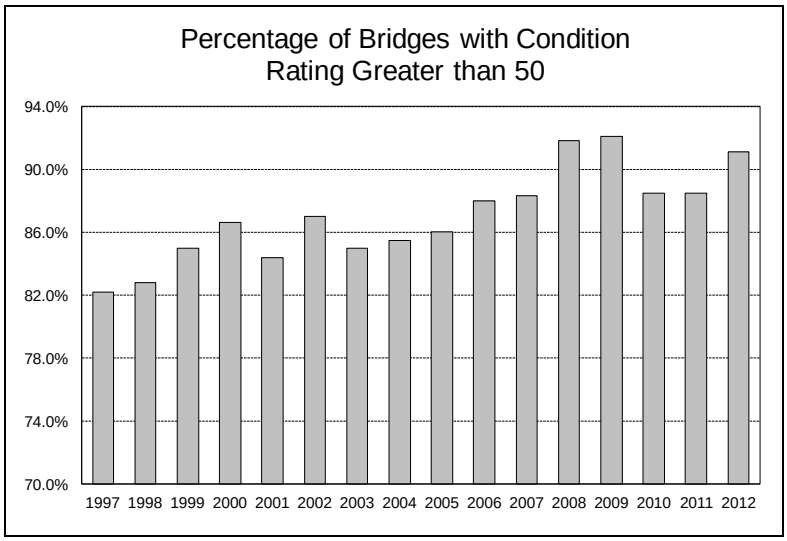
In 2013, the High Impact Street Program targeted several heavily trafficked downtown streets including segments of North Water Street and East Kilbourn Avenue, as well as streets on the north side such as segments of West Center Street and North 60th Street. The 2014 proposed High Impact Street program is increased by $2 million compared to 2013. This allows the department to target heavily trafficked streets in different areas of the city.

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 17.7 miles of resurfacing or reconstruction per year and approximately 34 miles of street maintenance annually. The 2014 to 2019 funding plan will produce a 56 year replacement cycle.

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 2014 proposed budget provides total funding of $1.3 million, including $260,000 in capital and $1 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 2012, 91.1% of the rated bridges 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.

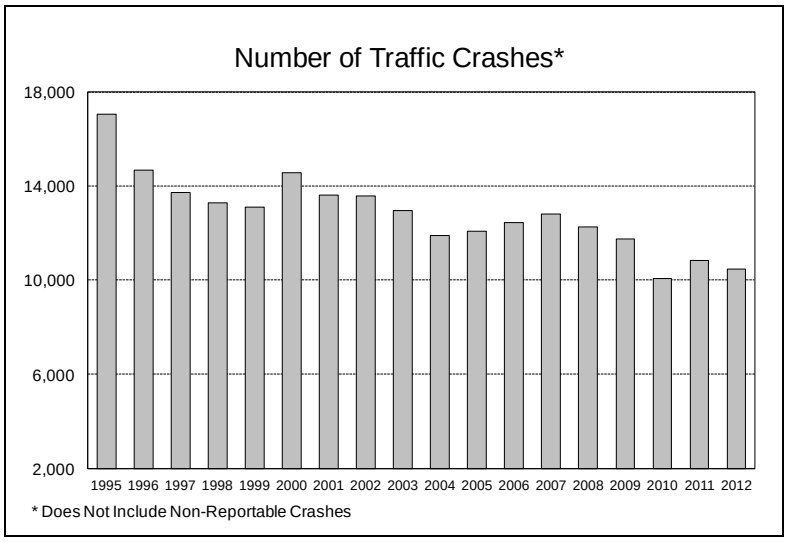
Figure 1



Local Bridges: The Local Bridge program ensures that bridges are maintained,

renovated and reconstructed when State and Federal aid is not available. The 2014 proposed budget provides approximately $9.8 million in capital funding for Local Bridge projects. The 2014 program will fund replacement of the West Lisbon Avenue Bridge over the Canadian Pacific Railway as well as two bridge rehabilitation projects and design work for future repairs. The six year plan for the Local Bridge program averages $10.3 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.

Figure 2



Alley Reconstruction: The 2014 proposed Alley Reconstruction program includes $1.6 million in new borrowing and $400,000 in assessable funding carried over from 2013 for the replacement of aging alleys. This funding provides for approximately 16 alley projects to be completed in 2014.

Street Lighting: The 2014 proposed Street Lighting program includes $26.7 million in capital, grant and operating funding. Approximately $4.5 million will be expended on paving related improvements. Infrastructure Services must install temporary overhead lighting to maintain service during road reconstruction projects. Once paving projects are completed, temporary overhead lighting is removed and replaced with permanent lighting.

Approximately $2.6 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 2014 proposed budget includes $800,000 for replacement of street lighting control circuits. This project allows for more efficient management of the street lighting system. Upon completion of the street lighting control circuit replacement project, potential problems will be diagnosed before they occur and crews will be more responsive to citizens. The control circuit project also improves the reliability of lighting cycles, improves control of street lights, and reduces response times to circuit outages.

Traffic Controls: The Traffic Control program designs and operates transportation systems that support the safe and efficient movement of people and goods. The program reduces the number of traffic crashes, improves traffic flow and reduces pollution. The 2014 proposed budget provides $5.2 million for this service including $3.1 million in operating funds, $2 million in capital funds and approximately $100,000 in grant funding. 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 $700,000 for non-paving related sign replacements. The Traffic Control program has contributed to a reduction in the number of reported traffic crashes by 38.6% since 1995 (see Figure 2).

Sidewalk Replacement: The 2014 proposed budget provides $1 million in city funding and approximately $300,000 in assessable funding to replace defective sidewalks. Approximately $240,000 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. As of 2012, the city has 114 miles of marked bike lanes on arterial streets, racks have been added to park more than 2,000 bikes in neighborhoods across the city.

Underground Conduit and Electrical Manholes: The Underground Conduit and Electrical 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 2014 proposed budget provides approximately $1.4 million in funding for this program, including $112,000 in operating funds and $1.3 million in capital funds. The capital funding includes $500,000 for conduit and underground manhole work related to paving projects, $600,000 for replacement and repair of underground manholes, and $150,000 for an Underground Manhole Inspection program.

FACILITIES CAPITAL PROJECTS

Environmental Remediation Program: The 2014 proposed budget includes $200,000 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 2014 proposed budget includes $340,000 for the ADA Compliance program. This program funds various accessibility improvements including building entrances, office modifications, and restrooms. In 2014, this program will fund ADA related improvements to restrooms in the Zeidler Municipal Building and ADA renovations at two city owned recreation sites.

Facilities Exterior Program: The 2014 proposed budget includes $2.1 million for projects to maintain watertight integrity, improve energy efficiency, and provide for safe conditions in city facilities. Major projects in this program include roof and masonry repairs to Northwest Garage, and repaving of the Central Repair Garage parking lot.

City Hall Complex Remodeling: The 2014 proposed budget includes $191,000 for various remodeling and improvement projects in the City Hall complex.

Outlying Facilities Program: The 2014 proposed budget includes $86,000 to fund improvements to outlying facilities.

Facilities Systems Program: The 2014 proposed budget includes $1.8 million for facility systems improvements. This includes funding for emergency mechanical, electrical and security repairs, Fire/Life Safety system upgrades and automation of building systems in the 809 Building, and the second phase of a project to upgrade the electrical systems at Lincoln Garage.

Space Planning, Alterations, and Engineering: The 2014 proposed budget includes $205,000 to fund unprogrammed engineering costs and office reorganizations. This program also funds the city's Facilities Condition Assessment Program (FCAP). FCAP involves comprehensive inspection of building envelope and building systems, which is used to identify the current and future funding needs required to maintain buildings in good working condition.

Energy Efficiency and Renewable Energy Initiative Program: The 2014 proposed budget includes $150,000 to fund lighting and sensor upgrades at various city facilities.

Playground Improvement Challenge Fund: The 2014 proposed budget includes $60,000 in cash financing authority to provide a 100% match for grants and donations to improve playgrounds citywide.

RESIZE, RESTRUCTURE, AND REINVEST

The Infrastructure Services Division's 2014 proposed budget includes several initiatives to restructure and resize its operations:

- The High Impact Streets program allows the department to reduce its scheduled seasonal street maintenance effort by one week. The proposed $3 million High Impact program reduces the need for maintenance activities such as pothole patching by targeting deteriorated streets that typically generate calls for service.
- The department will restructure its upper management positions in the Administration and Facilities sections. Two upper management positions are currently vacant and generating salary savings. This streamlining of upper management is expected to save at least $70,000.
- Beginning in 2012, Infrastructure Services Division initiated a new process for repairing pavement cuts made by Water Works and Sewer crews to repair or maintain their infrastructure. This new process repairs the pavement cuts in a matter of days whereas it had previously taken weeks or months to make a permanent repair. The new process generates cost savings and reduces the time spent by Water, Sewer and Infrastructure crews on pavement repairs.

The 2014 proposed budget also includes strategic investments that on preserve and improve the city's core infrastructure:

- The High Impact Streets program is increased by 200% from the 2013 budget, totaling $3 million. This program can extend the life of a street segment by up to seven years. An additional benefit realized through this program is that streets that have been resurfaced have minimal maintenance needs, which reduces operating costs.
- The 2014 proposed budget includes $800,000 for construction of a street lighting control circuit. This project provides greater central control of street lighting burn times, and allows for quicker identification of problems and outages.
- Beginning in 2014, Infrastructure Services Division will utilize city forces to perform repairs on electrical and communication manholes. A city crew can repair manholes more cheaply and quickly than contract forces. When the city contracts for manhole repairs, the Department of Public Works must prepare detailed design specifications for the repair. City crews can design and rebuild on the spot, eliminating the time and cost required to put together design specifications. The department estimates that a city crew can repair a manhole for about half of the cost that the city currently pays for contract forces to make the repair.

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		Administration and Transportation Design Manager	Management reorganization.
1	1.00		Engineer In Charge	
-1	-1.00		Management and Accounting Officer	Reorganization of Accounting Section,
-1	-1.00		Accountant II	
2	2.00		Accountant III	
1		1.00	Engineering Technician V	Shift of responsibility for management of conduit leases to ISD.
2		2.00	Engineering Technician IV	
-1	-1.00		Cement Finisher	Title change to reflect duties.
1	1.00		Bricklayer	
-1	-0.44	-0.56	Bridge Laborer II	
1	0.44	0.56	Infrastructure Repair Worker	
-1	-1.00		Program Assistant I	Position shifted to DPW Administration.
1		1.00	Electrical Maintenance Program Manager	New 2014 initiative to perform electrical and communication manhole repair work with city forces instead of contract.
1		1.00	Infrastructure Repair Crew Leader	
1		1.00	Infrastructure Repair Worker	
1		1.00	Bricklayer	
2			City Laborer (Aux)	
-1	-1.00		Facilities Director	Management reorganization.
1	1.00		Engineer In Charge	
-1	-1.00		Architect IV	Title change to reflect duties.
1	1.00		Architect III	
-1	-1.00		Engineering Drafting Technician IV	
1	1.00		Engineering Technician IV	
	35.95	-10.61	Various Positions	Miscellaneous adjustments based on experience.
8	**34.95**	**-3.61**	**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.

Maintain 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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	649.88	639.38	646.01	650.05	10.67	4.04
FTEs - Other	70.87	74.87	68.24	62.79	-12.08	-5.45
Total Positions Authorized	1,438	1,438	1,438	1,412	-26	-26
EXPENDITURES						
Salaries and Wages	$31,585,269	$31,421,468	$32,707,003	$32,989,003	$1,567,535	$282,000
Fringe Benefits	15,994,662	15,082,305	15,372,292	15,504,832	422,527	132,540
Operating Expenditures	26,170,246	26,643,785	27,008,715	27,046,215	402,430	37,500
Equipment	1,681,444	1,859,100	1,980,700	1,859,700	600	-121,000
Special Funds	744,602	972,500	1,222,500	3,005,500	2,033,000	1,783,000
TOTAL	$76,176,223	$75,979,158	$78,291,210	$80,405,250	$4,426,092	$2,114,040
REVENUES						
Charges for Services	$67,472,087	$69,557,600	$69,114,200	$70,211,200	$653,600	$1,097,000
TOTAL	$67,472,087	$69,557,600	$69,114,200	$70,211,200	$653,600	$1,097,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Build safe and healthy neighborhoods.
   - Collect solid waste in a timely scheduled manner.
   - Vigorously abate nuisance garbage.
   - Effectively maintain vacant lots to minimize blight on neighborhoods.

2. Increase investment and economic vitality throughout the city.
   - Remove snow and ice as quickly and economically as possible to restore safe motorist and pedestrian travel and minimize economic losses.

3. Sustain, enhance and promote Milwaukee's natural environmental assets.
   - Reduce solid waste sent to landfills and increase household recycling.
   - Maintain a fully stocked tree canopy that maximizes community and environmental benefits and is safe for public use and enjoyment.
   - Maintain a landscaped boulevard system that is visually attractive and adds value to neighborhoods and reduces stormwater runoff.
   - Expand use of compressed natural gas vehicles and equipment in the city fleet, reducing fuel costs and dependence on petroleum based fuels.
   - Manage public risk associated with the Emerald Ash Borer.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Fleet availability.	Police: 94.9% Light: 90.6% Heavy: 90.1%	Police: 94.9% Light: 90.6% Heavy: 90.1%	Police: 95% Light: 95% Heavy: 90%
Reduce tons of solid waste sent to landfill by 2%.	-3%	-2%	-2%
Increase household recycling participation by 2%.	6%	2%	2%
Tons of salt used.	33,420	44,000	44,000
Trees pruned in cycle.	81.3%	100%	100%
Trees planted.	3,370	3,198	4,211

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.

The 2014 proposed budget provides $80.4 million in operating funds, utilizes $4.5 million of grant and reimbursable funding and an additional $12.9 million of capital funds for DPW Operations Division's services to Milwaukee's residents and businesses.

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 uses recycling, brush collection and public education to reduce the amount of material sent to landfills. 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 costs. The 2014 proposed budget includes $9 million for tipping fees, including a 2.5% increase in the 2013 tipping fee rate.

In an effort to control solid waste disposal costs, Mayor 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 24% 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.
    - $14 fee per quarter in 2014.
  - Continue greater diversion of materials at self-help sites.
    - More items added in 2012.
  - Begin single stream recycling.
    - Implemented in the Fall of 2011.
- 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 (pilot in progress).
  - Continue efforts to increase diversion of other materials including plastics, fiber and styrofoam.

40 BY 2020

40% DIVERSION OF SOLID WASTE BY 2020

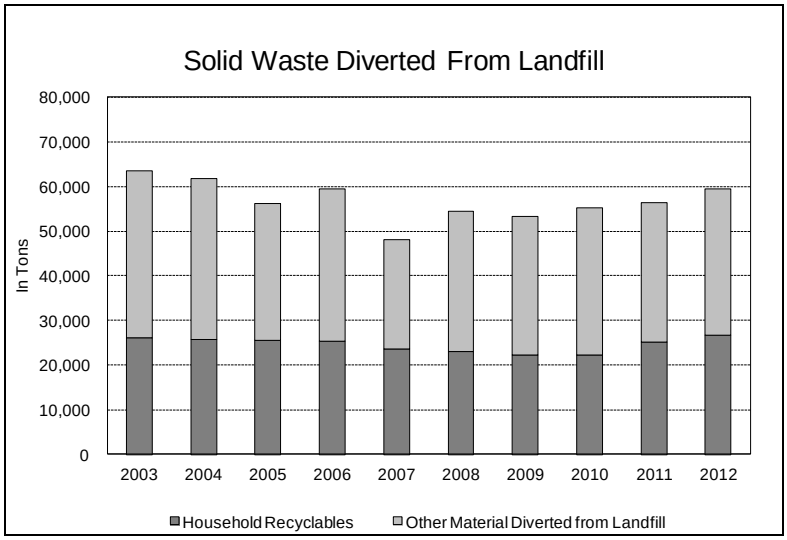
The "40 by 2020" program provides incentives to recycle more, throw away less and take advantage of the Clean and Green program and self-help centers. The Department of Public Works (DPW) has made significant progress in implementing this program. Phase I has been successfully implemented and DPW is currently implementing parts of Phase II and Phase III.

The primary benefits of the "40 by 2020" program are reduced tipping fees, increased recycling revenues and a reduction in the overall sanitation service costs. The recycling program generated over $2 million in 2012. The 2013 and 2014 revenue estimates for recycling are $2 million annually. The 2014 proposed budget provides nearly $5.9 million in operating funds and $2.3 million in grant funds for recycling efforts.

The recycling program's mission is to divert an increasing amount of recyclables from the waste stream. DPW will explore a variety of methods to increase diversion from landfills. One option 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.

DPW collects waste weekly from about 213,000 households. In 2012, DPW collected approximately 245,000 tons of residential solid waste. Of this amount, 26,616 tons of recyclables and 32,855 tons of compost and other materials, or 24% of residential waste, was diverted from landfills (see Figure 1).

Figure 1



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 also contributes 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 enforces the Tall Weed/Grass ordinance. In 2013, the City of Milwaukee's Common Council voted to change the violation guidelines. It is a new violation for residential grass and weeds to exceed 7 inches. The prior rule was 9 inches. 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 is an average of 8,000 to 9,000 service requests, about half of which were cited for being in violation of the ordinance. The ordinance change is expected to increase the number of service requests. An additional $65,000 is included in the 2014 proposed budget for the ordinance change.

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 DPW divisions, other city departments, and provides repair services for vehicles owned by the Library, Health Department, Police Department, Water Works, Sewer Maintenance Fund, and Parking Fund.

Fleet Services has grant funding for the marginal cost for the purchase of 20 compressed natural gas (CNG) packers. DPW plans to order the new CNG packers in 2013 and 2014. Adding the CNG packers will reduce costs in the city's fleet. Currently the cost per mile for a diesel powered packer is more than two times the cost of a CNG packer. There are currently six CNG vehicles in the city's packer fleet. These six packers will generate fuel savings of $126,000 in 2014.

The Snow and Ice Control program is an important DPW service. 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. Expansion of snow driver pool and overtime allows for more sustained snow removal operations using only city forces.

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 2014 proposed budget includes $8.1 million for snow and ice control operations. This represents a $200,000 increase over the 2013 budget amount. The budgeted amount represents approximately 90% of the five year average cost for snow and ice control.

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 - 91%
- Heavy equipment - 90%

RESIZE, RESTRUCTURE, AND REINVEST

The 2014 proposed budget includes several operational changes to increase efficiency and to streamline property management, waste collection and recycling programs. These changes will increase efficiency and improve the services provided to Milwaukee residents.

In-House Demolition: The 2014 proposed budget includes $993,000 for the implementation of an in-house demolition program. This program will demolish city owned properties that require razing. The initial program will provide employment for six Milwaukee residents. The proposed funding level will allow for demolition of approximately 100 structures. The 2014 capital budget also includes $707,000 for the purchase of equipment need to operate this program.

Property Management: The 2014 proposed budget includes $1.3 million for maintenance of city owned properties. The funds will be used to remove debris, mow grass and remove snow. This program adds two positions and 1.5 FTEs to DPW.

Milwaukee Police Department Fleet: The 2014 proposed budget for DPW Operations includes $1.1 million for repairs on the Police Department's fleet vehicles. Previously, these funds were budgeted in the Police Department's budget. This change provides the same levels of funding and services provided in the past budgets. The primary benefit of this change is to reduce the level of paperwork and administrative work generated between the two departments for routine repairs and maintenance.

Residential Disposal Costs: The 2014 proposed budget reduces the expected costs for landfill waste. Landfill tonnage costs are budgeted at 237,000 tons. This represents a 13,000 ton reduction from the 2013 adopted budget. This change is a result of positive outcomes of DPW initiatives relating to solid waste management and reduces costs by $500,000.

Automated Collection: The 2014 proposed budget continues the process of reinvesting in solid waste services to improve productivity and reduce workers compensation exposure. The capital budget includes funds to purchase three fully automated pieces of equipment that will enable one person to complete weekly garbage and recycling collection routes, as opposed to the current two person staffing. Implementation of the automated packers has reduced worker injuries on garbage and recycling routes. Each route that is converted to a one person operation saves approximately $77,000 annually. DPW continues to evaluate the use of semi-automated collection and the impacts on bulky garbage collection and snow and ice operations. This restructuring initiative may require some changes in service delivery in order to be effective.

