2015 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 2015 budget; a budget forecast for Milwaukee; detailed narrative descriptions of each department's mission, services, outcome measures and related activities; and a summary of appropriations by expenditure category. This document is printed annually in proposed and final form as follows: the *Proposed Plan and Executive Budget Summary* contains the Mayor's Executive Budget as presented to the Common Council for review. The *Plan and Budget Summary* contains the budget as adopted by the Common Council.

BUDGET

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

SIX-YEAR CAPITAL PLAN

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

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

Budget and Management Division
City Hall - Room 603
200 East Wells Street
Milwaukee, Wisconsin 53202
(414) 286-3741
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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 13*	Plans and Budget Requests Due
July	Mayor's Public Hearings on Plans and Budgets
July - September	Mayor's Executive Plan and Budget Review
September 23**	Plan and Budget Submitted to Common Council
Mid-October	Legislative Hearings
October 30	Finance and Personnel Committee Budget Amendment Days
November 7***	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 ..... Michael J. Murphy

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	Russell W. Stamper II

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 2015 Proposed City Budget: Financial Strength Supporting Neighborhoods

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 imbalance. The 2013 city budget initiated a four year Budget Plan to "Resize, Restructure, and Reinvest" in city government as a means to provide for ongoing structural balance.

The 2015 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 2009 and 2014, the city budget eliminated approximately 493 Full Time Equivalents (FTEs) positions, for a reduction of ~ $40 million. 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 Worker's 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 $700,000 annually.

  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 five years, avoiding potentially destabilizing annual volatility. In addition, accelerated payment of required plan year contributions is estimated to save approximately $4.3 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 almost $20 million in actual expenditure reduction since 2011. Most of the Forestry capital program is now funded via cash from the Storm Water Charge, reducing levy supported debt by $2.65 million in 2015.

- **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 2013, the city added $291.3 million of real estate value to its tax base due to development, redevelopment, and other property based investments. This 1.12% increase in "net new construction" was the fourth highest percentage improvement in Milwaukee County, and almost 8% 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. Over the last two years alone, the city has experienced almost $600 million of net new construction growth.

Fiscal Context and Financial Performance Measures

During 2013 the Department of Administration's Budget and Management Division (BMD) projected the need to achieve $65 million 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.

Since that time, a combination of additional budget reductions, revenue improvements, and re-estimated employer costs for pensions and health care benefits have reduced the remaining necessary structural improvement to approximately $25 million entering the 2015 proposed budget development process. While this challenge is still formidable, it represents considerable improvement in the city's progress towards structural balance. Strong reserves and balance sheet liquidity also will contribute to the city's ability to resolve this challenge.

2015: Year Three 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:

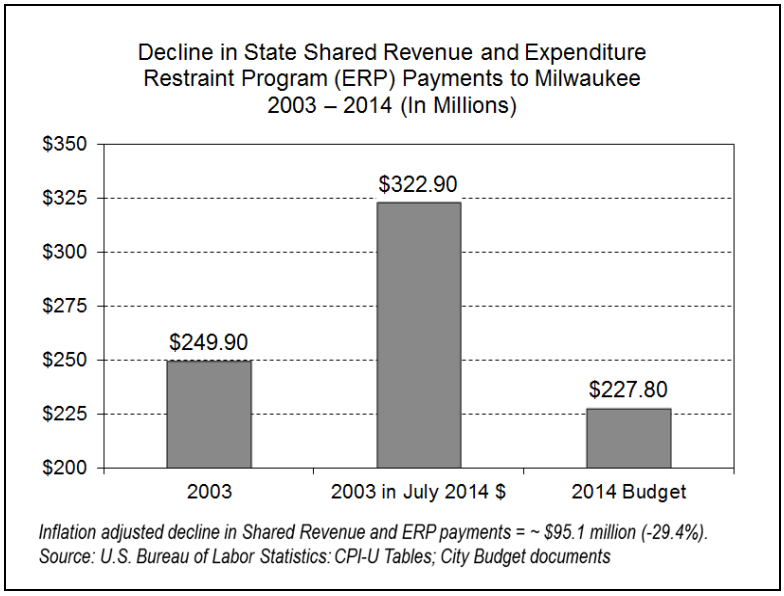
- Provide mission critical city services through annual budgets that limit the impact of tax levy and municipal service charge changes on the average valued residential property to 3% or less a year.
- Manage long term obligations such as core infrastructure, debt, and pension benefits in a manner that 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 $95.1 million in inflation adjusted terms since 2003 ($22.1 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 employer contributions. However, the 2007-2008 Global Financial Crisis (GFC) altered CMERS finance for the foreseeable future.

Figure 1



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. Tax levy contributions equivalent to approximately 17.3% of covered payroll (approximately $60 million in 2015) are required under the recently adopted stable contribution policy, and will continue at this level through the 2018 plan year.

3. State levy limits combined with a projected total of approximately $118 million of 2015 payments for employer pension contributions and debt service place considerable pressure on the city's fiscal capacity.

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.

Figure 2

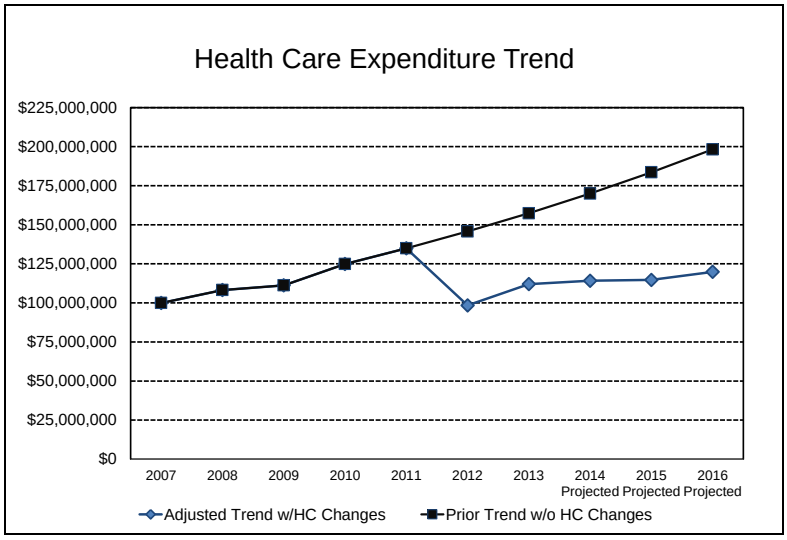
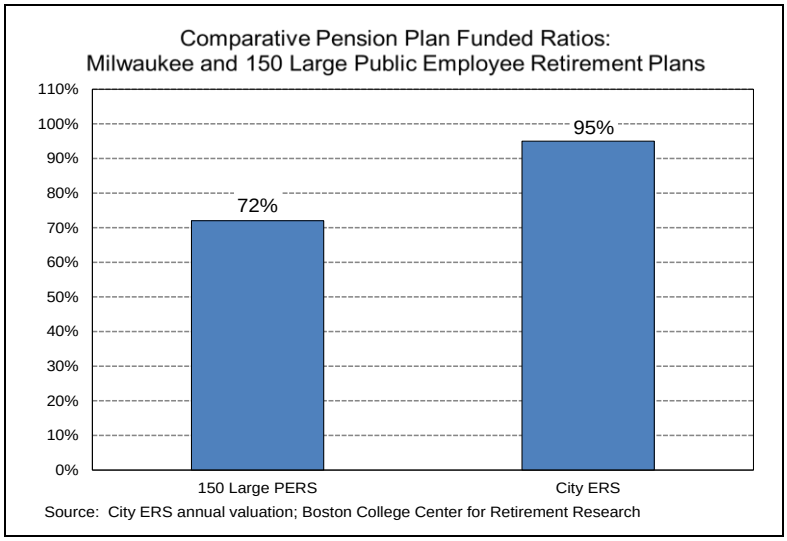


Figure 3



1. As Figure 2 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 2014 projected expenditures $55 million lower than had the 2011 trend continued unabated 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. This allows for the modest projected revenue growth to be devoted to services.

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. As Figure 3 illustrates, the city's pension plan enjoys a very favorable

"funded" status of 94.8%, compared to a median of 72% for 150 large Public Employee Retirement Systems (PERS).

4. Cost recovery policies combined with sustainable transfers from the Sewer Maintenance Fund, offset levy needs for approximately $75 million of important Department of Public Works services. This financing strategy improves the ongoing sustainability of Police, Fire, Infrastructure, Library, and Health Department programs that rely significantly on levy support.

2015 Proposed Budget Bottom Line

The 2015 proposed budget includes a levy increase of about $3.1 million, which is an increase of approximately 1.2% over the 2014 budget. The owner of a typical residential property will experience an estimated city government tax levy increase of $4.80, compared with 2014. The 2015 municipal service fees will increase by $16.59 for the typical residential owner. On a combined basis, the 2015 levy and municipal service charge changes result in an estimated increased cost of $21.39 to the typical residential property owner with one garbage cart, compared with 2014. This 1.4% increase for the typical homeowner is well below the parameters of the Administration's objective and also is below the projected 2015 inflation rate of 2%.

The 2015 Proposed Budget and Strategic Objectives: Reinvesting in Milwaukee

The city's budget is more than an exercise in bookkeeping. Since 2009, the city has made substantial progress toward restoring structural balance through the "3 R" strategy of resizing, restructuring, and reinvesting. As a result, the 2015 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 2015 proposed 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 are linked to 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.

2015 Proposed Budget Highlights and Initiatives

The city's objectives are interdependent and mutually supporting. For example, economic opportunity contributes to conditions that generate relatively less crime. Safe neighborhoods allow children to develop their talents. A competent work force encourages business growth. Environmental assets are increasingly important quality of life considerations.

The 2015 proposed budget reflects an understanding of this interdependence. The budget focuses resources in a manner that will improve the city's competitiveness, support the regional economy, and foster investment. Here are some of the highlights:

Police Department

The most significant competitive disadvantage for the city is crime. Crime destabilizes neighborhoods, hinders investment, and threatens the human development of our children. Preventing crime requires multiple strategies.

However, an effective police department represents city government's most direct potential means to build and sustain safe neighborhoods. The recent arrest of four robbery crews on the east side is a good example of how effective policing responds to community needs.

The 2015 proposed budget provides a variety of resources to enable the Police Department's effectiveness. Department operations are 24/7, so staffing remains an essential component of a sound strategy. The 2015 proposed budget funds a sworn strength of 1,880, including 35 Police Officer recruits. The department will continue to optimize its patrol resources through a variety of means, including:

- Increasing the use of civilians and non-sworn personnel in administrative positions, which multiplies the impact of existing sworn Officers.
- Continuing to improve upon innovative programs like the Differential Police Response, which allows the department to provide high levels of customer service to residents with lower priority calls, while enabling deployment to preventive policing and urgent responses.
- Using predictive tools to allocate staff where it is most likely to be needed.

The Police Department will continue to collaborate with other city departments such as Neighborhood Services and the City Attorney to resolve neighborhood conditions that lead to crime and that harbor criminals. Such grass roots efforts remove nuisances that make life difficult for law abiding people.

Strong Neighborhoods Plan

The City of Milwaukee has undertaken 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 a foreclosure is filed, which allows property owners the maximum opportunity to settle delinquent taxes and keep their property. The 2015 proposed budget includes funding to continue the work initiated in the 2014 budget. Mayor Barrett's Strong Neighborhoods Plan (SNP), is a three year citywide effort to address all aspects of the tax foreclosure issue. City departments manage programs that address four goals; preventing foreclosures; mitigating the impacts of foreclosed and blighted property, revitalizing properties and neighborhoods, and renewing abandoned and vacant spaces.

During 2014 the city continued programs initiated through the Neighborhood Stabilization Program, while establishing new partnerships and initiatives. The city is on track to meet ambitious targets for property sales, demolition of blighted property, and neighborhood resident training opportunities. The 2015 proposed budget provides more than $10 million to continue these efforts, as well as to implement new initiatives pertaining to commercial redevelopment and assistance to financially distressed property owners. Continuation and expansion of the Residential Rental Inspection and Vacant Property Registration Programs in the Department of Neighborhood Services (DNS) reinforce the investments made through SNP. In addition, the 2015 proposed budget creates a Compliance Inspection Program. The program will use periodic inspections to ensure that property owners comply with the conditions of approval associated with variances and special use permits issued by the Board of Zoning Appeals.

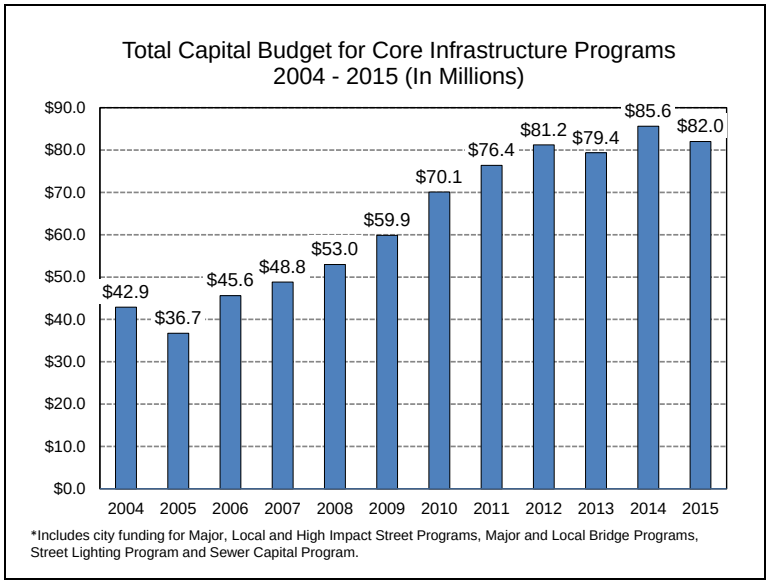
Compete Milwaukee

Gainful employment is the key to a sustainable financial life. Decades of manufacturing migration, technology changes, and other factors have resulted in a disproportionate level of unemployment and underemployment among Milwaukeeans. In 2015, Mayor Barrett and the Milwaukee Area Workforce Investment Board (MAWIB) will connect workforce development investments with employment opportunities. The goal is to address the disproportionate underemployment of city residents.

This initiative, known as Compete Milwaukee, will:

- Align available resources to maximize their impact and create a framework for comprehensive planning.
- Create a strong foundation for partnerships and collaborations with local and regional partners, and grantor organizations.
- Connect the city's planning and investments with workforce innovation, the Opportunity Act and "Ready to Work" Report, the National Skills Coalition and other federal initiatives.
- Work with employers to assess their needs, understand and articulate barriers to employment and make the necessary connections to put Milwaukeeans to work.

Figure 4



Compete Milwaukee will build on efforts that the city initiated during 2014 to place persons facing significant barriers to employment in transitional jobs. The city expects to make at least 130 placements available in 2015. In addition, the city's Resident Preference Program (RPP) and CDBG funded programs will build a stronger workforce while proving job opportunities. The city's economic development investments will replicate the success of the Menomonee Valley which has generated approximately 1,200 jobs. The recently released *Growing Prosperity* economic development plan establishes a clear strategy to use Milwaukee's existing strengths as a blueprint for future employment growth.

Infrastructure

Infrastructure systems are essential to the functioning of the regional economy and to the protection of public health and the environment. The 2015 proposed budget continues recent trends that have reduced replacement cycles and improved system conditions. Core infrastructure programs including streets, bridges, street lighting and sewers total $82 million in the 2015 proposed budget. Figure 4 shows improvements made in core infrastructure funding from 2004 to 2015. Since 2004 city funding for core infrastructure has increased by $39.1 million, nearly 100%.

During 2015 the city will improve the condition and extend the useful life of 36 miles of local commercial and high traffic count street segments in our neighborhoods. This investment will improve the quality of life and support existing and new development. In addition, the 2015 proposed budget launches a six year program of Milwaukee Water Works improvements which will replace 101 miles of mains, including 15 miles in 2015.

Conclusion

The 2015 proposed budget continues progress towards ongoing structural balance. The improvements that the city has made to its financial condition enable this budget to continue significant efforts to rejuvenate Milwaukee's neighborhoods, provide for an effective police force, preserve infrastructure, and improve local economic opportunity. 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 of 1.5% to the typical residential property owner.

2015 PROPOSED BUDGET AND TAX RATE COMPARED TO PRIOR YEAR

PURPOSE OF EXPENDITURE AND FUNDING SOURCE	2014 ADOPTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 MINUS 2014 ADOPTED	2014 ADOPTED	2015 PROPOSED	CHANGE 2015 MINUS 2014 ADOPTED
A. GENERAL CITY PURPOSES						
1. Budget (Expenditure Authority)	$590,701,755	$613,234,089	$22,532,334			
2. Non Tax Levy Funding	494,956,403	498,931,869	3,975,466			
3. Tax Levy Funding	95,745,352	114,302,220	18,556,868	$3.99	$4.73	$0.74
B. EMPLOYEE RETIREMENT						
1. Budget (Expenditure Authority)	$127,728,490	$120,495,687	$-7,232,803			
2. Non Tax Levy Funding	41,762,830	41,985,543	222,713			
3. Tax Levy Funding	85,965,660	78,510,144	-7,455,516	$3.58	$3.25	$-0.33
C. CAPITAL IMPROVEMENTS						
1. Budget (Expenditure Authority)	$123,384,000	$133,141,000	$9,757,000			
2. Non Tax Levy Funding	118,093,000	131,979,000	13,886,000			
3. Tax Levy Funding	5,291,000	1,162,000	-4,129,000	$0.22	$0.05	$-0.17
D. CITY DEBT						
1. Budget (Expenditure Authority)	$277,930,525	$279,970,544	$2,040,019			
2. Non Tax Levy Funding	216,123,540	222,074,288	5,950,748			
3. Tax Levy Funding	61,806,985	57,896,256	-3,910,729	$2.58	$2.40	$-0.18
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	$0.21	$0.21	$-0.00
SUBTOTAL (A+B+C+D+E+F)						
1. Budget (Expenditure Authority)	**$1,124,744,770**	**$1,151,841,320**	**$27,096,550**			
2. Non Tax Levy Funding	**870,935,773**	**894,970,700**	**24,034,927**			
3. Tax Levy Funding	**253,808,997**	**256,870,620**	**3,061,623**	**$10.58**	**$10.63**	**$0.05**
G. PARKING FUND						
1. Budget (Expenditure Authority)	$51,637,476	$52,236,350	$598,874			
2. Non Tax Levy Funding	51,637,476	52,236,350	598,874			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
H. GRANT AND AID						
1. Budget (Expenditure Authority)	$50,622,451	$49,759,391	$-863,060			
2. Non Tax Levy Funding	50,622,451	49,759,391	-863,060			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
I. DEVELOPMENT FUND						
1. Budget (Expenditure Authority)	$11,705,477	$11,100,755	$-604,722			
2. Non Tax Levy Funding	11,705,477	11,100,755	-604,722			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
J. WATER DEPARTMENT						
1. Budget (Expenditure Authority)	$98,354,443	$135,484,403	$37,129,960			
2. Non Tax Levy Funding	98,354,443	135,484,403	37,129,960			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
K. SEWER MAINTENANCE FUND						
1. Budget (Expenditure Authority)	$99,966,197	$103,985,490	$4,019,293			
2. Non Tax Levy Funding	99,966,197	103,985,490	4,019,293			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
M. COUNTY DELINQUENT TAXES FUND						
1. Budget (Expenditure Authority)	$10,530,000	$10,530,000	$0			
2. Non Tax Levy Funding	10,530,000	10,530,000	0			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
SUBTOTAL (G+H+I+J+K+M)						
1. Budget (Expenditure Authority)	**$322,816,044**	**$363,096,389**	**$40,280,345**			
2. Non Tax Levy Funding	**322,816,044**	**363,096,389**	**40,280,345**			
3. Tax Levy Funding	**0**	**0**	**0**	$0.00	$0.00	$0.00
TOTAL (A thru M)						
1. Budget (Expenditure Authority)	**$1,447,560,814**	**$1,514,937,709**	**$67,376,895**			
2. Non Tax Levy Funding	**1,193,751,817**	**1,258,067,089**	**64,315,272**			
3. Tax Levy Funding	**253,808,997**	**256,870,620**	**3,061,623**	**$10.58**	**$10.63**	**$0.05**

Tax Rates and Assessed Value - 2015 rate column is based on an estimated assessed value of: $24,164,129,620 as of September 12, 2014.

COMPARISONS BY BUDGET SECTIONS BETWEEN 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED BUDGET AND 2015 REQUESTED BUDGET, REVENUES, TAX LEVIES, AND RESULTING CHANGES

	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
A. General City Purposes					
Appropriations					
Salaries and Wages	$358,333,924	$371,915,272	$369,201,575	$10,867,651	$-2,713,697
Fringe Benefits	149,862,066	147,906,189	146,286,058	-3,576,008	-1,620,131
Operating Expenditures	72,982,777	79,035,660	77,270,090	4,287,313	-1,765,570
Equipment Purchases	7,327,702	11,093,939	8,505,493	1,177,791	-2,588,446
Special Funds	10,947,201	11,673,366	9,207,965	-1,739,236	-2,465,401
Special Purpose Account Miscellaneous*	16,123,466	16,198,966	16,248,966	125,500	50,000
Workers Compensation Special Purpose Accounts	15,000,000	13,500,000	13,000,000	-2,000,000	-500,000
Employee Health Care Special Purpose Accounts	109,986,685	120,000,000	119,800,000	9,813,315	-200,000
Fringe Benefit Offset	-149,862,066	-147,906,189	-146,286,058	3,576,008	1,620,131
Total Appropriations	$590,701,755	$623,417,203	$613,234,089	$22,532,334	$-10,183,114
Funding Sources					
General City Revenues	$474,956,403	$477,065,800	$481,724,869	$6,768,466	$4,659,069
Tax Stabilization Fund Withdrawal	20,000,000	15,000,000	17,207,000	-2,793,000	2,207,000
Property Tax Levy	95,745,352	131,351,403	114,302,220	18,556,868	-17,049,183
Total Revenues	$590,701,755	$623,417,203	$613,234,089	$22,532,334	$-10,183,114
B. Employee Retirement					
Total Appropriations	$127,728,490	$132,969,854	$120,495,687	$-7,232,803	$-12,474,167
Funding Sources					
Non-Property Tax Revenue	$41,762,830	$41,568,901	$41,985,543	$222,713	$416,642
Property Tax Levy	85,965,660	91,400,953	78,510,144	-7,455,516	-12,890,809
Total Revenues	$127,728,490	$132,969,854	$120,495,687	$-7,232,803	$-12,474,167
C. Capital Improvements					
Total Capital Improvements Program Appropriations	$123,384,000	$175,401,453	$133,141,000	$9,757,000	$-42,260,453
Funding Sources					
1. Borrowing (General Obligation)					
a. New	$85,202,000	$140,829,953	$93,584,000	$8,382,000	$-47,245,953
2. Borrowing (Tax Incremental Districts)					
a. New	$16,000,000	$16,500,000	$16,500,000	$500,000	$0
3. Special Assessments (Internal Borrowing)					
a. New	$1,626,000	$2,440,000	$2,440,000	$814,000	$0
4. Cash Financed					
a. From Revenues	$15,265,000	$14,938,000	$19,455,000	$4,190,000	$4,517,000
c. From Tax Levy	5,291,000	693,500	1,162,000	-4,129,000	468,500
d. Total Cash Financed	20,556,000	15,631,500	20,617,000	61,000	4,985,500
Total Revenues (Capital Improvements)	$123,384,000	$175,401,453	$133,141,000	$9,757,000	$-42,260,453
D. City Debt					
Total Appropriations					
(Includes Borrowing for Milwaukee Public Schools)	$277,930,525	$280,970,544	$279,970,544	$2,040,019	$-1,000,000
Funding Sources					
Revenues	$35,842,708	$31,594,042	$39,994,042	$4,151,334	$8,400,000
TID Increments	20,815,607	24,272,361	24,272,361	3,456,754	0
Delinquent Tax Revenue	33,465,225	31,807,885	31,807,885	-1,657,340	0
Offset and Premium	126,000,000	126,000,000	126,000,000	0	0
Property Tax Levy	61,806,985	67,296,256	57,896,256	-3,910,729	-9,400,000
Total Revenues	$277,930,525	$280,970,544	$279,970,544	$2,040,019	$-1,000,000
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

	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
Subtotals (Items A through F)					
City Budget Appropriations	$1,124,744,770	$1,217,759,054	$1,151,841,320	$27,096,550	$-65,917,734
Less: Non-Property Tax Revenues	$870,935,773	$922,016,942	$894,970,700	$24,034,927	$-27,046,242
Property Tax Levies	$253,808,997	$295,742,112	$256,870,620	$3,061,623	$-38,871,492
Special Revenue Accounts (Items G through M)					
G. Parking					
Total Appropriations	$51,637,476	$51,150,110	$52,236,350	$598,874	$1,086,240
Funding Sources					
Current Revenues	$22,023,900	$22,140,500	$22,194,300	$170,400	$53,800
Capital Improvements from Reserves	5,000,000	5,000,000	5,000,000	0	0
Withdrawal from Reserves	1,898,576	1,217,610	2,047,750	149,174	830,140
Citation Revenue and Processing	21,000,000	20,500,000	20,702,300	-297,700	202,300
New Borrowing	1,715,000	2,292,000	2,292,000	577,000	0
Total Revenues	$51,637,476	$51,150,110	$52,236,350	$598,874	$1,086,240
H. Grant and Aid					
Total Appropriations	$50,622,451	$46,919,181	$49,759,391	$-863,060	$2,840,210
Funding Sources					
Grantor Share	$50,622,451	$46,919,181	$49,759,391	$-863,060	$2,840,210
Total Revenues	$50,622,451	$46,919,181	$49,759,391	$-863,060	$2,840,210
I. Economic Development					
Total Appropriations	$11,705,477	$12,300,755	$11,100,755	$-604,722	$-1,200,000
Funding Sources					
BID Assessment/Excess TID Revenue	$11,705,477	$12,300,755	$11,100,755	$-604,722	$-1,200,000
Total Revenues	$11,705,477	$12,300,755	$11,100,755	$-604,722	$-1,200,000
J. Water Works					
Appropriations					
Operating Budget	$78,309,443	$78,233,445	$80,284,403	$1,974,960	$2,050,958
Capital Improvements Program	13,825,000	17,500,000	24,950,000	11,125,000	7,450,000
Debt Service (Principal and Interest)	6,220,000	6,220,000	5,300,000	-920,000	-920,000
Capital Funding from Retained Earnings	0	17,250,000	24,950,000	24,950,000	7,700,000
Total Appropriations	$98,354,443	$119,203,445	$135,484,403	$37,129,960	$16,280,958
Funding Sources					
Current Operating Revenues	$80,808,000	$86,785,000	$86,785,000	$5,977,000	$0
Non-Operating Revenues	7,092,000	6,950,000	6,700,000	-392,000	-250,000
Proceeds from Borrowing	4,000,000	0	10,736,000	6,736,000	10,736,000
Use of Retained Earnings	6,454,443	25,468,445	31,263,403	24,808,960	5,794,958
Total Revenues	$98,354,443	$119,203,445	$135,484,403	$37,129,960	$16,280,958
K. Sewer Maintenance					
Appropriations					
Operating Budget	$55,416,197	$62,242,502	$59,785,490	$4,369,293	$-2,457,012
Capital Improvements Program	44,550,000	44,150,000	44,200,000	-350,000	50,000
Total Appropriations	$99,966,197	$106,392,502	$103,985,490	$4,019,293	$-2,407,012
Funding Sources					
Sewer User Fee	$28,934,192	$30,973,000	$29,802,218	$868,026	$-1,170,782
Storm Water Management Fee	27,006,356	27,480,000	28,626,737	1,620,381	1,146,737
Charges for Services	1,727,338	1,687,764	1,779,158	51,820	91,394
Miscellaneous Revenue and Retained Earnings	2,798,311	7,251,738	4,127,377	1,329,066	-3,124,361
Proceeds from Borrowing	39,500,000	39,000,000	39,650,000	150,000	650,000
Total Revenues	$99,966,197	$106,392,502	$103,985,490	$4,019,293	$-2,407,012
M. County Delinquent Taxes					
Appropriations					
Operating Budget	$10,530,000	$10,530,000	$10,530,000	$0	$0
Total Appropriations	$10,530,000	$10,530,000	$10,530,000	$0	$0

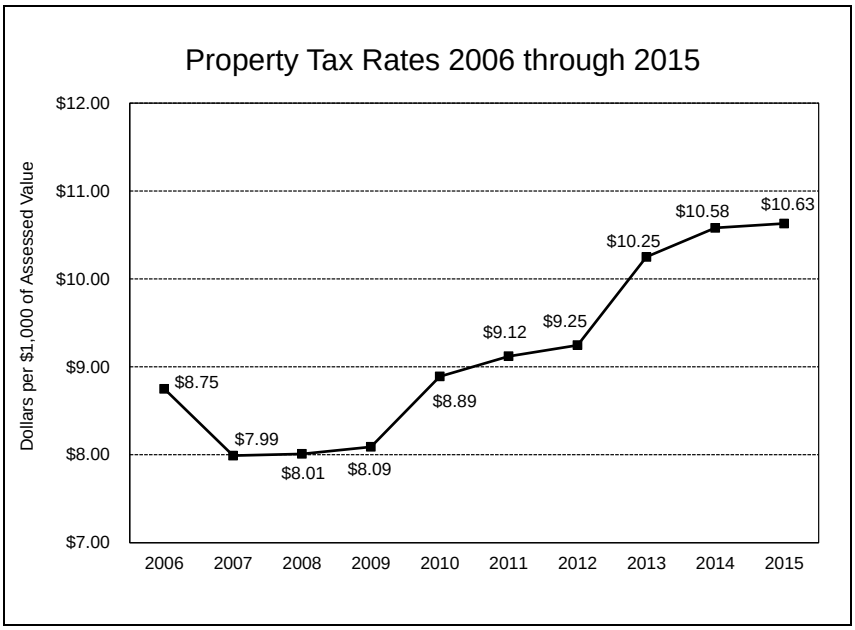
	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
Funding Sources					
Operating Revenue	$10,530,000	$10,530,000	$10,530,000	$0	$0
Total Revenues	$10,530,000	$10,530,000	$10,530,000	$0	$0
Subtotals Special Revenue Account Budgets (Items G through M)					
Total Budgets	$322,816,044	$346,495,993	$363,096,389	$40,280,345	$16,600,396
Total Revenues (Non-Property Tax)	$322,816,044	$346,495,993	$363,096,389	$40,280,345	$16,600,396
Grand Totals (Items A through M)					
Budget Appropriations	$1,447,560,814	$1,564,255,047	$1,514,937,709	$67,376,895	$-49,317,338
Less: Non-Property Tax Revenues	$1,193,751,817	$1,268,512,935	$1,258,067,089	$64,315,272	$-10,445,846
Property Tax Levies	$253,808,997	$295,742,112	$256,870,620	$3,061,623	$-38,871,492

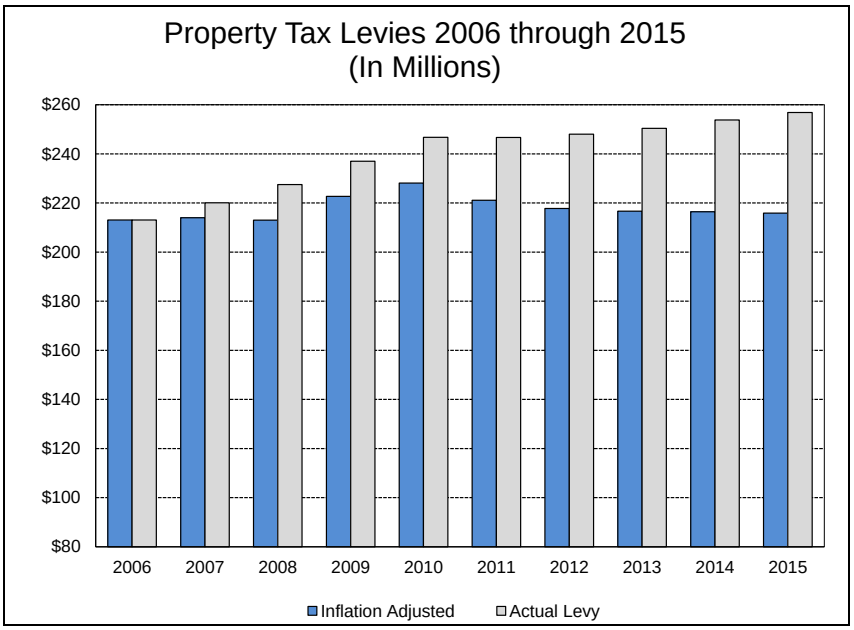
Note: All adopted budgets for governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance reserved for tax stabilization. For budget purposes, the fund balance reserved for tax stabilization is reflected as other financing 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 2006 through the 2015 budget. The 2015 tax rate of $10.63 is $0.05 higher than the 2014 rate of $10.58. The 2015 tax levy of $256.9 million is $3.1 million or 1.21% higher than the 2014 levy. The property tax rate has increased by $1.88 from $8.75 in 2006 to the 2015 rate of $10.63. During this same period, the "real" or inflation adjusted property tax levy has increased by $2.8 million.

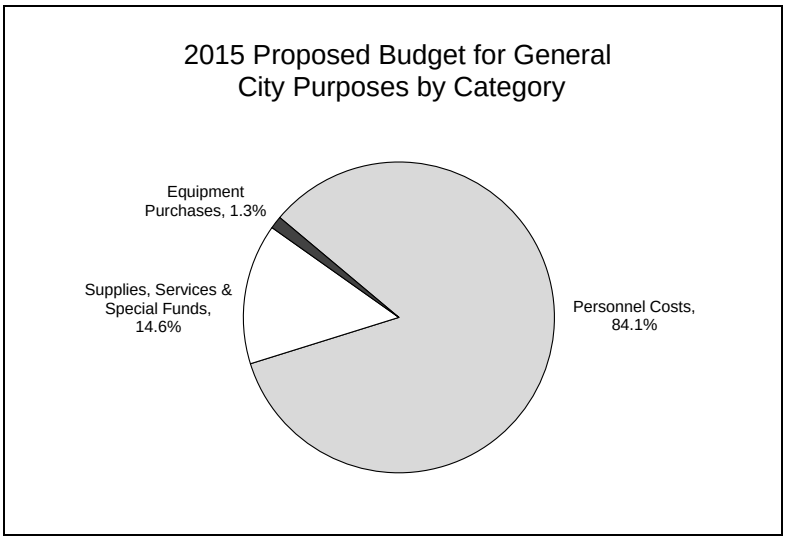




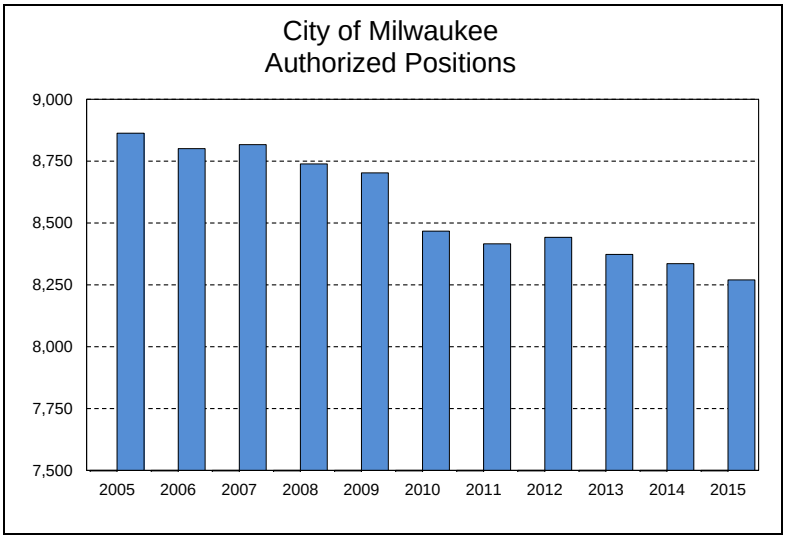
GENERAL CITY PURPOSES SPENDING

The pie chart below depicts the proportions of general city purposes spending allocated to Personnel Costs (84.1%), Supplies, Services, and Special Funds (14.6%), and Equipment Purchases (1.3%) in the 2015 budget.

It should be noted that the 2015 budget funds approximately $7.5 million of major equipment purchases in the capital budget.



The following bar graph indicates changes in authorized positions from 2005 to 2015. Funding for personnel costs (which include salary and wages) relates directly to the number of positions authorized citywide. Excluding temporary and seasonal staff, the 2015 budget reflects a net decrease of 66 positions from 2014 levels (8,336 in 2014 to 8,270 in 2015).



CHANGE IN POSITIONS

	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
General City Purposes					
Administration, Department of	146	147	148	2	1
Assessor's Office	56	56	57	1	1
City Attorney	64	64	64	0	0
City Development, Department of	134	135	135	1	0
Common Council City Clerk	112	114	115	3	1
Comptroller's Office	67	67	65	-2	-2
Election Commission	2,389	823	823	-1,566	0
Employee Relations, Department of	80	80	80	0	0
Fire and Police Commission	21	21	21	0	0
Fire Department	1,012	996	993	-19	-3
Health Department	252	253	251	-1	-2
Library	370	371	371	1	0
Mayor's Office	15	14	14	-1	0
Municipal Court	43	43	43	0	0
Neighborhood Services, Department of	272	273	279	7	6
Police Department	2,848	2,837	2,789	-59	-48
Port of Milwaukee	37	37	37	0	0
Public Works, Department of **(Total)**	**(2,290)**	**(2,290)**	**(2,275)**	**(-15)**	**(-15)**
Administrative Services Division	47	47	48	1	1
Infrastructure Services Division	810	810	801	-9	-9
Operations Division	1,433	1,433	1,426	-7	-7
Special Purpose Account	11	11	11	0	0
Treasurer's Office	57	59	59	2	0
General City Purposes Total	**10,276**	**8,691**	**8,630**	**-1,646**	**-61**
General City Purposes Total *	**7,897**	**7,878**	**7,817**	**-80**	**-61**
Pensions					
Deferred Compensation	2	2	2	0	0
Employees' Retirement System	54	55	55	1	0
Pensions Total	**56**	**57**	**57**	**1**	**0**
Parking Fund	120	121	121	1	0
Sewer Maintenance Fund	146	146	146	0	0
Water Works	369	365	371	2	6
Subtotal Budgeted Positions	**10,967**	**9,380**	**9,325**	**-1,642**	**-55**
Less Temporary Positions	2,631	1,055	1,055	-1,576	0
Total Budgeted Positions	**8,336**	**8,325**	**8,270**	**-66**	**- 55**

*Does not include Election Commission temporary election workers (2,379 in 2014 and 813 in 2015) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
O&M Funded

	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
General City Purposes					
Administration, Department of	98.37	98.87	99.37	1.00	0.50
Assessor's Office	45.00	40.55	45.39	0.39	4.84
City Attorney	58.60	58.60	58.60	0.00	0.00
Common Council City Clerk	91.63	91.63	94.00	2.37	2.37
Comptroller's Office	49.84	50.34	48.34	-1.50	-2.00
Department of City Development	34.40	38.70	36.70	2.30	-2.00
Election Commission *	7.00	7.00	7.00	0.00	0.00
Employee Relations, Department of	49.67	49.68	49.68	0.01	0.00
Fire and Police Commission	12.60	12.60	12.60	0.00	0.00
Fire Department	1,004.99	994.50	1,004.49	-0.50	9.99
Health Department	139.30	139.32	139.79	0.49	0.47
Library	292.15	295.16	291.18	-0.97	-3.98
Mayor's Office	12.00	12.00	12.00	0.00	0.00
Municipal Court	36.40	37.40	36.40	0.00	-1.00
Neighborhood Services, Department of	207.50	209.50	213.35	5.85	3.85
Police Department	2,704.73	2,704.73	2,717.73	13.00	13.00
Port of Milwaukee	20.00	20.00	20.00	0.00	0.00
Public Works, Department of **(Total)**	(1,022.84)	(1,073.47)	(1,011.00)	(-11.84)	(-62.47)
Administrative Services Division	41.38	41.00	42.00	0.62	1.00
Infrastructure Services Division	321.41	368.88	312.41	-9.00	-56.47
Operations Division	660.05	663.59	656.59	-3.46	-7.00
Special Purpose Accounts	4.00	4.00	4.00	0.00	0.00
Treasurer's Office	27.45	29.64	29.68	2.23	0.04
General City Purposes Total	**5,918.47**	**5,967.69**	**5,931.30**	**12.83**	**-36.39**
Pensions					
Deferred Compensation	2.00	2.00	2.00	0.00	0.00
Employees' Retirement System	43.50	43.50	43.50	0.00	0.00
Pensions Total	**45.50**	**45.50**	**45.50**	**0.00**	**0.00**
Parking Fund	117.75	118.75	118.75	1.00	0.00
Sewer Maintenance Fund	100.05	103.05	103.05	3.00	0.00
Water Works	345.07	342.40	343.98	-1.09	1.58
Grand Total	**6,526.84**	**6,577.39**	**6,542.58**	**15.74**	**-34.81**

*Election Commission does not include temporary election workers (31.64 FTEs in 2014 and 10.86 FTEs in 2015) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
Non-O&M Funded

	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
General City Purposes					
Administration, Department of	37.47	37.97	38.47	1.00	0.50
Assessor's Office	0.00	0.00	0.61	0.61	0.61
City Attorney	2.00	2.00	2.00	0.00	0.00
Common Council City Clerk	1.00	1.00	1.00	0.00	0.00
Comptroller's Office	8.66	9.66	9.66	1.00	0.00
Department of City Development	68.60	65.30	67.30	-1.30	2.00
Election Commission	0.00	0.00	0.00	0.00	0.00
Employee Relations, Department of	5.71	5.66	5.66	-0.05	0.00
Fire and Police Commission	0.80	0.80	0.80	0.00	0.00
Fire Department	1.80	1.50	2.80	1.00	1.30
Health Department	101.45	102.45	100.45	-1.00	-2.00
Library	17.37	17.37	18.28	0.91	0.91
Mayor's Office	0.00	1.00	1.00	1.00	0.00
Municipal Court	0.00	0.00	0.00	0.00	0.00
Neighborhood Services, Department of	39.00	39.00	40.15	1.15	1.15
Police Department	43.23	43.23	38.23	-5.00	-5.00
Port of Milwaukee	0.00	0.00	0.00	0.00	0.00
Public Works, Department of **(Total)**	(384.22)	(331.87)	(369.88)	(-14.34)	(38.01)
Administrative Services Division	4.80	4.70	4.70	-0.10	0.00
Infrastructure Services Division	307.13	269.12	307.13	0.00	38.01
Operations Division	72.29	58.05	58.05	-14.24	0.00
Special Purpose Accounts	0.00	0.00	0.00	0.00	0.00
Treasurer's Office	0.00	0.00	0.30	0.30	0.30
General City Purposes Total	**711.31**	**658.81**	**696.59**	**-14.72**	**37.78**
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	14.95	11.95	11.95	-3.00	0.00
Water Works	10.60	11.27	16.44	5.84	5.17
Grand Total	**736.86**	**682.03**	**724.98**	**-11.88**	**42.95**

ESTIMATED FULL TIME EQUIVALENTS
All Funding Sources

	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
General City Purposes					
Administration, Department of	135.84	136.84	137.84	2.00	1.00
Assessor's Office	45.00	40.55	46.00	1.00	5.45
City Attorney	60.60	60.60	60.60	0.00	0.00
Common Council City Clerk	92.63	92.63	95.00	2.37	2.37
Comptroller's Office	58.50	60.00	58.00	-0.50	-2.00
Department of City Development	103.00	104.00	104.00	1.00	0.00
Election Commission *	7.00	7.00	7.00	0.00	0.00
Employee Relations, Department of	55.38	55.34	55.34	-0.04	0.00
Fire and Police Commission	13.40	13.40	13.40	0.00	0.00
Fire Department	1,006.79	996.00	1,007.29	0.50	11.29
Health Department	240.75	241.77	240.24	-0.51	-1.53
Library	309.52	312.53	309.46	-0.06	-3.07
Mayor's Office	12.00	13.00	13.00	1.00	0.00
Municipal Court	36.40	37.40	36.40	0.00	-1.00
Neighborhood Services, Department of	246.50	248.50	253.50	7.00	5.00
Police Department	2,747.96	2,747.96	2,755.96	8.00	8.00
Port of Milwaukee	20.00	20.00	20.00	0.00	0.00
Public Works, Department of **(Total)**	(1,407.06)	(1,405.34)	(1,380.88)	(-26.18)	(-24.46)
Administrative Services Division	46.18	45.70	46.70	0.52	1.00
Infrastructure Services Division	628.54	638.00	619.54	-9.00	-18.46
Operations Division	732.34	721.64	714.64	-17.70	-7.00
Special Purpose Accounts	4.00	4.00	4.00	0.00	0.00
Treasurer's Office	27.45	29.64	29.98	2.53	0.34
General City Purposes Total	**6,629.78**	**6,626.50**	**6,627.89**	**-1.89**	**1.39**
Pensions					
Deferred Compensation	2.00	2.00	2.00	0.00	0.00
Employees' Retirement System	43.50	43.50	43.50	0.00	0.00
Pensions Total	**45.50**	**45.50**	**45.50**	**0.00**	**0.00**
Parking Fund	117.75	118.75	118.75	1.00	0.00
Sewer Maintenance Fund	115.00	115.00	115.00	0.00	0.00
Water Works	355.67	353.67	360.42	4.75	6.75
Grand Total	**7,263.70**	**7,259.42**	**7,267.56**	**3.86**	**8.14**

*Election Commission does not include temporary election workers (31.64 FTEs in 2014 and 10.86 FTEs in 2015) due to staffing fluctuations between election and non-election years.

COMPARISON OF 2015 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

	2012 ACTUAL** EXPENDITURES	2013 ACTUAL** EXPENDITURES	2014 ADOPTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED VERSUS 2014 ADOPTED
A. General City Purposes					
1. Budgets for General City Purposes					
Administration, Department of	$8,772,385	$10,225,126	$10,980,218	$11,635,011	$654,793
Assessor's Office	4,360,415	4,289,091	4,450,800	4,417,671	-33,129
City Attorney	7,701,548	7,592,135	7,379,826	7,545,443	165,617
City Development, Department of	4,486,733	3,234,603	3,596,808	3,851,206	254,398
City Treasurer	2,999,418	2,688,851	2,838,244	3,024,974	186,730
Common Council City Clerk	8,149,917	8,016,613	8,301,171	8,634,053	332,882
Comptroller	4,947,993	5,022,035	5,184,392	4,965,882	-218,510
Election Commission	4,052,288	1,329,511	2,676,195	1,393,678	-1,282,517
Employee Relations, Department of	4,500,505	4,371,302	4,613,330	4,657,953	44,623
Fire and Police Commission	1,379,117	1,586,898	1,560,019	1,575,664	15,645
Fire Department	108,250,353	105,505,685	104,536,907	101,034,006	-3,502,901
Health Department	11,903,828	12,460,876	12,618,896	12,841,865	222,969
Library	21,625,286	21,360,649	21,768,088	22,062,409	294,321
Mayor's Office	1,114,170	1,068,150	1,192,204	1,231,173	38,969
Municipal Court	3,359,290	3,366,167	3,402,630	3,426,963	24,333
Neighborhood Services, Department of	16,442,563	20,745,698	20,835,056	19,861,144	-973,912
Police Department	236,634,356	240,990,964	244,030,373	248,952,919	4,922,546
Port of Milwaukee	4,380,145	4,365,437	4,639,303	4,812,849	173,546
Public Works Department (Total)	(118,379,208)	(123,782,430)	(121,461,073)	(124,938,870)	(3,477,797)
Administrative Services Division	4,353,928	3,617,965	3,558,838	3,544,819	-14,019
Infrastructure Services Division	37,849,057	38,296,631	37,496,985	39,051,738	1,554,753
Operations Division	76,176,223	81,867,834	80,405,250	82,342,313	1,937,063
Special Purpose Accounts	132,053,806 *	142,106,316 *	154,498,288	168,656,414	14,158,126
Unified Call Center	644,307	0	0	0	0
Fringe Benefit Offset	-147,726,025	-145,641,206	-149,862,066	-146,286,058	3,576,008
Total Budgets for General City Purposes	$558,411,606 **	$578,467,331 **	$590,701,755	$613,234,089	$22,532,334

* 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	$16,697,663	$17,499,535	$17,931,000	$18,028,400	$97,400
Licenses and Permits	14,411,188	15,024,514	13,922,600	15,065,000	1,142,400
Intergovernmental Revenue	260,141,436	259,735,415	259,955,700	261,826,000	1,870,300
Charges for Services	113,880,757	117,839,281	117,421,303	122,265,869	4,844,566
Fines and Forfeitures	5,041,542	4,483,325	4,755,400	4,506,000	-249,400
Miscellaneous Revenue	45,762,419	37,422,950	36,670,400	35,733,600	-936,800
Fringe Benefits	25,575,166	24,466,050	24,300,000	24,300,000	0
Total Revenues	$481,510,171	$476,471,070	$474,956,403	$481,724,869	$6,768,466
Tax Stabilization Fund Withdrawals	$13,767,000	$14,900,000	$20,000,000	$17,207,000	$-2,793,000
Property Tax Levy	109,910,738	101,910,199	95,745,352	114,302,220	18,556,868
Total Financing for General City Purposes	$605,187,909	$593,281,269	$590,701,755	$613,234,089	$22,532,334
B. Employees' Retirement					
1. Budgets for Employees' Retirement					
Firemen's Pension Fund					
Pension Contribution	$35,091	$35,091	$36,000	$36,000	$0
Lump Sum Supplement Contribution	114,445	91,837	85,000	70,000	-15,000

	2012 ACTUAL** EXPENDITURES	2013 ACTUAL** EXPENDITURES	2014 ADOPTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED VERSUS 2014 ADOPTED
Policemen's Pension Fund					
Pension Contribution	$208,956	$221,538	$228,538	$206,000	$-22,538
Lump Sum Supplement Contribution	30,000	30,000	30,000	30,000	0
Employees' Retirement Fund					
Pension Contribution	$0	$59,308,747	$61,600,000	$60,000,000	$-1,600,000
Administration	18,294,065	19,339,464	25,020,959	28,397,088	3,376,129
Employers' Share of Employees' Annuity Contribution	22,288,217	4,175,448	8,430,960	2,000,000	-6,430,960
Annuity Contribution Employer's Reserve Fund	25,000,000	16,233,608	13,400,000	10,400,000	-3,000,000
Social Security					
Social Security Tax	$16,965,063	$17,293,668	$17,257,298	$17,800,000	$542,702
Former Town of Lake Employees' Retirement Fund					
Pension Contribution	$7,273	$7,273	$7,300	$7,300	$0
Deferred Compensation	1,258,354	1,300,186	1,632,435	1,549,299	-83,136
Total Budgets for Employees' Retirement	$84,201,464 **	$118,036,860 **	$127,728,490	$120,495,687	$-7,232,803
2. Source of Funds for Employees' Retirement					
Fringe Benefits Pension	$1,170,834	$1,152,400	$1,273,783	$1,232,096	$-41,687
Charges to Retirement Fund	17,885,890	18,896,766	24,644,935	27,986,148	3,341,213
Charges to Deferred Compensation	1,258,354	1,300,186	1,632,435	1,549,299	-83,136
Charges to Other Governmental Units	0	0	721,677	730,000	8,323
Miscellaneous Revenue/Reserve Fund	77,700	16,313,908	13,490,000	10,488,000	-3,002,000
Property Tax Levy	58,016,150	79,698,013	85,965,660	78,510,144	-7,455,516
Total Financing for Employees' Retirement	$78,408,928	$117,361,273	$127,728,490	$120,495,687	$-7,232,803
C. Capital Improvements					
1. Budgets for Capital Improvements					
Special Capital Projects or Purposes	$334,604	$1,184,055	$8,710,000	$9,562,000	$852,000
Administration, Department of	368,799	920,726	1,060,000	3,260,000	2,200,000
Assessor's Office	0	0	0	555,000	555,000
City Attorney	0	0	1,758,000	3,120,000	1,362,000
City Development, Department of	46,502,156	20,117,195	23,500,000	24,900,000	1,400,000
Common Council City Clerk	27,039	11,137	175,000	588,000	413,000
Election Commission	2,340	0	0	1,530,000	1,530,000
Fire and Police Commission	1,771	0	150,000	0	-150,000
Fire Department	1,593,289	7,294,713	4,437,000	4,798,000	361,000
Health Department	94,830	523,709	425,000	366,000	-59,000
Library	1,450,566	1,620,328	3,383,000	8,750,000	5,367,000
Municipal Court	56,080	0	144,000	504,000	360,000
Neighborhood Services, Department of	0	15,721	2,320,000	2,244,000	-76,000
Police Department	3,604,418	4,334,837	9,177,000	8,200,000	-977,000
Port of Milwaukee	1,000,774	182,395	750,000	1,000,000	250,000
Public Works, Department of (Total)	(45,585,733)	(61,220,145)	(67,395,000)	(63,764,000)	(-3,631,000)
Administration Division	418,150	342,415	0	0	0
Infrastructure Services Division	41,028,963	53,318,697	54,268,000	52,754,000	-1,514,000
Operations Division	4,138,620	7,559,033	13,127,000	11,010,000	-2,117,000
Total Budgets for Capital Improvements (Other than Parking, Water Works and Sewer Maintenance)	$100,622,399 **	$97,424,961 **	$123,384,000	$133,141,000	$9,757,000
2. Source of Funds for Capital Improvements					
General Obligation Borrowings					
New Borrowing	$49,560,773	$73,775,159	$85,202,000	$93,584,000	$8,382,000
Tax Increment District Public Improvements					
New Borrowing	$41,656,112	$17,419,069	$16,000,000	$16,500,000	$500,000

	2012 ACTUAL** EXPENDITURES	2013 ACTUAL** EXPENDITURES	2014 ADOPTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED VERSUS 2014 ADOPTED
Anticipated Special Assessments					
New Authorizations	$1,776,160	$1,675,397	$1,626,000	$2,440,000	$814,000
Capital Improvement Revenues					
Cash Revenues	$6,223,573	$3,505,336	$15,265,000	$19,455,000	$4,190,000
Property Tax Levy	1,405,781	1,050,000	5,291,000	1,162,000	-4,129,000
Total Financing for Capital Improvements					
(Other than Parking, Water Works and Sewer Maintenance)	$100,622,399 *	$97,424,961 *	$123,384,000	$133,141,000	$9,757,000
* Does not include School Board expenditures.					
D. City Debt (Including School Purposes)					
1. Budget for City Debt					
Bonded Debt (Principal)	$417,107,000	$248,902,449	$237,219,504	$238,808,467	$1,588,963
Bonded Debt (Interest)	37,992,000	36,895,681	45,460,340	45,537,793	77,453
Bonded Debt (Fees)	651,000	191,250	195,000	215,000	20,000
Bonded Debt (Issuance Expenses)	933,000	754,807	1,453,000	1,647,840	194,840
Subtotal	$456,683,000	$286,744,187	$284,327,844	$286,209,100	$1,881,256
Less: Prepayment					
Prepayment Deduction (PDAF)	$-4,500,000	$-5,500,000	$-5,000,000	$-5,500,000	$-500,000
Special Assessment	-1,424,430	-1,546,697	-1,397,319	-738,556	658,763
Total Budget for City Debt (a)	$450,758,570 **	$279,697,490 **	$277,930,525	$279,970,544	$2,040,019

(a) Included in city debt amounts above are the following amounts for school purposes not controlled by the Common Council.	Milwaukee School Board		
	2012	$15,149,361	
	2013	$16,741,000	
	2014	$17,301,000	(est.)
	2015	$17,301,000	(est.)