Winter Set Out: The 2014 proposed budget implements winter set out of garbage and recycling carts. This will create operating savings, reduce the number solid waste and recycling routes and reduce injuries to DPW staff. Winter set out will reduce 3.91 FTEs, generate $151,000 in DPW salary savings and provide $150,000 in Workers Compensation cost savings. This operational change will also provide a basis for other solid waste efficiencies.

Restructure Garbage Cleanup Contract: The 2014 proposed budget restructures the nuisance garbage cleanup contract to streamline the abatement process. Currently, the Department of Public Works manages the garbage cleanup contracts for both city owned and privately owned lots. In 2014, DPW will maintain the contract for all public properties, but the contract for privately owned properties will shift to the Department of Neighborhood Services (DNS). This change involves no funding increase and will streamline the cleanup process, abate nuisance garbage in a timelier manner, and improve customer service.

FEES

- **Cart Fee**: Approximately 20% of city residents have two or more garbage carts. As part of the 2014 proposed budget, city residents with two or more garbage carts will be assessed $15 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 2014 proposed Solid Waste Fee will recover approximately 92% of the net costs associated with garbage collection and recycling. The fee will generate approximately $34 million. For those property owners who are provided with only one cart, their annual Solid Waste Fee will increase from $179.80 in 2013 to $187.00 in 2014.
- **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 2014 budget includes a Snow and Ice Fee of $8.1 million or an average of $34.23 per typical property with 40 feet of street frontage. The fee is charged based on the estimated street frontage for all properties. The 2014 proposed fee is expected to recover 100% of the estimated snow and ice control costs.

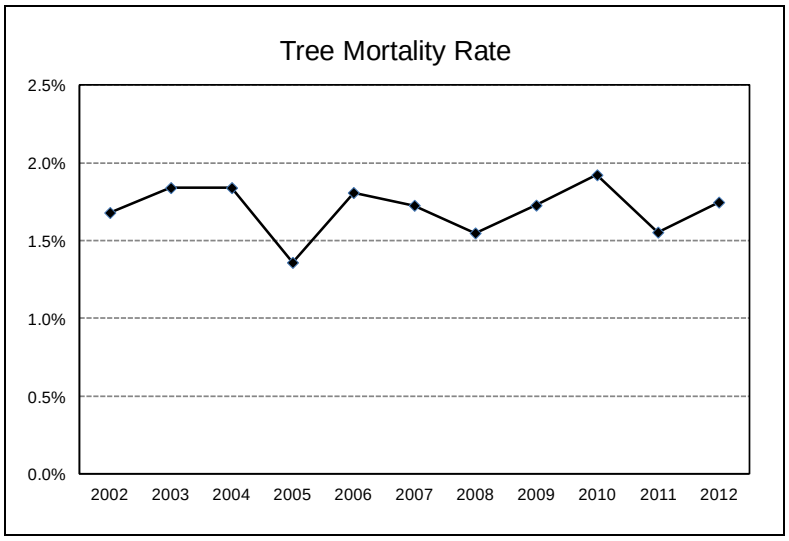
CAPITAL PROJECTS

Environmental Facility Modification: The 2014 proposed budget provides $2.3 million for a joint venture with the City of Waukesha for a regional Material Recycling Facility (MRF). The initial Memorandum of Understanding (MOU) for this project is in place. The city's portion of this project could ultimately cost as much as $10 million. A Request for Proposal (RFP) has been issued for the project. The RFP responses will provide a better estimate of the city's costs.

Tree Planting and Production: The 2014 capital budget provides $1.5 million for the Tree Planting and Production program. This funding will support the replacement of over 4,200 street trees, as part of the Mayor's

commitment to improve Milwaukee's environment. Figure 2 shows data on tree mortality. No funding is provided for stump removal in the 2014 capital budget.

Figure 2



Concealed Irrigation and Landscaping: The 2014 capital budget provides $500,000 in funding for boulevard irrigation system replacements. These systems provide water for plant beds. Funding supports the replacement of up to 100 taps.

Emerald Ash Borer (EAB): The 2014 capital budget includes $952,000 for an Emerald Ash Borer Readiness and Response program. Treatable ash trees are injected with a pesticide to protect against the ash borer. The 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.

The Ash Borer beetle has not been found in City of Milwaukee trees but has been discovered in privately owned trees in Milwaukee. In response, City Ordinance 116-68, related to the cost of removal of hazardous trees by city contractors, was amended to treat tree removal as a special assessment. This change allows property owners to pay the removal cost of hazardous trees over a six year period. The 2014 proposed budget provides $75,000 for this program.

Major Capital Equipment: The 2014 proposed capital budget includes $7.5 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 $1 million increase over the 2013 funding level. The 2014 program includes $6.8 million to replace ten garbage/recycling packers and equipment needed to support DPW Operations. In addition, $707,000 is provided to purchase equipment to support the new in-house demolition program.

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
	7.20	-7.20	Various Positions	Miscellaneous adjustment.
			Fleet Operations/Dispatch	
1	1.00		Tractor, Bulldozer, Endloader or Grader Operator	City Demolition Program.
1	1.00		City Laborer	
-20			Snow Driver	Position adjustment.
-5			Operations Driver Worker (Aux)	
			Sanitation	
-1	-1.00		Operations Driver/Worker (Aux)	Automation reduction.
-4	-3.91		Operations Driver Worker (Aux)	Winter setout.
			Forestry	
2	1.50		Urban Forestry Inspectors	In Rem Property Management Program.
	4.88	-4.88	Various Positions	Miscellaneous adjustment.
-26	**10.67**	**-12.08**	**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 2014 proposed budget provides funding of $29.2 million for Miscellaneous Special Purpose Accounts and total funding of $154.7 million for all Special Purpose Accounts. Highlights of the 2014 Miscellaneous Special Purpose Accounts (SPAs) include:

Alternative Transportation for City Employees: This account is decreased by $10,000 to $115,000 in 2014. This account pays for part of the cost for employees to use Milwaukee County Transit System buses. The 2014 funding amount is based on anticipated participation levels and prior year costs.

Audit Fund: The 2014 proposed budget decreases the Audit Fund special purpose account by $85,000. Total funding of $380,000 will pay for the cost of contracting for a private audit of the city's Comprehensive Annual Financial Report, among other audit activities. The funding decrease is achieved as a result of a favorable bid on the audit contract.

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 2014, just as it was not funded in 2013. 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.

Community Outreach: Funding for this account has been decreased by $5,000 in the 2014 proposed budget to $20,000, based on anticipated actual expenditures. This account funds the Equal Rights Commission, which promotes and supports equal rights initiatives designed to inform and educate city residents of programs and services available within City of Milwaukee departments and other service providers.

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. Funding for this account is increased by $25,000 to $115,000 in the 2014 proposed budget. The increase is based on anticipated enrollment and utilization of this program.

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 $714,000 to $2.19 million in 2014

Illegal Dumping Tip Hotline: This account supports an illegal dumping tip hotline intended to discourage illegal dumping, increase convictions related to illegal dumping and increase the number of residents using the self-help stations to properly dispose of construction waste. Funding for this account is reduced to $5,000 for 2014. This amount combined with expected carryover from 2013 is expected to be sufficient to fund the hotline in 2014.

Land Management: This account supports the maintenance and management costs of RACM and city owned improved property, with the goal of preserving property for sale and return to private ownership. The properties are primarily obtained through tax foreclosure and the city provides essential maintenance and repairs during the period of city ownership and marketing. Maintenance includes carpentry, plumbing, heating, surveys, recording fees, grass cutting, and snow removal. The account is decreased by $100,000 to $550,000 in 2014. The decrease results from transferring responsibilities for mowing, debris removal, and snow removal from DCD to DPW. DPW will receive $1.3 million in additional funds in 2014 for maintenance of city owned properties acquired through tax foreclosures. This is part of the Mayor's comprehensive strategy for addressing foreclosures in Milwaukee.

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 2014 proposed budget reduces funding by $170,000 to $640,000, based on favorable pricing in a new contract.

Maintenance of Essential Utility Services: This account historically funded activities that correct conditions threatening the life, health, and safety of citizens in either owner occupied or tenant occupied properties when the owner fails to do so. The 2014 proposed budget increases funding by $65,000 to $130,000. This increase is part of the Mayor's comprehensive strategy for addressing foreclosures in Milwaukee. One component of this strategy is reducing the number of properties that enter tax foreclosure. The Maintenance of Essential Utility Services program will be modified to allow DNS inspectors to refer residential properties for repair to avoid DNS enforcement and related fees when these actions could prevent the owner from paying their taxes. Contractors will perform the repairs necessary to correct the code violations, with the repairs funded through a 0% interest Deferred Payment Loan. The loan will be placed as a lien against the property and will be due and payable upon sale of the property. Eligibility criteria will limit the program to persons of low income whose properties are not tax delinquent, not in foreclosure, and properly insured. To better reflect the nature of this program, the account will be re-titled as the "Essential Services and Compliance Program".

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 $400,000 to $1.6 million in 2014, based on the trend in appeals.

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 $10,000 to $725,000 in 2014.

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 decreased by $150,000 to $950,000 in 2014, based on the trend in actual expenses.

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 increased to $13.1 million in 2014. This amount is needed to fund anticipated compensation increases for city employees in 2014.

SPECIAL PURPOSE ACCOUNTS SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
Special Purpose Accounts Miscellaneous						
Alternative Transportation for City Employees	$115,030	$125,000	$115,000	$115,000	$-10,000	$0
Annual Payment to Department of Natural Resources	7,034	7,100	7,100	7,100	0	0
Audit Fund	463,725	465,000	480,000	380,000	-85,000	-100,000
Boards and Commissions Reimbursement Expense	15,977	16,000	17,000	17,000	1,000	0
Care of Prisoners Fund	0	0	80,000	0	0	-80,000
City Attorney Collection Contract	867,572	885,000	885,000	885,000	0	0
City Memberships	85,240	91,000	91,000	88,000	-3,000	-3,000
Clerk of Court Witness Fees Fund	7,187	9,000	9,000	9,000	0	0
Community Outreach	0	25,000	25,000	20,000	-5,000	-5,000
Contribution Fund General	0	2,900,000	2,900,000	2,900,000	0	0
Damages and Claims Fund	3,574,428	1,225,000	1,225,000	1,225,000	0	0
Drivers License Recovery and Employability Program	50,000	50,000	50,000	50,000	0	0
eCivis Grants Locator	28,079	28,079	26,675	26,675	-1,404	0
Economic Development Committee Fund	11,632	20,000	25,000	20,000	0	-5,000
E-Government Payment Systems	60,000	66,000	65,000	65,000	-1,000	0
Employee Training Fund	19,993	20,000	20,000	20,000	0	0
Essential Services and Compliance Program	0	0	0	130,000	130,000	130,000
Firemen's Relief Fund	137,532	142,500	145,000	145,000	2,500	0
Flexible Spending Account	78,193	90,000	115,000	115,000	25,000	0
Graffiti Abatement Fund	79,910	95,000	95,000	95,000	0	0
Group Life Insurance Premium	2,921,911	2,904,000	2,940,000	2,190,000	-714,000	-750,000
Hazard Tree Removals	0	0	250,000	0	0	-250,000
Illegal Dumping Tip Hotline	15,000	25,000	0	5,000	-20,000	5,000
Insurance Fund	416,671	440,000	429,689	429,689	-10,311	0
Land Management	923,404	650,000	1,200,000	550,000	-100,000	-650,000
Long Term Disability Insurance	827,046	810,000	810,000	640,000	-170,000	-170,000
Maintenance of Essential Utility Services	38,986	65,000	65,000	0	-65,000	-65,000
Milwaukee Arts Board Projects	115,239	160,000	160,000	160,000	0	0
Milwaukee Fourth of July Commission	101,761	95,000	95,000	95,000	0	0
MMSD User Charge	0	45,140,893	44,790,095	44,790,095	-350,798	0
Less Recover MMSD User Charge	0	-45,140,892	-44,790,094	-44,790,094	350,798	0
Municipal Court Intervention Program	425,316	425,320	425,000	425,000	-320	0
Nuisance Abatement Fund	3,059	0	0	0	0	0
Outside Counsel/Expert Witness Fund	332,558	430,000	430,000	430,000	0	0
Razing and Vacant Building Protection Fund	997,701	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	746,384	1,200,000	1,600,000	1,600,000	400,000	0

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
Reserve for 27th Payroll	0	1,500,000	1,500,000	1,500,000	0	0
Retirees Benefit Adjustment Fund	125,544	123,000	118,000	118,000	-5,000	0
Tuition Reimbursement Fund	761,336	735,000	735,000	725,000	-10,000	-10,000
Unemployment Compensation Fund	869,847	1,100,000	975,000	950,000	-150,000	-25,000
Villard Square Rent Payment	13,182	0	0	0	0	0
Wages Supplement Fund	0	5,179,065	11,500,000	13,100,000	7,920,935	1,600,000
Total Miscellaneous SPAs	$15,236,477	$22,101,066	$29,608,466	$29,230,466	$7,129,400	$-378,000
Board of Zoning Appeals	$233,692	$293,071	$289,923	$288,137	$-4,934	$-1,786
Workers' Compensation Fund	$14,575,235	$14,400,000	$15,600,000	$15,000,000	$600,000	$-600,000
Employee Health Care Benefits						
Administration Expenses	$7,439,687	$8,200,000	$9,500,000	$9,500,000	$1,300,000	$0
UHC Choice Plus (formerly Claims)	14,124,162	16,950,000	10,000,000	9,000,000	-7,950,000	-1,000,000
Dental Insurance	2,178,102	2,200,000	2,200,000	2,200,000	0	0
UHC Choice "EPO" (formerly HMOs)	78,266,451	91,350,000	93,500,000	89,500,000	-1,850,000	-4,000,000
Total Employee Health Care Benefits	$102,008,402	$118,700,000	$115,200,000	$110,200,000	$-8,500,000	$-5,000,000
Grand Total Special Purpose Accounts	$132,053,806	$155,494,137	$160,698,389	$154,718,603	$-775,534	$-5,979,786

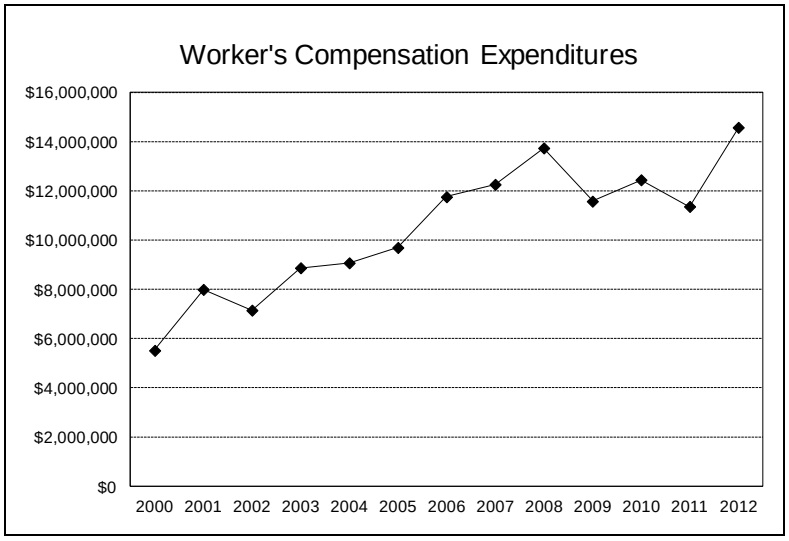
SPECIAL PURPOSE ACCOUNT
WORKER'S COMPENSATION

SUMMARY OF EXPENDITURES

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
Worker's Compensation	$14,575,235	$14,400,000	$15,600,000	$15,000,000	$600,000	$-600,000
TOTAL	$14,575,235	$14,400,000	$15,600,000	$15,000,000	$600,000	$-600,000

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.

Figure 1



The 2014 proposed budget for the Worker's Compensation account totals approximately $15 million, an increase of 4% from the 2013 budget. This is due largely to medical inflation as Worker's Compensation expenditure trends have stabilized after several severe injuries that occurred in 2011 caused higher than normal expenditures in 2012 and early 2013.

DER continues to work 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 increase 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 2012, medical and hospital discounts resulted in net savings of $3.8 million. Through June 2013, the city has achieved over $1.5 million in savings.

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 happen.

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 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. The program has also resulted in significant reductions in the number of claims, recordable cases, incidence rate, and lost workdays.

In 2014, DER will work to improve the overall effectiveness of the Risk Management program. The 2014 initiatives will focus on increasing accountability for safety at the supervisory level for injury prevention and hazard identification and creating a stronger link between claims management and the identification of hazards related to policies, practices, skills sets, to better identify problem areas and implement solutions.

DER is also exploring an Early Intervention/Injury Prevention pilot program to target preventable injuries related to job hazards and problematic job behaviors or habits that may lead to injuries. The advantages such a program include:

- Employees develop a relationship with an onsite Physical Therapist who has a thorough understanding of the work environment and any related job complexities of hazards that may lead to injuries.
- Effective interventions are timely and job specific.
- Early treatment of symptoms or minor aches or pains can prevent more serious and costly long term injuries.
- Time away from work is reduced and employee productivity is increased because of a lower injury incidence.
- Cost savings from reduced injuries and lost work time.
- Problematic work environmental hazards and employee habits are targeted and training is provided to address these issues.
- Onsite health care professionals promote better employee understanding and compliance.

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 1). The city has experienced significant reductions in many of these areas over the last several years. Since 2008, serious injuries have decreased over 28%, injury hours have decreased by 49% and recordable cases and the incidence rate have declined by more than 33%.

Table 1

Worker's Compensation Indicators

	2005	2006	2007	2008	2009	2010	2011	2012
City Wide Data								
Claims	3,043	3,097	2,806	2,689	2,345	2,225	1,903	1,869
Recordable Cases	1,171	1,140	1,221	1,073	927	872	744	656
Incidence Rate	16.87	17.75	18.31	16.01	14.22	13.82	12.14	10.69
Lost Workdays	24,456	21,279	19,488	24,817	15,441	16,421	15,432	12,995
Injury Hours	232,006	197,972	206,227	217,584	152,596	165,083	124,874	111,125
Injury Pay	$4,081,803	$3,618,117	$3,758,599	$4,096,525	$3,062,781	$3,320,411	$2,562,425	$2,325,391
MFD								
Claims	856	973	725	627	566	614	432	441
Recordable Cases	360	346	364	294	270	298	197	195
Incidence Rate	28.36	29.36	29.83	24.55	22.49	26.99	17.86	17.79
Lost Workdays	9,178	8,821	4,684	10,136	3,625	5,755	4,614	4,652
Injury Hours	97,308	98,590	92,937	107,094	72,401	86,670	52,670	43,749
Injury Pay	$1,628,876	$1,721,210	$1,646,649	$1,956,139	$1,442,241	$1,726,734	$1,013,112	$882,209
MPD								
Claims	877	920	891	865	775	663	636	663
Recordable Cases	316	300	280	251	244	177	166	164
Incidence Rate	13.51	13.55	12.00	10.69	10.78	7.88	7.28	7.35
Lost Workdays	5,106	4,017	2,316	3,441	3,885	2,833	3,726	3,629
Injury Hours	50,190	34,252	26,238	35,116	32,241	29,201	34,540	40,002
Injury Pay	$1,064,451	$764,525	$593,130	$824,790	$786,083	$718,955	$867,494	$1,034,462
DPW All Divisions								
Claims	1,163	1,069	1,043	1,075	887	862	740	688
Recordable Cases	444	443	509	474	374	359	343	264
Incidence Rate	23.84	25.74	28.74	26.01	21.25	20.99	21.74	16.42
Lost Workdays	9,393	8,032	11,852	10,341	7,567	7,061	6,822	3,895
Injury Hours	79,548	61,355	76,834	66,553	47,064	44,198	35,007	22,335
Injury Pay	$1,306,303	$1,062,630	$1,335,152	$1,164,474	$814,767	$786,257	$641,111	$334,203

SPECIAL PURPOSE ACCOUNT
EMPLOYEE HEALTH CARE BENEFITS

SUMMARY OF EXPENDITURES

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
UHC Choice Plus (formerly Claims)	$14,124,162	$16,950,000	$10,000,000	$9,000,000	$-7,950,000	$-1,000,000
UHC Choice "EPO" (formerly HMO)	78,266,451	91,350,000	93,500,000	89,500,000	-1,850,000	-4,000,000
Dental Insurance	2,178,102	2,200,000	2,200,000	2,200,000	0	0
Administrative Expense	7,439,687	8,200,000	9,500,000	9,500,000	1,300,000	0
TOTAL	$102,008,402	$118,700,000	$115,200,000	$110,200,000	$-8,500,000	$-5,000,000

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, wellness initiatives and other cost containment measures. The Department of Employee Relations manages the account.