2. Source of Funds for City Debt					
Revenues	$324,498,570	$158,352,665	$35,842,708	$39,994,042	$4,151,334
TID Increments from Prior Year	27,716,000	24,542,284	20,815,607	24,272,361	3,456,754
Delinquent Tax Revenues	29,807,000	31,511,000	33,465,225	31,807,885	-1,657,340
Offsets and Premium	0	0	126,000,000	126,000,000	0
Property Tax Levy	68,737,000	67,771,672	61,806,985	57,896,256	-3,910,729
Total Financing for City Debt	$450,758,570	$282,177,621	$277,930,525	$279,970,544	$2,040,019
F. Common Council Contingent Fund					
1. Budget for Common Council Contingent Fund					
Common Council Contingent Fund	[2,108,896] *	[4,775,967] *	$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)	$1,193,994,039	$1,073,626,642	$1,124,744,770	$1,151,841,320	$27,096,550
Non-Tax Levy	$996,908,137	$839,815,240	$870,935,773	$894,970,700	$24,034,927
Tax Levy	$243,069,669	$255,429,884	$253,808,997	$256,870,620	$3,061,623
Subtotal Financing for (Estimated Revenues) Common Council Controlled Budgets					
(Except Water and Special Revenue Accounts)	$1,239,977,806	$1,095,245,124	$1,124,744,770	$1,151,841,320	$27,096,550
Special Revenue Accounts Sections G through M					
G. Parking					
1. Budget for Parking Program					
Operating and Maintenance Expense	$24,895,826	$24,977,566	$27,497,476	$27,944,350	$446,874
Transfer to General Fund	20,410,157	18,550,000	17,425,000	17,000,000	-425,000
Transfer to Pension Fund	2,000,000	0	0	0	0

	2012 ACTUAL** EXPENDITURES	2013 ACTUAL** EXPENDITURES	2014 ADOPTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED VERSUS 2014 ADOPTED
Capital Improvement Program	1,417,012	1,849,162	1,715,000	2,292,000	577,000
Capital Improvements to be Financed from Available Cash Reserves	0	0	5,000,000	5,000,000	0
Total Budget for Parking Program	$48,722,995 **	$45,376,728 **	$51,637,476	$52,236,350	$598,874
2. Source of Funds for Parking Operations					
Parking Permits	$3,887,663	$4,283,438	$3,891,000	$4,031,300	$140,300
Meters	4,972,236	4,982,267	4,974,400	4,950,000	-24,400
Rental and Lease of Facilities	6,524,077	7,206,250	7,093,500	7,013,000	-80,500
Towing of Vehicles	3,766,134	4,199,150	3,900,000	4,000,000	100,000
Vehicle Disposal	1,425,866	1,183,764	1,425,000	1,100,000	-325,000
Miscellaneous	740,858	1,114,865	740,000	1,100,000	360,000
Subtotal Financing of Parking Operations	$21,316,834	$22,969,734	$22,023,900	$22,194,300	$170,400
Other Funding Sources					
Withdrawal from Reserves	$3,830,455	$0	$1,898,576	$2,047,750	$149,174
Citation Revenue	22,158,694	21,344,212	21,000,000	20,702,300	-297,700
Capital Improvements to be Financed from Available:					
Cash Reserves	$0	$0	$5,000,000	$5,000,000	$0
New Borrowing	1,417,012	1,849,182	1,715,000	2,292,000	577,000
Subtotal Other Funding Sources	$27,406,161	$23,193,394	$29,613,576	$30,042,050	$428,474
Total Financing for Parking	$48,722,995	$46,163,128	$51,637,476	$52,236,350	$598,874
H. Grants and Aids Projects (Except Capital Projects)					
1. Budget for Grants and Aids Projects					
Grantor Share (Non-City)	$78,233,318	$53,875,794	$50,622,451	$49,759,391	$-863,060
Total for Grants and Aids Projects	$78,233,318 **	$53,875,794 **	$50,622,451	$49,759,391	$-863,060
2. Source of Funds for Grants and Aids Projects					
Grantor Share (Non-City)	$78,233,318	$53,875,794	$50,622,451	$49,759,391	$-863,060
Total Financing for Grants and Aids Projects (Except Capital Projects)	$78,233,318	$53,875,794	$50,622,451	$49,759,391	$-863,060
I. Economic Development Fund					
1. Budget for Economic Development Fund					
Business Improvement Districts	$6,995,398	$7,504,054	$11,705,477	$11,100,755	$-604,722
Total Budget for Economic Development Fund	$6,995,398	$7,504,054	$11,705,477	$11,100,755	$-604,722
2. Source of Funds for Economic Development Fund					
Business Improvement District Assessments/Excess TID Revenue	$6,995,398	$7,529,027	$11,705,477	$11,100,755	$-604,722
Total Source of Funds for Economic Development Fund	$6,995,398	$7,529,027	$11,705,477	$11,100,755	$-604,722
J. Water Works					
1. Budget for Water Works, Department of Public Works					
Operating Budget	$74,061,512	$75,291,297	$84,529,443	$85,584,403	$1,054,960
Capital Improvements Program	10,269,980	15,217,228	13,825,000	24,950,000	11,125,000
Deposits to Special Accounts (Retained Earnings)	6,232,691	15,201,032	0	24,950,000	24,950,000
Total Expenditures and Deposits	$90,564,183 **	$105,709,557 **	$98,354,443	$135,484,403	$37,129,960
2. Source of Funds for Water Works					
Operating Revenue	$82,924,610	$80,380,624	$80,808,000	$86,785,000	$5,977,000
Non-Operating Revenue	6,303,731	6,450,919	6,692,000	6,700,000	8,000
Proceeds from Borrowing	4,000,000	5,342,796	4,000,000	10,736,000	6,736,000
Retained Earnings/Miscellaneous	-2,664,158	13,535,218	6,854,443	31,263,403	24,408,960
Total Source of Funds for Water Works	$90,564,183	$105,709,557	$98,354,443	$135,484,403	$37,129,960

	2012 ACTUAL** EXPENDITURES	2013 ACTUAL** EXPENDITURES	2014 ADOPTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED VERSUS 2014 ADOPTED
K. Sewer Maintenance					
1. Budget for Sewer Maintenance					
Operating Budget	$42,455,765	$43,292,291	$55,416,197	$59,785,490	$4,369,293
Capital Budget	28,667,909	36,246,411	44,550,000	44,200,000	-350,000
Deposit to Retained Earnings	15,974,557	691,611	0	0	0
Total Budget for Sewer Maintenance	$87,098,231 **	$80,230,313 **	$99,966,197	$103,985,490	$4,019,293
2. Source of Funds for Sewer Maintenance					
Sewer User Fee	$29,124,898	$29,399,780	$28,934,192	$29,802,218	$868,026
Storm Water Fee	24,164,552	26,204,887	27,006,356	28,626,737	1,620,381
Charges for Services	1,666,224	1,665,534	1,727,338	1,779,158	51,820
Miscellaneous Revenue	3,474,648	2,960,112	1,913,813	1,813,813	-100,000
Retained Earnings	0	0	884,498	2,313,564	1,429,066
Proceeds from Borrowing	28,667,909	20,000,000	39,500,000	39,650,000	150,000
Total Source of Funds for Sewer Maintenance	$87,098,231	$80,230,313	$99,966,197	$103,985,490	$4,019,293
M. Delinquent County Taxes					
1. Budget for Delinquent County Taxes					
Delinquent County Taxes and Tax Certificate Purchases	$10,529,770	$9,931,715	$10,530,000	$10,530,000	$0
Total Budget for Delinquent County Taxes	$10,529,770	$9,931,715	$10,530,000	$10,530,000	$0
2. Source of Funds for Delinquent County Taxes					
Purchase of Milwaukee County Delinquent Taxes	$10,529,770	$9,931,715	$10,530,000	$10,530,000	$0
Total Source of Funds for Delinquent County Taxes	$10,529,770	$9,931,715	$10,530,000	$10,530,000	$0
Subtotal Budget Authorization for Special Revenue Accounts	$322,143,895	$302,628,161	$322,816,044	$363,096,389	$40,280,345
Subtotal Estimated Revenues for Special Revenue Accounts	$322,143,895	$303,439,534	$322,816,044	$363,096,389	$40,280,345
Total All Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,516,137,934	$1,376,254,803	$1,447,560,814	$1,514,937,709	$67,376,895
Total Financing Revenues of Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,562,121,701	$1,398,684,658	$1,447,560,814	$1,514,937,709	$67,376,895

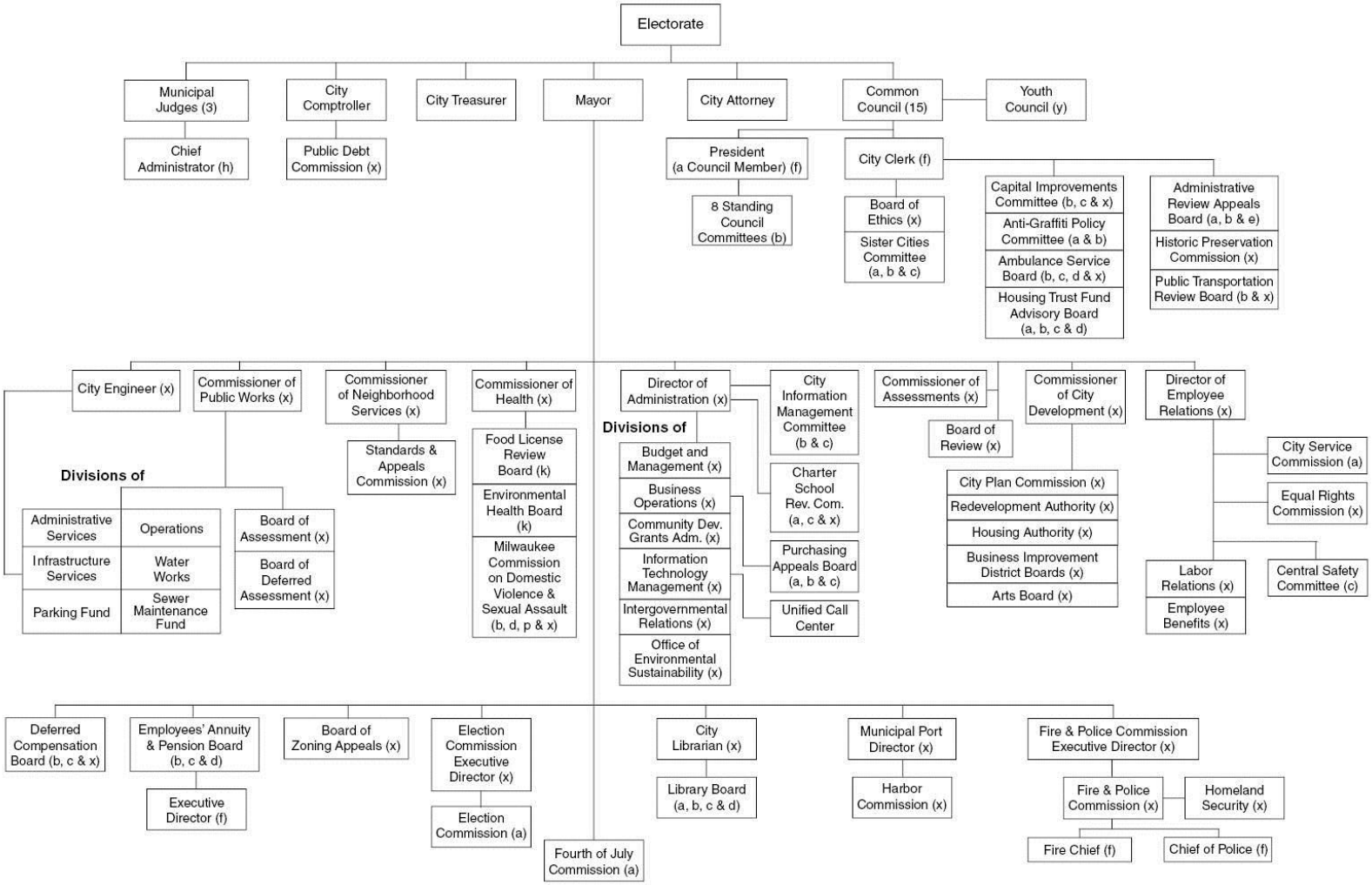
** Expenditures include funding carried over from prior year.

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

	2013	2014	2015
General Obligation Bonds or Short Term Notes			
New Borrowing			
General City Purposes	$75,855,900	$86,917,000	$96,876,000
Schools	2,000,000	2,000,000	2,000,000
Subtotal	**$77,855,900**	**$88,917,000**	**$98,876,000**
Special Assessment Borrowing			
New Borrowing	$2,209,000	$1,626,000	$2,440,000
Subtotal	**$2,209,000**	**$1,626,000**	**$2,440,000**
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	$11,000,000	$16,000,000	$16,500,000
Subtotal	**$11,000,000**	**$16,000,000**	**$16,500,000**
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	$8,000,000	$4,000,000	$10,736,000
Subtotal	**$8,000,000**	**$4,000,000**	**$10,736,000**
Sewer Maintenance Fund Borrowing			
New Borrowing	$38,060,000	$39,500,000	$39,650,000
Subtotal	**$38,060,000**	**$39,500,000**	**$39,650,000**
Total All Borrowing			
New Borrowing	$774,124,900	$787,043,000	$805,202,000
Total	**$774,124,900**	**$787,043,000**	**$805,202,000**

CITY OF MILWAUKEE ORGANIZATION CHART

Source: City Clerk's Office • September 2014



KEY

(a) Appointment by Mayor, not confirmed by Common Council
(b) Members appointed by Common Council President
(c) Members serve ex-officio; by law
(d) Members selected by other external bodies
(e) Appointment by City Attorney
(f) Appointment by connected board or department
(h) Appointment by Chief Municipal Judge, confirmed by Common Council
(k) Appointment by Health Department
(p) Appointment by Police Chief
(x) Appointment by Mayor, confirmed by Common Council
(y) Appointment by connected council, confirmed by Common Council

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I. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

PROPERTY TAX SUPPLEMENTED FUNDS
SUMMARY OF EXPENDITURES

EXPENSE CATEGORY	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
A. General City Purposes	$578,467,331	$590,701,755	$623,417,203	$613,234,089	$22,532,334	$-10,183,114
B. Employees' Retirement	118,036,860	127,728,490	132,969,854	120,495,687	-7,232,803	-12,474,167
C. Capital Improvements	97,424,961	123,384,000	175,401,453	133,141,000	9,757,000	-42,260,453
D. City Debt	279,697,490	277,930,525	280,970,544	279,970,544	2,040,019	-1,000,000
F. Contingent Fund	4,775,967 *	5,000,000	5,000,000	5,000,000	0	0
TOTAL	$1,073,626,642	$1,124,744,770	$1,217,759,054	$1,151,841,320	$27,096,550	$-65,917,734

*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.

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A. GENERAL CITY PURPOSES

1. BUDGET APPROPRIATIONS AND EXPENDITURES

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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 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.

Align economic and environmental interests to improve Milwaukee's quality of life for current and future generation.

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.

Promote cost effective sustainability practices for residents, businesses, and city departments through citywide implementation of the *ReFresh Milwaukee* sustainability plan.

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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	92.47	98.37	98.87	99.37	1.00	0.50
FTEs - Other	40.37	37.47	37.97	38.47	1.00	0.50
Total Positions Authorized	144	146	147	148	2	1
EXPENDITURES						
Salaries and Wages	$5,386,659	$5,622,079	$6,073,458	$5,982,654	$360,575	$-90,804
Fringe Benefits	2,478,549	2,642,377	2,733,056	2,692,193	49,816	-40,863
Operating Expenditures	1,051,293	1,164,461	1,217,899	1,211,899	47,438	-6,000
Equipment	19,960	50,600	25,300	25,300	-25,300	0
Special Funds	1,288,665	1,500,701	1,802,965	1,722,965	222,264	-80,000
TOTAL	$10,225,126	$10,980,218	$11,852,678	$11,635,011	$654,793	$-217,667
REVENUES						
Charges for Services	$110,106	$773,100	$77,000	$77,000	$-696,100	$0
Miscellaneous	532,789	424,500	552,500	575,500	151,000	23,000
TOTAL	$642,895	$1,197,600	$629,500	$652,500	$-545,100	$23,000

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 to 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	2013 Actual	2014 Planned	2015 Planned
Combined percentage increase from prior year of changes to the property tax levy and municipal service charges on the average valued residential property.	-1.9%	1.3%	1.4%
Percent of tax levy allocated to debt service and employer pension contribution. [A.]	50.8%	47.9%	45.8%
Combined number of jobs created and persons trained and placed in jobs through CDBG and HOME funded projects.	442	420	420
Number of firms receiving SBE certification.	26	50	50
Average speed time for response at Unified Contact Center {minutes:seconds}.	:31	:36	:36
Days needed to resolve IT service requests.	6.54	4.45	4.40
Number of homes receiving energy efficiency upgrades via Me2.	754	400	100
Number of manufacturing firms receiving Me3 grants.	9	8	10

[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 service levels over time with its projected ongoing revenues. The difference between current expenditures and ongoing revenues is typically referred to as a structural imbalance.

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 need to return to employer pension contributions after a 15 year hiatus, heightened these challenges and produced a persistent structural gap. The 2013 city budget initiated a four year budget plan to "Resize, Restructure, and Reinvest" in city government as a means to restore structural balance by the end of 2016.

During 2013 the Department of Administration's Budget and Management Division (BMD) projected the need to achieve $65 million 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. After 2013 budget adoption, additional developments pertaining to the employer pension contribution and employee health care benefits occurred to improve structural balance by an additional $17 million. The 2014 budget continued to make progress through approximately $10 million of improved structural balance.

As a result of these positive developments, the need for structural improvement over the next two years is currently projected as between $20 million and $25 million. While this challenge is formidable, it represents considerable improvement in the city's progress towards structural balance. Strong reserve balances and overall balance sheet liquidity also 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 2015 proposed 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, 2014 actuarial funded ratio of 94.8% makes it one of the best funded Public Employee Retirement System (PERS) plans in the United States. This compares with a median funded ratio of 72% for 150 major PERS according to findings by the Boston College Center for Retirement Research.

The primary financial issue for the city has been the move from no employer contributions as recently as 2009, to an annual contribution level of approximately $60 million. 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 annual budget for employer pension contributions is essentially stable at approximately $60 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. In addition, the Budget and Management Division has initiated pre-payment of the employer contribution, which is projected to save a net of almost $20 million over five years.

Intergovernmental Relations Division (IRD): In 2015, IRD will continue to advance the message that Milwaukee is the heart of Wisconsin's economy and is worthy of more investment by the State and Federal governments. 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 at the State level. In addition, the division continues to expand its role and relationships in the federal sphere. This includes IRD efforts to safeguard and improve State support for approximately $270 million in intergovernmental revenue and grant programs and federal support for approximately $130 million in Federal direct and State pass through grant and aid.

Milwaukee's diverse and resilient community continues to both support and challenge State policymakers. Since fiscal, economic and community ties between the city and State run strong in both directions, IRD has identified a multitude of opportunities to invest and reinvest in Milwaukee that will reap dividends for the rest of the state and country. These opportunities will be packaged by IRD in a manner that stabilizes the city's fiscal capacity, maintains local control and flexibility, enhances our economic well being, sustains our neighborhoods, strengthens our mobility and infrastructure, advances racial, social and economic equity and improves public health and safety. This approach provides numerous ways for the State to build on our interdependence and improve Milwaukee's future ability to thrive.

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 continued its cost saving and environmentally friendly approach to the procurement of printing toner in 2015. The city estimates $100,000 in 2014 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.

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.

MCPI has two Phases. Phase I, which began in October 2013, hired a consultant to identify and evaluate the city's assets and will be completed in 2014. Phase I asset evaluation will be submitted to the Common Council for review. The Council will then decide whether or not to pursue Phase II of MCPI, which will involve contracting with the consultant to facilitate marketing partnerships with corporations and nonprofits based on the Phase I asset evaluation. The consultant will be the exclusive marketing and sales representative for the city regarding assets included in Phase II. A MCPI team comprised of representatives from several departments will review and oversee the consultant's marketing proposals. DOA will work with the MCPI team to monitor and update the results of Phase II, including net revenue the city will realize from any executed agreements.

Reducing Economic Disparities: The American Community Survey estimated that 24.8% of Milwaukee's households were below the federal poverty line in 2010. An important goal for the Mayor is reducing these economic disparities among Milwaukee residents. Several initiatives, including the proposed Transitional Jobs Initiative for 2015, are designed to improve economic outcomes for residents. DOA works closely with the Mayor and the Common Council in making financing and service delivery decisions that improve local economic conditions.

Milwaukee Fatherhood Initiative/Black Male Achievement: The Milwaukee Fatherhood Initiative (MFI) was launched by Mayor Tom Barrett and other community leaders to increase the number of children with involved, responsible and committed fathers. Since 2005, the MFI has connected over 9,000 men to education, employment, driver's license recovery, child support, health and other services. Over 95% of men served by the MFI have been African American and other men of color.

2015 will mark the tenth year of the annual Milwaukee Fatherhood Summit. This free, public event draws an average of 1,000 men a year. Outcomes of the ninth annual summit included:

- 902 Participants,
- 471 Received information on the Affordable Care Act and on how to enroll,

- 415 Received health screenings including blood pressure, body mass index, mental health, effects of cigarette smoking and STDs,
- 138 Received driver's license recovery assistance,
- 375 Attended child support workshops,
- 261 Met qualifying interest debt standards, and
- $670,903 Total amount of child support interest debt forgiveness ($6 million to date).

In 2015, the MFI will ramp up the Nurturing Fathers Program (NFP), a 13 week program designed to teach fathers effective skills for healthy relationships and child development. The MFI will train 25 additional NFP facilitators through an agreement with the program author; the MFI is the statewide training entity of the NFP. The MFI will place special focus on incarcerated males and men on probation or parole deemed as "high" or "medium" risk for recidivism. The need in our community is great:

- Wisconsin has the highest Black male incarceration rate in America.
- Only 44.7% of metro Milwaukee working age Black males and 65% of Hispanic males were employed in the 2010 census, compared to 77.4% of White men.
- Father absence is linked to poverty, delinquency, incarceration, and other problems.
- 2 in 3 African American children live apart from their fathers and 1 in 3 Hispanic children, compared to 1 in 4 White children.

The MFI is actively involved in Black male achievement efforts and will connect NFP participants to education, job training, employment and other strategies that will be implemented by the city's Black Male Achievement Advisory Committee (BMAAC). The BMAAC has identified the NFP as a best practice. The NFP is recognized by the U.S. Department of Health and Human Services Substance Abuse and Mental Health Services Administration and is on the National Registry of Evidence Based Programs and Practices.

Office of Environmental Sustainability: The City of Milwaukee's Office of Environmental Sustainability (OES) promotes cost effective sustainability practices for residents, businesses, and city departments. OES leads the citywide implementation of *ReFresh Milwaukee*, which serves as our community's roadmap to securing a more sustainable future. This plan sets goals, targets and strategies for Milwaukee in the following areas: buildings, energy, food systems, human capital, land and urban ecosystems, mobility, resource recovery, and water. In addition, OES operates programs that meet direct needs for Milwaukeeans.

OES chairs the Mayor's Energy Reduction Team, which is tasked with reducing energy usage from city facilities by 20% by the year 2020 as part of the national *Better Buildings Challenge*. Since 2009, this management strategy and associated energy saving investments have helped city facilities reduce energy usage by 12%.

The Milwaukee Energy Efficiency (Me2) Program helps households live more comfortably and efficiently with energy saving improvements. Since 2011, Me2 has improved 1,267 homes with energy saving projects such as insulation and efficient furnaces and boilers. Through June of 2013, the program has stimulated $9.8 million in projects all completed by private sector contractors using local labor.

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. Additionally, minority owned and operated Milwaukee firms have collectively completed hundreds of projects supported by Me2. In 2015, OES will continue to operate residential Me2 through the program's loan fund.

Me2 helps businesses reinvest dollars into their building that they otherwise would have wasted on high energy bills from outdated equipment. Commercial Me2 stimulated $14 million of energy saving projects on over 130

properties. In 2015, OES will continue to support the market for commercial energy efficiency projects through the Me2 PACE Financing Program.

OES also assists 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. The 2015 proposed budget includes $75,000 of tax levy funding to continue this program.

The Milwaukee Shines Solar Program help Milwaukee residents and business afford solar energy on their properties. The program makes renewable energy more affordable by organizing neighborhood group purchases of solar which brings volume discounts. It has also streamlined the permit process for installing solar panels, educated residents, and offers affordable loans for solar energy.

The HOME GR/OWN Program is a catalytic project outlined in *Refresh Milwaukee*. HOME GR/OWN empowers residents to transform neighborhoods by repurposing vacant lots into community assets that spark new economic opportunities around local, healthy food production and distribution. The program helps build neighborhood pocket parks and green space and has helped revise city codes to make urban agriculture easier. In 2015, the program aims to 40 vacant lots to food related uses.

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 efforts make increasing employment opportunities their top priority.

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, including those targeted to lower income residents. Much of the grant funding assists lower income families and mitigates blighting conditions in neighborhoods.

Improving the Effectiveness and Efficiency of Information Technology: The 2015 proposed budget continues to consolidate city information technology and management under the Information Technology and Management Division (ITMD). In 2015, ITMD started the implementation to add the City Attorney and possibly Assessor's Office to the list of departments for which it provides IT support. The IT positions will move to ITMD as part of this consolidation. ITMD will also centralize the purchase of city desktop computers and institute a standardized replacement cycle for city IT resources. For departments supported by ITMD, computer replacements will be budgeted centrally in and purchased by ITMD. 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.

Major IT projects undertaken by ITMD in 2014 included the conversion of city e-mail accounts from on premise to the Cloud. This project has been completed on budget and ahead of schedule. ITMD is also working with the Department of Neighborhood Services, Health Department, Department of City Development, Department of Public Works and the City Clerk's Office to implement a new Land Management System (LMS). The LMS system will replace several older applications supported by the departments with one unified system supported by ITMD. This project will be completed in 2015 and is on budget.

Unified Contact Center (UCC): The UCC provides residents with access to city information and non-emergency services through a single point of contact. In addition to providing an efficient connection to city services, the UCC also tracks information about city programs and strives to improve the productivity of city operations.

The UCC has grown into a multi-channel customer service center. Requests come through the Call Center, online services request systems, email, and now the new MKE mobile application.

During 2012, the UCC's Lagan technology application was successfully implemented on time and within budget. The UCC agents and systems submit and monitor requests for services to responsible City of Milwaukee agencies, and field staff, and communicate back through the UCC systems when they assess and resolve the requests.

In 2013 and throughout 2014, operational changes and management initiatives have improved the overall effectiveness of the Unified Contact Center. Call transfers and abandoned calls are down 64% from 2012. Average speed of "answers" for 2013 was 43 seconds. Call volume and web requests were up 40% in 2013 and the upward trend continues in 2014. Contacts to the UCC in July 2014 were up 6% over July 2013.

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, including the creation of "virtual" call coordination with the City Hall operator desk and continuing joint efforts with Parking, the Milwaukee Water Works, the Department of Neighborhood Services, DCD, and several special programs in the areas of energy efficiency, housing programs, and city grants.

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 continue in 2014.

RESIZE, RESTRUCTURE, AND REINVEST

Travel Expenditures and Reimbursements: The Department of Administration will be implementing revisions made to the City Ordinance regarding transportation and travel in accordance with the recommendations provided by the City Comptroller's audit on Travel Expenditures and Reimbursements. The revised Ordinance and accompanying documents and forms will bring forth more consistency in travel request and approval processes and reimbursement procedures throughout city departments.

Safety and Civic Program: The program will work to improve the quality of life in Milwaukee by improving safety and addressing citywide problems through effective, targeted public education and public information efforts. It will address problems which include reducing demand for drugs, raising educational achievement, raising attendance and graduation rates, reducing litter and other topics that affect the health of the city. A position of Public Information Officer was created to perform these duties.

ITMD will assist in the selection and implementation of the new Assessor software. This process will be coordinated with selection of the new Treasurer system. The goal is to maximize efficiencies and functionality. It will begin its consolidation process with the City Attorney's Office in mid-2015.

The department is expected to realize a savings of approximately $90,000 due to its planned vacancy management and position reclassifications.

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	Project Coordinator	Expiration of the ARRA grant this position becomes a major capital project cordinator, 50% LMS and 50% tax collection system.
1	1.00		Public Information Officer	Provide targeted public education and information for issues impacting the city as a whole.
2	**1.00**	**1.00**	**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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	47.11	45.00	40.55	45.39	0.39	4.84
FTEs - Other	0.00	0.00	0.00	0.61	0.61	0.61
Total Positions Authorized	56	56	56	57	1	1
EXPENDITURES						
Salaries and Wages	$2,624,822	$2,638,980	$2,690,742	$2,677,980	$39,000	$-12,762
Fringe Benefits	1,182,202	1,271,320	1,250,265	1,205,091	-66,229	-45,174
Operating Expenditures	344,833	369,400	393,500	393,500	24,100	0
Equipment	0	15,100	15,100	15,100	0	0
Special Funds	137,234	156,000	156,000	126,000	-30,000	-30,000
TOTAL	$4,289,091	$4,450,800	$4,505,607	$4,417,671	$-33,129	$-87,936
REVENUES						
Charges for Services	$647,332	$600,500	$700,500	$700,500	$100,000	$0
TOTAL	$647,332	$600,500	$700,500	$700,500	$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.

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. Recent technology improvements have focused on providing public information and assistance. These efforts will continue in 2015 as the Assessor's Office begins the process of upgrading its software system. In addition to providing information to the public, the new system will offer increased access to assessment information by other city departments and create greater efficiencies in the Assessor's Office.

Since 2008, a historic increase in foreclosures has presented serious challenges to accurate and equitable assessments. Each foreclosure requires additional work by the Assessor's Office to determine the property's condition, ownership, and how the foreclosure affects the surrounding properties 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 2013, nearly 1,500 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	2013 Actual	2014 Planned	2015 Planned
Objections to assessments as a percentage of taxable parcels.	1.47%	1.20%	1.50%
Appeals to the Board of Review as a percentage of taxable parcels.	0.45%	0.35%	0.35%
Assessment ratio (assessed value: sale price) for properties sold during the year.	99.7%	98%	98%

STRATEGY IMPLEMENTATION

The Assessor's Office performance in producing fair, accurate, and equitable assessments is measured through several statistics. 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 2013. As shown in Figure 1, foreclosures of all kinds have increased substantially since 2008. Increases in foreclosures and non-arms length transactions from 2008 through 2012 complicated the housing market and the assessment process. As the market improves, the city will see a decrease in foreclosures along with increased property values. The assessment ratio of 99.7% in 2013 reflects continued assessment accuracy in a complicated housing market.

The Assessor's Office uses technology, strong recordkeeping, and other efficiency improvements to increase productivity by 51% between the 2000 and 2014 assessment years (see Figure 2). Overall, FTEs have decreased 9.7%, with little change in total real estate parcels and levels of appeals. The Assessor increased parcels per FTEs by 10% since 2005 without a demonstrable decrease in accuracy or increase in contested assessments.

The coefficient of dispersion and the Price Related Differential (PRD) 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 2013 valuation year, the Assessor's coefficient of dispersion was 10.3.

The PRD measures whether assessments favor one class of homeowners over another. If the PRD 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 1.0 for the 2013 assessment cycle, indicating a high degree of accuracy and fairness in valuing property.

The Board of Assessors and the Board of Review hear assessment appeals, allowing property owners to voice concerns or contest an assessment. Efforts to improve assessment accuracy, provide public information and education, and increase access to assessment and sales data have reduced appeals significantly since 1988 and remain at relatively low levels despite swings in the housing and commercial development market (see Figure 4).

The City of Milwaukee had 8,430 tax exempt properties in 2013 with an estimated exempted value over $5.5 billion. To protect the city's tax base, the Assessor's Office critically reviews all tax exemptions on an

Figure 1

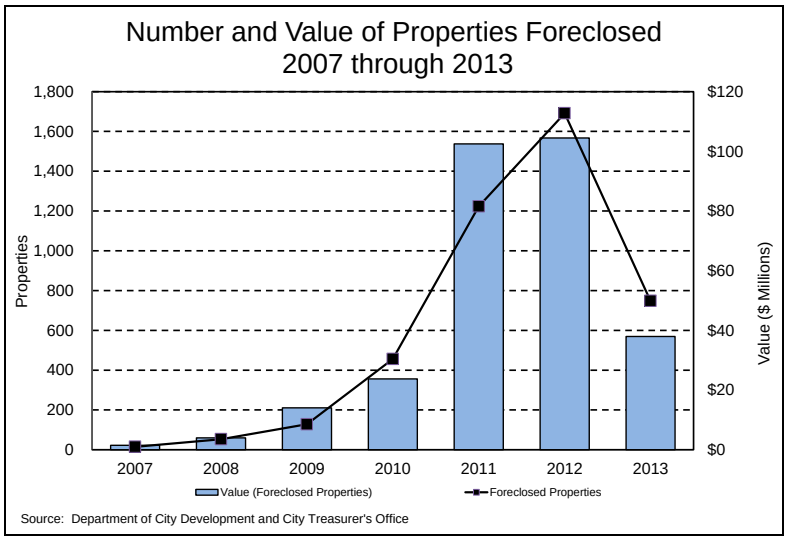


Figure 2

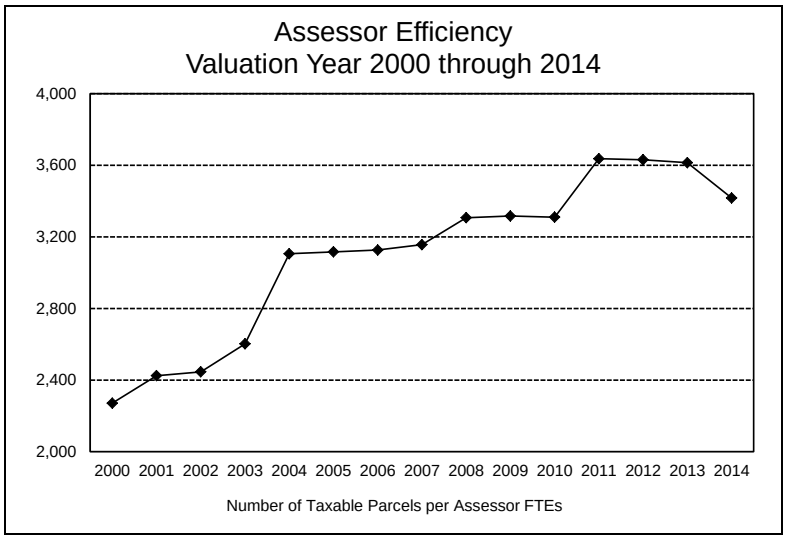
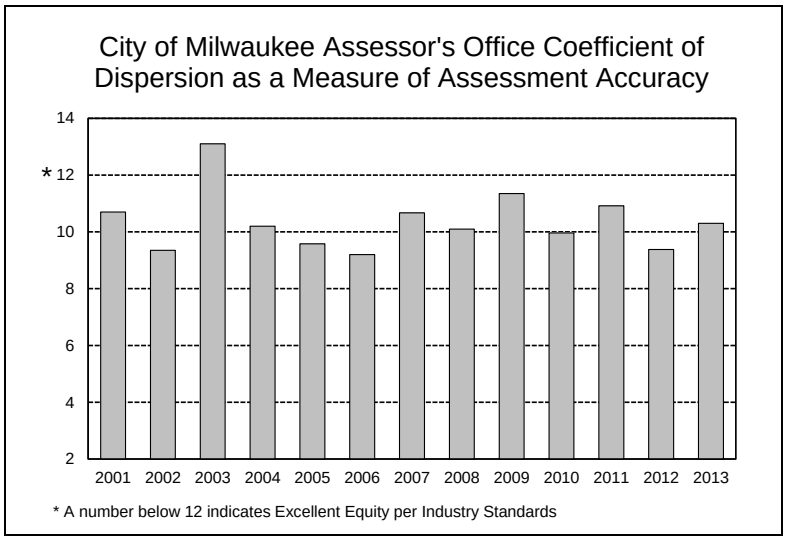
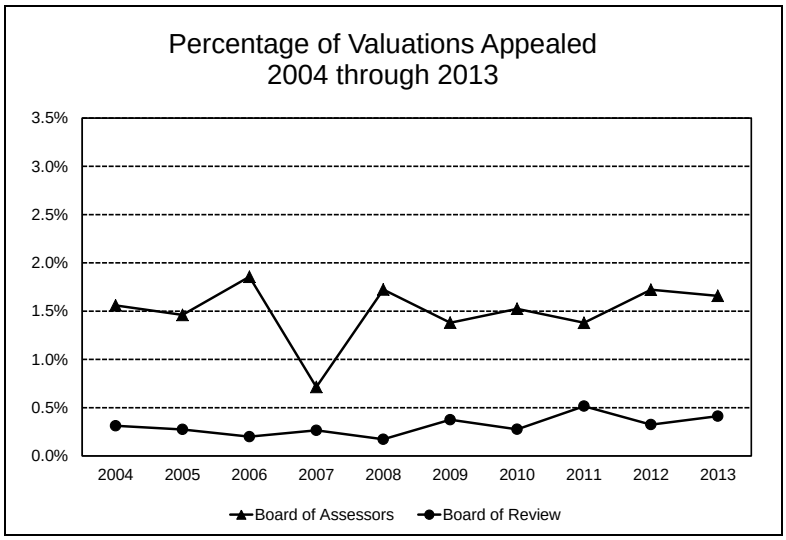


Figure 3



ongoing basis to ensure that all exempt properties continue to serve the public good and provide the services that justify tax exemption. 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.

Figure 4



RESIZE, RESTRUCTURE, AND REINVEST

Total spending by the Assessor's Office will decrease by 1% from the 2014 budget and increase by 3% from 2013 actual spending.

In 2013, the Assessor's Office eliminated two service contracts and work performed under those contracts was absorbed by the existing staff. In 2015, the Assessor adds a new Assessment Operations Director position to support the formerly contracted services and provide oversight for assessment activities.

The Wisconsin Department of Revenue changed its value equalization process in 2013. The new process puts more responsibility on municipal assessors by moving to an auditing procedure rather than the previous 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. The Assessor reclassified a position and reallocated workloads within the department to accommodate these mandates.

In 2015, the Assessor's Office will upgrade the remaining half of the office's computers, replacing computer workstations that exceed the standard useful life of four years. The replacements are also part of the Assessor's Office software upgrade included in the 2015 Capital Improvements Plan. The new system will accommodate tablet and mobile technology for assessment work in the field and reduce data entry time by Appraiser staff.

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		Assessment Operations Director	New position.
	-0.61	0.61	Various Positions	Funding reallocated to capital.
1	**0.39**	**0.61**	**Totals**	

CITY ATTORNEY

EXECUTIVE SUMMARY

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

OBJECTIVES: Protect the city's interests in litigation.

Reduce nuisances that detract from neighborhood quality of life.

Manage risk so that liabilities do not disrupt finances.

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

Continue to implement Neighborhood Revitalization legal services, including continuation of the Community Prosecution Program, to abate nuisances and coordinate legal services related to housing and neighborhood issues.

BUDGET SUMMARY

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	57.00	58.60	58.60	58.60	0.00	0.00
FTEs - Other	2.00	2.00	2.00	2.00	0.00	0.00
Total Positions Authorized	63	64	64	64	0	0
EXPENDITURES						
Salaries and Wages	$4,847,236	$4,722,739	$4,812,050	$4,870,030	$147,291	$57,980
Fringe Benefits	2,278,200	2,219,687	2,165,422	2,191,513	-28,174	26,091
Operating Expenditures	413,446	398,900	398,900	393,900	-5,000	-5,000
Equipment	53,253	38,500	136,000	90,000	51,500	-46,000
Special Funds	0	0	0	0	0	0
TOTAL	$7,592,135	$7,379,826	$7,512,372	$7,545,443	$165,617	$33,071
REVENUES						
Charges for Services	$1,006,107	$797,400	$761,000	$761,000	$-36,400	$0
TOTAL	$1,006,107	$797,400	$761,000	$761,000	$-36,400	$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 be effectively prosecuting ordinance violations, providing legal services related to housing and neighborhood issues 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 Neighborhood Revitalization Section of the City Attorney's Office, including its Community Prosecution Unit, collaborates with community agencies and other City of Milwaukee departments to address housing and foreclosure related issues, abate nuisance properties, eliminate known drug and gang houses, investigate problem licensed premises, and prosecute prostitution activity. Community prosecution teams include assigned Police Officers, a DNS inspection representative, and City Attorney staff. Community prosecutors actively assist the Police Department and the Department of Neighborhood Services by focusing on problem properties in specific neighborhoods. The Neighborhood Revitalization Section also provides City Attorney staff to support the Strong Neighborhoods Plan and housing related initiatives of the Common Council and city agencies.

The City Attorney has defended the city's financial interests in an important tax case. On April 22, 2014, the Common Council approved settlement of Walgreen Co. v. City of Milwaukee in the amount of $3,747,541. The Common Council also authorized contingent fund borrowing of $3,747,541 for the Remission of Taxes Fund to implement the settlement agreement. Of these funds, 68% is to be recouped from other taxing jurisdictions. This settlement arises from actions brought under s. 74.37, Wis. Stats. authorizing taxpayer challenges to property tax assessments.

Walgreen Company brought challenges based upon the appraisal method used by the city in establishing assessed property values for 18 parcels located in the city. This particular method of appraisal has been rejected by courts in other jurisdictions. The settlement amount was a compromise of claims each party had against the other. This conclusion eliminates considerable uncertainty from the city's fiscal circumstances, as it resolved four years' worth of assessments.

RESIZE, RESTRUCTURE, AND REINVEST

Legal Office Assistant Restructured: The 2015 proposed budget reflects the replacement of a Legal Office Assistant IV position with an IT Support Specialist Senior position, an action adopted by the Common Council in 2014. This position change better reflects the department's needs.

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 2015 proposed budget provides $1,225,000 for the Damages and Claims Fund for anticipated liability exposure. The Collection Contract Fund is funded at $1,125,000. Policy premiums of $429,689 are budgeted for the Local Government Insurance Fund. Funding for the Outside Counsel/Expert Witness Fund is increased by $420,000 for a total of $850,000. This Fund is used to prepare for upcoming lawsuits. Actual expenditures from this Fund are determined by ongoing litigation and the related costs of pre-trial discovery, including video depositions, transcription costs, and expert counsel necessary for effective litigation. Given the large number of plaintiffs pursuing legal settlements against the city for alleged illegal searches, actual litigation costs in 2015 are uncertain.

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		Legal Office Assistant IV	Position reclassified.
1	1.00		IT Support Specialist Senior	
0	**0.00**	**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 annual amount of net new construction in the community by half of 1% or more.

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 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.

Support commercial revitalization efforts using grant and loan programs 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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	27.15	34.40	38.70	36.70	2.30	-2.00
FTEs - Other	82.85	68.60	65.30	67.30	-1.30	2.00
Total Positions Authorized	134	134	135	135	1	0
EXPENDITURES						
Salaries and Wages	$2,115,486	$2,267,250	$2,514,063	$2,456,728	$189,478	$-57,335
Fringe Benefits	913,063	1,065,608	1,131,328	1,105,528	39,920	-25,800
Operating Expenditures	117,322	138,950	138,950	138,950	0	0
Equipment	0	0	0	0	0	0
Special Funds	88,732	125,000	150,000	150,000	25,000	0
TOTAL	$3,234,603	$3,596,808	$3,934,341	$3,851,206	$254,398	$-83,135
REVENUES						
Charges for Services	$8,610	$10,100	$8,000	$8,000	$-2,100	$0
Licenses and Permits	52,000	50,000	50,000	50,000	0	0
Miscellaneous	4,901	353,000	100,000	100,000	-253,000	0
TOTAL	$65,511	$413,100	$158,000	$158,000	$-255,100	$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	2013 Actual	2014 Planned	2015 Planned
Net new construction (% of Equalized Value).	1.13%	1.12%	1.12%
Sales, transfers, and dispositions of tax foreclosed property as a share of inventory.	291	350	350
Percentage increase in value of property for closing Tax Increment Districts.	0	28%	194%

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 Neighborhoods Plan: The City of Milwaukee has undertaken 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 a foreclosure is filed, which allows property owners the maximum opportunity to settle delinquent taxes and keep their property. The 2015 proposed budget includes funding to continue the work initiated in the 2014 budget. Mayor Barrett's Strong Neighborhoods Plan, is a three year citywide effort to address all sides of the tax foreclosure issue. Programs are managed in various city departments that collectively address four goals; mitigating the impacts of foreclosed and blighted property, revitalizing properties and neighborhoods, and renewing abandoned and vacant spaces. DCD administers programs that focus primarily on revitalization and renewal efforts.

Rent-to-Own: Some properties acquired by the city through *In Rem* foreclosure are occupied by families who were tenants of the previous owner. The Rent-to-Own Program provides them the opportunity to qualify and purchase the property.

Rental Rehabilitation Loan Program: The Rental Rehabilitation Loan Program offers rehabilitation assistance to responsible investors who agree to rent to income eligible tenants.

Homebuyer Assistance: The Homebuyer Assistance Program provides funding to help prospective homeowners rehabilitate foreclosed homes they will occupy as their primary residence. Both financial and technical assistance are provided as part of the program.

ACTS Housing Partnership: The City of Milwaukee has partnered with ACTS Housing to support homeownership in city neighborhoods. ACTS identifies affordable homeownership opportunities and works with families to purchase and rehabilitate the properties. ACTS services include financial and homebuyer counseling, technical assistance in preparing a scope of work and assistance with completing the required rehabilitation work.

Strong Loans: The 2015 proposed budget includes funding for a new loan program through the Strong Neighborhoods Plan. The Strong Loans Program aims to stabilize homeowners who are faced with one or more of the following challenges:

- Have a mortgage balance that exceeds the value of the home.
- Are unable to access financing.
- Live on a monthly fixed income.

These loans will be available city wide, and are designed to prevent homeowners who are committed to staying in their homes from falling into tax delinquency or maintenance issues.

Challenge Fund: The Challenge Fund will serve as an incentive source for developers, non-profits, and other organizations to buy and renovate a larger number of city owned properties.

Realtor Partnership: DCD began working with local realtors specializing in foreclosed properties. This successful partnership is projected to result in the sale of 350 foreclosed properties by the end of 2014, and efforts will expand in 2015.

The 2015 proposed budget includes a total of $10.6 million for the Strong Neighborhoods Plan. Collaborative efforts in multiple city departments have reduced demolition backlogs. Consequently, additional funding will be allocated to prevention, rehab, and stabilization efforts. The city will continue to work on a concentrated basis to

remove blighted properties, care for city owned properties, and rehab and redevelop blocks and neighborhoods in a unified approach, maximizing the benefit to neighbors and neighborhoods

Small Businesses: The main employers in any community are existing small businesses. In 2015, DCD will continue support for small businesses through grant programs as a complement to the focus on *In Rem* properties. This assistance comes from the various funds and programs under DCD's control, including Business Improvement District loans and other commercial loan programs and grants.

Commercial Revitalization: The Neighborhood and Commercial Development staff in DCD serves as liaisons between the city and local business owners, connecting them to a variety of programs focused on commercial revitalization. Their primary goals include marketing and administering programs that offer financial support to business owners and working with Business Improvement Districts to support their efforts in maintaining commercial corridors.

KIVA Zip Milwaukee: The 2015 proposed budget allocates $25,000 to support a micro lending partnership between the City of Milwaukee, Mayor Tom Barrett, the Wisconsin Women's Business Initiative, and Kiva. With similar programs in several major U.S. cities, Kiva helps local groups to support local entrepreneurial efforts by providing a crowd funding platform for individual and private lenders to offer micro loans to local businesses. Kiva borrowers are predominately low income and ethnic minorities.

Through TIDs and these small business programs, DCD reported the following accomplishments in 2013:

- Jobs created: 2,198
- Jobs retained: 2,800
- New housing constructed: 402 units

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 Menomonee Valley.

Earn & Learn Program: DCD 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 2014, DCD and the Milwaukee Area Workforce Investment Board (MAWIB) placed 2,596 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 2015 budget to align resources to meet challenges and generate the most value possible for Milwaukee residents and businesses.

The 2015 proposed budget includes two new positions to implement commercial revitalization programs. A new Commercial Corridor Manager and Economic Development Specialist will join two existing DCD staff to provide additional support in marketing grant and loan programs to local business owners.

The Mayor and Common Council provided funding for 100 transitional job placements in 2014. Transitional jobs provide employment and training opportunities for individuals who face employment challenges. Individuals are gaining work experience and building skills through placements in city departments and through private partnerships. The goal in 2015 is to provide more than 100 opportunities.

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, approximately $1.25 million in 2015, will offset some of the additional tax levy cost. Funding of revitalization and transformation work on tax foreclosures by actual tax increments is possible under a provision in state law allowing TID increments to be used for affordable housing. This reduces the direct burden on the tax levy and aligns a significant amount of short term resources with a focused effort to reduce tax foreclosures and return city owned homes to the tax base.

In 2015, three 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 ($100,000): This Funding supports land use, engineering, marketing and economic studies related to economic and real estate development activities.

Neighborhood Commercial District Street Improvement Fund ($200,000): This funding provides a match to Business Improvement District loans to improve the streetscapes and the required city match for approved CMAO projects. In 2015, efforts will include current projects that account for nearly $1.5 million in funding from prior years.

Tax Increment Districts (TIDs): The 2015 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. 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 ($1.5 million):** Provides budget authority to pay for interest costs associated with TID borrowing for the first two years of debt service payments.

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

Housing Infrastructure Preservation Fund ($450,000): This program funds improvement 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 ($2,750,000):** 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 2015 proposed budget includes $300,000 for rehabilitation and repair of properties in the city's Rent-to-Own Program and $1.7 million to fund rehab loans for buyers of city owned properties as well as innovative rehab purchase programs with community partners.