In 2012, given the ongoing financial challenges faced by the city, a more sustainable health care plan approach was developed. 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 is now entirely self-funded through both the PPO and EPO plans.

Because of these changes, the 2012 employee health care expenditures were decreased 26.5% from the 2011 health care expenditures (see Figure 1). The benefit design changes led to lower utilization of health care benefits by city employees during 2012. Utilization rates returned to a more normal level in 2013 as city employees adjusted their health care decisions to conform to the new health care plan. Growth from 2013 to 2014 is expected to be approximately 5%.

The 2014 cost per health care contract is expected to remain largely unchanged from

Figure 1

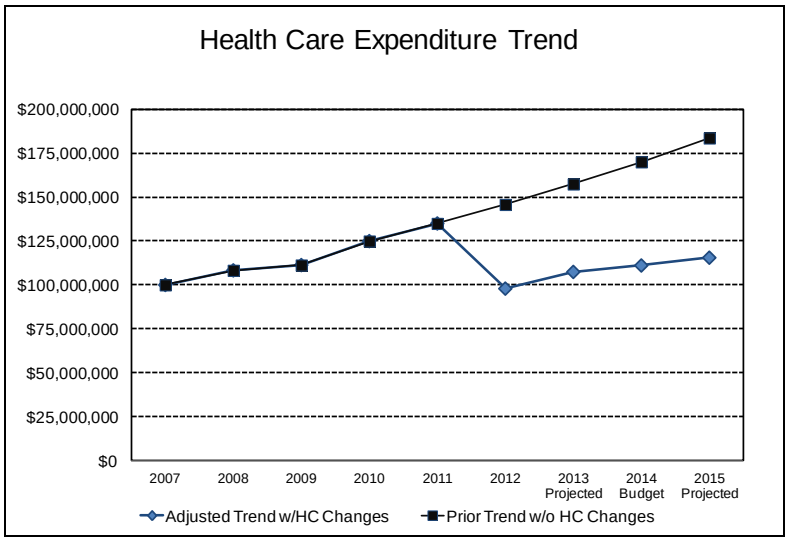
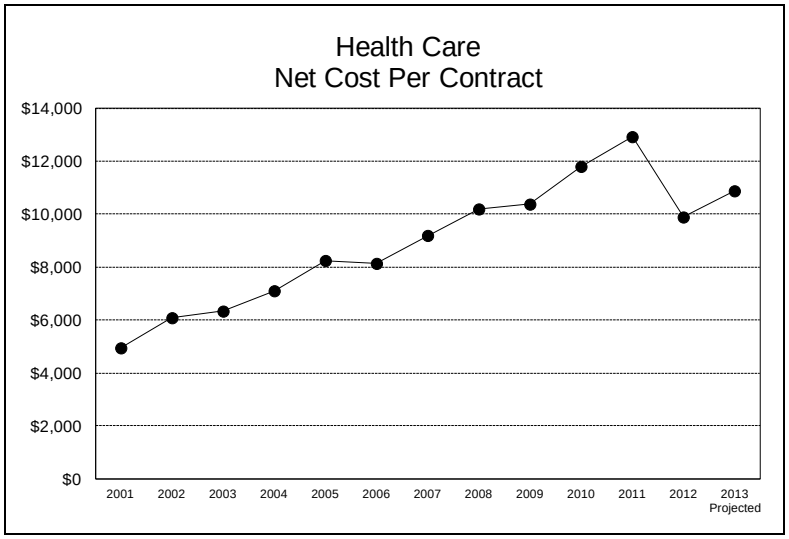


Figure 2



the 2013 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 2014, the projected cost per contract will be approximately 15% lower than 2011 levels.

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 preventing and managing chronic diseases.

After completing the first three years of the Wellness Your Choice Milwaukee program, the city has seen some promising results including an annual participation rate that exceeded 85%. Tobacco use declined by 24% which translates to $1.25 million in avoided healthcare costs and the number of members with normal blood pressure increased while the number with elevated blood pressure decreased. There are still areas that need improvement and the city will focus additional efforts on those problematic areas such as pre-diabetes and healthy weight management in 2014 through Phase II of the Wellness program.

The second phase of the Wellness program called "Healthy Rewards" will complement the city's wellness initiative by adding an outcome based wellness incentive program. This voluntary "Healthy Rewards" program will provide employees and spouses (members) with an opportunity to earn $150 for reaching certain biometric and activity related goals. To be eligible to participate in the "Healthy Rewards" program and earn the $150 incentive, members will need to complete the initial three step health assessment process. The $150 reward will be placed in a Health Reimbursement Account and will be used to reimburse employees for out of pocket medical expenses. Members are eligible for the "Healthy Rewards" program whether or not they enroll in the city's health insurance program. Since participation is voluntary, members who choose not to participate will not be subject to any additional fees.

SPECIAL PURPOSE ACCOUNT
BOARD OF ZONING APPEALS

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	3.00	4.00	4.00	4.00	0.00	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	$178,268	$189,165	$191,164	$189,378	$213	$-1,786
Fringe Benefits	19,861	58,250	56,103	56,103	-2,147	0
Operating Expenditures	35,563	42,656	42,656	42,656	0	0
Equipment	0	3,000	0	0	-3,000	0
TOTAL	$233,692	$293,071	$289,923	$288,137	$-4,934	$-1,786
REVENUES						
Licenses and Permits	$290,376	$300,500	$306,000	$306,000	$5,500	$0
TOTAL	$290,376	$300,500	$306,000	$306,000	$5,500	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increase investment and economic vitality throughout the city.
   - Hear variance requests and conduct building code and plan reviews to support ongoing development to its maximum potential

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 2014, 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 completes implementation of its Land Management System, BOZA will be able to speed up standard requests and other processes and reduce the workload associated with interdepartmental coordination on zoning appeals.

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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	29.37	27.44	27.45	27.45	0.01	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	60	58	57	57	-1	0
EXPENDITURES						
Salaries and Wages	1,422,966	$1,373,962	$1,394,047	$1,372,307	$-1,655	$-21,740
Fringe Benefits	720,037	659,502	655,202	644,984	-14,518	-10,218
Operating Expenditures	814,812	796,320	796,150	773,118	-23,202	-23,032
Equipment	636	0	0	0	0	0
Special Funds	40,967	47,835	47,835	47,835	0	0
TOTAL	$2,999,418	$2,877,619	$2,893,234	$2,838,244	$-39,375	$-54,990
REVENUES						
Charges for Services	$172,721	$112,600	$112,800	$112,800	$200	$0
Licenses and Permits	84,394	105,500	84,400	84,400	-21,100	0
Miscellaneous	809,248	670,000	832,200	832,200	162,200	0
TOTAL	$1,066,363	$888,100	$1,029,400	$1,029,400	$141,300	$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 2014 proposed operating budget totals $2.8 million, a slight decrease from its 2013 adopted budget.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Cost of property tax collection as a percentage of property taxes collected.	.2783%	.2334%	.23676%
General Fund investment revenue realized on short term pooled cash investments.	$340,766	$297,667	$310,000
General Fund investment revenue realized on long term pooled cash investments.	$400,659	$543,750	$525,000

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.

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 2012, the number of properties filed against by the city through *In Rem* foreclosure was 1,152 properties, with 745 of those acquired by the city. As Figure 2 shows, between 2007 and 2012, foreclosure filings increased by 767 or 199% and parcels acquired increased by 590 or 381%. Filings and acquisitions are expected to remain at this elevated level in 2014.

Figure 1

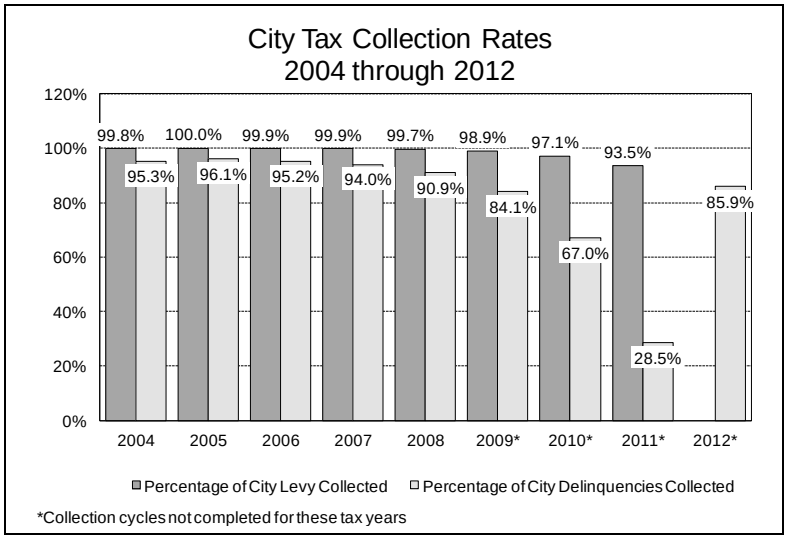
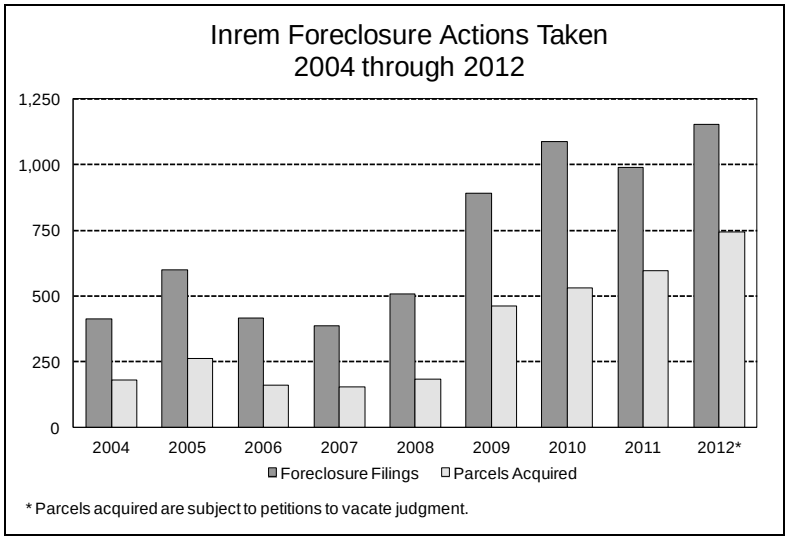


Figure 2



RESIZE, RESTRUCTURE, AND REINVEST

***In Rem* Foreclosure Filings:** In 2014, the Treasurer's Office will carry out three separate *In Rem* filings. Multiple filings have become necessary in recent years in order to handle the large volume of properties filed against.

Position Changes and Reductions: The 2014 proposed budget eliminates the following positions, one Executive Administrative Assistant III (Aux), a Network Coordinator Associate and a Customer Service Representative II. The 2014 proposed budget also adds one Tax Enforcement Specialist and a Program Assistant II position.

Various Operating Reductions: The Treasurer's Office made $23,000 in reductions to various other operating expenses for 2014. 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			Executive Administrative Assistant (Aux)	Position eliminated.
-1	-1.00		Network Coordinator Associate	Departmental reorganization.
1	1.00		Tax Enforcement Specialist	
1	1.00		Program Assistant II	
-1	-1.00		Customer Service Representative II	
	-0.14		Various Positions	Miscellaneous adjustments.
-1	**-0.14**	**0.00**	**Totals**	

FRINGE BENEFIT OFFSET

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
Fringe Benefit Offset	$-147,726,025	$-144,975,343	$-146,925,642	$-149,747,703	$-4,772,360	$-2,822,061
TOTAL	$-147,726,025	$-144,975,343	$-146,925,642	$-149,747,703	$-4,772,360	$-2,822,061

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. The 2014 proposed budget offsets this "double" budget with a budget offset, to avoid levying twice for employee benefits. This approach avoids overstating the total city budget by the fringe benefit factor, which in 2014 amounts to approximately $149.7 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 2014, the city anticipates generating approximately $590.6 million in revenue for General City Purposes. Figure 1 provides a breakdown of these revenues by major category.

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.

The overall General City Purposes revenues have grown less than the rate of inflation (see Figure 2). Revenues in 1996 adjusted for inflation equaled $404 million which is $21 million higher than the inflation adjusted revenue for 2014 of $383 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 2014 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% in 2014.

Figure 1

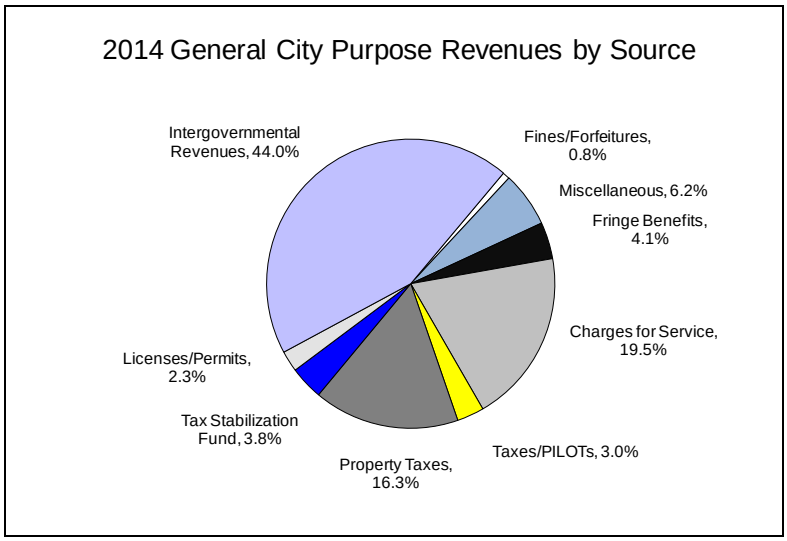
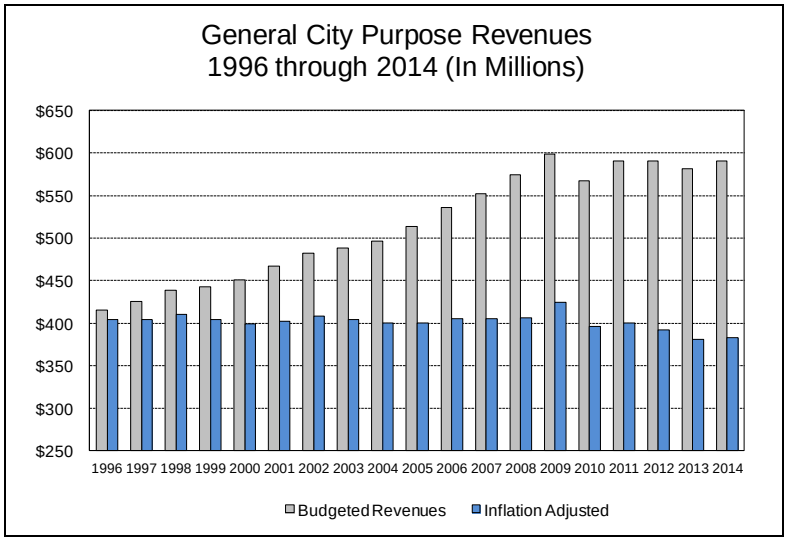


Figure 2



Over the same time period, the city's reliance on property taxes increased from 10.6% to 16.3% 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 19.5%.

From 2004 to 2014, intergovernmental revenues decreased by $13.8 million from $273.5 million to $259.7 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 2014 budget, intergovernmental revenues total $259.7 million. This is an increase of $167,800 from 2013.

The largest amount of State aids received by the city comes in the form of State Shared Revenue. In 2014, the city expects to receive $218.8 million of shared revenue. This is $58,000 higher than the amount expected to be received in 2013.

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 $95.4 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 2014 which is the same as the amount expected to be received in 2013.

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 2014 is $8.5 million an increase of $77,000 from 2013.

Figure 3

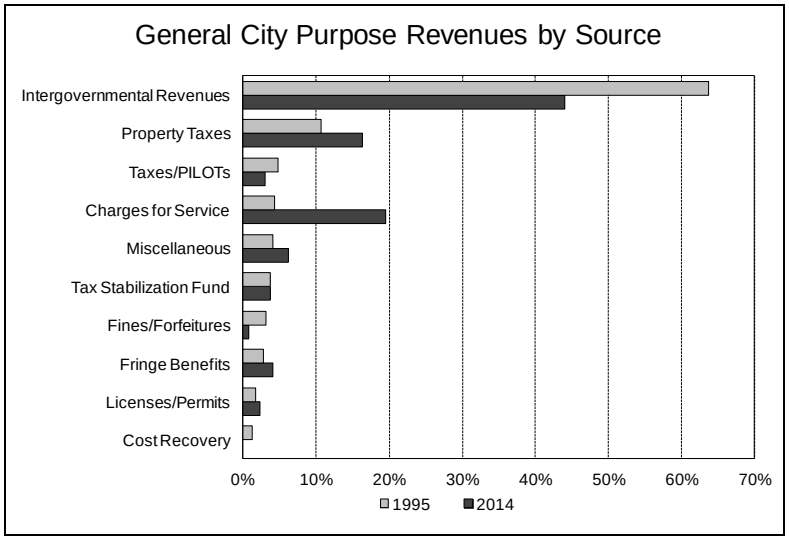
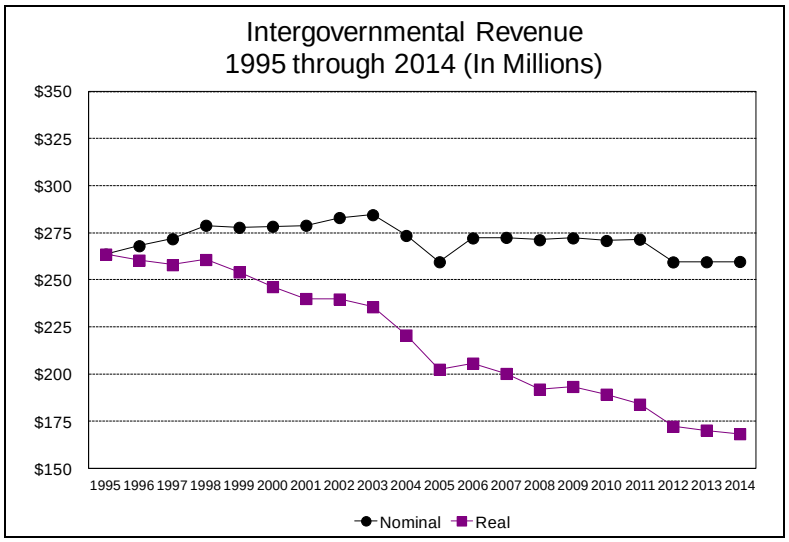


Figure 4



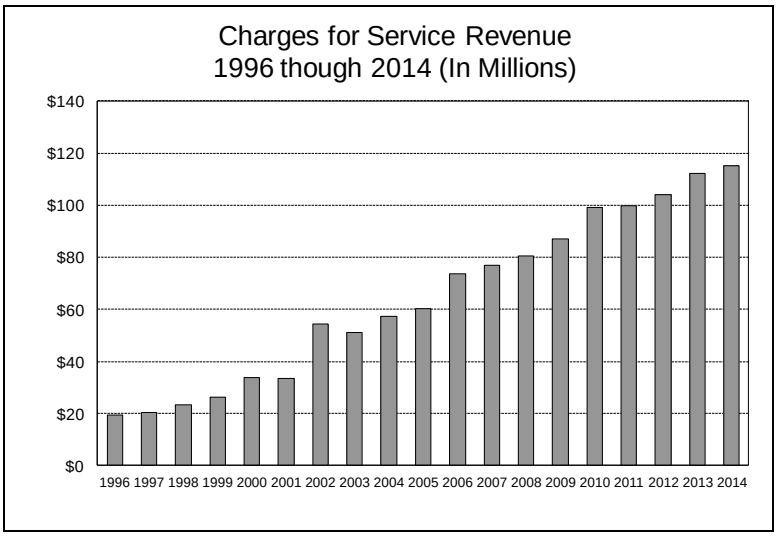
Property Taxes: The property tax levy will provide $96.3 million in revenue for the General City Purposes budget in 2014. The total city tax levy will be $254.4 million in 2014 or an increase from 2013 of $4 million or 1.59%.

Taxes and Payments in Lieu of Taxes: The 2014 budget includes an estimated $17.9 million in revenue attributable to Taxes and Payments in Lieu of Taxes (PILOTs), an increase of $1.4 million from 2013. 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 2014 budget includes $115 million in revenue from charges for services, an increase of $2.8 million from 2013. 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 $19.3 million in 1996 to $115 million in 2014. This trend is also evident in Figure 3, where charges for service revenues increased from 4.3% of revenues to 19.5%. 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 $15 per garbage cart above one cart per household. This will increase the fee on an additional cart by $2 from the 2013 level. There will be no charge for additional recycling carts. The Solid Waste Fee will rise to $187.00 per year for residential units from $179.80 per year that is charged in 2013 and will generate $35.9 million when combined with the extra garbage cart fee.

The Snow and Ice Fee will increase from its current annual rate of $0.8556 per foot of property frontage to $0.8307. The fee will generate a total of $7.9 million in 2014.

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 $15.1 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 2014, these revenues are expected to total $36.5 million. The decrease of $1.7 million from 2013 in miscellaneous revenues is primarily due to a decrease in the Parking Fund transfer payment of $1.3 million, loss of a one time $750,000 water payment from Greendale, and a $194,200 decrease in the Vehicle Registration Fee, Potawatomi payment, rent and property sales.

Fines and Forfeitures: Revenue of $4.8 million related to fines and forfeitures is included in the 2014 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 2014 is estimated at $13.9 million, an increase of $80,240 from 2013. 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 $24.3 million in 2014.

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 $39.7 million lapsed into the Fund at the end of 2012. The estimated balance of the Fund as of January 1, 2013 was $59.8 million.

The 2014 withdrawal will be $20 million which is 33.4% of the Fund balance. After the 2014 withdrawal and anticipated regeneration at the end of 2013, the Tax Stabilization Fund should have a fund balance of approximately $51.8 million.

A temporary additional withdrawal from the TSF is reflected in the 2014 budget in anticipation of revenue estimation by the Comptroller. Some 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 2014 budget for this purpose is $2.2 million.

The $2.2 million of withdrawal in anticipation of the revenue consists of $1.3 million for changes to the solid waste fee and extra cart fee, $387,000 for changes to the construction debris charge, $270,000 for changes to the snow and ice fee, $50,000 in changes to the apartment garbage charge, and $43,000 for a small number of permit and license fee changes. 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

	2011 ACTUAL EXPENDITURES	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 PROPOSED BUDGET	CHANGE 2014 PROPOSED VERSUS 2013 ADOPTED
Taxes and Payments in Lieu of Taxes					
Housing Authority	$765,929	$691,377	$680,000	$680,000	$0
Parking	1,404,692	1,444,386	1,450,000	1,450,000	0
Water Works	11,150,863	11,891,211	11,200,000	11,800,000	600,000
Trailer Park Taxes	110,102	88,475	100,000	65,000	-35,000
Payment in Lieu of Taxes Other	391,540	392,023	345,000	370,000	25,000
Interest/Penalties on Taxes	2,348,675	2,040,349	2,239,800	1,696,300	-543,500
TID Excess Revenue	449,982	0	0	1,559,000	1,559,000
Other Taxes	304,794	149,842	505,000	310,700	-194,300
Total Taxes	$16,926,577	$16,697,663	$16,519,800	$17,931,000	$1,411,200
Licenses and Permits					
Licenses					
Amusement Dance/Music	$156,233	$150,141	$148,000	$150,000	$2,000
Dog and Cat	105,545	84,394	105,500	84,400	-21,100
Food City Clerk	1,952,088	2,169,912	2,074,000	2,100,000	26,000
Food Health Department	121,745	57,371	0	65,000	65,000
Health Department Non-Food	37,738	37,354	37,400	37,400	0
Liquor and Malt	1,407,367	1,475,189	1,347,000	1,459,000	112,000
Scales	482,248	500,211	485,000	500,000	15,000
Miscellaneous City Clerk	548,731	610,423	520,100	610,000	89,900
Miscellaneous Neighborhood Services	451,055	460,739	433,660	428,700	-4,960
Miscellaneous Department Public Works Administration	14,985	17,982	14,000	15,000	1,000
Permits					
Board of Zoning Appeals	$300,962	$290,376	$300,500	$306,000	$5,500
Zoning Change Fees	44,050	45,925	50,000	50,000	0
Building	2,376,865	2,705,347	2,804,900	3,097,800	292,900
Building Code Compliance	334,881	310,882	350,000	310,000	-40,000
Curb Space Special Privilege	16,775	103,650	35,000	104,000	69,000
Electrical	983,872	1,116,438	1,027,500	1,200,000	172,500
Elevator	139,089	162,312	170,000	175,000	5,000
Occupancy	331,060	350,860	445,790	450,000	4,210
Plumbing	782,295	686,529	800,000	650,000	-150,000
Miscellaneous Neighborhood Services	149,406	113,387	137,000	106,100	-30,900
Sign and Billboard	106,170	96,167	97,000	96,000	-1,000
Special Events	240,460	245,397	200,000	225,000	25,000
Miscellaneous Department of Public Works	297,543	399,526	287,500	311,200	23,700
Special Privilege Miscellaneous City Clerk	0	0	0	0	0
Special Privilege Miscellaneous Neighborhood Services	326,541	374,819	350,000	355,000	5,000
Sprinkler Inspection	103,331	100,805	177,000	90,000	-87,000
Use of Streets Excavating	822,001	1,090,584	804,000	904,000	100,000
Plan Exam Department of City Development	652,819	654,468	598,510	0	-598,510
Total Licenses and Permits	$13,285,855	$14,411,188	$13,799,360	$13,879,600	$80,240
Intergovernmental Revenue					

	2011 ACTUAL EXPENDITURES	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 PROPOSED BUDGET	CHANGE 2014 PROPOSED VERSUS 2013 ADOPTED
Fire Insurance Premium	$1,044,286	$1,100,257	$1,075,000	$1,100,000	$25,000
Local Street Aids	28,012,217	25,485,274	24,880,000	24,880,000	0
Payment for Municipal Services	1,967,579	1,912,146	1,800,000	1,850,000	50,000
State Payments Police	697,451	660,450	744,900	702,700	-42,200
State Shared Revenue (General)	228,461,465	218,729,727	218,694,000	218,752,000	58,000
Other State Payments	7,034	7,034	7,000	7,000	0
Expenditure Restraint Aid	8,596,306	8,316,164	8,475,000	8,552,000	77,000
Computer Exemption Aid	4,453,061	3,930,384	3,900,000	3,900,000	0
Total Intergovernmental Revenue	$273,239,399	$260,141,436	$259,575,900	$259,743,700	$167,800
Charges for Services - General Government					
City Attorney	$805,234	$764,038	$826,000	$797,400	$-28,600
Department of Employee Relations	186,501	160,816	182,000	169,000	-13,000
City Treasurer	169,938	172,721	112,600	112,800	200
Common Council City Clerk	155,584	186,930	157,900	160,000	2,100
Cable Franchise Fee	5,053,542	5,155,248	5,300,000	5,300,000	0
Comptroller	489,251	507,255	430,000	480,000	50,000
Municipal Court	1,763,784	1,733,859	1,805,500	1,797,800	-7,700
Assessor	513,925	668,149	500,500	600,500	100,000
Department of City Development	406,535	469,066	564,100	10,100	-554,000
Department of Administration	118,796	157,893	75,700	773,100	697,400
Fire Department	6,194,806	5,605,868	5,781,100	5,753,200	-27,900
Police Department	234,889	148,064	66,600	558,800	492,200
Department of Neighborhood Services	10,916,392	13,301,950	12,263,600	13,564,600	1,301,000
Building Razing	629,318	738,786	700,000	740,000	40,000
Fire Prevention Inspections	1,884,551	1,812,177	1,825,000	1,865,000	40,000
Essential Services	76,632	72,445	76,000	75,000	-1,000
Placard Fee	0		54,000	22,000	-32,000
IT/Training Surcharge Department of Neighborhood Services	0		300,000	300,000	0
Department of Public Works Operations Buildings and Fleet	5,380,016	4,974,078	4,240,000	4,183,000	-57,000
Department of Public Works Infrastructure Division	3,669,107	5,263,317	3,560,500	4,272,500	712,000
Department of Public Works Operations Division Forestry	124,827	164,234	130,000	130,000	0
Harbor Commission	5,217,241	5,720,383	4,581,521	4,639,303	57,782
Department of Public Works Administrative Services	1,332,884	1,429,595	1,298,000	650,000	-648,000
Department of Public Works Operations Division Sanitation	4,404,619	4,360,411	3,372,400	3,516,000	143,600
Solid Waste Fee	31,628,974	34,159,573	33,982,200	33,660,272	-321,928
Extra Garbage Cart Fee	945,000		1,946,000	2,267,928	321,928
Snow and Ice Control Fee	7,833,861	7,956,949	7,900,000	7,900,000	0
Street Sweeping and Leaf Collection	12,734,075	12,140,000	14,437,000	15,059,000	622,000
Apartment Garbage Pickup	1,465,514	1,625,796	1,575,000	1,575,000	0
Health Department	1,297,353	1,100,937	927,200	957,200	30,000
Public Library	440,998	469,362	486,300	479,800	-6,500
County Federated System	798,025	769,811	791,100	713,000	-78,100
Recycling Contract	1,828,790	2,091,046	1,975,000	1,920,000	-55,000
Total Charges for Services	$108,700,962	$113,880,757	$112,222,821	$115,002,303	$2,779,482
Fines and Forfeitures					

	2011 ACTUAL EXPENDITURES	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 PROPOSED BUDGET	CHANGE 2014 PROPOSED VERSUS 2013 ADOPTED
Municipal Court	$5,076,199	$5,041,542	$5,129,000	$4,755,400	$-373,600
Total Fines and Forfeitures	$5,076,199	$5,041,542	$5,129,000	$4,755,400	$-373,600
Miscellaneous Revenue					
Transfer from Other Funds	$20,787,000	$20,410,157	$18,550,000	$17,250,000	$-1,300,000
Interest on Investment	302,993	809,248	670,000	832,200	162,200
Contributions	2,914,930	2,681,834	2,900,000	2,900,000	0
Department of Administration Property Sales	460,754	553,389	380,400	424,500	44,100
Department of City Development Property Sales	374,864	318,443	375,000	350,000	-25,000
Department of Public Works Infrastructure Division Rent	216,617	242,186	217,000	177,000	-40,000
Comptroller Rent	168,464	164,254	169,200	164,000	-5,200
Department of City Development Rent	5,500	2,175	6,000	3,000	-3,000
Other Miscellaneous	865,460	7,094,981	768,400	970,500	202,100
Insurance Recovery	261,694	363,678	279,400	351,900	72,500
Potawatomi	5,472,964	5,515,390	5,515,000	5,444,000	-71,000
Midtown/LIMP Revenues	819	0	0	0	0
Harbor Commission Transfer	1,337,300	1,350,000	1,364,000	1,378,300	14,300
Vehicle Registration Fee	3,105,593	6,256,684	6,300,000	6,250,000	-50,000
Greendale Water Payment	0		750,000	0	-750,000
Water Works Surplus Transfer	0	0	0	0	0
Total Miscellaneous Revenue	$36,274,952	$45,762,419	$38,244,400	$36,495,400	$-1,749,000
Fringe Benefits					
Fringe Benefit Offset	$26,712,213	$25,575,166	$24,000,000	$24,300,000	$300,000
Total Fringe Benefits	$26,712,213	$25,575,166	$24,000,000	$24,300,000	$300,000
Total General Fund Revenue	$480,216,157	$481,510,171	$469,491,281	$472,107,403	$2,616,122
Amount to be Raised Pursuant to 18-02-6	$126,174,808	$123,677,738	$111,771,169	$118,502,610	$6,731,441
Less:					
Tax Stabilization Fund Withdrawal (Sustainable)	$14,600,000	$13,767,000	$14,900,000	$20,000,000	$5,100,000
Tax Stabilization Fund Withdrawal (Revenue Anticipation)	$0	$0	$0	$2,161,955	$2,161,955
Property Tax Levy	$111,574,808	$109,910,738	$96,871,169	$96,340,655	$-530,514
Total Sources of Fund for General City Purposes	$606,390,965	$605,187,909	$581,262,450	$590,610,013	$9,347,563

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.

STRATEGIES: Use the Employer's Reserve Fund to smooth out future city pension contributions for the next three to four years.

SUMMARY OF EXPENDITURES

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
Firemen's Pension Fund						
Employer's Pension Contribution	$35,091	$36,000	$36,000	$36,000	$0	$0
Lump Sum Supplement Contribution	114,445	100,000	85,000	85,000	-15,000	0
Subtotal	$149,536	$136,000	$121,000	$121,000	$-15,000	$0
Policemen's Pension Fund						
Employer's Pension Contribution	$208,956	$221,538	$221,538	$228,538	$7,000	$7,000
Lump Sum Supplement Contribution	30,000	30,000	30,000	30,000	0	0
Subtotal	$238,956	$251,538	$251,538	$258,538	$7,000	$7,000
Employees' Retirement Fund						
Employer's Pension Contribution	$0	$59,310,000	$61,600,000	$61,600,000	$2,290,000	$0
Administration	18,294,065	24,546,844	24,820,959	25,020,959	474,115	200,000
Annuity Contribution Tax Levy	22,288,217	4,100,000	8,000,000	8,400,000	4,300,000	400,000
Annuity Contribution Employer's Reserve	25,000,000	18,400,000	16,000,000	13,400,000	-5,000,000	-2,600,000
Subtotal	$65,582,282	$106,356,844	$110,420,959	$108,420,959	$2,064,115	$-2,000,000
Social Security Tax	$16,965,063	$17,742,000	$17,250,000	$17,250,000	$-492,000	$0
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	$1,258,354	$1,505,558	$1,632,435	$1,632,435	$126,877	$0
Total	$84,201,464	$125,999,240	$129,683,232	$127,690,232	$1,690,992	$-1,993,000
Revenues						
Fringe Benefits Pensions	$1,170,834	$1,268,449	$1,273,783	$1,273,783	$5,334	$0
Charges for Service Employees' Retirement	17,885,890	24,172,534	24,444,935	24,644,935	472,401	200,000
Charges to Other Funds	0	871,686	721,677	721,677	-150,009	0
Charges for Service Deferred Compensation	1,258,354	1,505,558	1,632,435	1,632,435	126,877	0
Property Tax Levy	58,016,150	79,698,013	85,520,402	85,927,402	6,229,389	407,000
Employer's Reserve Fund	0	18,400,000	16,000,000	13,400,000	-5,000,000	-2,600,000
Miscellaneous Employees' Retirement	77,700	83,000	90,000	90,000	7,000	0
Total	$78,408,928	$125,999,240	$129,683,232	$127,690,232	$1,690,992	$-1,993,000

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 26,729 members in the system as of December 31, 2012.

The Policemen's Annuity and Benefit Fund (PABF) administers pensions for city Police Officers employed prior to 1947. There were 60 members as of January 1, 2013.

Funds in the Firemen's Pension Fund are provided for retired Fire Fighters who were employed prior to 1947. This fund had 38 members as of January 2013.

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 former employer annuity contribution policy was 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 stable contribution policy that was adopted in 2013. The stable contribution policy is 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 blended rate is comprised of 8.48% for general city, 22.63% for Police and 24.83% for Fire. The stable contribution policy addresses the following objectives:

- Budget annually for the normal cost (funds can 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 stable contribution policy flattens out the property tax levy growth compared to the prior policy. This is accomplished while maintaining a funding ratio that is only 2% to 4% lower than the prior policy. The new policy allows the city to retain vital services while financing pensions responsibly.

SERVICES

Annuity Contribution/Employee's Share: The 2014 proposed budget provides a total of $21.8 million for the employee's share of the annuity contribution that is paid by the city. Of that amount, $8.4 million for the city's share of employees' annuity contributions is provided from the annuity account and $13.4 million from the Employer's Pension Reserve Fund. This is a decrease of $700,000 over the total amount provided for this purpose in 2013.

Social Security Payments: In the 2014 proposed budget, $17.3 million is provided for Social Security payments.

Administration: In the 2014 proposed budget, ERS administrative costs are $24.8 million.

Employer's Reserve Fund: An expected balance of approximately $42.6 million will remain in the Employer's Reserve Fund at the end of 2013. The 2014 proposed budget includes the use of $13.4 million from the Reserve Fund to smooth the property tax levy impact of an employer pension contribution of $61.6 million.

Employer's Pension Contribution (PABF): The 2014 proposed budget includes a $228,538 contribution for the former Policemen's Annuity and Benefit Fund (PABF).

Lump Sum Contribution for Firemen's Annuity and Benefit Fund (FABF): A total of $85,000 is provided in the 2014 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 2013.

Lump Sum Contribution for Policemen's Annuity and Benefit Fund (PABF): There is $30,000 provided in the 2014 proposed budget to provide a pension supplement.

EMPLOYES' RETIREMENT SYSTEM

EXECUTIVE SUMMARY

MISSION: Administer the retirement plan as provided under the City Charter and protect the funds of the Employes' Retirement System 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 Employes' Retirement System website, pre-retirement counseling seminars, brochures, and newsletters.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	39.27	42.50	43.50	43.50	1.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	52	53	54	54	1	0
EXPENDITURES						
Salaries and Wages	$2,368,733	$2,593,395	$2,710,176	$2,710,176	$116,781	$0
Fringe Benefits	1,170,834	1,268,449	1,273,783	1,273,783	5,334	0
Operating Expenditures	14,604,446	20,418,000	20,562,000	20,762,000	344,000	200,000
Equipment	150,052	267,000	275,000	275,000	8,000	0
Special Funds	0	0	0	0	0	0
TOTAL	$18,294,065	$24,546,844	$24,820,959	$25,020,959	$474,115	$200,000
REVENUES						
Charges for Services	$17,885,890	$24,172,534	$24,444,935	$24,644,935	$472,401	$200,000
Miscellaneous	77,700	83,000	90,000	90,000	7,000	0
TOTAL	$17,963,590	$24,255,534	$24,534,935	$24,734,935	$479,401	$200,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Minimize the amount of tax levy funding needed to support the Employes' Retirement System.
   - Effectively manage the pension funds under its control.
   - Provide high quality service to its customers.

The 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 2012, there were 26,729 members in the ERS, with 60% of that number being retirees or inactive members (see Figure 1).

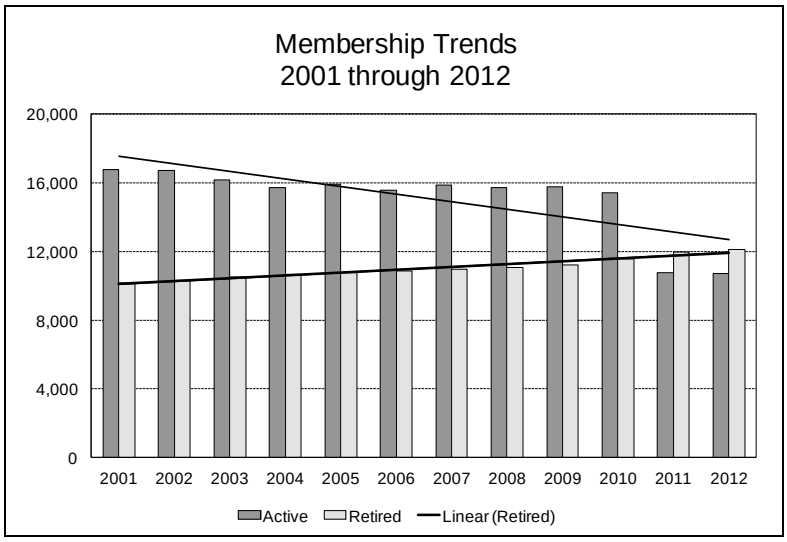
The Annuity and Pension Board is the trustee of the system's funds and is responsible for the system's general administration. The Secretary and Executive Director function under the direction of the Board and are responsible for daily operation of the office.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Exceed the gross of return of the blended benchmark index (previous five years).	1.2%	0.5%	0.5%
Exceed 95% favorable rating on customer satisfaction survey.	100%	95%	95%

STRATEGY IMPLEMENTATION

Figure 1



The actuarial accrued liabilities on behalf of ERS members are currently $4.7 billion. Market volatility in recent years has made it complicated to maintain an adequately funded retirement system. Net of fees, the Fund earned a return of 13.5% in 2012.