Commercial *In Rem* Program ($500,000): Since 2010, the City of Milwaukee has acquired more than 140 commercial properties through *In Rem* foreclosure. The Commercial *In Rem* Program provides funding to market these properties for sale as well as incentives for buyers to make necessary renovations.

Commercial Investment Program: Formerly known as the Façade Program, efforts are focused on keeping neighborhood commercial corridors viable. This funding supports façade improvement and white box grants to businesses throughout the city. City funding is leveraged 3:1 via contributions from property owners and BIDs to

fund commercial corridor improvements. Though no new funding is added for 2015, DCD has development plans to expend $1.05 million in remaining funds to complete planned and pending projects.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	1.00		Administrative Services Assistant	
1		1.00	Real Estate Analyst	Position moved from RACM to city funding.
1		1.00	Real Estate Specialist	
1	0.20	0.80	Commercial Corridor Manager	New position
1	0.20	0.80	Economic Development Specialist	
1	1.00		Office Assistant III	Position moved from HACM in 2014.
-1	-1.00		Communications and Outreach Manager	Position reclassified.
1	1.00		Events and Outreach Coordinator	Replaces Communications and Outreach Manager.
	-0.10	0.10	Real Estate Specialist	Adjust FTE to reflect change in funding.
-5		-5.00	Various Positions	Miscellaneous adjustment in HACM.
1	**2.30**	**-1.30**	**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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	90.90	91.63	91.63	94.00	2.37	2.37
FTEs - Other	2.00	1.00	1.00	1.00	0.00	0.00
Total Positions Authorized	111	112	114	115	3	1
EXPENDITURES						
Salaries and Wages	$4,900,607	$4,977,258	$5,213,329	$5,257,117	$279,859	$43,788
Fringe Benefits	2,330,148	2,396,628	2,402,708	2,394,676	-1,952	-8,032
Operating Expenditures	721,374	852,600	942,800	909,125	56,525	-33,675
Equipment	25,378	37,650	31,100	31,100	-6,550	0
Special Funds	39,106	37,035	27,036	42,035	5,000	14,999
TOTAL	$8,016,613	$8,301,171	$8,616,973	$8,634,053	$332,882	$17,080
REVENUES						
Charges for Services	$5,152,443	$5,460,000	$5,149,700	$4,949,700	$-510,300	$-200,000
Licenses and Permits	4,359,276	4,427,500	4,348,000	4,626,000	198,500	278,000
TOTAL	$9,511,719	$9,887,500	$9,497,700	$9,575,700	$-311,800	$78,000

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.

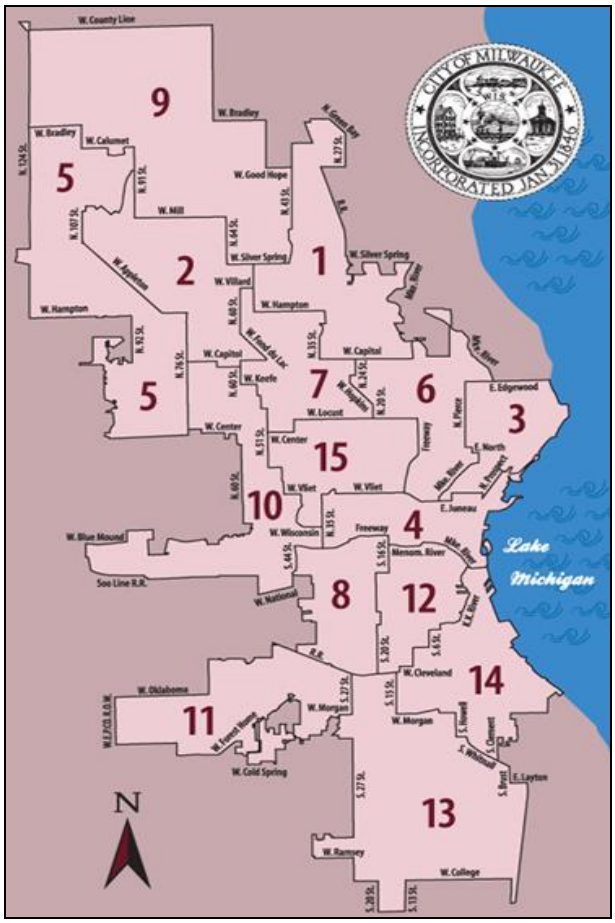
The mission of city government is to enhance the safety, prosperity, and quality of life of Milwaukee's citizens. Departments support this mission through the legislation and regulations enacted by the Common Council and using the resources the Council provides through the annual budget.

The City Clerk's Office performs city government and licensing functions with efficiency and fairness. In addition, the department maintains accurate and up-to-date records of city government actions and ordinances, and keeps constituents informed of the actions of their Council representatives. The City Clerk's Office also administers and assists in investigating many of the city's various license applications, and collects license revenues.

The Common Council is 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.

Map 1 City of Milwaukee Aldermanic Districts



Central Administration staff provides 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 four 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 2015 proposed operating budget totals $8.6 million, a 4% increase from the 2014 budget. This increase reflects the costs associated with reforms on the city's public passenger vehicle regulatory system.

City Channel Digital Conversion: The 2015 proposed capital budget includes $150,000 for Phase II 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 procure over the next few years as manufacturers stop making 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.

Public Passenger Vehicle Change: In July 2014, the Common Council adopted File Number 131800 which eliminated the cap on the number of taxicab permits in the city. This legislation also added one License Specialist position to manage the increased volume of permit applications. The legislation also created an Enforcement Coordinator position to ensure compliance with the city's taxicab regulations.

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		Fiscal Planning Specialist	Additional capacity for LRB.
2			Graduate Intern	Adding unfunded position authority.
	0.37		Graphic Designer II	Position funded for entire year.
-8	-8.00		License Specialist	Positions reclassified.
2	2.00		License Specialist III	
5	5.00		License Specialist II	
1	1.00		License Specialist II	New positions per Council File 131800.
1	1.00		Enforcement Coordinator	
-1			Legislative Fiscal Analyst Lead	Position eliminated.
3	**2.37**	**0.00**	**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 support the city's 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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	43.61	49.84	50.34	48.34	-1.50	-2.00
FTEs - Other	7.63	8.66	9.66	9.66	1.00	0.00
Total Positions Authorized	67	67	67	65	-2	-2
EXPENDITURES						
Salaries and Wages	$3,111,636	$3,277,886	$3,332,345	$3,182,677	$-95,209	$-149,668
Fringe Benefits	1,451,822	1,540,606	1,499,555	1,432,205	-108,401	-67,350
Operating Expenditures	455,432	340,900	341,000	341,000	100	0
Equipment	3,145	25,000	25,000	10,000	-15,000	-15,000
Special Funds	0	0	0	0	0	0
TOTAL	$5,022,035	$5,184,392	$5,197,900	$4,965,882	$-218,510	$-232,018
REVENUES						
Charges for Services	$499,882	$480,000	$480,000	$480,000	$0	$0
TOTAL	$499,882	$480,000	$480,000	$480,000	$0	$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	2013 Actual	2014 Planned	2015 Planned
Percentage of actual revenues to revenue estimate.	101.5%	100% - 102%	100% - 102%
Internal audit work products.	14	14	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	Aa3

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 2013, General Fund revenues exceeded the Comptroller's estimate by $7.0 million or 1.5%. This additional revenue contributes to the TSF balance for 2015 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 Aa3 from Moody's and AA from Standard & Poor's. Moody's assigned a rating downgrade of one level during 2014, primarily due to concerns regarding the impacts of State aid decreases and levy limits on city finances.

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
-1	-1.00		City Payroll Assistant	Eliminated to reflect workload.
1	1.00		Accounting Supervisor	Meet workload needs in Grant Accounting section.
-1	-1.00		Auditor	Position reclassified.
1	1.00		Auditor Lead	
-1	-0.50		Accounting Intern	Offset cost difference of Auditor Lead and Auditor.
-1			Auditor (Aux)	Reflect needed Auxiliary authority.
1			City Payroll Assistant (Aux)	
-1			Functional Applications Analyst Senior (Aux)	
	-1.00	1.00	Public Debt Specialist	Shift from O&M funding to Non-O&M funding.
-2	**-1.50**	**1.00**	**Totals**	

ELECTION COMMISSION

EXECUTIVE SUMMARY

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

OBJECTIVES: Conduct fair, accurate, and transparent elections.

STRATEGIES: Conduct the required Spring elections in 2015.

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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	8.81	38.64	11.66	17.86	-20.78	6.20
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	829	2,389	823	823	-1,566	0
EXPENDITURES						
Salaries and Wages	$741,309	$1,864,184	$890,480	$887,672	$-976,512	$-2,808
Fringe Benefits	229,811	181,011	181,739	174,006	-7,005	-7,733
Operating Expenditures	358,391	631,000	366,750	332,000	-299,000	-34,750
Equipment	0	0	0	0	0	0
TOTAL	$1,329,511	$2,676,195	$1,438,969	$1,393,678	$-1,282,517	$-45,291

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Ensure access to fair and transparent elections.
   - Support registration of all eligible City of Milwaukee voters by disseminating accurate and productive information on the voter registration process.
   - Promptly respond to requests for absentee ballots and efficiently administer in-person "early" absentee voting.
   - Provide ADA accessible, neighborhood based voting sites.
   - Maintain a staff of trained election workers, including bilingual election workers trained to ease language barriers at voting sites.
   - Effectively address voter's observations and concerns.
   - Provide voting equipment that is properly and accurately programmed, reliable and user friendly to voters.
   - Process timely and accurate election results to the public.

The Election Commission manages all aspects of public elections in the City of Milwaukee. The Commission maintains a voter registration database of approximately 310,000 registered 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 municipal offices including the nomination process and campaign finance reporting. The Commission frequently collaborates with non-partisan voting rights groups to encourage voter education and participation, including operating a comprehensive website with voter eligibility requirements, registration and absentee voting instructions, and an interactive feature to determine a resident's polling place and elected representatives.

Two elections are scheduled in 2015:

- Spring Primary
- Spring General Election

Key Performance Measures

Measure	2013 Actual	2014 Planned	2015 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	15 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

The Election Commission recruits and retains an outstanding pool of poll workers to assist with elections. In 2015, 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.

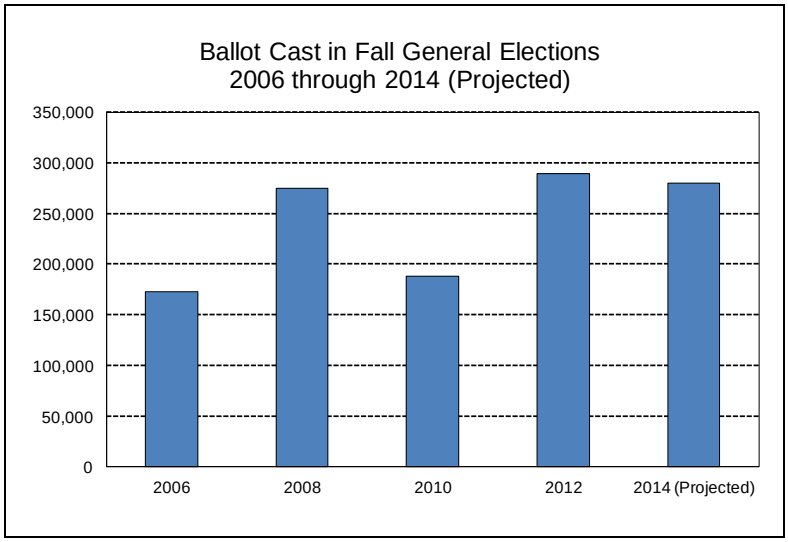
The City of Milwaukee is subject to the Section 203 bilingual election worker and materials requirement of the Voting Rights Act. These requirements were met with success in 2013. The Commission is taking additional recruitment and retention efforts for bilingual election workers.

The Election Commission is evaluating 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.

In 2014, numerous changes are proposed or have been made to the Wisconsin State Statutes that govern election administration and will affect the 2015 Spring election. The Commission will integrate these changes into the election worker training curriculum so that election workers are prepared to effectively and efficiently operate voting sites on Election Day.

Figure 1



The 2015 proposed capital budget includes $1.5 million for the purchase of 200 new voting machines, two processors and central count equipment.

In 2015, the Election Commission will acquire the Water Works Meter Shop for $500,000, with the payment made incrementally over ten years. The Milwaukee Water Works will continue to use the property for large meter testing.

The Election Commission is exploring an initiative with Milwaukee County to improve voting equipment and programming on a countywide basis. Milwaukee County currently contracts with a private vendor for programming. The Election Commission may be able to provide this service at a significantly lower cost. These cost savings could be used to leverage purchase of new voting equipment on a countywide basis. Standardizing equipment and consolidating programming provides both consistency and efficiency in election operations, benefitting taxpayers and voters throughout Milwaukee County.

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
11	-4.98		Temporary Office Assistant II	Change in temporary staffing.
-3	-2.68		Temporary Election Laborer	
-1,574	-13.12		Election Inspector	
-1,566	**-20.78**	**0.00**	**Totals**	

DEPARTMENT OF EMPLOYEE RELATIONS

EXECUTIVE SUMMARY

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

OBJECTIVES: Establish and administer organizational frameworks 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 produce 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 in departments are consistent with the goal of minimizing injuries in the workplace, increasing management's accountability for employee safety and controlling costs.

Implement the Management Trainee Program to attract entry level talent to city government.

BUDGET SUMMARY

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	47.32	49.67	49.68	49.68	0.01	0.00
FTEs - Other	2.82	5.71	5.66	5.66	-0.05	0.00
Total Positions Authorized	76	80	80	80	0	0
EXPENDITURES						
Salaries and Wages	$2,669,641	$2,805,667	$2,942,751	$2,887,554	$81,887	$-55,197
Fringe Benefits	1,251,259	1,318,663	1,324,238	1,299,399	-19,264	-24,839
Operating Expenditures	375,927	387,000	387,000	387,000	0	0
Equipment	8,356	20,000	2,000	2,000	-18,000	0
Special Funds	66,119	82,000	82,000	82,000	0	0
TOTAL	$4,371,302	$4,613,330	$4,737,989	$4,657,953	$44,623	$-80,036
REVENUES						
Charges for Services	$159,155	$169,000	$163,000	$163,000	$-6,000	$0
Miscellaneous	350,518	351,900	346,000	346,000	-5,900	0
TOTAL	$509,673	$520,900	$509,000	$509,000	$-11,900	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Develop and deliver innovative human resource policies, programs, and services that 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 frameworks 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 produce a qualified and diverse candidate pool to fill departmental vacancies.
   - Establish programs and services to maintain and improve employee health and wellbeing while minimizing growth in health care costs.
   - Establish and monitor risk management and safety programs to ensure safe and productive workplaces and control costs.

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 Wisconsin State Statutes. The department also provides support to the city's Equal Rights Commission.

Key Performance Measures

Measure	2013 Actual	2014 Planned	2015 Planned
Turnaround time between notification of position vacancy and establishment of eligible list.	138 days	90 days	90 days
Percentage of candidates referred who are minorities.	44%	40%	48%
Percentage of candidates referred who are women.	51%	65%	55%
Health care cost per contract.	$11,444	$11,843	$11,948

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 2013, DER processed 8,102 applications, conducted 155 exam sessions and referred 3,131 individuals for interviews.

In 2014, DER will go live with the new web based Recruiting and Applicant Tracking Management System that will automate and streamline the full hiring 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: DER works with departments and employee groups to develop and implement skill 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, and 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. These systems create, recognize and reward employees for acquiring and applying skills and job related credentials and meeting performance standards. The Compensation Division will also develop recommendations to address pay compression and recruitment challenges stemming from wage freezes over the last several years. Recommendations will establish more 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 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 one year in various assignments until permanent placement opportunities are available in city departments. The program encourages college graduates to remain in or migrate to Milwaukee after graduation and apply their professional skills locally.

After screening and testing more than 200 applicants, DER assigned Management Trainees to support new and existing efforts in various city departments. Program placements included:

- Support for foreclosure related initiatives in the Department of Neighborhood Services,
- The HOME GR/OWN Initiative,
- Mayor's Office,
- Department of Administration, and
- Support to the Chair of the Common Council's Finance and Personnel Committee.

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 required 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 2015, 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 increase in the number of calls and inquiries regarding workplace issues that were formerly handled by labor groups and subject to grievance procedures. In 2015, DER anticipates this trend to continue and internal resources will be deployed to ensure appropriate staffing levels based on demand.

Health Care: DER continues to assess the impact of shifting from an insured HMO to a fully self-funded health care plan including reviewing and analyzing utilization data with 12% employee premium share and deductibles and co-insurance payments. DER will continue its efforts with the Wellness Your Choice Milwaukee Program, which has had promising results in the first four years of the program. Tobacco use declined by 27% and hypertension decreased by 37%. However, other areas need improvement and the program will focus its effort on problematic areas such as diabetes and health weight management.

In 2014, the city implemented an outcomes based second phase of the wellness initiative called "Healthy Rewards" to increase employee engagement and participation in health and wellness activities throughout the year. The voluntary "Healthy Rewards" Program provided employees and spouses/partners 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 needed to complete the initial three step health assessment process. In 2014, 210 employees earned the $150 incentive.

Worker's Compensation: In 2015, DER will continue to improve the overall effectiveness of the Workers' Compensation Risk Management Program implemented in 2009. This program has significantly reduced the number of claims, recordable cases, incidence rate, and lost work days. In 2015, initiatives will focus on increasing accountability for safety at the supervisory level for injury prevention and hazard identification. Creating a stronger link between claims management and the identification of hazards related to policies, practices and skills sets to better identify problem areas and implement solutions will also be an area of focus.

DER is also moving forward with 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.

RESIZE, RESTRUCTURE, AND REINVEST

The city's health care plan for 2015 includes benefit design changes to better control long term health care expenditures and encourage more appropriate member utilization. One change includes funding a Nurse

Practitioner and Medical Assistant for 20 hours a week at the Wellness Center to provide health services at no cost to employees and spouses/partners.

In 2015, DER will continue the Healthy Rewards Program and will work to improve participation and engagement in the program. Additional opportunities to earn points will be offered along with an expanded program timeframe. Additionally, the incentive for the program is being increased to $250. The goal of this initiative is to keep employees better engaged in healthy activities year round and improve the overall health and wellbeing of the city's workforce.

In 2015, DER will continue to invest in recruiting and fostering managerial talent through its Management Trainee Program. The 2015 proposed budget includes full funding for three Management Trainee positions. One additional position will be funded with carryover from 2014 to 2015. These positions will 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
		-0.05	Employee Assistance Coordinator	Reduced reimbursable authority.
	0.01		Various Positions	Miscellaneous adjustments.
0	**0.01**	**-0.05**	**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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	12.11	12.60	12.60	12.60	0.00	0.00
FTEs - Other	0.58	0.80	0.80	0.80	0.00	0.00
Total Positions Authorized	21	21	21	21	0	0
EXPENDITURES						
Salaries and Wages	$761,246	$753,232	$772,877	$781,385	$28,153	$8,508
Fringe Benefits	345,053	354,019	347,794	351,523	-2,496	3,729
Operating Expenditures	351,023	269,868	484,986	284,986	15,118	-200,000
Equipment	3,031	2,900	2,670	2,670	-230	0
Special Funds	126,545	180,000	155,000	155,000	-25,000	0
TOTAL	$1,586,898	$1,560,019	$1,763,327	$1,575,564	$15,545	$-187,763

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 provides oversight of 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	2013 Actual	2014 Planned	2015 Planned
Average time to resolve formal complaints.	58 days	25 days	45 days
Average time to resolve disciplinary appeals.	105 days	120 days	120 days
Number of outreach events and community contacts.	65	229	168

STRATEGY IMPLEMENTATION

Policy Oversight: The Fire and Police Commission's primary responsibility is policy oversight. The Commission's statutory responsibility is to oversee and prescribe the policies and standards of both the Fire and Police departments. This oversight authority is exercised by Board action and 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 serves 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. Data from the annual reports is used for analysis of MPD policies, procedures and training. The Commission provides periodic summaries of officer involved shootings and

an evaluation of taser deployment and usage. 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 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. Increased accessibility results in a higher volume of complaints and improved community confidence in the complaint process (see Figure 2 and Figure 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.
- 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.

The current complaint process has significantly shortened the time needed to resolve a complaint from an average of 270 days in 2008 to 58 days in 2013. The Commission strives to resolve all citizen complaints in 90 days or less. The complaint process includes a mediation program.

Figure 1

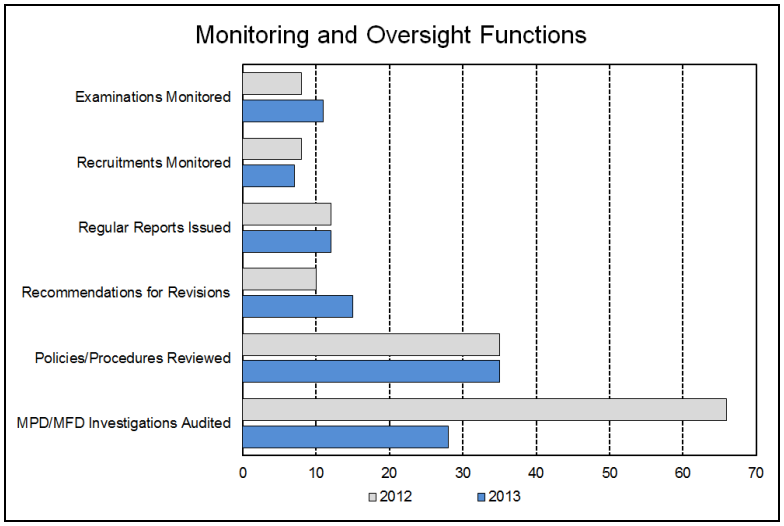


Figure 2

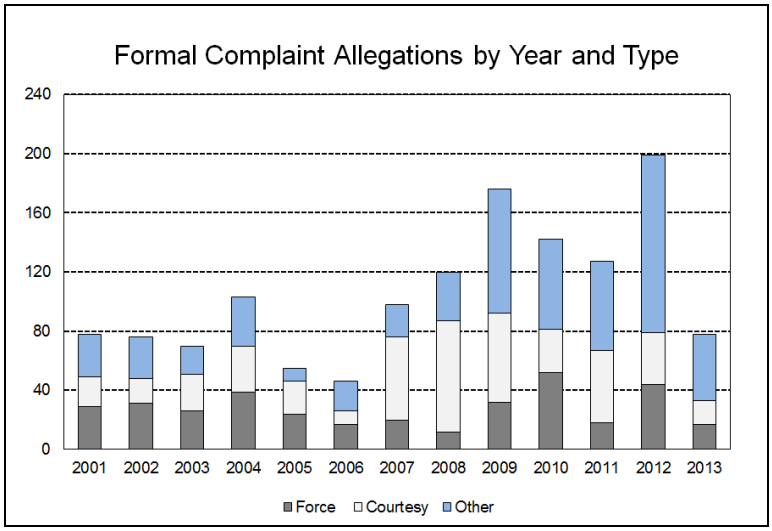
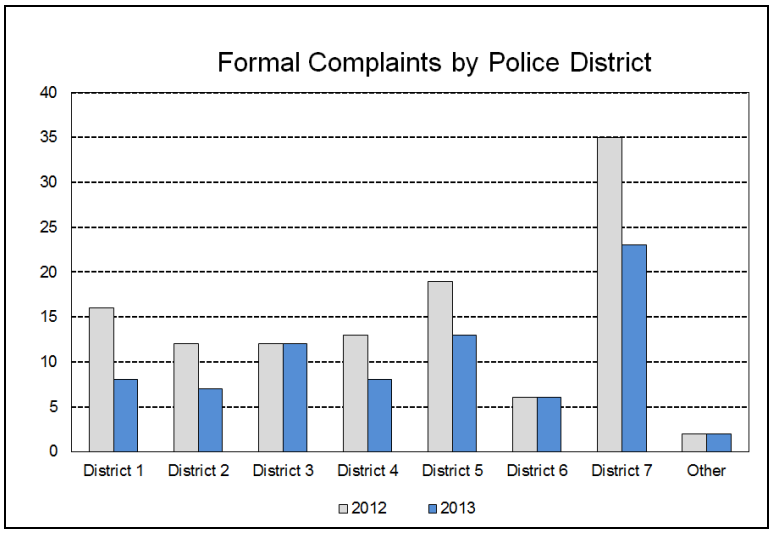


Figure 3



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 efficiently handle the 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's 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 monitoring and disciplinary action as tools to provide a transparent and effective citizen complaint investigation process.

Figure 4

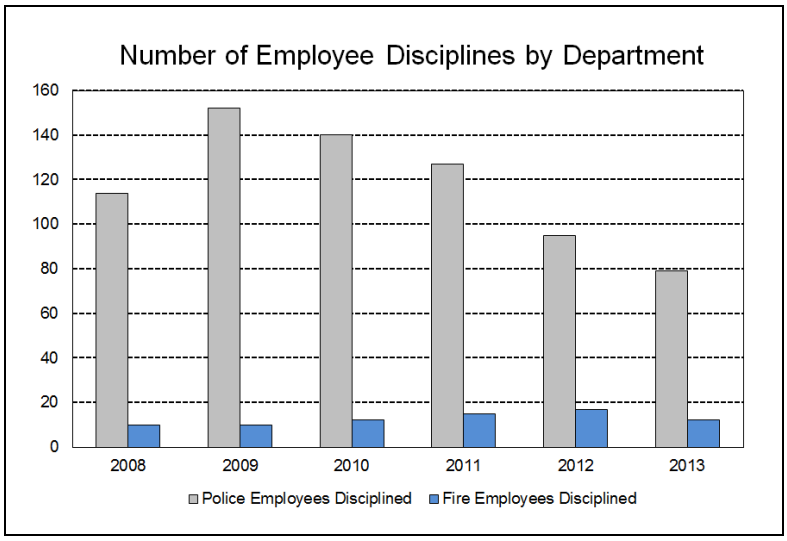
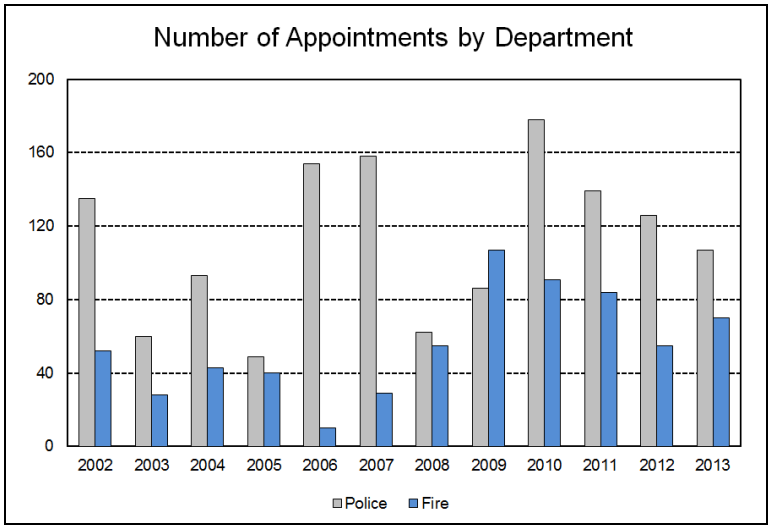


Figure 5



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 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.