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 $13.4 million from the Employee Pension Reserve Fund is included in the 2014 proposed budget. The city has begun a stable contribution policy 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,
- Lehman Brothers Aggregate Bond Index,
- Morgan Stanley Capital International EAFE (Europe, Australiasia, and Far East) Stock Index, and
- 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 market trends that occur over the life of an investment cycle. Over the long term, ERS' objective is for the Fund to outperform the blended benchmark by 0.5%.

As seen in Figure 3, the Fund experienced a nice recovery in 2012 due to improved fixed income and domestic equity performance. The 2012 gross rate of return was 14.1%, while the blended benchmark rate of return was 12.9%.

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. Reception cards are used to evaluate timely servicing of walk-ins and appointments. ERS also uses exit surveys to measure the quality of its counseling services.

Figure 2

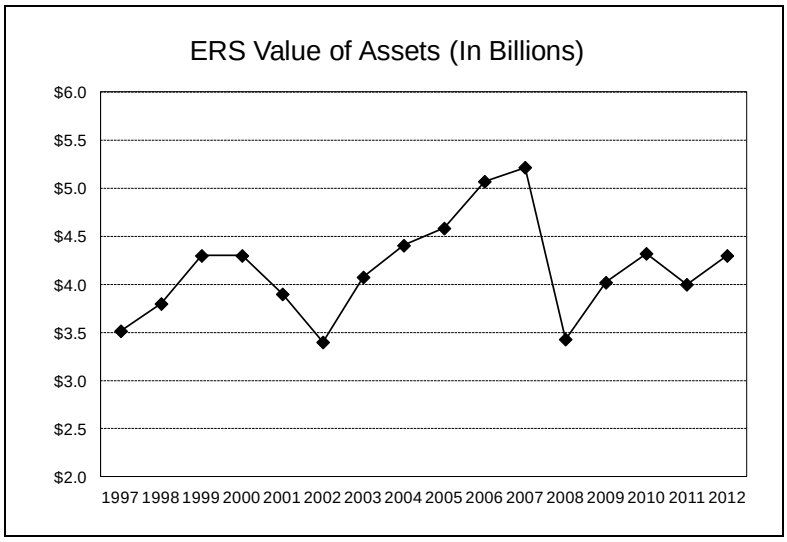
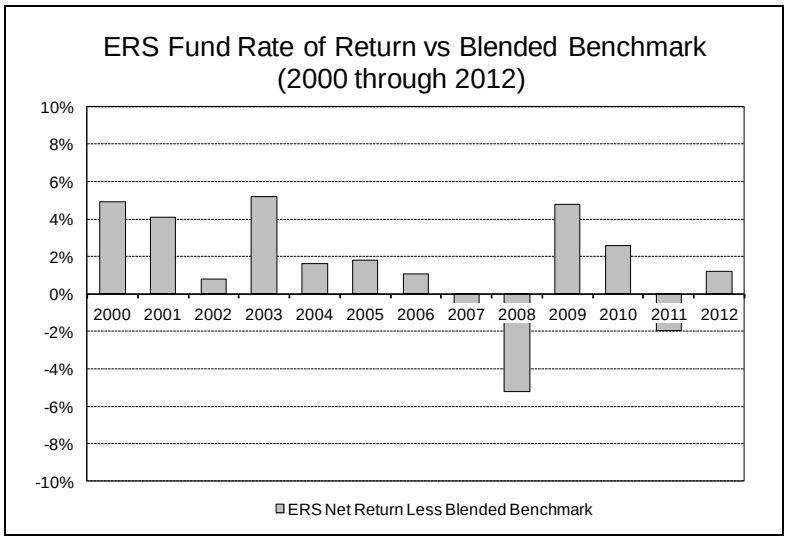


Figure 3



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 budget for 2014 increases spending by 1.1% or $0.3 million and represents 0.6% of the Pension Trust Fund's assets.

ERS negotiated a new custody agreement with Northern Trust. It will provide $227,103 of net savings annually over the next five years. It allows ERS to receive a greater share of securities revenue (80% compared to 75%) and eliminates Northern Trust third party foreign exchange transaction fees of $50 per transaction in exchange for an increase in the custody fees. Expenses increase $200,000 in the 2014 budget for this purpose. This cost is more than offset by the expected return increase of $427,103.

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 2014 proposed budget includes $275,000 in additional funding for these items. In 2014, ERS will add a position in the Information Technology area, replacing contracted services with permanent staff at a net savings. The 2014 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		ERS Database and Research Analyst	Provide IT support.
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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	2.00	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	$128,042	$128,235	$128,235	$128,235	$0	$0
Fringe Benefits	58,938	61,553	60,270	60,270	-1,283	0
Operating Expenditures	1,071,374	1,240,770	1,368,930	1,368,930	128,160	0
Equipment	0	0	0	0	0	0
Special Funds	0	75,000	75,000	75,000	0	0
TOTAL	$1,258,354	$1,505,558	$1,632,435	$1,632,435	$126,877	$0
REVENUES						
Charges for Services	$1,258,354	$1,505,558	$1,632,435	$1,632,435	$126,877	$0
TOTAL	$1,258,354	$1,505,558	$1,632,435	$1,632,435	$126,877	$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 7,413 active and retired participants and assets of $705 million as of June 30, 2013.

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 2012, 4,509 employees were deferring an average of $583 per month. During the second quarter of 2013, the number of employees making deferrals fell to 4,455 and the average monthly deferral decreased to $472. 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. Information on deferred compensation is also 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 manner that ensures 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 the 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 2014 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 needs. Capital improvements generally 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. Capital investment may include technology or system enhancements that aid the city in increasing efficiency and cost effectiveness in its operating budget.

HIGHLIGHTS

The 2014 general city capital improvements budget totals $123.3 million, an increase of $19.1 million from the 2013 adopted budget. 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 $90.7 million, an increase from $76 million in the 2013 adopted budget.

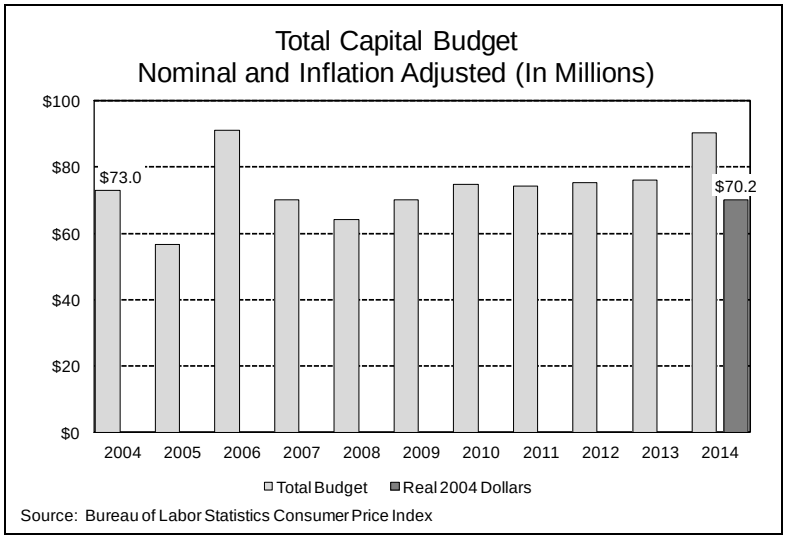
The city's long term goal is to provide tax levy supported borrowing authorizations that relate to tax levy debt retirements in order to control future increases in the debt service tax levy. Previous budgets have converted debt supported programs which mitigate stormwater to cash financing via the Sewer Maintenance Fund as well as the city's Stormwater Fee. 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. These changes in financing increase the city's capacity to invest in infrastructure within the constraints of the debt limit and in a manner reflecting prudent use of long term debt.

The 2014 budget funds increases in three areas: city facility maintenance and fleet purchases, local streets and bridges, and demolition and repair of city owned properties as part of Mayor Barrett's Strong Neighborhoods Investment Program. To manage the debt impact of these increases, the cash tax levy financing for the capital budget increases $3.8 million, to $4.9 million in 2014. This increase is offset by a decrease of $5.9 million in the city's debt service levy. The increased use of direct tax levy financing is matched with relatively shorter lived assets such as technology systems and improvements that may not be appropriate to borrow for on a 15 year basis.

The High Impact Streets program, which extends the life of heavily used streets by seven or more years with minimal cost, will be financed with $2 million of the increased levy. This $3 million program allows the city to reduce maintenance costs on the repaved sections and increases the city's long term capacity for reconstruction given available funding.

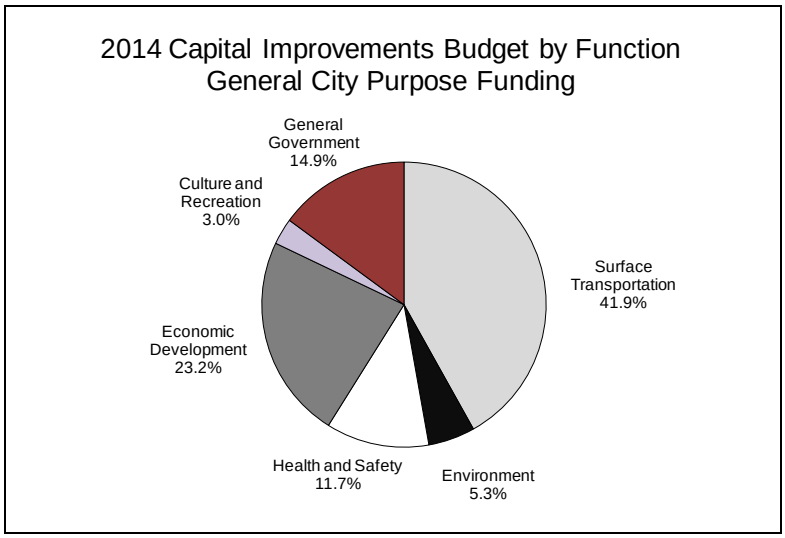
Figure 1 shows capital improvement budgets from 2004 to 2014 in nominal and inflation adjusted (real) terms. Adjusting for inflation shows relative purchasing power over time. The 2014 budget has increased 44% in terms of total funding, but when inflation is accounted for, the decrease is 4%. The city's 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 2014 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 41.9% of the general city funded capital budget or $47.9 million. Including grant and aids, total Surface Transportation spending is $93.7 million. Reductions of $11.7 million in grants and aids for 2014 are offset in part by increasing city funding for streets, bridges, lighting, and traffic controls by a total of $4.6 million.

Economic Development is the second largest capital functional area at 23% of the general city funded capital budget. New borrowing for Tax Increment Districts (TIDs) in 2014 is increased by $4.8 million, and over $95 million in borrowing authority is likely to be carried from 2013 to 2014. A net increase of $3 million will fund demolition of vacant and abandoned homes as well as work on city owned properties via the Department of City Development.

The General Government project category constitutes the third largest functional area, with $17 million, or 14.9% of total funding provided for this purpose. This is a net decrease of $1.5 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 17% of the 2014 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 $3.9 million, or 3% of the city funded capital budget. Within this category, Central Library and neighborhood library capital projects funding totals $2.7 million.

Funding Sources: The 2014 capital budget is financed through several funding sources including the property tax levy, tax levy supported General Obligation debt, Tax Incremental Districts, special assessments, cash revenues, and grants and aids. Figure 3 shows funding sources for the 2014 city funded capital budget (excluding grant and aids).

For 2014, the largest funding source is tax levy supported debt financing. Levy supported GO borrowing in the 2014 capital budget is just over $85 million for city purposes, up from $75 million in 2013. 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 this level of debt has decreased over time due to inflation, and remains nearly the same as it was in 2004.

Figure 3

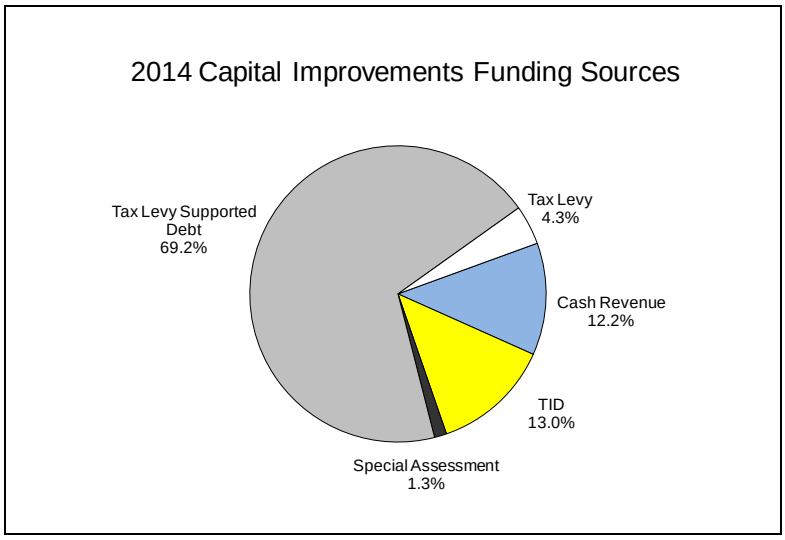
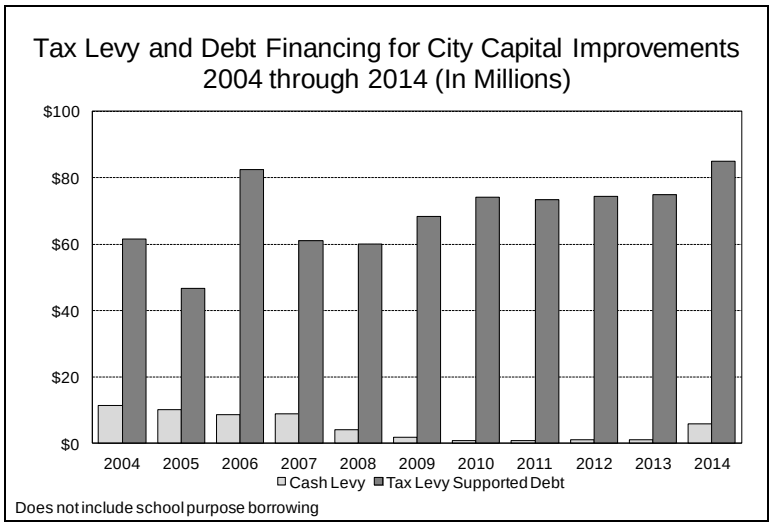


Figure 4



Another major source of funding for capital projects is Tax Incremental District borrowing, with $14 million, or 13% 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. TID borrowing should increase in 2014 and coming years as several large TIDs, including Northwestern Mutual Life's new headquarters, incur expenses.

In addition to TID financing, other self supporting funding sources include $15 million of cash revenues, which is 12.2% of the total, and $1.6 million of special assessments, which represent 1.3% of the total. Not included in Figure 3 are capital grant and aids, which are anticipated to be $44.8 million in 2014.

In addition to levy supported GO debt, the tax levy is the other non-self supporting funding source for capital. Direct levy funding for capital improvements is one way to reduce the long term interest cost of financing short lived assets and immediate, small cost improvements. In some cases, the cash investment in capital may be offset

by a years worth of operating savings, as is the case with the High Impact Street program. 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. The 2014 budget is a departure from that trend, increasing the tax levy by $4.2 million to $5.3 million. This increase is offset by a decrease of $5.9 million in the debt service levy.

Debt Levy Control: The capital budget will continue to move in the direction of limiting debt issuance to debt retirements to better stabilize the debt service levy.

2014 HIGHLIGHTS AND CHANGES

Funding for the Mayor's Strong Neighborhoods Investment Program: The Mayor's comprehensive effort to reduce the collective burden of city owned property on the local housing market and city budgets includes $5.4 million in capital budget items, $3.2 million of which is dedicated to city owned property. The majority of work on city owned property in 2014 will be demolition, and the Major Fleet budget includes $707,000 for equipment allowing city crews to demolish city owned homes.

The capital budget also includes $2.2 million for demolition of abandoned and vacant homes held by private owners and deemed hazardous or unsafe. This demolition work will be targeted to match city efforts, to avoid removing some hazardous properties and leaving others. A total of 286 private and city owned homes will be demolished in 2014, and the backlog of properties awaiting demolitions should be eliminated by 2016. Post-demolition, $200,000 in the capital budget will fund vacant lot beautification efforts, including creative re-use and community space.

Capital funding will also be used for rehab, loans, and leverage to rehab city-owned properties. Using the program structures and position authority formerly used for the Neighborhood Stabilization Program, DCD will establish rehab loans and deferred payment loans for purchasers of city owned homes, both for owner occupancy and responsible rental use. City capital funds will also leverage additional grants and loan availability for rehabs, including energy efficiency grants and WHEDA home improvement loans. The city's goal is to sell 78 additional properties, with an average city investment of $20,000. Total capital funding rehab and repair of city owned homes is $1.6 million.

DCD will also initiate a rent-to-own program for tenants whose homes were foreclosed by the city. Qualified tenants will have the opportunity to buy the home they live in, in exchange for sweat equity, with the city contributing up to $20,000 per property in rehab costs. The 2014 budget includes $300,000 for this work, which complements $300,000 in CDBG funding allocated to the program by the Common Council in 2013. The program aims to sell 30 homes to tenants by the end of 2015.

The Housing Infrastructure Preservation Fund in DCD will continue to fund critical rehab for Milwaukee's unique and historic homes, avoiding demolition and increasing the salability of signature properties. These properties typically require a greater degree of investment and higher skilled contractors, but preserve a unique part of Milwaukee's heritage. In 2014, HIPF will invest $300,000 in these properties. For more on the Strong Neighborhood Investment Program, see the Department of City Development section of the *2014 Proposed Plan and Executive Budget Summary.*

Major Capital Equipment: Instituted in 2002, Major Capital Equipment Accounts in the Fire Department and Department of Public Works' (DPW) 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 2014, the Fire Department will use $2.2 million and the DPW Operations Division will use $7.5 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 2014 with a

$2.5 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 portion of the Environmental Remediation Program in DPW Facilities. 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 *2014 Proposed Plan and Executive Budget Summary.*

Tax Increment Financing Districts: The 2014 capital budget includes $19.5 million of funding ($15 million self-supported borrowing and $4.5 million cash revenues) to promote economic development and job growth through tax increment financing. Over $90 million in authorized borrowing is still available to tax increment projects citywide.

Other capital projects included in the 2014 capital budget are described in more detail in the departmental operating budget sections of the *2014 Proposed Plan and Executive Budget Summary*. Please refer to these sections for more detail on these projects.

SUMMARY OF DEPARTMENTAL APPROPRIATIONS
OVERVIEW OF 2014 PROPOSED CAPITAL BUDGET
GENERAL CITY PURPOSES

	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
City Funded					
Special Projects	$8,510,000	$8,510,000	$8,710,000	$200,000	$200,000
Administration, Department of	1,875,000	3,648,700	1,060,000	-815,000	-2,588,700
City Attorney's Office	0	1,500,000	2,010,000	2,010,000	510,000
City Development, Department of	17,585,000	22,600,000	23,450,000	5,865,000	850,000
Common Council City Clerk	117,500	189,000	175,000	57,500	-14,000
Fire Department	3,403,000	5,175,000	4,437,000	1,034,000	-738,000
Fire & Police Commission	0	150,000	150,000	150,000	0
Health Department	435,000	680,000	425,000	-10,000	-255,000
Library	3,743,000	4,733,000	3,383,000	-360,000	-1,350,000
Municipal Court	0	144,000	144,000	144,000	0
Neighborhood Services	0	122,000	2,220,000	2,220,000	2,098,000
Police Department	7,375,700	11,012,260	9,177,000	1,801,300	-1,835,260
Port of Milwaukee	1,075,000	5,200,000	750,000	-325,000	-4,450,000
Public Works, Department of	60,061,700	77,323,800	67,195,000	7,133,300	-10,128,800
Subtotal City Funded	$104,180,900	$140,987,760	$123,286,000	$19,105,100	$-17,701,760
Grants and Aids Funding					
Port of Milwaukee	$0	$0	$0	$0	$0
Public Works, Department of	56,555,000	44,818,200	44,818,000	-11,737,000	-200
Subtotal Grants and Aids Funding	$56,555,000	$44,818,200	$44,818,000	$-11,737,000	$-200
Enterprise Funds					
Parking	$1,441,000	$3,865,000	$1,715,000	$274,000	$-2,150,000
Sewer Maintenance	44,510,000	41,650,000	44,550,000	40,000	2,900,000
Water	13,850,000	13,825,000	13,825,000	-25,000	0
Subtotal Enterprise Funds	$59,801,000	$59,340,000	$60,090,000	$289,000	$750,000
Total Capital Plan	$220,536,900	$245,145,960	$228,194,000	$7,657,100	$-16,951,960

2014 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
Municipal Art Fund								
Budget	25,000	0	0	0	0	25,000	0	25,000
Housing Trust Fund								
Budget	0	600,000	0	0	0	600,000	0	600,000
Capital Improvements Committee								
Budget	85,000	0	0	0	0	85,000	0	85,000
TOTAL SPECIAL CAPITAL PROJECTS								
Budget	**$110,000**	**$600,000**	**$0**	**$0**	**$8,000,000**	**$8,710,000**	**$0**	**$8,710,000**
DEPARTMENT OF ADMINISTRATION								
IT Upgrades								
Budget	$285,000	$0	$0	$0	$0	$285,000	$0	$285,000
Web Application and Server Equipment								
Budget	125,000	0	0	0	0	125,000	0	125,000
Webcasting								
Budget	150,000	0	0	0	0	150,000	0	150,000
Public Safety Communications								
Budget	0	500,000	0	0	0	500,000	0	500,000
TOTAL DEPARTMENT OF ADMINISTRATION								
Budget	**$560,000**	**$500,000**	**$0**	**$0**	**$0**	**$1,060,000**	**$0**	**$1,060,000**
City Attorney								
City Hall 8th Floor Remodel								
Budget	$0	$2,010,000	$0	$0	$0	$2,010,000	$0	$2,010,000
TOTAL City Attorney								
Budget	**$0**	**$2,010,000**	**$0**	**$0**	**$0**	**$2,010,000**	**$0**	**$2,010,000**
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	400,000	0	0	0	400,000	0	400,000
Tax Increment Financed Urban Renewal Projects (Including Grant Funded Projects)								
Budget	0	0	15,000,000	0	4,500,000	19,500,000	0	19,500,000
Business Improvement Districts								
Budget	0	250,000	0	0	0	250,000	0	250,000
Façade Program								
Budget	0	250,000	0	0	0	250,000	0	250,000
In Rem Property Management								
Budget	0	1,900,000	0	0	0	1,900,000	0	1,900,000
Housing Infrastructure Preservation Fund								
Budget	0	300,000	0	0	0	300,000	0	300,000
Vacant Lot Beautification								
Budget	200,000	0	0	0	0	200,000	0	200,000
Brownfield Program								
Budget	0	500,000	0	0	0	500,000	0	500,000
TOTAL DEPARTMENT OF CITY DEVELOPMENT								
Budget	**$350,000**	**$3,600,000**	**$15,000,000**	**$0**	**$4,500,000**	**$23,450,000**	**$0**	**$23,450,000**
COMMON COUNCIL CITY CLERK								
Channel 25 Digital Conversion								
Budget	$175,000	$0	$0	$0	$0	$175,000	$0	$175,000
TOTAL COMMON COUNCIL CITY CLERK								
Budget	**$175,000**	**$0**	**$0**	**$0**	**$0**	**$175,000**	**$0**	**$175,000**
FIRE AND POLICE COMMISSION								
FPC Office Remodeling								
Budget	$0	$150,000	$0	$0	$0	$150,000	$0	$150,000
TOTAL FIRE AND POLICE COMMISSION								
Budget	**$0**	**$150,000**	**$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
FIRE DEPARTMENT								
Fire Facilities Maintenance Program								
Budget	$0	$1,245,000	$0	$0	$0	$1,245,000	$0	$1,245,000
Major Capital Equipment								
Budget	0	2,232,000	0	0	0	2,232,000	0	2,232,000
Regional Video Conference								
Budget	170,000	0	0	0	0	170,000	0	170,000
Grant and Aid	0	0	0	0	0	0	680,000	680,000
Auxiliary Power Supply								
Budget	0	110,000	0	0	0	110,000	0	110,000
TOTAL FIRE DEPARTMENT								
Budget	**$170,000**	**$3,587,000**	**$0**	**$0**	**$0**	**$3,757,000**	**$680,000**	**$4,437,000**
HEALTH DEPARTMENT								
Health Facilities Capital Projects								
Budget	$0	$425,000	$0	$0	$0	$425,000	$0	$425,000
TOTAL HEALTH DEPARTMENT								
Budget	**$0**	**$425,000**	**$0**	**$0**	**$0**	**$425,000**	**$0**	**$425,000**
LIBRARY								
CENTRAL LIBRARY								
Central Library Improvements Fund								
Budget	$0	$1,558,000	$0	$0	$0	$1,558,000	$0	$1,558,000
NEIGHBORHOOD LIBRARIES								
Library Facility Initiatives								
Budget	$90,000	$1,735,000	$0	$0	$0	$1,825,000	$0	$1,825,000
TOTAL LIBRARY								
Budget	**$90,000**	**$3,293,000**	**$0**	**$0**	**$0**	**$3,383,000**	**$0**	**$3,383,000**
MUNICIPAL COURT								
Virtual Server/SAN Replacement								
Budget	$144,000	$0	$0	$0	$0	$144,000	$0	$144,000
TOTAL MUNICIPAL COURT								
Budget	**$144,000**	**$0**	**$0**	**$0**	**$0**	**$144,000**	**$0**	**$144,000**
NEIGHBORHOOD SERVICES								
Concentrated Blight Elimination								
Budget	$0	$2,220,000	$0	$0	$0	$2,220,000	$0	$2,220,000
TOTAL NEIGHBORHOOD SERVICES								
Budget	**$0**	**$2,220,000**	**$0**	**$0**	**$0**	**$2,220,000**	**$0**	**$2,220,000**
POLICE DEPARTMENT								
Remodel Administration Building Offices								
Budget	$0	$5,991,000	$0	$0	$0	$5,991,000	$0	$5,991,000
District Station Repairs								
Budget	0	500,000	0	0	0	500,000	0	500,000
Uninterruptable Power Supply								
Budget	0	696,000	0	0	0	696,000	0	696,000
IT Server and Data Storage Replacement								
Budget	225,000	0	0	0	0	225,000	0	225,000
RMS System								
Budget	0	1,400,000	0	0	0	1,400,000	0	1,400,000
Radio and Communications Upgrades								
Budget	0	365,000	0	0	0	365,000	0	365,000
TOTAL POLICE DEPARTMENT								
Budget	**$225,000**	**$8,952,000**	**$0**	**$0**	**$0**	**$9,177,000**	**$0**	**$9,177,000**
PORT OF MILWAUKEE								
Rail Track and Service Upgrades								
Budget	$0	$500,000	$0	$0	$0	$500,000	$0	$500,000
Pier Berth and Channel Improvements								
Budget	0	200,000	0	0	0	200,000	0	200,000
Port Facility Systems								
Budget	0	50,000	0	0	0	50,000	0	50,000
TOTAL PORT OF MILWAUKEE								
Budget	**$0**	**$750,000**	**$0**	**$0**	**$0**	**$750,000**	**$0**	**$750,000**

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
DPW INFRASTRUCTURE SERVICES								
BRIDGE CONSTRUCTION								
Bridge State and Federal Funded								
Budget	$0	$260,000	$0	$0	$0	$260,000	$0	$260,000
Bridge Reconstruction Local								
Budget	0	9,815,000	0	0	0	9,815,000	0	9,815,000
TOTAL BRIDGE CONSTRUCTION								
Budget	**$0**	**$10,075,000**	**$0**	**$0**	**$0**	**$10,075,000**	**$0**	**$10,075,000**
STREET/PAVING CONSTRUCTION								
Street Reconstruction City Contribution to State and Federally Aided Projects								
Budget	$0	$6,214,000	$0	$1,000	$0	$6,215,000	$0	$6,215,000
Street Reconstruction or Resurfacing Regular City Program								
Budget	0	12,500,000	0	1,000,000	0	13,500,000	0	13,500,000
Street High Impact Program								
Budget	2,000,000	1,000,000	0	0	0	3,000,000	0	3,000,000
Alley Reconstruction Program								
Budget	0	1,625,000	0	50,000	0	1,675,000	0	1,675,000
New Street Construction Program								
Budget	0	200,000	0	150,000	0	350,000	0	350,000
New Street Developer								
Budget	0	0	0	0	400,000	400,000	0	400,000
Street Improvements Sidewalk Driveway and Gutter Replacement								
Budget	0	1,000,000	0	425,000	0	1,425,000	0	1,425,000
Street Improvements Street Lighting								
Budget	800,000	8,500,000	0	0	0	9,300,000	0	9,300,000
Street Improvements Traffic Control Facilities								
Budget	0	1,993,000	0	0	0	1,993,000	0	1,993,000
Street Improvements Underground Conduit and Manholes								
Budget	0	500,000	0	0	0	500,000	0	500,000
Underground Electrical Manhole Reconstruction								
Budget	0	750,000	0	0	0	750,000	0	750,000
TOTAL STREET/PAVING CONSTRUCTION								
Budget	**$2,800,000**	**$34,282,000**	**$0**	**$1,626,000**	**$400,000**	**$39,108,000**	**$0**	**$39,108,000**
BUILDINGS PROJECTS								
City Hall Complex Remodeling								
Budget	$101,000	$90,000	$0	$0	$0	$191,000	$0	$191,000
Space Planning Facilities								
Budget	205,000	0	0	0	0	205,000	0	205,000
Facility Systems Program								
Budget	0	1,765,000	0	0	0	1,765,000	0	1,765,000
Environmental Remediation Program								
Budget	0	150,000	0	0	50,000	200,000	0	200,000
ADA Compliance Program								
Budget	100,000	240,000	0	0	0	340,000	0	340,000
Facilities Exterior Upgrades Program								
Budget	0	2,088,000	0	0	0	2,088,000	0	2,088,000
Municipal Garages/Outlying Facilities Remodeling								
Budget	86,000	0	0	0	0	86,000	0	86,000
Energy Efficiency and Renewable Energy								
Budget	0	150,000	0	0	0	150,000	0	150,000
Playground Improvement Challenge Fund								
New Borrowing	0	60,000	0	0	0	60,000	0	60,000
TOTAL BUILDINGS PROJECTS								
Budget	**$492,000**	**$4,543,000**	**$0**	**$0**	**$50,000**	**$5,085,000**	**$0**	**$5,085,000**
TOTAL DPW INFRASTRUCTURE								
Budget	**$3,292,000**	**$48,900,000**	**$0**	**$1,626,000**	**$450,000**	**$54,268,000**	**$0**	**$54,268,000**

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
DPW OPERATIONS DIVISION								
FLEET SECTION								
Major Capital Equipment								
Budget	$0	$7,517,000	$0	$0	$0	$7,517,000	$0	$7,517,000
TOTAL FLEET SECTION								
Budget	**$0**	**$7,517,000**	**$0**	**$0**	**$0**	**$7,517,000**	**$0**	**$7,517,000**
FORESTRY SECTION								
Concealed Irrigation and General Landscaping								
Budget	$0	$500,000	$0	$0	$0	$500,000	$0	$500,000
Production and Planting Program								
Budget	0	0	0	0	1,483,000	1,483,000	0	1,483,000
Hazardous Tree Removal Program								
Budget	75,000	0	0	0	0	75,000	0	75,000
Emerald Ash Borer Readiness and Response								
Budget	0	0	0	0	952,000	952,000	0	952,000
TOTAL FORESTRY SECTION								
Budget	**$75,000**	**$500,000**	**$0**	**$0**	**$2,435,000**	**$3,010,000**	**$0**	**$3,010,000**
SANITATION SECTION								
Materials Recylcing Facilities								
Budget	$0	$2,300,000	$0	$0	$0	$2,300,000	$0	$2,300,000
Sanitation Headquarters Modifications (Various Sites)								
Budget	100,000	0	0	0	0	100,000	0	100,000
TOTAL SANITATION SECTION								
Budget	**$100,000**	**$2,300,000**	**$0**	**$0**	**$0**	**$2,400,000**	**$0**	**$2,400,000**
TOTAL DPW OPERATIONS DIVISION								
Budget	**$175,000**	**$10,317,000**	**$0**	**$0**	**$2,435,000**	**$12,927,000**	**$0**	**$12,927,000**
TOTAL DEPARTMENT OF PUBLIC WORKS								
Budget	**$3,467,000**	**$59,217,000**	**$0**	**$1,626,000**	**$2,885,000**	**$67,195,000**	**$0**	**$67,195,000**
TOTAL PROJECTS								
Budget	**$5,291,000**	**$85,304,000**	**$15,000,000**	**$1,626,000**	**$15,385,000**	**$122,606,000**	**$680,000**	**$123,286,000**

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.

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	73.0%	Adequate
Market Value Per Capita	$44,380	Moderate
Taxpayer Concentration (Top Ten Taxpayers)	4.0%	Very Diverse
Financial		
Unreserved General Fund Balance	8.5%	Strong
Debt		
Direct Debt Per Capita	$2,840	Moderately High
Direct Debt Percent of Market Value	6.4%	Moderately High
Debt Maturing Within Ten Years	85.0%	Standard is 50.0%

OVERVIEW

The 2014 debt expenditures total $278 million, a decrease of $64.1 million from 2013. There is a net decrease of $75 million in revenue anticipation notes and a refinancing of commercial paper to general obligation debt. The remaining debt increased by $11.9 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 2

CITY DEBT EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	32,405,234	33,465,225	33,465,225	1,059,991	0
MPS Loans, ADA and Information System	6,562,669	6,915,717	6,915,717	353,048	0
Parking	1,527,829	1,659,453	1,659,453	131,624	0
Sewer Maintenance Fund	7,527,750	6,814,384	6,814,384	-713,366	0
Special Assessments	1,546,697	1,397,319	1,397,319	-149,378	0
Tax Increment Districts	22,107,453	20,815,607	20,815,607	-1,291,846	0
Water Works	3,854,414	3,889,805	3,889,805	35,391	0
Subtotal	$76,595,385	$76,020,849	$76,020,849	$-574,536	$0
Tax Levy Debt					
General City	$84,940,841	$196,307,818	$196,307,818	$111,366,977	$0
RANs City and MPS	175,862,500	275,862,500	862,500	-175,000,000	-275,000,000
Schools	9,878,331	9,510,717	9,510,717	-367,614	0
Subtotal	$270,681,672	$481,681,035	$206,681,035	$-64,000,637	$-275,000,000
Total Debt Needs	$347,277,057	$557,701,884	$282,701,884	$-64,575,173	$-275,000,000
Fees and Issuance Costs	$1,790,000	$1,628,000	$1,628,000	$-162,000	$0
Deduction for PDAF Prepayment	-5,500,000	-4,500,000	-5,000,000	500,000	-500,000
Deduction for Segregated S.A.	-1,546,697	-1,397,319	-1,397,319	149,378	0
Total	$342,020,360	$553,432,565	$277,932,565	$-64,087,795	$-275,500,000

Table 3

CITY DEBT SOURCE OF FUNDS	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	32,405,234	33,465,225	33,465,225	1,059,991	0
MPS Loans, ADA and Information System	6,562,669	6,915,717	6,915,717	353,048	0
Parking	1,527,829	1,659,463	1,659,463	131,634	0
Sewer Maintenance Fund	8,527,750	6,814,384	6,814,384	-1,713,366	0
Tax Increment Districts	22,107,453	20,815,607	20,815,607	-1,291,846	0
Water Works	5,154,414	3,889,805	3,889,805	-1,264,609	0
Subtotal	$77,348,688	$74,623,540	$74,623,540	$-2,725,148	$0
General Obligation Debt Financing					
Other Revenues	$196,900,000	$409,500,000	$141,500,000	$-55,400,000	$-268,000,000
Tax Levy	67,771,672	69,309,025	61,809,025	-5,962,647	-7,500,000
Subtotal	$264,671,672	$478,809,025	$203,309,025	$-61,362,647	$-275,500,000
Total Debt Needs	$342,020,360	$553,432,565	$277,932,565	$-64,087,795	$-275,500,000

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 $196.3 million in 2014, an increase of $11.4 million from 2013. An additional increase of $100 million is due to the refinancing of commercial paper with long term general obligation debt. The property tax levy for debt service is $61.8 million, a decrease of $6 million from 2013.

Milwaukee Public Schools (MPS): The debt service cost for school borrowing will be $9.5 million in 2014, a decrease of $0.4 million from 2013. 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 2014 budget, debt service for TIDs is $20.8 million with revenues from tax increments supporting that debt service cost.

Delinquent Taxes: The 2014 budget includes $33.5 million to finance delinquent tax borrowing which is $1.1 million greater than 2013. Estimates of sources of funds from the collection of delinquent taxes and interest penalties are $33.5 million in 2013, an increase of $1.1 million from 2013. Delinquent tax borrowings should begin to decrease in 2015 as the effects of foreclosures and unemployment in the city taper.

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 2014 debt budget, the Parking Fund provides $1.7 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 2014 debt budget includes approximately $1.4 million to finance debt service costs associated with special assessment borrowing.

Figure 1

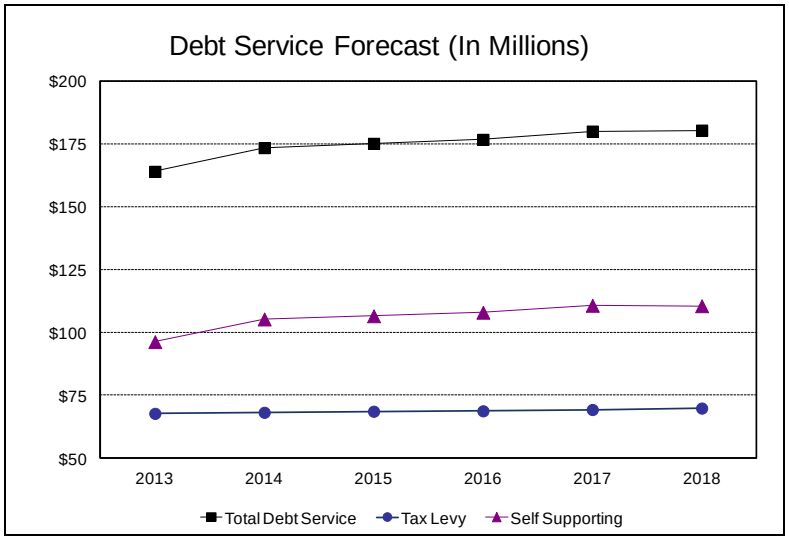
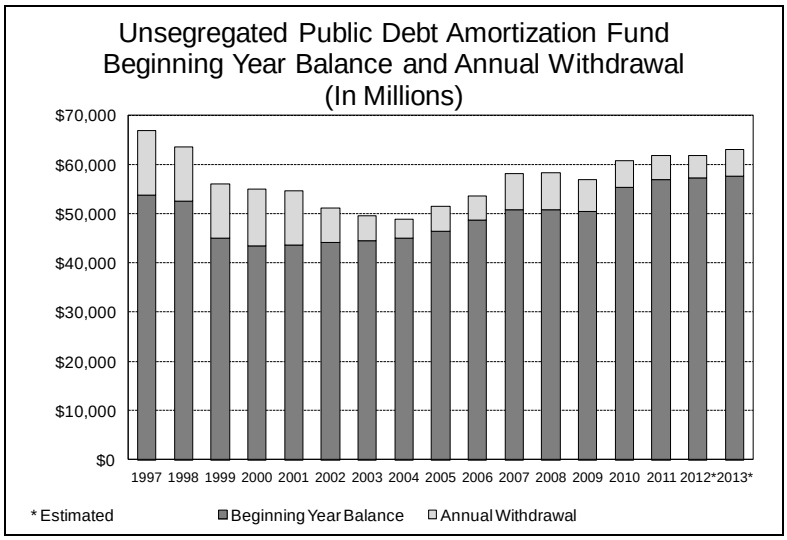


Figure 2



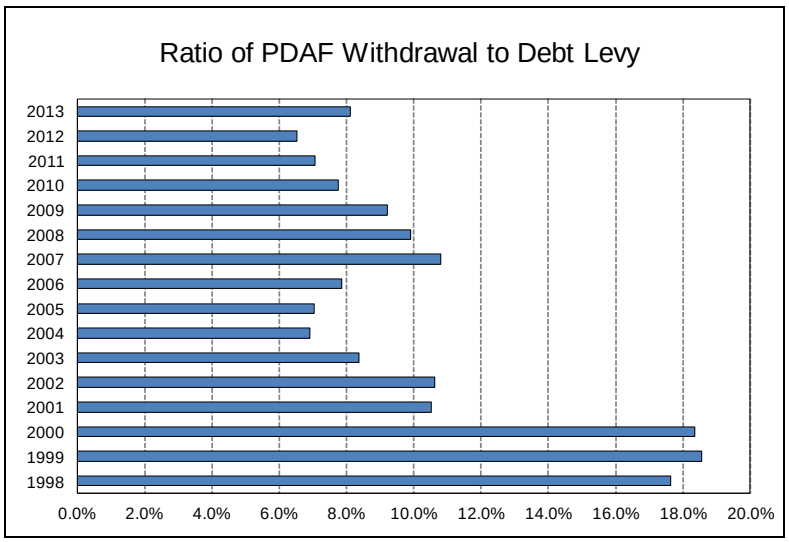
Water Works: The 2014 debt budget includes $3.9 million for Water Works' debt service costs. The Water Works' uses annual earnings to pay water related debt service costs. Future Water Works borrowings may be converted to revenue bonds.