The Commission leverages 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 is committed to making the public safety workforce representative of the Milwaukee community. The Commission develops and administers 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 either Chief positions becomes vacant, 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 2013, the Commission completed a job analysis and testing for Police Telecommunicator, Police Dispatcher, Fire Equipment Dispatcher, Police Sergeant, Police Lieutenant, Police Detective, Fire Lieutenant and Fire Captain. The Commission will administer newly designed examination processes for all of these 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.

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 to coordinate response and recovery activities, initiated and coordinated the federally funded creation of a Comprehensive Emergency Management Plan, and secured over $400,000 in Port security grant funding. Federal funding for the UASI Program was eliminated in 2013 for 31 U.S. cities, including Milwaukee. The Commission has received State of Wisconsin Emergency Management grant funding to continue OEMHS operations through 2015.

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

FIRE DEPARTMENT

EXECUTIVE SUMMARY

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

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

Maintain a 95% recovery rate from penetrating trauma.

STRATEGIES: Install 1,500 smoke detectors in residential properties annually.

Provide public education 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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	1,195.74	1,004.99	994.50	1,004.49	-0.50	9.99
FTEs - Other	2.37	1.80	1.50	2.80	1.00	1.30
Total Positions Authorized	1,028	1,012	996	993	-19	-3
EXPENDITURES						
Salaries and Wages	$69,242,628	$68,034,773	$68,454,194	$66,983,166	$-1,051,607	$-1,471,028
Fringe Benefits	30,466,757	29,935,301	28,066,219	27,463,099	-2,472,202	-603,120
Operating Expenditures	5,019,740	5,593,513	5,939,141	5,671,641	78,128	-267,500
Equipment	304,279	739,220	745,500	671,100	-68,120	-74,400
Special Funds	472,281	234,100	245,000	245,000	10,900	0
TOTAL	$105,505,685	$104,536,907	$103,450,054	$101,034,006	$-3,502,901	$-2,416,048
REVENUES						
Charges for Services	$5,824,785	$5,753,200	$6,670,000	$6,687,000	$933,800	$17,000
TOTAL	$5,824,785	$5,753,200	$6,670,000	$6,687,000	$933,800	$17,000

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 functions 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 has 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

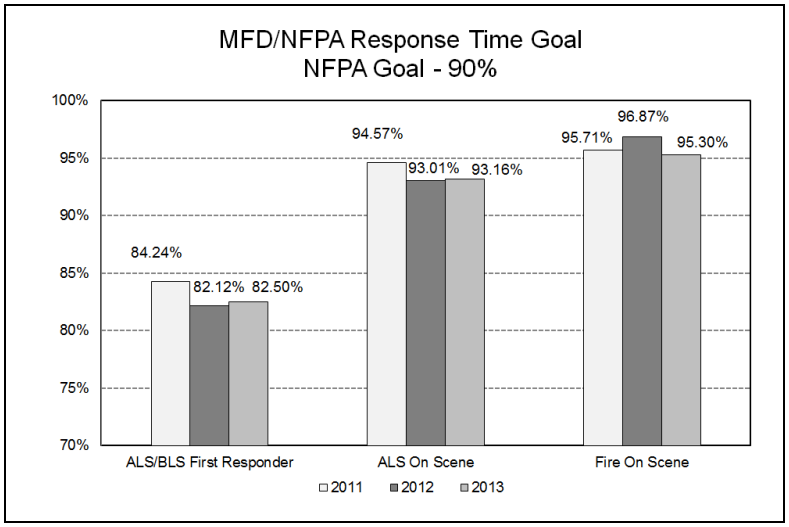
Measure	2013 Actual	2014 Planned	2015 Planned
Limit fire related deaths to less than ten per year.	2	0	0
Maintain a 95% recovery rate from penetrating trauma.	92.9%	95%	95%
Install 1,500 smoke detectors.	1,696	1,500	1,500

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. The Fire Department will continue to deploy resources sufficient to achieve fire suppression and emergency medical responses that are superior to national standards.

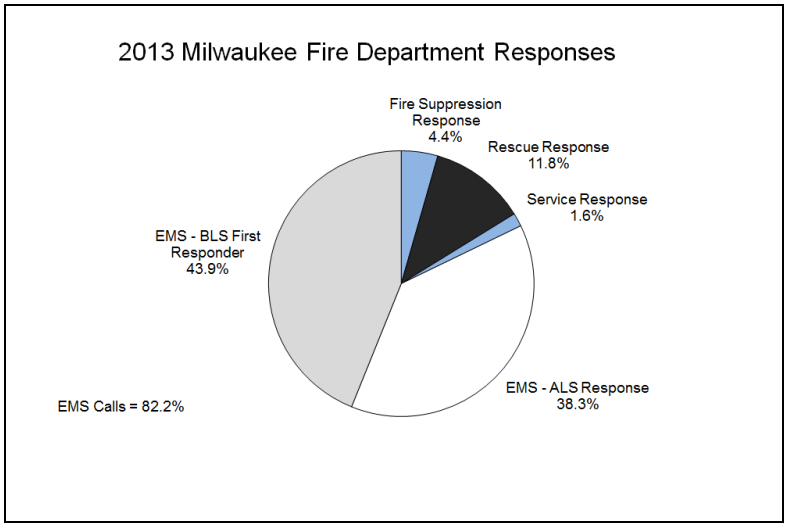
Response Time: The MFD uses response time and geographical coverage data to locate and operate fire suppression and medical services units. As Figure 1 indicates, the department has impressive rates for the most critical types of fire and EMS calls. These are the calls where quick response is most critical to saving lives. Average response time to fires was 3 minutes 13 seconds in 2013, and is 3 minutes 21 seconds through June of 2014.

Figure 1



Indicators tracked through the AIM Program show that the Advanced Life Support responses provided by MFD have a positive impact on survival rates for penetrating trauma incidents. In 2013, incidents treated by responders stabbing victims had a recovery rate of 96.3% and 89.5% of gunshot victims survived (see Figure 2).

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.

In 2013, the department made 6,523 fire prevention contacts to residents in one and two family dwellings. Education programs include the Poster to Billboard contest, Sesame Street, Elder Safe, the Survive Alive House, and the Mobile Survive Alive Houses which reached over 268,000 residents in 2013. 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.

Ranked Top Five Metropolitan Area in the Midwest: In August of 2014, *Homeownersinsurance.com* published a ranking of the Midwest regions safest metropolitan areas for fire safety. The rankings were based on residential fire risk, preparedness and response time to fires. The City of Milwaukee was ranked fourth safest overall[1]. One of the contributing factor's supporting Milwaukee's ranking is the city's high rate of homes with working smoke detectors.

RESIZE, RESTRUCTURE, AND REINVEST

The department is restructuring and reinvesting in the FOCUS Program to encompass the entire city. The expanded program will visit each home and business every five years with the goals of:

- Installing/testing of smoke detectors in one and two family dwellings.
- Building relationships in Fire companies' first in response in areas/neighborhoods through public education.
- Familiarizing visits and establishing pre-fire/pre-emergency plans for businesses and apartment/condo buildings.

Department restructuring continues with various special duty management controls including improved vacation scheduling, return to work, and safety programs. The Fire Department has saved nearly $4.6 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 five years, these savings are in addition to those budget reductions and have not affected service levels.

[1] https://homeownersinsurance.com/blog/2014/08/06/top-5-fire-safe-metros-in-the-midwest/

Additional restructuring efforts are underway to create more inclusive 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. In 2013, the department went on 28 shared service fire calls. Through June 2014, the department has gone on 32 shared service fire calls.

The Fire Department continues reinvesting through the Fire Cadet Program. In 2013, the program was increased from 13 Cadets to 39 Cadets. The expanded program increases diversity and creates career opportunities for Milwaukee's youth. The 2015 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, injury rehabilitation, movement screening, 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 2015, the department will hire an Athletic and Fitness Instructor to further expand their fitness, injury prevention and injury rehabilitation program.

CAPITAL PROJECTS

The 2015 proposed capital budget supports the major equipment and facilities maintenance needs of the Fire Department. The budget includes $2,900,000 for an upgrade at the Fire Repair Shop. The current Repair Shop was built in 1929 and is no longer suited for an operationally efficient repair facility. The project will construct an annex building on an adjacent lot to provide the department with a modern space for repairing fire suppression and EMS apparatus. The new facility will improve the efficiency of the Repair Shop, eliminate the backlog of repairs, and increase access to reserve fleet.

The proposed capital budget also includes $414,000 for major equipment replacement for EMS apparatus, $1,374,000 for additional facility upgrades, and $110,000 for auxiliary power supply.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-2			Fire Captain	Reflects decommissioning of companies that were previously on brownout. Department retained position authority but positions were not funded.
-4			Fire Lieutenant	
-2			Fire Fighter	
-9			Heavy Equipment Operator	
-2			Paramedic Field Lieutenant/Fire Paramedic Field Lieutenant	
-1			Fire Lieutenant Project Staying Alive Coordinator	Program eliminated staff reassigned.
1	1.00		Athletic Trainer and Fitness Instructor	New position created.
	0.50	-0.50	Battalion Chief, Fire EMS	MMRS grant funding expired.
	-2.00	2.00	Various Positions	Increase in FOCUS funding.
		-0.50	Various Positions	Miscellaneous adjustments and FTE calculation correction.
-19	**-0.50**	**1.00**	**Totals**	

HEALTH DEPARTMENT

EXECUTIVE SUMMARY

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

OBJECTIVES: Control the spread of communicable disease.

Reduce the number of children with lead poisoning.

Reduce injuries, disabilities, and deaths due to violence.

Prevent the spread of food borne disease.

Reduce the infant mortality rate.

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

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

Abate lead paint hazards in contaminated residential housing.

Promote food safety and sanitation.

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

BUDGET SUMMARY

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	141.94	139.30	139.32	139.79	0.49	0.47
FTEs - Other	100.73	101.45	102.45	100.45	-1.00	-2.00
Total Positions Authorized	254	252	253	251	-1	-2
EXPENDITURES						
Salaries and Wages	$7,236,352	$7,126,643	$7,264,080	$7,331,695	$205,052	$67,615
Fringe Benefits	3,313,788	3,349,522	3,268,836	3,299,263	-50,259	30,427
Operating Expenditures	1,617,856	1,783,883	1,824,803	1,847,059	63,176	22,256
Equipment	17,250	5,000	40,000	40,000	35,000	0
Special Funds	275,630	353,848	353,848	323,848	-30,000	-30,000
TOTAL	$12,460,876	$12,618,896	$12,751,567	$12,841,865	$222,969	$90,298
REVENUES						
Charges for Services	$877,484	$957,200	$873,000	$873,000	$-84,200	$0
Licenses and Permits	913,560	639,400	719,400	709,400	70,000	-10,000
TOTAL	$1,791,044	$1,596,600	$1,592,400	$1,582,400	$-14,200	$-10,000

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 number of children with lead poisoning.

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

The department improves public health by 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, the Zeidler Municipal Building, and a satellite office within the new University of Wisconsin Milwaukee Zilber School of Public Health.

Key Performance Measures

Measure	2013 Actual	2014 Planned	2015 Planned
Number of immunizations administered for the city and MPS.	16,417	12,000	12,000
Number of clients seen at STD clinics.	5,918	5,400	6,000
Percentage of all food inspections with one or more critical risk violations.	24%	35%	20%
Percentage of children with high blood lead level.	3.3%	3.4%	3.3%
Infant mortality rate per 1,000 births. [A.]	9.6	9.6	9.6

[A] Note: 2012 is the latest year for which data is available.

STRATEGY IMPLEMENTATION

Childhood Immunizations: Improving immunization rates in the city has helped suppress outbreaks of various vaccine preventable diseases, including measles, mumps and pertussis, over the past five years and has ensured community health during seasonal influenza epidemics.

However, significant challenges remain to achieving K-12 school immunization rates that exceed the 95% goal. Challenges include, increases in personal belief waivers by parents and guardians, new vaccination requirements for children and young adults, and parental/healthcare provider awareness of patient vaccination status. Furthermore, as Figure 1 shows, immunizations directly administered by the department to the public in 2014 will

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 2015, the department will continue participating in a broad based community coalition, known as Immunize Milwaukee, to improve adult and childhood vaccinations. This coalition will leverage resources to promote immunization within Milwaukee. The department will also work with health care providers and other community agencies to ensure immunization services in the city during 2015, including reducing disparities in vaccination rates within minority groups.

Sexually Transmitted Disease: Milwaukee has high incidence rates for gonorrhea and chlamydia. Milwaukee faces significant challenges in controlling Sexually Transmitted Diseases (STDs). The Health Department's STD and HIV programs offer community outreach, education and services including screening, treatment, counseling, and referral for STD and HIV counseling. The department's STD clinic sees an average of 6,000 clients each year and maximizes client outreach and services through newer programs and initiatives that involve partnership with community based organizations. The department performs educational outreach and testing throughout the year at various community events. This allows the department to treat a larger number of cases in a timely manner in order to decrease both occurrence and reoccurrence of STD cases.

Figure 1

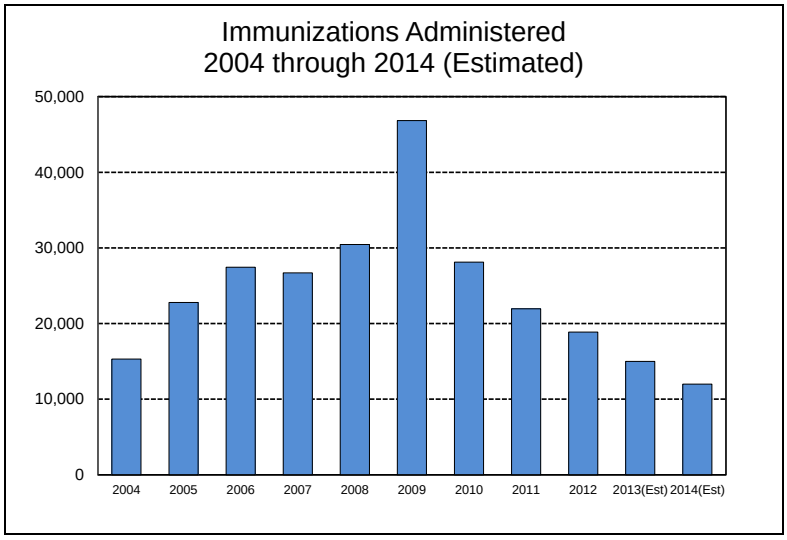
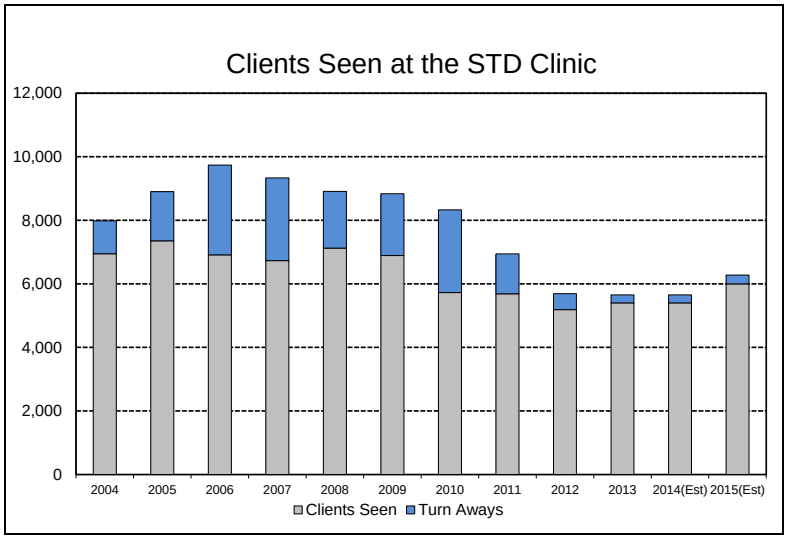


Figure 2



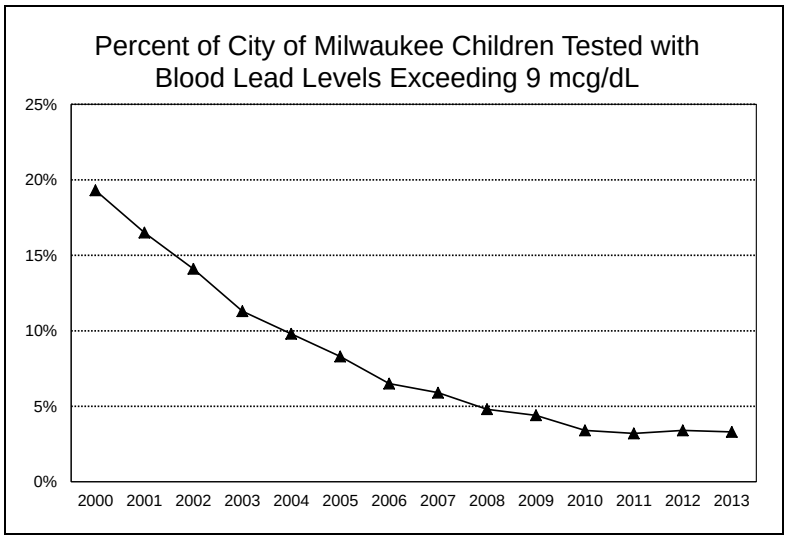
MHD works with community health care providers, community based organizations, MPS and other partners to achieve effective STD and HIV prevention and control. For example, the department partners with Diverse and Resilient, Inc. to reach young African American homosexual and bisexual men. The partnership targets the root causes associated with HIV among these men and promotes collaboration with community agencies to maximize client outreach and disease reduction. A communicable Disease Specialist from the Health Department also conducts STD screenings one day a week at Diverse and Resilient, Inc. to further leverage this partnership.

To better serve individuals living with HIV, the department partners with ARCW by housing a "Linkage to Care" specialist. This provides timely referrals to clients in need of care services and increases the number of HIV positive individuals who receive appropriate medical care and treatment.

The department develops process improvements that positively impact service outcomes at the Keenan STD clinic. In 2012, a quality improvement process was launched to identify problematic areas and improve program

efficiency. This resulted in a significant decrease in the number of client turn aways at the clinic. In 2013 only 5.3% of clients were turned away at the clinic, compared to 8.7% in 2012.

Figure 3



Childhood Lead Poisoning Prevention: Evidence 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 implements cost effective prevention and intervention strategies that reduce 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 success is related to a proactive prevention strategy that identifies and eliminates 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 requires close collaboration with property owners to ensure adequate and ongoing maintenance that provides lead safe housing within Milwaukee.

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 2013. In addition, approximately 68% of eligible children in Milwaukee are being tested for lead compared to approximately 50% of eligible children ten years earlier. The CDC lowered the lead intervention level to >5ug/dL in 2012. This generated a new intervention of notifying parents/guardians of their child's lead result being >5 by letter. In 2013 3,349 letters were sent. In 2013, the program completed 484 units and projects a decrease in units reflecting the completion of a 42 month HUD grant. The 2014 $3.9 million HUD grant will focus in areas of the city where 74% of lead poisoned children reside in zip codes 53206, 53208, 53209, 53210, 53212 and 53216. If this grant is awarded, the objective will be to abate 710 units. The Lead Program will continue to provide comprehensive monitoring of federally funded housing rehabilitation projects conducted in partnership with the Department of City Development. In 2013, the Health Department's Lead Program conducted 144 investigations and issued 125 legally binding lead orders on residential properties.

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 its staff leadership and partnership with multi-disciplinary teams of agencies and organizations, OVP will continue to collaboratively develop, implement, and evaluate 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/or 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. The Commission staff and partners will identify a site, establish protocols and policies related to safe exchange and visitation and evaluate the program. The site will open in fall of 2014.

OVP continues to partner with the Medical College of Wisconsin's Youth Violence Prevention Initiative, helping develop and implement this multi-million dollar investment in youth violence prevention in Milwaukee. OVP is working collaboratively, in a partnership known as "Coming Together," 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 concluded an evidenced based community readiness assessment in anticipation of a comprehensive sexual assault outreach effort in 2015. The development of an outreach campaign was identified as a significant need in the city's OJA funded sexual assault initiative.

With its partners from the Homicide Review Commission, OVP co-convened a Juvenile Violence Workgroup comprised of stakeholders from throughout the juvenile justice system. With a goal to identify system gaps, including information sharing, the effort identified problems with the complicated juvenile justice system and the community's response to system determinations. The Workgroup developed 16 recommendations. In conjunction with Milwaukee's Community Justice Council, the Workgroup will develop implementation strategies including protocol and practices revisions, and if necessary, legislative and funding advocacy.

Figure 4

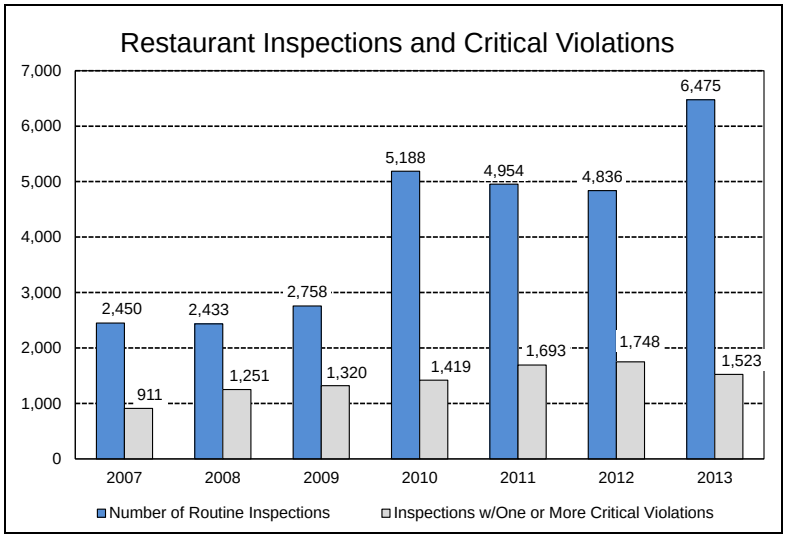
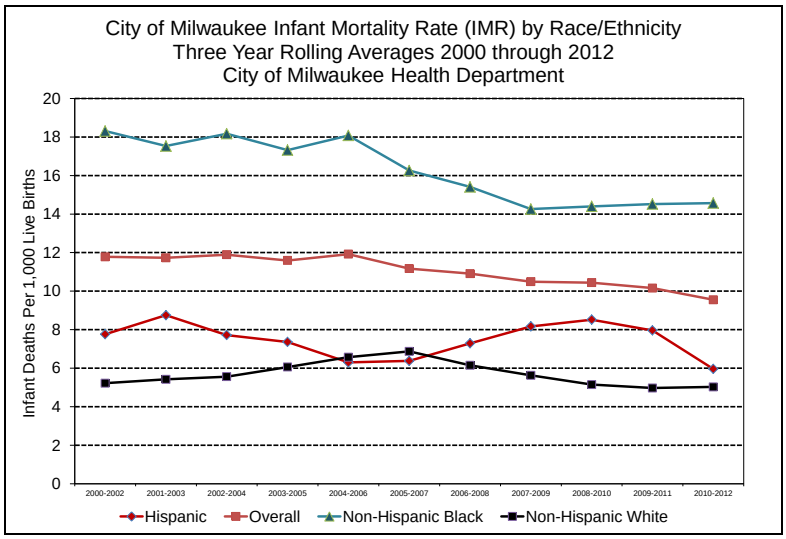


Figure 5



OVP continues to engage the faith community in violence prevention work and will continue those efforts in 2015 through Ceasefire Sabbath, Human Trafficking, 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 so that deficient practices are eliminated. In 2013, the department performed 8,735 food inspections, of which 6,475 were routine inspections. Twenty four percent of all routine food 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 out of every 1,000 live births who die before their first birthday) is an important indicator of a community's overall social and economic well being. Data from the 2009 and 2011 Fetal and Infant Mortality Report, shows that non-Hispanic African Americans in Milwaukee experience a 14.4 per 1,000 infant mortality rate compared to an 7.5 rate for Hispanic residents and a 5.2

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 four home visiting programs that emphasize healthy birth outcomes and improving parenting skills. The Empowering Families of Milwaukee Program targets high risk pregnant women. The program uses 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. 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 806 new clients and seen 807 infants. In 2013, 100% of the women involved in the program were receiving prenatal care and around 60% of mothers initiated breastfeeding at birth. More than 67% of the infants born to program participants scored at or above benchmark developmental levels, indicating the program's ability to overcome high risk environmental circumstances.

A second program, the Nurse Family Partnership (NFP), improves birth outcomes, the child's health and development and 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 performed by a team of nurses. Visits begin in early pregnancy and continue until the child's second birthday. The program expects the following outcomes:

- Improved prenatal health,
- Fewer childhood injuries,
- Fewer subsequent pregnancies,
- Increased intervals between births,
- Increased maternal employment, and
- Improved school readiness.

The Nurse Family Partnership Program has enrolled 496 families since the program's inception. In 2013, 69% of new mothers had initiated breastfeeding and 89% of the infants were current with recommended immunization schedules.

The third program is Parents Nurturing and Caring for Children (PNCC). It provides prenatal care coordination to pregnant moms and their families during pregnancy and until the infant turns two months old. In 2013, PNCC achieved healthy birth outcomes, with only one infant being born less than 37 weeks gestation. More than 66% of PNCC moms initiated breastfeeding after delivery.

The newest home visiting program, the Direct Assistance to Dads (DAD) Project provides intensive, evidence based, and participant driven fatherhood focused home visitation services to expectant and parenting fathers in an eleven zip code area in Milwaukee. The DAD Project is one of the Wisconsin Partnership Program's Life Course Initiative for Healthy Families funded programs and was developed to address the need for high quality, father focused services in Milwaukee. Research demonstrates that meaningful father involvement correlates with children's secure attachment and optimal development and reduces stress and depression in mothers. Program goals include positively impacting infant mortality, improving birth outcomes, and strengthening African American families and communities by strengthening father involvement in their child(ren)'s and partner's lives. It is anticipated that 50 fathers will be enrolled by the end of 2014.