Sewer Maintenance: Approximately $6.8 million in debt service for 2014 relates to sewer capital projects, a decrease from 2013 of $0.7 million. Financing for sewer projects will be moved from GO borrowing repaid by Sewers to revenue bonds over the next several years.

Miller Park Project: The 2014 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 2014, the rental payment is $2.3 million.

Figure 3



DEBT TAX LEVY STABILITY

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.

In 2014, the Comptroller's Office and the Budget and Management Division determined that a draw of $7 million in unassigned fund balance from the city's debt service fund was a prudent way to both reduce the overall debt service levy as well as increase cash tax levy financing in the capital budget for technology systems as well as the High Impact Streets Program. By putting cash resources into these areas, the city keeps technology infrastructure up to date without burdening future taxpayers with the borrowing costs of these shorter lived systems. This cash financing also increases the life of streets repaved through the High Impact Program by up to seven years, reducing the long run replacement costs and increasing the city's ability to maintain the streets replacement cycle.

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 2014 budget is $5 million, a decrease of $500,000 from the 2013 withdrawal. The 2014 projected fund balance is $58.6 million, and should continue to increase annually. 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 $58 million, despite a low interest rate environment.

The 2014 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 2014 budget maintains an 8.1% ratio, among the lower levels over this period.

In 2014, the Budget and Management Division will work with the Comptroller's Office on a plan to strategically use the PDAF withdrawal and other financing tools to minimize debt service levy growth and fund the city's major facility and infrastructure needs via levy supported debt in the capital budget. Implementation of a new policy on PDAF withdrawals introduced in 2013 will be a major step in securing the city's capital financing needs for the long term.

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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
Common Council Contingent Fund	[2,108,896]	$5,000,000	$5,000,000	$5,000,000	$0	$0
TOTAL	[2,108,896]	$5,000,000	$5,000,000	$5,000,000	$0	$0

SOURCE OF FUNDS

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 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.

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
G. Parking Fund	$48,722,995	$51,951,107	$53,158,476	$51,462,476	$-488,631	$-1,696,000
H. Grant and Aid Project Fund	78,233,318	69,363,873	49,095,384	50,622,451	-18,741,422	1,527,067
I. Economic Development Fund	6,995,398	7,912,216	8,505,477	11,705,477	3,793,261	3,200,000
J. Water Works	90,564,183	100,854,626	98,876,720	98,354,443	-2,500,183	-522,277
K. Sewer Maintenance Fund	87,098,231	102,133,548	104,315,197	99,766,197	-2,367,351	-4,549,000
M. Delinquent County Taxes Fund	10,529,770	11,300,000	10,530,000	10,530,000	-770,000	0
TOTAL	$322,143,895	$343,515,370	$324,481,254	$322,441,044	$-21,074,326	$-2,040,210

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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	111.23	117.75	117.75	117.75	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	122	120	120	120	0	0
EXPENDITURES						
Salaries and Wages	$4,346,179	$4,725,858	$4,666,682	$4,666,682	$-59,176	$0
Fringe Benefits	2,608,036	2,551,963	2,520,008	2,520,008	-31,955	0
Operating Expenditures	13,496,696	14,248,000	14,554,300	14,869,300	621,300	315,000
Equipment	291,735	253,000	279,200	279,200	26,200	0
Special Funds	4,153,180	5,181,286	5,250,286	5,162,286	-19,000	-88,000
Transfer to General Fund	20,410,157	18,550,000	17,000,000	17,250,000	-1,300,000	250,000
Transfer to Pension Reserve Fund	2,000,000	0	0	0	0	0
TOTAL OPERATING	$47,305,983	$45,510,107	$44,270,476	$44,747,476	$-762,631	$477,000
Capital Projects	$1,417,012	$6,441,000	$8,865,000	$6,715,000	$274,000	$-2,150,000
TOTAL BUDGET	$48,722,995	$51,951,107	$53,135,476	$51,462,476	$-488,631	$-1,673,000

STATEMENT OF REVENUES

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
OPERATING REVENUES						
Structures	$6,503,786	$7,467,300	$6,652,500	$7,070,500	$-396,800	$418,000
Meters	4,972,236	4,946,000	4,974,400	4,974,400	28,400	0
Permits	3,887,663	3,888,000	3,891,000	3,891,000	3,000	0
Towing	3,766,134	3,500,000	3,900,000	3,900,000	400,000	0
Lots	20,291	21,000	23,000	23,000	2,000	0
Parking Citation Revenue	22,158,694	22,000,000	21,000,000	21,000,000	-1,000,000	0
Miscellaneous	740,858	675,000	740,000	740,000	65,000	0
Vehicle Disposal	1,425,866	1,600,000	1,425,000	1,425,000	-175,000	0
Sale of Real Property	0	0	0	0	0	0
Withdrawal From Reserves	0	1,412,807	1,687,576	1,723,576	310,769	36,000
TOTAL OPERATING	$43,475,528	$45,510,107	$44,293,476	$44,747,476	$-762,631	$454,000
CAPITAL FINANCING						
Proceeds from Borrowing	$1,417,012	$891,000	$3,865,000	$1,715,000	$824,000	$-2,150,000
Retained Earnings	3,830,455	5,550,000	5,000,000	5,000,000	-550,000	0
TOTAL CAPITAL FINANCING	$5,247,467	$6,441,000	$8,865,000	$6,715,000	$274,000	$-2,150,000
TOTAL SOURCES OF FUNDS	$48,722,995	$51,951,107	$53,158,476	$51,462,476	$-488,631	$-1,696,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increase investment and economic vitality throughout the city.
   - Provide safe and convenient parking for residents, visitors and businesses.
   - Enforce parking and motor vehicle regulations.

2. Improve the city's fiscal capacity.
   - Reduce city's property tax levy.
   - Diversify the city's revenue base.

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.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Percent of revenue collected by credit card at multi-space meters.	66%	65%	66%
Number of parking citations issued.	778,288	875,000	760,000
Percentage of towed vehicles returned to owners.	92%	85%	92%
Average number of days vehicles stored before returned to owners.	2.2	2.1	2.1

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 2012, the Fund's ratio was 3.7:1 and the 2014 projected ratio is 3.4:1 (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 $22.2 million in 2012 and will generate $21 million in 2014. 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 2014 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

Figure 1

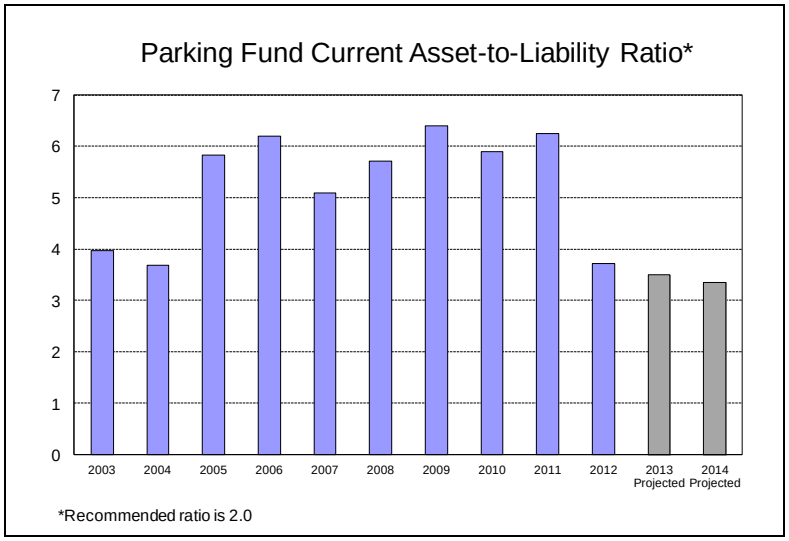
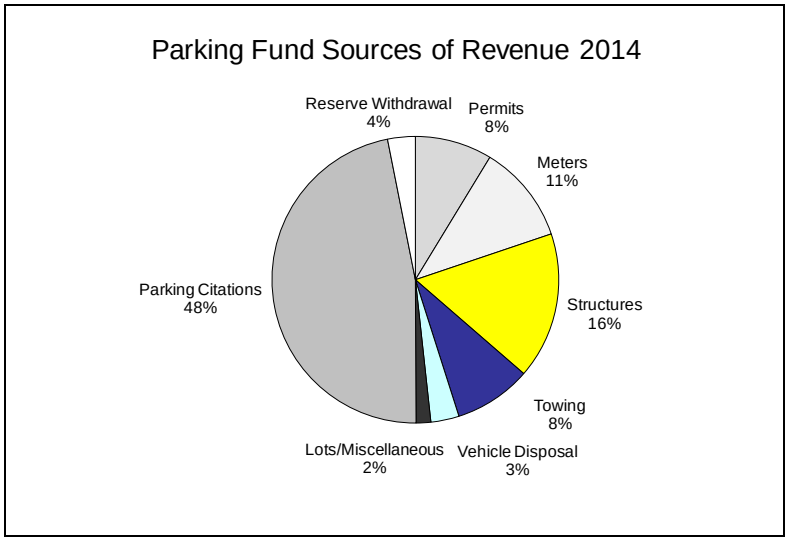


Figure 2



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.

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.

- **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.
- **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 of the TRIP program, over $35 million in outstanding parking debt has been collected by the City of Milwaukee. TRIP collections were $2.2 million in 2012.
- **Citation Payment Plans**: The citation processing contract requires 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 2012, 5,403 customers utilized payment plans for outstanding parking citations without requiring a Municipal Court hearing.

Rate Study in 2013: A parking structure rate study was completed in 2013. Based on this study structure rates are increased and the 2014 proposed budget increases structure revenue by $368,000.

RESIZE, RESTRUCTURE, AND REINVEST

The 2014 proposed budget for Parking includes a transfer to the General Fund of $17.3 million, a reduction of $1.3 million from the 2013 adopted budget. The 2014 transfer provides a meaningful level of relief to property taxpayers and addresses the long term stability of the Fund.

Two major spending pressures on the Parking Fund are debt service, for both capital projects 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.

Bradley Center Agreement: The city will provide the Bradley Center with a payment of $175,000 annually for parking related services for the 4th and Highland structure. The payment is expected to be made over the next five years.

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

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.

Identify and obtain new grant funding sources.

Assist departments in identifying and applying for potential grant funding.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
Grantor Share (Non-City)	$78,233,318	$69,363,873	$49,095,384	$50,622,451	$-18,741,422	$1,527,067
TOTAL	$78,233,318	$69,363,873	$49,095,384	$50,622,451	$-18,741,422	$1,527,067

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.

Table 1

Comparison of Projected Grant Activity (Grantor Share)

Department	2013	2014	Difference
Administration	$32,468,819	$19,614,044	$-12,854,775
City Development	1,060,000	585,000	-475,000
Fire	515,693	337,608	-178,085
Fire & Police Commission	261,325	134,000	-127,325
Health	7,777,467	8,159,500	382,033
Library	1,057,700	1,053,390	-4,310
Police	8,833,120	3,352,182	-5,480,938
Public Works	2,389,749	2,386,727	-3,022
Unanticipated	15,000,000	15,000,000	0
Totals	$69,363,873	$50,622,451	$-18,741,422

OTHER SERVICE AND BUDGET CHANGES

The 2014 proposed grant and aid budget is $50.6 million, an $18.7 million decrease from 2013. Unanticipated grant funding remains stable at $15 million (see Table 1). Reduced grant funding projected for 2014 reflects an overall decrease in grant funding available to the City of Milwaukee.

Community Development Grants Administration (CDGA): The Community Development Grants Administration anticipates receiving approximately $19.6 million in grant funds. This is a decrease of $12.5 million or 39% from the 2013 budget. The majority of the decrease reflects a technical correction to the presentation of the Continuum of Care grant funding. In 2013, when CDGA became the lead agency for the grant, the assumption was

that all the grant funding would go to CDGA, which would then disburse grant funding to the service providing agencies, similar to the CDBG and HOME grants. However, CDGA is only the direct recipient of the administrative portion of the grant, and the majority of the grant funding is awarded directly to the service providing agencies. While the 2013 budget assumed $11 million in Continuum of Care grant funding, the 2014 proposed budget assumes only $138,825 in grant funding.

There are also decreases in several other grants received by CDGA, including the Community Development Block Grant (CDBG) program (decrease of $350,000 or 2.4%), the HOME Program grant (decrease of $195,000 or 4.6%), the Emergency Shelter Grant program (decrease of $358,088 or 27%) and the Housing Opportunities for Persons with AIDS grant (decrease of $69,093 or 11.9%).

In addition, CDGA will no longer be a pass-through agency for the High Intensity Drug Trafficking Area (HIDTA) Project grant (a reduction of $692,654), as the grant funding will be awarded directly to Safe and Sound, and the Connecting Milwaukee Communities grant has ended (a reduction of $328,765).

Department of City Development grant funding decreases by $475,000 to $585,000. There is a $400,000 reduction in the Economic Development grant and a $100,000 reduction to the Brownfield grant. There is no change to the Economic Development Initiatives or Arts Board grants, and there is a small increase ($25,000) in the Coastal Management grant.

Fire Department grant funding decreases by $178,085 (34.5%) to $337,608. The department anticipates a decrease of $14,085 in the Metropolitan Medical Response System grant and does not anticipate receiving any grant funding from the Urban Areas Security Initiative (UASI) grant (decrease of $154,000) or the Fire Prevention and Safety grant (decrease of $20,000).

The Fire and Police Commission anticipates grant funding to decrease by $127,325 (49%) to $134,000. The Commission will not receive any Urban Areas Security Initiative (UASI) grant funding (a reduction of $207,992) but anticipates receiving $80,000 in Homeland Security funding from the State of Wisconsin.

Health Department grant funding increases by $382,033 (4.9%) to $8.2 million. There are increases to several grants, including the Maternal and Child Health Grant ($+100,000), the Sexually Transmitted Diseases Grant ($+55,000), the Medical Assistance Grant ($+20,000) and the Bioterrorism Grant ($+20,000). In addition, several new grants are anticipated, including the End AIDS Milwaukee grant ($+100,000), the Violence Prevention Homicide Review grant ($+200,000) and the Preserving Infant and Child Health Grant ($+48,500).

Library grant funding decreases by $4,310 (0.4%) to $1.05 million, the result of a $3,000 (0.3%) decrease in the Talking Book and Braille Library grant and a $1,310 (1.5%) decrease in the Interlibrary Loan Services grant.

Police Department grant funding decreases by $5.5 million (62%) to $3.4 million. Major decreases include a $1.9 million decrease in anticipated equipment grants, a $600,000 decrease in Law Enforcement Technology Grants, and a $247,500 decrease in the Neighborhood Safety Initiative Grant. In addition, there is no UASI grant funding assumed (a $1.3 million reduction) and reductions are assumed in various other grants.

Department of Public Works grant funding decreases by $3,022 (0.1%) to $2.387 million. This reflects an anticipated $3,022 (3.4%) decrease in the Miles of Travel Monitoring grant.

Unanticipated grant funding is $15 million, the same amount as provided in 2013.

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 *2014 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 and neighborhood districts.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
Business Improvement Districts	$6,995,398	$7,912,216	$8,505,477	$8,505,477	$593,261	$0
Excess TID Revenue	0	0	0	3,200,000	3,200,000	3,200,000
TOTAL	$6,995,398	$7,912,216	$8,505,477	$11,705,477	$3,793,261	$3,200,000

STRATEGY IMPLEMENTATION

The Economic Development Fund supports the goal of increasing investment and economic vitality throughout the city. The 2014 proposed budget for the Economic Development Fund is $11.7 million. There is no tax levy impact in this fund. Revenue of $11.7 million will be received from BID assessments and excess TID revenue 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.

In 2009, the city established its first Neighborhood Improvement District (NID). NIDs are districts with mixed used (residential and commercial) and multi-family or multi-unit housing. Districts are established and administered in accordance with Sec. 66.1110 Wis. Stats., to provide services and enhancements to the street and landscapes within the district.

SERVICES

There are 35 active BIDs and 2 active NIDs throughout Milwaukee; each is governed by a local board. Collectively, these BIDs and NIDs will raise over $8.5 million in 2014 for activities ranging from economic development and administration to streetscaping and public safety. The following is a list of active BIDs and NIDs for 2014 and their corresponding budgets as well as budget authority for new potential NIDs:

NID #1 (Brewery) $74,697

NID #3 (Washington Park Partners) $172,358

BID #2 (Historic Third Ward) $601,682

BID #3 (RiverWalk) $0

BID #4 (Greater Mitchell Street) $141,239

BID #5 (Westown) $92,994

BID #8 (Historic King Drive) $195,894

BID #9 (735 North Water RiverWalk) $0

BID #10 (Avenues West) $130,557

BID #11 (Brady Street Business Area) $135,543

BID #13 (Oakland Avenue) $7,875

BID #15 (RiverWalk) $481,394

BID #16 (West North Avenue) $152,445

BID #17 (Northwest Area Business) $0

BID #19 (Villard Avenue) $77,830

BID #20 (East North Avenue) $229,746

BID #21 (Downtown Management District) $3,166,234

BID #25 (Riverworks) $223,715

BID #26 (Menomonee Valley) $129,170

BID #27 (Burleigh) $52,201

BID #28 (North Avenue Gateway District) $73,275

BID #29 (Teutonia, Capitol, Atkinson) $95,866

BID #31 (Havenwoods) $201,227

BID #32 (North Avenue Market Place) $95,118

BID #35 (Becher/Kinnickinnic) $33,790

BID #36 (Riverworks II) $43,474

BID #37 (30th Street Industrial Corridor) $173,717

BID #38 (Cesar Chavez) $27,825

BID #39 (Center Street Market Place) $0

BID #40 (Airport Gateway) $356,310

BID #41 (Downer) $80,116

BID#42 (Schlitz Park) $118,650

BID #43 (South 27th Street) $127,015

BID #44 (Kinnickinnic) $51,425

BID #45 (Silver Lane) $0

BID #46 (Basilica Square) $0

BID #47 (Lincoln Village) $0

Potential New NIDs $100,000

J. WATER WORKS

EXECUTIVE SUMMARY

MISSION: Provide a safe and reliable supply of water to customers at a competitive price.

OBJECTIVES: 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.

Treat, store, and distribute high quality, affordable water to all customers.

Achieve 100% compliance with Safe Drinking Water Act standards.

STRATEGIES: Invest in treatment plants and pumps to maintain reliable operation of the multiple barrier treatment process.

Provide for a 100 year replacement cycle for water mains to ensure system reliability.

Market Milwaukee water to surrounding communities and nationally, consistent with the Great Lakes Compact.

BUDGET SUMMARY

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	343.72	343.72	344.07	345.07	1.35	1.00
FTEs - Other	8.95	8.95	10.60	10.60	1.65	0.00
Total Positions Authorized	369	369	369	369	0	0
EXPENDITURES						
Salaries and Wages	$16,658,007	$18,419,347	$18,146,970	$18,220,242	$-199,105	$73,272
Fringe Benefits	7,506,640	9,976,579	10,025,750	9,998,641	22,062	-27,109
Operating Expenditures	43,513,998	44,426,000	46,567,000	46,448,000	2,022,000	-119,000
Equipment	831,879	1,898,000	1,967,000	1,967,000	69,000	0
Special Funds	5,550,988	6,834,700	6,420,000	7,895,560	1,060,860	1,475,560
TOTAL	$74,061,512	$81,554,626	$83,126,720	$84,529,443	$2,974,817	$1,402,723

CAPITAL BUDGET SUMMARY

CAPITAL BUDGET						
Mains Program	$2,595,517	$8,000,000	$11,500,000	$11,500,000	$3,500,000	$0
Plants and Other	7,674,463	5,850,000	2,325,000	2,325,000	-3,525,000	0
TOTAL CAPITAL BUDGET	$10,269,980	$13,850,000	$13,825,000	$13,825,000	$-25,000	$0
CAPITAL FINANCING						
Retained Earnings/Cash	$6,232,691	$5,450,000	$1,925,000	$9,425,000	$3,975,000	$7,500,000
Bond Issue	4,000,000	8,000,000	11,500,000	4,000,000	-4,000,000	-7,500,000
Assessments	0	100,000	100,000	100,000	0	0
Developer Financed	37,289	300,000	300,000	300,000	0	0
TOTAL CAPITAL FINANCING	$10,269,980	$13,850,000	$13,825,000	$13,825,000	$-25,000	$0

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
REVENUES						
Operating	$82,924,610	$78,186,000	$80,808,000	$80,808,000	$2,622,000	$0
Non-Operating	6,303,731	6,550,000	6,692,000	6,692,000	142,000	0
Developer Capital and Assessments	37,289	400,000	400,000	400,000	0	0
Bond Issue	4,000,000	8,000,000	11,500,000	4,000,000	-4,000,000	-7,500,000
Withdrawal From Retained Earnings	-2,701,447	2,268,626	-523,280	6,454,443	4,185,817	6,977,723
TOTAL REVENUES	$90,564,183	$95,404,626	$98,876,720	$98,354,443	$2,949,817	$-522,277
EXPENDITURE AUTHORIZATIONS						
Operating	$77,227,528	$81,554,626	$83,126,720	$84,529,443	$2,974,817	$1,402,723
Capital Funding	10,269,980	13,850,000	13,825,000	13,825,000	-25,000	0
Deposit To Retained Earnings	3,066,675	0	1,925,000	0	0	-1,925,000
TOTAL AUTHORIZATIONS AND DEPOSITS	$90,564,183	$95,404,626	$98,876,720	$98,354,443	$2,949,817	$-522,277

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increase investment and economic vitality throughout the city.
   - Ensure the quality and safety of drinking water supply.
   - Maintain a regular and effective replacement cycle for water mains.
   - Maintain competitive rates and generate an appropriate rate of return for the utility.
   - Ensure the treatment and distribution system's capacity to accommodate customer growth.

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 1,956 miles of mains to approximately 861,249 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.

For the first time in many years, gallons of water sold increased in 2012, due to an extended drought in the Summer of 2012. Since 2003, 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 2003.

Despite decreases in consumption, the Water Works' cost for electricity, chemicals, and construction and maintenance of the water distribution system does not decrease proportionally. 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 began paying a regular portion of salary costs to fund accrued pension liabilities, adding $1.5 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. Continuing decreases in the volume of water sold since the mid-1970's have reduced revenue growth and put pressure on MWW to both control spending and increase rates.

In response to increasing costs and decreasing reserves, MWW has reduced capital spending in the last several years. Operating practices have been reviewed and updated to ensure the treatment and distribution operations are as cost effective as possible to meet customer demand. In 2013 and 2014, MWW will replace key components of the ozonation system at both water plants, extending the life of the system and avoiding major capital costs over the next five to ten years.

In June 2013, MWW implemented a 3% "simplified" rate increase for all customers, the first of a series of planned rate increases. In 2014, MWW will apply for a "conventional" rate increase, which is the second of four increases planned for 2013 through 2016. These increases designed to bring the utility's finances back into structural balance should balance and avoid large increases in the future. Increased sales in 2012 and a full year at increased rates helped MWW generate more net revenue, which will help reduce the magnitude of future rate increases. Milwaukee water will continue to be high quality and high value compared with other local communities, and rate increases will balance cost recovery with customer affordability.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Rank of rate for 1 CCf of water, residential customer among Class AB utilities in the seven county metro area.	5/25	5/25	5/25
Rate of Return [PSC Annual Report].	4.06%	4%	4%
Percent of days in full compliance with Safe Drinking Water Act.	100%	100%	100%

QUALITY AND RELIABILITY

In 2012, Water Works repaired 86% of main breaks within 24 hours and the average time that customers were without water was 4.3 hours. Water mains are replaced primarily according to the frequency of main breaks. In 2012, Water Works installed 2.6 miles of water mains and will replace another 20+ miles by 2015. At least 75% of 2014 mains relay will be targeted to the post-WW II vintage of mains most likely to fail.

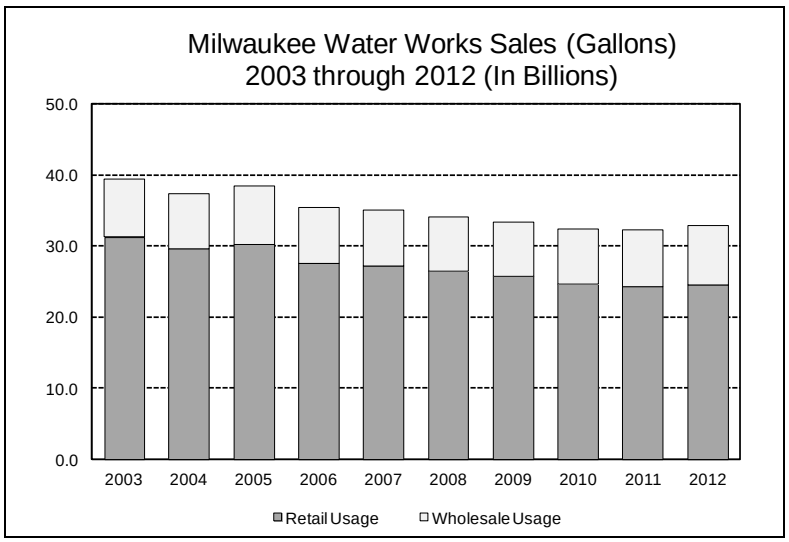
In 2012, MWW achieved its goal of providing safe, high quality drinking water. The utility was in full compliance with the Safe Drinking Water Act all 365 days. The utility substantiated no water quality complaints that were attributable to water treatment activities. Typically, plumbing issues within a customer's building explain most water quality complaints.

RESIZE, RESTRUCTURE, AND REINVEST

As water use continues to decrease, MWW must be prudent in its operations and capital investments. The 2014 proposed budget reflects a number of efficiencies and improvements MWW is utilizing to manage and reduce costs.

The 2014 proposed budget realigns Meters and Distribution staff to reflect the utility's ongoing focus. Meter Shop operations will be co-located at a single shop, with the Kinnickinnic meter facility being sold. Distribution will coordinate staffing with Meter Services to work on disconnections and box work related to Automated Meter Reading.

Figure 1



Spending on mains and other capital investments will be approximately equal to the 2013 budgeted level. The 2012 budget minimized capital cost to allow MWW to rebuild fund reserves, and the rate plan for 2013-2016 anticipates a return to the normal replacement cycle for mains, requiring about $20 million per year in mains work. Funding for main replacements totals $11.5 million, including mains financed via developer funding and assessments. Non-mains project funding for 2014 is $2.3 million, including major pipe replacements and ozonation system refurbishments at both treatment plants.

These increases in capital investment 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. While the rate increase helped rebuild reserves and move MWW towards normal levels of capital investment, ongoing costs continue to grow and consumption continues to decline. MWW is working in 2013 to assess its costs, revenue needs, and rate structures to ensure fairness and affordability in future rate increases.

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		Business Services Supervisor	Positions reclassified.
1	1.00		Business Services Specialist	
-1	-1.00		Water Meter Project Manager	
1	1.00		Water Business Operations Manager	
-1	-1.00		Network Manager	
1	1.00		Water IT Manager	
-1	-1.00		Database Analyst	
1	1.00		Water IT Supervisor	
-1	-0.34		Water Meter Field Supervisor	Positions not needed for operations.
-1	-1.00		Office Assistant III	
-1	-1.00		Water Plant Manager North	Positions reclassified.
1	1.00		Water Plants Manager	
1	1.00		Water Plant Operations Supervisor	
2	1.00		Water Plant Laborer	Auxiliary positions for seasonal work.
	1.00		Water Treatment Plant Operator	Fund previously unfunded position.
	-1.65	1.65	Increase Capital FTE Allocation	Increased work on plants and mains in capital projects.
-5	-5.00		Water Distribution Repair Worker I	Position restructuring to support the AMR project.
3	3.00		Water Distribution Utility Investigator	
-2	-0.66		Water Distribution Utility Investigator	
3	3.00		Water Distribution Laborer	
-2	-0.66		Water Distribution Laborer	
2	0.66		Water Distribution Supervisor I	Auxiliary positions for seasonal work.
-1	-0.33		Water Distribution Field Supervisor	
1	0.33		Communications Assistant V	Provide auxiliary authority to cover staffing needs.

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Water Plant Manager South	Positions reclassified.
1	1.00		Water Plant Operations Manager	
-1	-1.00		Water Plant Operations Manager	
1	1.00		Water Plant Operations Supervisor	
-1	-1.00		Systems Analyst Senior	
1	1.00		Automated Systems Supervisor	
-1			Water Treatment Plant Operator	Eliminate unfunded position.
1	1.00		Water Plant Laborer	Position needed for flushing work.
0	**1.35**	**1.65**	**Totals**	

K. 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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	108.05	103.65	100.05	100.05	-3.60	0.00
FTEs - Other	24.95	11.35	14.95	14.95	3.60	0.00
Total Positions Authorized	164	146	146	146	0	0
EXPENDITURES						
Salaries and Wages	$4,164,167	$4,421,553	$4,603,485	$4,603,485	$181,932	$0
Fringe Benefits	2,329,397	2,122,345	2,163,638	2,163,638	41,293	0
Operating Expenditures	6,975,982	6,215,500	6,524,000	6,430,000	214,500	-94,000
Equipment	243,980	416,100	460,000	460,000	43,900	0
Special Funds	28,742,239	44,448,050	48,914,074	41,559,074	-2,888,976	-7,355,000
O&M TOTAL	$42,455,765	$57,623,548	$62,665,197	$55,216,197	$-2,407,351	$-7,449,000
Capital Projects	$28,667,909	$44,510,000	$41,650,000	$44,550,000	$40,000	$2,900,000
Deposit to Retained Earnings	15,974,557	0	0	0	0	0
TOTAL	$87,098,231	$102,133,548	$104,315,197	$99,766,197	$-2,367,351	$-4,549,000
REVENUES						
Sewer Maintenance Fee	$29,124,898	$28,389,121	$29,227,099	$28,934,192	$545,071	$-292,907
Stormwater Maintenance Fee	24,164,552	25,720,339	26,685,447	27,006,356	1,286,017	320,909
Charges for Services	1,666,224	1,782,830	1,727,338	1,727,338	-55,492	0
Interest Revenue	-815,971	242,623	163,813	163,813	-78,810	0
Miscellaneous Revenue	757,172	0	0	0	0	0
Developer Financed	0	0	0	100,000	100,000	100,000
Proceeds from Borrowing	28,667,909	38,060,000	36,600,000	39,500,000	1,440,000	2,900,000
Grant and Aid	3,533,447	2,640,000	0	1,650,000	-990,000	1,650,000
Assessable	0	0	0	0	0	0
Withdrawal from Retained Earnings	0	5,298,635	9,911,500	684,498	-4,614,137	-9,227,002
TOTAL	$87,098,231	$102,133,548	$104,315,197	$99,766,197	$-2,367,351	$-4,549,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Sustain, enhance and promote Milwaukee's natural environmental assets.
   - Improve surface water quality by eliminating sanitary sewer overflows.
   - Reduce the risk of property damage due to flooding and basement backups.

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.

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Sanitary sewer overflows.	0	0	0
Number of basement backups reported.	23	0	0
Miles of sewers replaced or relined.	35	46	32

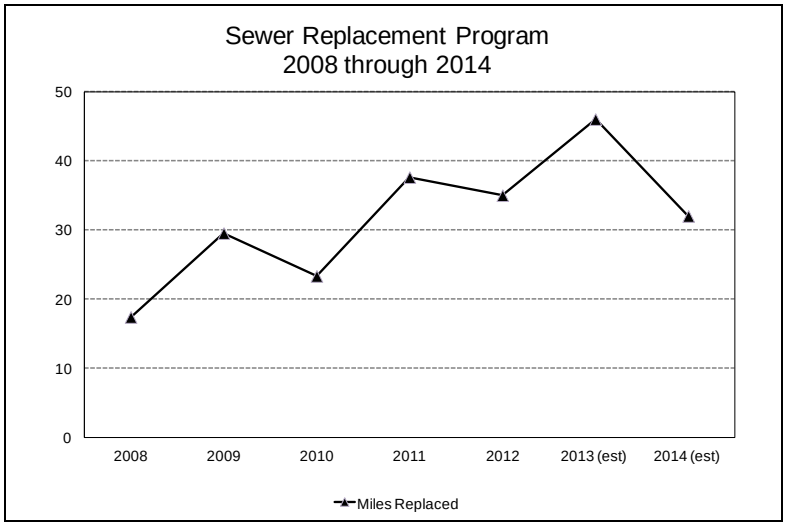
STRATEGY IMPLEMENTATION

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 2014 capital budget includes $33.9 million to replace 13 miles of sewer and an additional $8.7 million to reline 19 miles of sewer. The Department of Public Works (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). 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. Since 2011, the city has done several projects to address private property I&I. In 2012 and 2013, the city conducted two large scale projects that included inspecting lateral connections and lateral rehabilitation at a total of 883 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 2014, the city will use data from

these projects to continue conducting I&I reduction projects in targeted areas. The 2014 Sewer Maintenance Fund I&I capital budget includes an estimated $1.65 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 2014 capital budget includes $700,000 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 in a manner that uses natural processes. These projects help reduce the Total Daily Maximum Loads (TDMLs) of Total Suspended Solids (TSS), bacteria, and phosphorus. In 2014, the capital budget includes $1 million for the installation of bioinfiltration facilities and other green infrastructure projects in conjunction with street repair 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 2014, the city will provide $200,000 for work to begin restoring the capacity of the channels at the Cherokee Park Creek and the Holmes Avenue Branch Creek.

RESIZE, RESTRUCTURE, AND REINVEST

Crew Operations: Sewer crews consist of Sewer Maintenance 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. 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 received training to operate certain large vehicles and pieces of sewer maintenance equipment. The training provides Sewer Maintenance with the flexibility to some of operate their equipment when DPW Fleet staff is unavailable. The 2013 and 2014 budget reduced the payment to DPW to reflect this operational change.

Stormwater Management Fee: In 2014, the Stormwater Management Fee per quarter per Equivalent Residential Unit (ERU) will increase 5% to $16.94. This will generate $27 million in 2014. Charges for all one to four unit residential properties are for one ERU per quarter. Charges for other properties are determined 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.

Local Sewerage Charge: In 2014, the rate will increase 4% to $1.34 per one hundred cubic feet of water (CCF). This will generate $28.9 million in 2014. The typical residential user will pay $90.57 a year for local service. Like the Stormwater Management Fee, regular increases in 2014 and beyond are expected to maintain the sewer replacement cycle.

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 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, withholding reserves from the budgeted borrowing authority allowed the city to use either type of borrowing. The issuance of GO or Revenue Bond debt is determined by market conditions at the time of issuance. The 2014 capital budget adds a reserve to each project requiring borrowing authority to allow for the proper reserves, while also fully funding the capital improvement. The reserve amounts remain unexpended for capital improvements.

In 2014, the city will cash finance $4.4 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 2014 proposed budget includes a $6.8 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 2014 proposed budget will transfer $15.1 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 $2.5 million transfer to the capital fund will support the tree planting and stump removal capital program, the Emerald Ash Borer Prevention program, and the Environmental Remediation program.

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
	-3.60	3.60	Various Positions	Miscellaneous adjustments.
0	**-3.60**	**3.60**	**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

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
Purchase of Delinquent County Taxes	$10,529,770	$11,300,000	$10,530,000	$10,530,000	$-770,000	$0
TOTAL	$10,529,770	$11,300,000	$10,530,000	$10,530,000	$-770,000	$0

SOURCE OF FUNDS

	2012 ACTUAL EXPENDITURES	2013 ADOPTED BUDGET	2014 REQUESTED BUDGET	2014 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2013 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2014 REQUESTED
County Delinquent Taxes Collected	$10,529,770	$11,300,000	$10,530,000	$10,530,000	$-770,000	$0
TOTAL	$10,529,770	$11,300,000	$10,530,000	$10,530,000	$-770,000	$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

	New 2014 Authority
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) (1).	$0
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) (1).	
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.	$6,020,000
C. Public Improvements	
1. Public buildings for housing machinery and equipment.	$15,085,000
2. Harbor improvements.	750,000
3. Parking facility improvements.	1,715,000
4. Purchase of sites for and construction of engine houses, fire stations reconstruction, remodeling, planning, design and site acquisition.	3,587,000
5. Police Department facility construction.	8,952,000
6. Bridge and viaduct.	10,075,000
7. Sewage disposal, sewer improvement and construction.	0
8. Street improvements and construction.	34,682,000
9. Parks and public grounds.	560,000
10. Library improvements authorized under section 229.11 and 229.17.	3,293,000
11. Rubbish.	2,300,000
Subtotal General Obligation Bonds or Short Term Notes (Sections A through C).	$87,019,000
D. Contingent Borrowing	
Borrowing for a public purpose not contemplated at the time the budget was adopted.	
Contingent borrowing.	$200,000,000
Subtotal General Obligation Bonds or Short Term Notes.	$200,000,000
E. School Board Borrowing	
1. School purposes (2).	$2,000,000
2. For school purposes authorized under section 119.498 and/or 66.1333.	0
Subtotal General Obligation Bonds or Short Term Notes.	$2,000,000
F. Borrowing for Special Assessments	
1. To finance public improvements in anticipation of special assessments levied against property.	
2. General city.	$1,626,000
Subtotal General Obligation Bonds or Local Improvements Bonds.	$1,626,000

	New 2014 Authority
G. Tax Incremental Districts	
1. For paying project costs in accordance with project plans for Tax Incremental Districts.	$0
2. For providing financial assistance to urban renewal projects authorized under section 67.05(5)(b).	$15,000,000
Subtotal General Obligation Bonds, Short Term Notes or Revenue Bonds.	$15,000,000
H. Borrowing for Delinquent Taxes	
To finance general city purposes for anticipated delinquent taxes.	$37,000,000
Subtotal General Obligation Bonds or Short Term Notes.	$37,000,000
I. Revenue Anticipation Borrowing	
To borrow in anticipation of revenue in accordance with section 67.12 of the Wisconsin State Statutes.	$400,000,000
Subtotal General Obligation Bonds or Short Term Notes.	$400,000,000
J. Water Works Borrowing	
Water Works mortgage revenue bonds or general obligation bonds.	$4,000,000
Subtotal Revenue Bonds or General Obligation Bonds.	$4,000,000
K. Sewer Maintenance Fund Borrowing	
Sewer Maintenance Fund revenue bonds or general obligation bonds including prior years.	$39,500,000
Subtotal Revenue Bonds or General Obligation Bonds.	$39,500,000
Total General Obligation Bonds or Short Term Notes	**$786,145,000**

(1) 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.

(2) 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 September 11, 2013: $23,975,007,625

Tax Rate Per $1,000 of Assessed Valuation	Levy Change	Levy Change	Tax Rate Per $1,000 of Assessed Valuation
$0.01	$239,750	$5,000	$0.00
$0.05	$1,198,750	$10,000	$0.00
$0.10	$2,397,501	$50,000	$0.00
$0.25	$5,993,752	$100,000	$0.00
$0.50	$11,987,504	$500,000	$0.02
$1.00	$23,975,008	$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