The department will host its fourth annual Strong Baby Sabbath (formerly known as Safe Sleep Sabbath) in October 2014. This event garners the support of more than 100 clergy to alert their congregations to the troubling infant mortality statistics in Milwaukee and share critical information to reduce premature births and promote safe sleep practices for infants. In addition, the department is an official "Cribs for Kids" site and through August 2014 has distributed nearly 3,400 cribs (Pack 'n Plays) to families who cannot afford to buy one. The department continues

its Strong Baby media campaign, on numerous factors that affect infant mortality, birth outcomes and child development.

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 for the city 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 laboratory environmental health programs include testing to support the lead poisoning and prevention program, monitoring food borne diseases, beach and drinking water safety, and gastrointestinal and respiratory disease surveillance and outbreak investigations.

The 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). It is 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 outbreak investigations and results in increased revenue for the city. 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

Tuberculosis Control Clinic: During 2015, the Health Department Tuberculosis Control Clinic (TBCC) will receive $100,000 in operating funds to offset the elimination of revenue from the State of Wisconsin through the previous Refugee Health Screening contract, which expires in 2014. The prevention and control of tuberculosis in Milwaukee is a priority given both the incidence of disease and emergence of multi-drug resistant strains which require long term and intensive treatment and patient management. The operating funding will support clinic activities, including the screening, testing and treatment of infected individuals, and case contact investigations. The department will continue to identify funding through State sources during 2015 to support and sustain TBCC and related program activities. The department will also explore partnerships within the community to augment community outreach and awareness and to limit transmission of tuberculosis within the city.

Health, Justice, Development (HJD) Initiative: The HJD Initiative a broad based collaboration involving individuals from public health and health care, community development and criminal justice. The Initiative will explore how to transform systems for "a healthier, safer and more prosperous Milwaukee". OVP will partner with community justice, community development, and health professionals at a launch event in late 2014 and will follow up throughout 2015 to develop high impact strategies for achieving success.

Capital Investment: The 2015 proposed budget includes $366,000 in capital funding for the Health Department. This includes $300,000 for installing a building automation system at various facilities and $25,000 for maintenance of the laboratory ventilation system.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	0.30	-1.30	Public Health Nurse	Reduction due to TB Grant funding.
1	0.65	-0.65	Health Interpreter Aid	Added funding due to grant expiration
-1			Building Supervisor Transition	Expiring one time expenditure.
	-0.25		FMIR	Expiration of grant.
-1	-0.25		Graphic Designer II	Position moved to Common Council City Clerk's Office.
1		1.00	Violence Prevention Data Manager	New position for Homicide Review Commission.
-1	-1.00		Accounting Assistant II	Restructure of Clinic Operations Section.
1	1.00		Program Assistant II	
2		2.00	Health Project Assistant DAD	New grant positions.
1		1.00	Nutritionist	
1		1.00	Health Access Assistant II	
1		1.00	Lead Risk Assessor II	
-1		-1.00	Lead Education Assistant	Expiration of grant.
-1		-1.00	Lead Risk Assessor II	
-1		-1.00	Lead Risk Assessor II	
-1		-1.00	Chemist II	
-1		-1.00	Public Health Nurse	
	0.04	-0.05	Experience Adjustments	
-1	**0.49**	**-1.00**	**Totals**	

LIBRARY

EXECUTIVE SUMMARY

MISSION: Inspiration starts here; we help people read, learn and connect. MPL is an anchor institution that helps build healthy families and vibrant neighborhoods, the foundation of a strong Milwaukee.

OBJECTIVES: Create a city of readers and lifelong readers.

Anchor healthy and vibrant neighborhoods.

Reduce the digital divide.

STRATEGIES: Reading and Research Services
- Provide information and literary resources in formats in demand by residents.
- Continue Teacher in the Library.
- Support research and reference.

21st Century Literacies
- Support early literacy initiatives.
- Minimize summer slide through Summer Reading Initiative.
- Increase access to library cards for city students.

Technology and Digital Inclusion
- Maintain a robust connection to the Internet and computer access.
- Develop relevant learning opportunities.
- Continue Technology Specialist services.

Workforce Development and Business Growth
- Offer job seeking preparation opportunities.
- Continue computer training classes.

Community Engagement and Leadership
- Increase the library Volunteer Corps.
- Develop new customers through partnerships.

Out-of-School Learning for Teens
- Enhance literacy and educational opportunities for youth.
- Engage partners to help achieve shared goals.

Community Third Place
- Implement Branch Building Program.
- Continue Sunday hours as a means of supporting a family orientation towards literacy and learning.

Resource Alignment and Organizational Development
- Expand programs and services through use of volunteers.
- Use RFID, technology and facilities improvements to reduce costs and improve efficiency in library operations.

BUDGET SUMMARY

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	272.40	292.15	295.16	291.18	-0.97	-3.98
FTEs - Other	16.74	17.37	17.37	18.28	0.91	0.91
Total Positions Authorized	372	370	371	371	1	0
EXPENDITURES						
Salaries and Wages	$11,653,398	$11,736,357	$11,967,865	$11,938,460	$202,103	$-29,405
Fringe Benefits	5,460,608	5,516,088	5,385,539	5,372,306	-143,782	-13,233
Operating Expenditures	2,470,439	2,628,229	2,767,441	2,731,761	103,532	-35,680
Equipment	1,763,022	1,874,232	2,143,700	2,006,700	132,468	-137,000
Special Funds	13,182	13,182	13,182	13,182	0	0
TOTAL	$21,360,649	$21,768,088	$22,277,727	$22,062,409	$294,321	$-215,318
REVENUES						
Charges for Services	$1,136,665	$1,192,800	$1,188,000	$1,188,000	$-4,800	$0
TOTAL	$1,136,665	$1,192,800	$1,188,000	$1,188,000	$-4,800	$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.

In 2013, the Library Board approved a new strategic plan, MPL 2020: Our Plan for the Future. The Plan's core goal is to prioritize services to three broad groups of Milwaukee residents with the greatest potential to benefit from library services. These groups represent families with limited resources and various barriers to literacy and economic services. Eight strategies for providing services were developed, which align with the city goals listed above.

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. With assistance from private and non-profit organizations and federal stimulus funds, MPL offers 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 includes 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 will also partner with the Department of City Development to advance the goals set in its economic development plan, Growing Prosperity: An Action Agenda for Economic Development.

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. Technology is a primary focus of 21st Century Literacies. Every MPL library offers public computer classes, public computer workstations and laptops and high speed Internet.

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. Throughout the year, thousands of free literacy based programs are offered at libraries.

The Library offers reading materials and other information resources in a variety of formats to meet the needs and demands of the public. Print and e-books are available 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 and downloadable online files; all film genres are supplied on DVDs; newspapers and magazines are provided 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	2013 Actual	2014 Planned	2015 Planned
Patrons served by early literacy programs.	33,153	35,000	35,000
Patrons served by school age programs.	50,749	66,000	66,000
Summer Reading Program participation.	22,343	23,000	23,000
Public computer hours.	483,572	460,000	469,000
Digital materials circulation.	106,867	225,000	136,000
Job lab computer centers attendance.	4,403	3,550	4,700
Adult programs attendance.	16,308	17,000	17,000

STRATEGY IMPLEMENTATION

Reading and Research Services: The role of public libraries has evolved as information delivery systems have become automated through electronic methods. Libraries have maintained their relevance by adapting and continuing to serve the needs of all people. MPL supports families, individuals, and local organizations by

providing relevant resources, professional staff, research and reference services, collections in all formats and programming.

Research and Reference: Branch Librarians and assistants offer one-on-one guidance and referral. The Central Library offers unique collections to researchers and professional assistance in matching resources to individual information needs. Central Library serves as the Resource Library to the Milwaukee County Federated Library System by providing special collections, reference, research, and library services to all county residents.

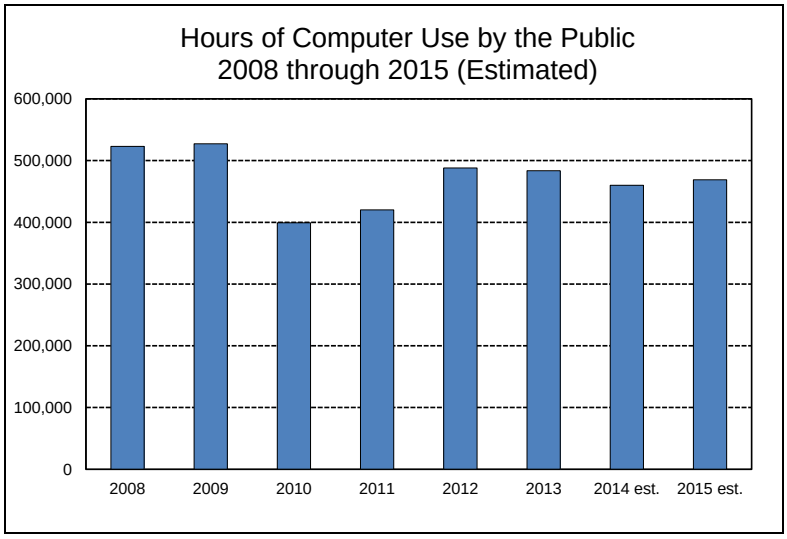
Teachers in the Library: This initiative started in 2011 and brings certified teachers into libraries after school to help children complete homework assignments and focus on their studies. The goal is to help students improve their skills in all academic areas and their classroom performance. Teachers also provide support, counseling, and advocacy to 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 2015 at nine branch libraries, Atkinson, Bay View, Capitol, Center Street, Forest Home, Martin Luther King, Mill Road, Villard Square and Washington Park, with $100,000 in CDBG funding support.

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. In the 2013-2014 school year, MPL issued 1,362 cards to first graders and spoke to 3,572 first graders during 66 school visits to first grade classrooms. During the visit from a Library Youth Educator, first graders learn about all the materials and services the Library has to offer them and their families. They also learn how to get a library card and how to check out books. In 2015, MPL will work closely with Milwaukee Public Schools and volunteers to continue this program and increase the number of cards issued to first graders.

Job Drop-In Labs and Computer Training: The Library places a high priority on technology skills development. In 2013, MPL offered 800 computer classes focused on providing residents with computer skills. In 2013, 2,744 participants utilized 459 drop-in labs and 4,403 participants attended scheduled classes. Through July 2014, 168 drop-in labs have been held with 1,181 attendees and 284 classes have been held with 1,394 attendees. The initiative is funded in part with private donations.

Overall usage of public computers continues at high levels. In 2013, the Library added four self-service laptop kiosks and reallocated laptops so that all branches now have them available to the public. Through July 2014, compared to the same period in 2013, computer use has decreased slightly, primarily due to the temporary reduction of services at the East Branch during construction of the new library. Computer use is projected to increase through 2015 (see Figure 1). Because of their much wider availability, laptop checkout has increased 15% in the first seven months of 2014 compared to 2013. 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

Figure 1



services offered through the Library's website. Patrons can access this technology on library computers and in most cases remotely from personal computers and mobile devices.

Technology Specialist Positions: The 2015 proposed budget continues to fund six Library Technology Specialist (LTS) positions that were originally created through the Broadband Technology Opportunities Grant. These staff members provide technology skills training to city residents at branch libraries and continually develop new curricula to address evolving community needs. The LTS staff manage laptops, teach computer and software classes, and provide individual and small group digital literacy instruction in English and Spanish. They also host Drop-In Job Help sessions to assist people who are unemployed and underemployed, helping them effectively search and apply for jobs. The LTS staff rotate among all the branch libraries, working to bridge the digital divide throughout the city.

RESIZE, RESTRUCTURE, AND REINVEST

Books and Materials: Approximately $1.6 million is allocated to fund materials purchased for Central Library, the 12 branch libraries and one express library. These funds will purchase books, media, electronic databases, serials, e-books and other resources. The use of e-books has increased 41% in the first seven months of 2014 compared to 2013, and demand for digital formats continues to grow.

21st Century Literacy Services: In this century, literacy is more broadly understood as the ability to find, read, interpret and apply information to meet an expressed need, whether information is in print or electronic form. This strategy includes services to all ages, including the very young.

Ready to Read with Books2Go: The "Ready to Read with Books2Go/Libros Para Llevar" Program improves the reading readiness skills of Milwaukee children ages three through five. The program, which focuses on childcare providers and families located in neighborhoods with the highest concentration of poverty, has been in operation for 15 years. In 2013, the program served 667 children monthly, and in 2015 the program is anticipated to serve approximately 600 children.

The program incorporates visits to childcare centers twice per month to deliver books, offer story times to children, teach childcare providers methods for developing early literacy skills with children and 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 from private donations to the Milwaukee Public Library Foundation. Funding has been received to adapt this program to serve the needs of children under the age of three.

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 2014, the program served 20,401 youth including 5,791 youth served at 85 school age youth servicing agencies and 2,265 pre-school children at childcare centers.

In 2015, 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 weekly 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, cost approximately $140,000. This is primarily funded through the Milwaukee Public Library Foundation, with $13,000 in city funding provided in 2015.

Community Engagement and Leadership: The MPL Strategic Plan established a goal of increasing the Library's impact on the community through partnerships. Partnerships are instrumental to successful initiatives. Each staff

member has also been charged with engaging in the community and has the responsibility of helping to improve the awareness and use of library services through their own personal and professional networks.

Out-of-School/Connected Learning for Teens: MPL's technology infrastructure is robust and offers motivated individuals the opportunity to take advantage of all it offers. The MPL Strategic Plan calls for the Library to expand learning and to create educational opportunities for teens using technology, high speed Internet connections, and computer access. The Library has shifted resources to create an Education Specialist position to focus on developing this initiative in 2015.

Community Third Place: Third places are "anchors" of community life and facilitate and foster broader, more creative interaction. They are the places we go when we are not at home (First Place) or at work or school (Second Place). MPL is already an anchor in communities throughout the city and will renew its sense of "place" through services, programs and facilities. Creating and maintaining libraries as places of inspiration and possibility is a strategy that has been supported through the investment in the Central and branch libraries.

East Library Development: Total capital funding of $3.55 million has funded redevelopment of the East Library. This project has enabled the city to develop a valuable property and replace an aging library. The new East Branch provides a 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 and to open by early December 2014.

Branch Library Improvements: The 2015 proposed capital budget includes $7.05 million for several branch library improvements, including $2,750,000 for renovation of the Tippecanoe facility. The total cost for renovating Tippecanoe, including HVAC and mechanical systems replacement, improving accessibility and other facility improvements is $4.5 million. The 2015 proposed budget also includes $4.3 million for two mixed use library 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 six years. Branch libraries anchor neighborhoods, and with the city's investment will improve the economic conditions of the surrounding neighborhoods and business districts. Access to high quality facilities provides needed resources which encourages frequent use by neighborhood residents.

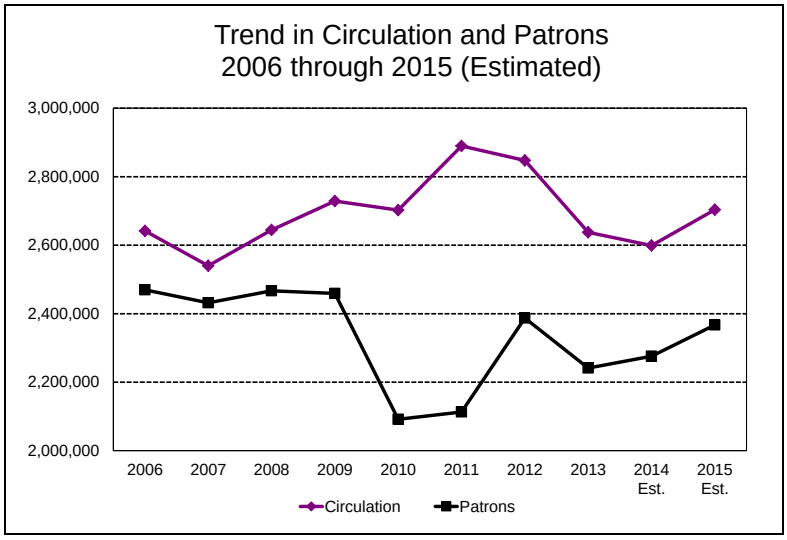
Central Library Improvements: The capital budget includes $1.7 million for improvements to Central Library. This includes $200,000 for ongoing repair of the building's historic mosaic tile and scagliola, $150,000 for masonry work on the building's exterior, $975,000 for replacement of an air handling unit, and $300,000 for roof replacement.

MPL Express at Silver Spring: The 2013 capital budget included $275,000 to purchase, install, and stock a vending library machine. This vending library was installed within Westlawn Gardens in September 2014. The machine provides materials 24 hours per day through self-service technology. The vending library holds 400 items, including requested "holds". It includes a link to the online catalog, digital signage, and accepts returns. Items returned to the machine are checked-in and automatically presorted for pickup, delivery, and restocking. This improves access to library materials for both residents of Westlawn Gardens and the surrounding neighborhoods.

Maintaining Library Hours: The 2015 proposed budget maintains hours at all library facilities. Central Library will be open 54 hours per week. Branch 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. Visits to the library declined from 2.24 million in 2013 to an estimated 2.13 million in 2014. Circulation of physical collections also declined from 2.64 million in 2013 to an estimated 2.5 million in 2014. These declines are due primarily to the closing of the East Library. These measures are expected to increase in 2015 by 15% due to the opening of the new East Branch, tempered by the closing of the Tippecanoe Branch, which will undergo renovation. As shown in Figure 2, increased library hours since 2010 have allowed the public to increase their use of library services.

Resource Alignment and Organizational Development: The Library continues to align its resources in order to meet its goals. In 2015, internal restructuring allows the Library to create two positions that will develop and execute programs for two distinct patron groups; adults and teens. This process is ongoing and the Library will look for additional opportunities to streamline operations to add value to direct public services.

Figure 2



Volunteer Program: The 2014 budget added a Library Volunteer Coordinator position. This position is 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 assist the public and library staff by greeting library users, answering basic library questions, assisting with frequently asked computer questions, registering children for the Summer Reading Program, distributing literature, and assisting patrons with photocopying, scanning and self-checkout. The Volunteer Coordinator began working full time in June. Volunteer recruitment has included outreach to the Volunteer Center of Milwaukee, Community Advocates, JobCorp, Audubon Nature Society, Phi Beta Sigma Fraternity, and the Non-Profit Center of Milwaukee. Currently, 156 volunteer applications are being screened for placement based on their skills and knowledge and background checks are being completed.

RFID/Self-Check Project: Beginning in 2009, self-checkout stations and new security gates were installed at all locations. The Library's goal is to have 80% of all circulation transacted through self-service stations. The system wide average for self-service is currently 77%. The RFID/Self-Check systems create operating efficiencies and streamline the processing of returned materials.

OTHER SERVICE AND BUDGET CHANGES

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 2015. MPL will work with MCFLS and suburban libraries in early 2015 to finalize new contracts. Once completed, these contracts will be submitted to the Mayor and Common Council for approval.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-0.10	-0.90	Facilities Project Coordinator	Position reclassified in CCFN 131469.
1	0.10	0.90	Library Construction Project Manager	
-1	-0.97		Library Personnel Officer	Position reclassified in CCFN 131349.
1	0.97		Human Resources Officer	
-1	-0.97		Personnel Analyst	Position reclassified in CCFN 131264.
1	0.97		Library Volunteer Coordinator	
1	0.97		Network Analyst Assistant	Position changes to reflect service delivery.
-1	-0.97		Librarian IV	
-1	-0.97		Librarian III	
	-0.49		Library Technician II	
1	0.49		Library Circulation Assistant I	
1		0.97	Library Education Outreach Specialist	
-1		-0.56	Library Circulation Aide	Position reclassified in CCFN 140444.
1		0.50	Library Circulation Assistant I	
1	**-0.97**	**0.91**	**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 (AIM) 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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	10.31	12.00	12.00	12.00	0.00	0.00
FTEs - Other	0.00	0.00	1.00	1.00	1.00	0.00
Total Positions Authorized	14	15	14	14	-1	0
EXPENDITURES						
Salaries and Wages	$694,186	$781,091	$810,533	$820,119	$39,028	$9,586
Fringe Benefits	339,084	367,113	364,740	369,054	1,941	4,314
Operating Expenditures	32,493	41,000	41,000	41,000	0	0
Equipment	2,387	3,000	1,000	1,000	-2,000	0
TOTAL	$1,068,150	$1,192,204	$1,217,273	$1,231,173	$38,969	$13,900

Compete Milwaukee: In 2015, Mayor Barrett and the Milwaukee Area Workforce Investment Board (MAWIB) will define strategic priorities to connect workforce development investments with employment opportunities. The goal is to address the disproportionate underemployment of city residents.

The Compete Milwaukee Initiative will:

- Align resources to maximize their impact and create a framework for comprehensive planning.
- Create a strong foundation for partnerships and collaborations with local and regional partners.
- Connect the city's planning and investments with workforce innovation, the Opportunity Act and "Ready to Work" Report, the National Skills Coalition and other federal initiatives.
- Work with employers to assess their needs, understand and articulate barriers to employment and make strategic linkages to put Milwaukeeans to work.

The Compete Milwaukee Initiative includes five components for 2015:

- Appointment of an Industry Advisory Board to drive the implementation of a job scan and alignment of strategies and investments to respond to workforce and labor market demands.
- Perform an assessment of current and forecasted job growth and related workforce development needs for the regional labor market. The job scan will provide a quantitative and qualitative report of regional employer and employee demands and identify critical focus areas. Included also is a program evaluation. The 2015 budget includes $75,000 for the job scan.
- Provide individuals employed in the city's Transitional Jobs Program with an employability assessment, and provide access to skill training and certification needed to connect with permanent employment. The 2015 budget includes $100,000 for this purpose.
- Create a Compete Milwaukee Liaison and a temporary support position in the Department of Public Works. The staff will ensure coordination within city government and with other agencies. The 2015 budget includes $85,000 for this staff.
- Continue participation in the Transitional Jobs Program by providing city and CDBG funding for 130 jobs. Total funding provided in 2015 is approximately $620,000.

Connecting Residents and Youth with Employment: A quality workforce is a crucial component of investment and industrial location decisions. The recession and slow recovery have increased unemployment. Mayor Barrett is utilizing the 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 the Mayor's Manufacturing Partnership has been able to accomplish the following outcomes through the summer of 2014:

- 187 employed in manufacturing jobs.
- 77 unemployed jobseekers trained on the job, with 45 gaining employment.
- 334 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.

Mayor Barrett's Earn & Learn Program celebrated its tenth year this past summer. The program, operating under MAWIB, is a Summer Jobs Program for Milwaukee teens. Young people employed through the Earn & Learn Program learn meaningful skills and enhance their resumes. Employed in jobs such as clerical, recreation, manual work, and food service, the youth in this program develop beneficial work habits and confidence. Between 2005 and 2014, 19,176 jobs were filled through the Earn & Learn Program.

Strong Neighborhoods Plan: Mayor Barrett's 2015 budget includes $10.6 million for the Strong Neighborhoods Plan. This is the second year of a three year comprehensive initiative to improve city owned properties and stabilize neighborhoods. The program will shift from the initial emphasis on mitigation to prevention, renewal and revitalization.

The 2015 budget includes $1 million to help owners avoid tax foreclosure by expanding the Code Compliance Loan Program and creating a new loan program to assist homeowners in making necessary property improvements.

The 2015 budget allocates $2.2 million for demolition of 170 abandoned or foreclosed homes.

The Department of City Development will coordinate a comprehensive targeted initiative to rehabilitate owner occupied and rental properties. Buyers can obtain low interest loans and city funding for rehabilitation which will leverage additional rehab financing programs, including those offered by WHEDA and the Social Development Commission. A Rent-to-Own Program for city foreclosed rental properties will allow purchase of those properties by the current tenants. Existing programs to renovate city owned properties will continue. Total revitalization funding for 2015 is $2.5 million, supporting sales and rehab of 350 homes.

The 2015 budget also includes $900,000 for innovative housing rehab programs, and vacant lot reuse and beautification.

Infrastructure: Continuing high levels of investment in core city infrastructure projects is a priority in the 2015 proposed budget. Core infrastructure programs including streets, bridges, street lighting and sewers total $80 million. Since 2004, funding for core infrastructure has increased by $39.9 million, nearly 100%. This is well above the inflation adjusted level of $50.6 million.

Due to the tremendous success and popularity of the High Impact Streets Program in 2013 and 2014, a similar approach will be employed within the Local Street Program. Whereas the High Impact Streets Program uses a curb-to-curb asphalt resurfacing approach on high traffic streets typically serving commercial corridors, beginning in 2015 a portion of the Local Street Program funding will apply the same approach to neighborhood streets. This technique will allow for 36 miles of neighborhood and commercial district streets to be upgraded through the Local Street and High Impact Street Programs, instead of 21.7 miles which would see upgrades using the current approach. The High Impact Streets Program will continue its success into 2015 by resurfacing eight miles.

From 1998 through 2020, the city will have reconstructed or rehabilitated all 21 moveable bridges. Given the high cost of repairing moveable bridges compared to fixed bridges, this reflects a tremendous commitment to the city's core infrastructure.

Environmental Sustainability: The Office of Environmental Sustainability (OES) was created to align 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 eight issue areas:

- Buildings
- Energy
- Food Systems
- Human Capital

- Land and Urban Ecosystems
- Mobility
- Resource Recovery
- Water

OES has several programs that help achieve the goals and targets established in *ReFresh Milwaukee*. The Me2 Program has improved energy efficiency in over 1,300 homes, and the Me3 Program has reduced waste and pollution at 30 manufacturers. Milwaukee Shines has raised over $2 million for residential solar loans and completed nearly 50 residential installations in the last year, while HOME GR/OWN addressed insufficient access to and demand for local, healthy food by converting over 30 vacant lots into community green spaces.

OTHER SERVICE AND BUDGET CHANGES

Position and Salary Changes: The 2015 proposed budget adds a Housing Outreach Director position.

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			College Intern	Experience reduction.
1		1.00	Housing Outreach Director	Coordinate the SNP with outside agencies.
-1			Staff Assistant to the Mayor Senior	Elimination of vacant position.
-1	**0.00**	**1.00**	**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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	33.83	36.40	37.40	36.40	0.00	-1.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	42	43	43	43	0	0
EXPENDITURES						
Salaries and Wages	$1,893,987	$1,929,000	$1,946,644	$1,969,354	$40,354	$22,710
Fringe Benefits	882,365	906,630	875,990	886,209	-20,421	10,219
Operating Expenditures	541,837	524,000	525,400	525,400	1,400	0
Equipment	2,987	3,000	6,000	6,000	3,000	0
Special Funds	44,991	40,000	40,000	40,000	0	0
TOTAL	$3,366,167	$3,402,630	$3,394,034	$3,426,963	$24,333	$32,929
REVENUES						
Charges for Services	$1,524,122	$1,797,800	$1,752,000	$1,752,000	$-45,800	$0
Forfeitures	4,483,325	4,755,400	4,506,000	4,506,000	-249,400	0
TOTAL	$6,007,447	$6,553,200	$6,258,000	$6,258,000	$-295,200	$0

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. Remove barriers to employment.
   - 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 unpredictability in the number of cases that must be heard each day, the Court uses Municipal Court Commissioners to augment its judicial resources. There are five authorized part time Municipal Court Commissioner positions 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 100,000 and 180,000 cases per year and accounting for over $6 million in 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	2013 Actual	2014 Planned	2015 Planned
Average days from filing to judgment.	34	34	34
Number of enforced driver license suspensions lifted.	12,242	12,750	12,000

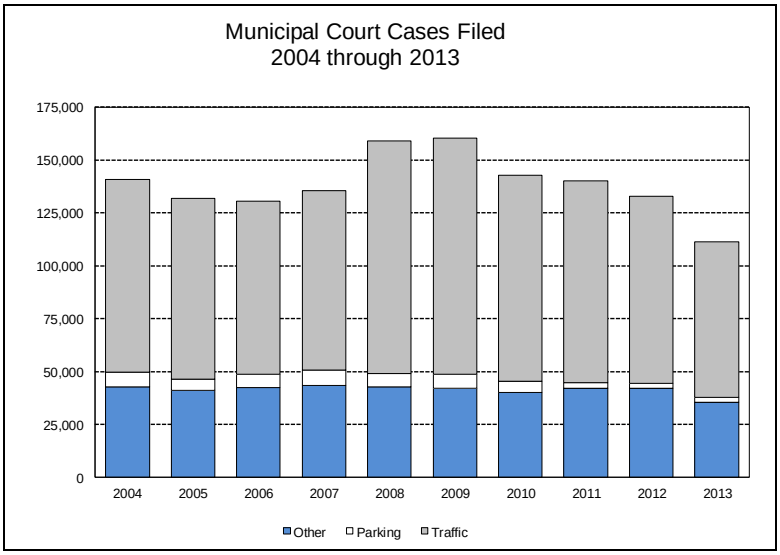
STRATEGY IMPLEMENTATION

The Municipal Court's 2015 proposed budget is based on an estimated 110,000 cases. Case volume has been decreasing over the past three years and is expected to continue its decline in 2014. In 2013, filings decreased by 16% from 2013 (111,189 from 132,739). Traffic cases were 66% of total case filings in 2013, about the same as in 2012, which was 66.5% of total case filings (see Figure 1).

Evening court sessions, begun in 2003, were offered on ten dates in 2013. A total of 27 sessions were scheduled for 502 defendants on 756 cases in 2013, with 479 defendants or about 95% 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.

Community Impact of Court Procedures: The Court serves an important function by establishing accountability from those that violate municipal ordinances. This maintains safe, clean and healthy neighborhoods, protects the public interest and contributes to the overall quality of life in Milwaukee.

Figure 1



The Court's elected judges are aware of and understand the struggles within the community, which serves as a foundation for setting meaningful Court procedures. This community understanding has led the Court to:

- Allow walk-in hearings. Few courts in the nation hear unscheduled cases. Walk-ins allow people the opportunity to appear before a judge without having to schedule a court date ahead of time, which means not having to wait until a court date is available.
- Utilize conditional sentences of community service. When appropriate, those who cannot pay and would choose to perform community service may be granted this as an alternative to payment.
- Provide time-to-pay extensions. If the due date has not yet passed, the Court will grant an additional 30 to 60 days to pay in full if a partial payment of $20 is made, depending on the total balance due. Moreover, this payment is waived for the first extension.
- Require $20 to file a motion to reopen judgment. Wis. Stat. 814.07 provides municipal courts discretion to set this fee as high as $300. Milwaukee has one of the lowest fees statewide.
- Require a payment of just 30% of fines due that are related to driver's license suspensions or vehicle registration denials in order to lift the suspension or denial. Most municipal courts in Wisconsin require full payment of these judgments before lifting a license suspension.
- Set up an installment plan. Installment plans, which usually last two years, may be extended for as long as the person continues to make monthly payments on time.

The Judges use these procedures to routinely assist citizens in the recovery of their driver's license. In 2013, the Court lifted driver's license suspensions for more than 13,000 individuals.

The Court continues to seek community partners who can provide opportunities for conditional sentencing or employment, both of which uphold the mission of the Court.

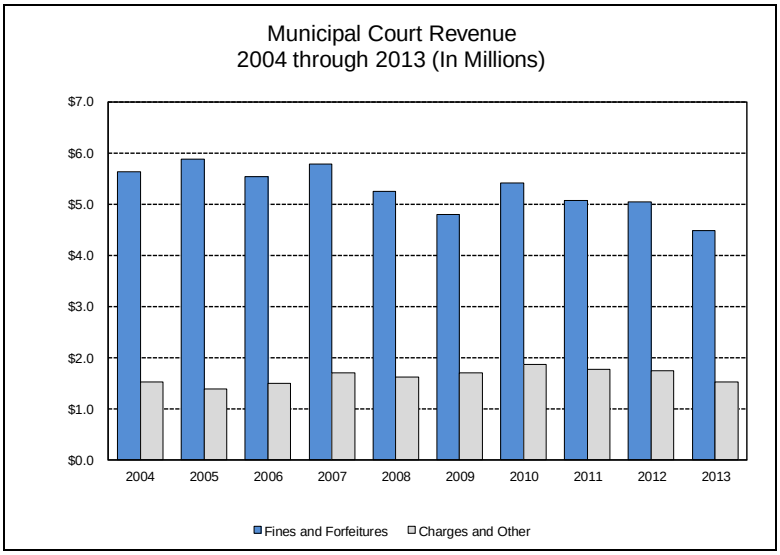
Court Revenues: Total Court revenue in 2013 decreased by $767,628 from 2012, an 11% decrease. Most of this decrease was in Court Clerk Fees and Fines and Forfeitures. Court revenue fluctuates on an annual basis (see Figure 2) as a result of the number of cases, timeliness of adjudication, defendants' ability to pay, changes in forfeiture and fine amounts, and the effectiveness of collection efforts. In November 2013 the Common Council approved a $10 increase in the Court Clerk Fee.

RESIZE, RESTRUCTURE, AND REINVEST

Improving Case Management: 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. 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 return on investment

began immediately during the 2011 budget: savings of approximately $50,000 were realized with the elimination of paper case file jackets. In 2012, three positions were eliminated as a result of process improvements and other efficiencies, providing an estimated $152,909 in salary and fringe benefit savings. These savings were in addition to the $50,000 saved on case jackets, bringing total savings in 2012 to about $203,000. In 2013, one Court Services Assistant II was not funded, providing an additional $41,360 in estimated salary and fringe benefit savings. In 2014, another Court Assistant II position became vacant due to a resignation and this position will not be refilled, which will create an approximate savings of $25,000. In 2015, annual recurring savings of approximately $290,000 will be realized from the project.

Figure 2



Virtual Server and SAN Replacement: The 2015 proposed capital budget includes $504,000 to start an upgrade of the Court Automated Tracking System, the case management information system that supports the Court's operations. This is a two year project that has a total cost of $888,000. The upgrade is needed because the current system is nearing the end of its useful life. The update will enable the Court to continue to operate in an efficient and effective manner. The upgrade will also provide additional benefits. Web based functionality will make access to the system easier for various users and will also facilitate easier access at community court sessions.

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

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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	204.86	207.50	209.50	213.35	5.85	3.85
FTEs - Other	31.02	39.00	39.00	40.15	1.15	1.15
Total Positions Authorized	269	272	273	279	7	6
EXPENDITURES						
Salaries and Wages	$10,629,734	$10,836,959	$10,998,745	$11,265,987	$429,028	$267,242
Fringe Benefits	4,952,533	5,093,371	4,949,435	5,069,694	-23,677	120,259
Operating Expenditures	2,070,289	1,354,165	2,117,289	1,432,469	78,304	-684,820
Equipment	148,735	256,561	106,506	99,994	-156,567	-6,512
Special Funds	2,944,407	3,294,000	3,324,000	1,993,000	-1,301,000	-1,331,000
TOTAL	$20,745,698	$20,835,056	$21,495,975	$19,861,144	$-973,912	$-1,634,831
REVENUES						
Charges for Services	$18,427,919	$16,566,600	$18,055,000	$17,855,000	$1,288,400	$-200,000
Licenses and Permits	7,527,712	6,960,100	7,248,000	7,543,000	582,900	295,000
Intergovernmental Aids	1,061,053	1,100,000	1,080,000	1,080,000	-20,000	0
TOTAL	$27,016,684	$24,626,700	$26,383,000	$26,478,000	$1,851,300	$95,000

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 fosters 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 2014, 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 2014, an average of 74.5% of violations met this goal.

Key Performance Measures

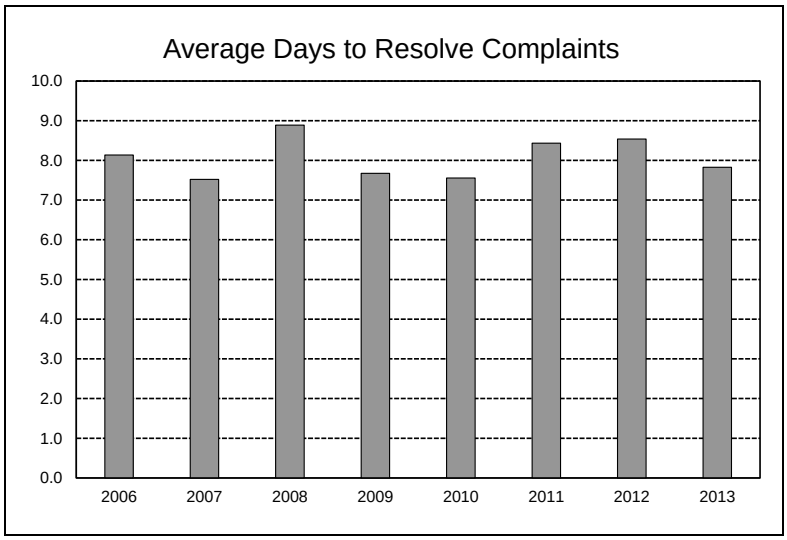
Measure	2013 Actual	2014 Planned	2015 Planned
Average days to respond to complaints.	7.8	8.0	8.0
Average days to confirm garbage abatement.	11.2	16.5	16.5
Percentage of Development Center timelines met.	82.2%	90%	90%

STRATEGY IMPLEMENTATION

DNS has several code enforcement services that improve the appearance of neighborhoods by quickly abating problems such as building code violations, graffiti, peeling paint, litter and garbage nuisances, and structural building problems. 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 2013, complaint response time was on average 7.8 days (see Figure 1). Verified complaints result in orders to correct conditions that violate city ordinances. In 2013, 32,148 complaints were closed, 62,224 violation orders were closed and 4,359 graffiti complaints were closed.

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 renewal fee is charged and the fee increases if uncorrected code violations exist.

Figure 1



This program has provided more proactive and comprehensive inspection and monitoring of vacant properties. Currently there are 4,600 known vacant properties in the city. Of those, 3,043 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 304 vacant properties will be added in 2014. In 2015, six positions support this program.

Foreclosures: Foreclosures represent a continuing challenge for the city. As of September 2014, there are 2,720 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.

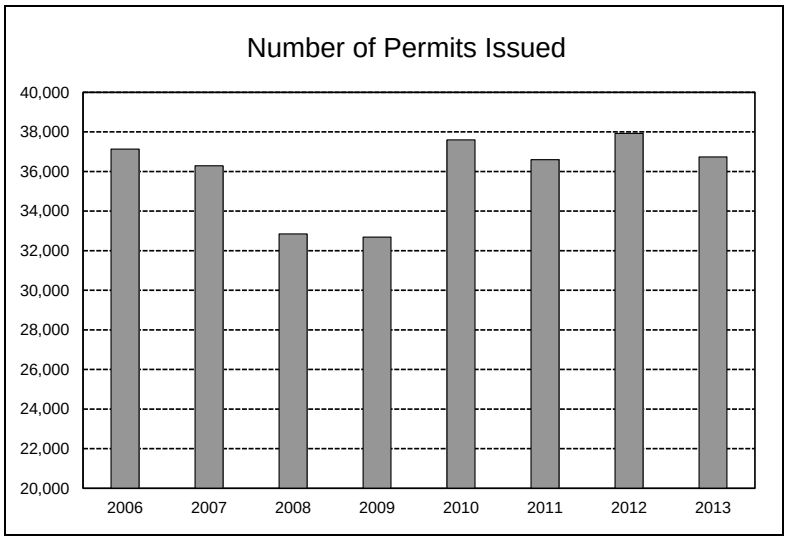
Once foreclosure is completed and property ownership has passed to the bank or lender, it is essential to adequately maintain properties in order to minimize neighborhood blight. The city has strengthened property maintenance requirements by requiring owners of vacant properties to provide contact information to DNS. The owner is responsible for keeping the property secure, preventing unlawful entry, maintaining the property free of debris, graffiti or nuisance vehicles, and is required to perform routine maintenance such as grass cutting and snow removal.

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.

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. Timelines for various reviews were established and as of August 2014, these timelines were met 92.7% 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 98% of the time. The expedited review program for projects in existing buildings has completed 97% of the reviews on the day of the appointment. In 2013, 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 2).

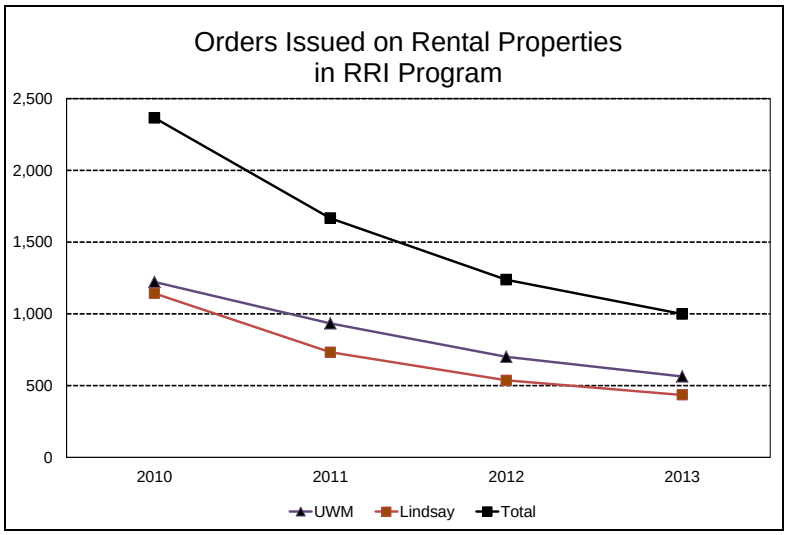
Figure 2



RESTRUCTURE, RESIZE, AND REINVEST

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.

Figure 3



The program requires each rental unit to obtain a residential rental certificate. Units with no disqualifying 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.

The program is legislatively mandated to end on January 1, 2015 unless the Common Council enacts legislation to continue the program. DNS is required to report on the results and effectiveness of the program. DNS will be submitting a report to the Common Council concluding that the program has been effective and should be continued.

In the UWM area, 93.9% of the 624 structures have a four year certificate. In the Lindsay Heights area, 85.8%of the 521 structures have a four year certificate. From 2010 through August 2014, 14,406 orders have been issued in the RRI areas, including 4,800 in the UWM area and 9,606 in the Lindsay Heights area. Orders on all properties in both areas decreased significantly from 2010 to 2013, from 4,284 in 2010 to 2,304 in 2013. Orders on rental properties also decreased significantly, with a reduction of 58% between 2010 and 2013 (see Figure 3). Through August 2014, there have been 1,580 orders issued so far this year primarily because it was time for renewal of the four year certificates,

which involves interior and exterior inspections. There were 1,277 orders issued in the Lindsay Heights area and 303 orders issued in the UWM area. The program has also decreased the number of aldermanic service request complaints for properties in the RRI areas. Before the program began, rental properties were responsible for a high percentage of these complaints. Since the program began, this percentage has steadily decreased.

The decrease in orders and complaints indicates that the RRI Program successfully improved the exterior and interior conditions of rental properties. Given the program's effectiveness, the 2015 proposed budget continues the program in both the UWM and Lindsay Heights areas and extends the program to the St. Josaphat Basilica neighborhood. Two additional Inspectors are created in the 2015 proposed budget, at a total cost of $109,000, to support expansion of the program. The program is expected to result in similar improvements in the St. Josaphat Basilica neighborhood.

BOZA Compliance Inspection Program: The 2015 proposed budget creates a BOZA Compliance Inspection Program. The program will use periodic inspections to ensure that businesses comply with the conditions of approval associated with variances and special use permits issued by the Board of Zoning Appeals. The frequency of the inspections will be based on the type of business operation and the business' compliance history. This program will reduce the negative impact of non-compliant businesses on the surrounding neighborhoods. An estimated 2,000 annual periodic inspections will be conducted. To manage this workload, the 2015 proposed budget adds two Special Enforcement Inspector positions at a cost of $126,000.

Demolition Funding: The 2015 proposed budget includes $1.3 million in a DNS capital account for 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. The funding will also be used for deconstruction and salvage in lieu of demolition on properties where this is both financially feasible and will provide benefits through the reuse of building materials. DNS will also coordinate with the Department of Public Works (DPW) in the city staffed demolition crew to raze city owned *In Rem* properties. As in 2014, utilizing the DPW demolition crew will expedite demolition of these properties in order to quickly remove blighting and unsafe properties, which also attract criminal activity, from neighborhoods. A total of 170 properties are estimated to be razed in 2015, excluding any properties razed with 2014 demolition funds carried over into 2015.

Code Compliance Loan Program: The 2014 budget included $65,000 for a new Code Compliance Loan Program. In 2015, total funding of $500,000 is provided for this program in a new capital improvement budget account. The program enables 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. The program will allow property improvements to occur while enabling the property owners to avoid losing the property through tax foreclosure. To support the expanded program activity, the 2015 proposed budget adds one Neighborhood Improvement Project Inspector position, at a cost of $52,750.

Enterprise Land Management System: The 2012 capital improvements budget provided $2.5 million for purchase and implementation of a new Enterprise Land Management System (LMS). 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 or replace existing Department of Public Works, Health Department and Unified Call Center systems.

The new system will benefit multiple departments by reducing the amount and duplication of data entry, supporting mobile technology products, improving data sharing among 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 at risk of falling behind schedule. Information will also be made available to customers so they can monitor their service requests. The system is expected to be implemented in March 2015.

A second phase of the project is included in the 2015 proposed budget, at a cost of $850,000. This will migrate all the licensing functionality currently in the City Clerk's LIRA system to LMS. Establishing a single information system for all city departments is more efficient and effective in the long term. This second phase should be completed by January 2016.

Remodel Anderson Lake Tower Facility: The 2015 capital budget includes $425,000 for the first year of a two year project to remodel the Anderson Lake Tower Facility. This facility houses the Residential Inspection Division, the Environmental Health Section, the Vacant Building Registration Program, the Residential Rental Inspection Program, the Special Enforcement Division, and the Court Division. The current facility is not large enough to accommodate all these staff, making a facility remodel necessary. The first phase of the project will convert the current garage space to office space, expanding the available workspace for staff. The second phase of the project will reconfigure the second floor to improve workspace for staff and enable the department to rearrange staff and realize improved coordination and communication among staff. The second phase is estimated to cost $225,000.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Neighborhood Services Operations Manager	Position reclassified in CCFN 131264.
1	1.00		Neighborhood Services Operations Director	
-1	-1.00		Administrative Specialist	Position reclassified in CCFN 140323.
1	1.00		Administrative Services Supervisor	
-1	-1.00		Office Assistant IV	Positions reclassified in CCFN 131102.
-1	-1.00		Office Assistant II	
1	1.00		Office Assistant III	
1	1.00		Program Assistant II	
4	4.00		Program Assistant II	Positions reclassified in CCFN 131597.
-2	-2.00		Office Assistant III	
-2	-2.00		Office Assistant IV	
1		1.00	Condemnation Program Coordinator	New positions to support condemnation, demolition and deconstruction activities.
1	0.50	0.50	Program Assistant II	
2	2.00		Residential Code Enforcement Inspector	Expand Residential Rental Inspection Program.
2	2.00		Special Enforcement Inspector	Create BOZA Compliance Inspection Program.
1		1.00	Neighborhood Improvement Project Inspector	Expand Code Compliance Loan Program.
	1.35	-1.35	Various Positions	Reduced CDBG funding for NIP Program.
7	**5.85**	**1.15**	**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.

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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	2,445.20	2,704.73	2,704.73	2,717.73	13.00	13.00
FTEs - Other	54.48	43.23	43.23	38.23	-5.00	-5.00
Total Positions Authorized	2,872	2,848	2,837	2,789	-59	-48.00
EXPENDITURES						
Salaries and Wages	$160,874,445	$162,150,889	$167,259,222	$165,178,482	$3,027,593	$-2,080,740
Fringe Benefits	62,741,033	66,481,864	66,903,689	66,071,393	-410,471	-832,296
Operating Expenditures	14,372,622	13,400,881	14,603,470	14,836,944	1,436,063	233,474
Equipment	3,002,864	1,996,739	5,259,734	2,838,500	841,761	-2,421,234
Special Funds	0	0	0	27,600	27,600	27,600
TOTAL	$240,990,964	$244,030,373	$254,026,115	$248,952,919	$4,922,546	$-5,073,196
REVENUES						
Intergovernmental	$746,563	$702,700	$747,000	$747,000	$44,300	$0
Charges for Services	603,780	558,800	2,978,000	624,000	65,200	-2,354,000
TOTAL	$1,350,343	$1,261,500	$3,725,000	$1,371,000	$109,500	$-2,354,000

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 civic 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 a leader, 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	2013 Actual	2014 Planned	2015 Planned
Decrease total crime by 10% annually	-8.7%	-10%	-10%
Achieve a 70% homicide clearance rate	65%	70%	70%
Ratio of proactive policing to citizen complaints	0.08%	0.12%	0.12%
Guns seized	1,921	1,900	1,900

STRATEGY IMPLEMENTATION

The department uses strategic staffing practices to optimize patrol capacity. The 2015 proposed budget funds a sworn strength of 1,880, including 35 Police Officer recruits. The department will continue to optimize its patrol resources through a variety of means, including:

- Increasing the use of civilians and non-sworn personnel in administrative positions, which multiplies the impact of existing sworn Officers.

- Continuing to improve upon innovative programs like the Differential Police Response, which allows the department to provide high levels of customer service to residents with lower priority calls, while enabling deployment to preventive policing and urgent responses.
- 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 2014, 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 Assistance 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 2014 to the same time period of the previous seven years. Since 2007, violent crime decreased 11.8%, property crime decreased 33.8%, and overall crime decreased 29.1%. The overall reduction in crime means 47,681, or 26%, fewer crime victims over the past seven years[1].

Table 1

City of Milwaukee Uniform Crime Statistics

Summary Crime Counts 2007 - 2014 Comparison of January through June

	2007 Total	2008 Total	2009 Total	2010 Total	2011 Total	2012 Total	2013 Total	2014 Total	2007-2014 Change	2008-2014 Change	2009-2014 Change	2010-2014 Change	2011-2014 Change	2012-2014 Change	2013-2014 Change
Homicide	49	33	41	38	40	35	35	37	-24.5%	12.1%	-9.8%	-2.6%	-7.5%	5.7%	5.7%
Aggravated Assault	2,633	2,550	2,012	1,873	1,576	2,183	2,133	2,200	-16.4%	-13.7%	9.3%	17.5%	39.6%	0.8%	3.1%
Rape	128	92	114	86	99	106	115	117	-8.6%	27.2%	2.6%	36.0%	18.2%	10.4%	1.7%
Robbery	1,617	1,407	1,389	1,238	1,344	1,239	1,481	1,551	-4.1%	10.2%	11.7%	25.3%	15.4%	25.2%	4.7%
Total Violent Crime	**4,427**	**4,082**	**3,556**	**3,235**	**3,059**	**3,563**	**3,764**	**3,905**	**-11.8%**	**-4.3%**	**9.8%**	**20.7%**	**27.7%**	**9.6%**	**3.7%**
Burglary	2,734	2,923	2,715	2,833	2,957	3,002	2,944	2,523	-7.7%	-13.7%	-7.1%	-10.9%	-14.7%	-16.0%	-14.3%
Theft	10,168	9,762	9,314	9,211	7,535	7,463	6,315	5,568	-45.2%	-43.0%	-40.2%	-39.6%	-26.1%	-25.4%	-11.8%
Auto Theft	3,710	3,347	2,304	1,738	2,046	1,956	1,710	2,910	-21.6%	-13.1%	26.3%	67.4%	42.2%	48.8%	70.2%
Total Property Crime	**16,612**	**16,032**	**14,333**	**13,782**	**12,538**	**12,421**	**10,969**	**11,001**	**-33.8%**	**-31.4%**	**-23.2%**	**-20.2%**	**-12.3%**	**-11.4%**	**0.3%**
Arson	153	138	146	107	135	158	127	113	-26.1%	-18.1%	-22.6%	5.6%	-16.3%	-28.5%	-11.0%
Grand Totals	**21,192**	**20,252**	**18,035**	**17,124**	**15,732**	**16,142**	**14,860**	**15,019**	**-29.1%**	**-25.8%**	**-16.7%**	**-12.3%**	**-4.5%**	**-7.0%**	**1.1%**

[1] Milwaukee Police Department 2013 Annual Report, Page 7

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

RESIZE, RESTRUCTURE, AND REINVEST

Funded Strength and Recruit Class: The 2015 proposed budget funds a sworn strength of 1,880 Officers, based on the projected average strength level throughout the year. This represents an increase of 12 Full Time Equivalents (FTEs) from the 2014 budgeted strength of 1,868. The budget anticipates 85 recruits becoming available for community policing duties during 2015. Fifty Officers will be hired at the end of 2014 and a class of 35 will begin midyear 2015.

Civilianization as a Force Multiplier: The department strategically increased the funding for various civilian positions to provide additional Officers for Community Policing. The civilian positions, such as Police Aides, Police Service Specialists, Police Service Specialists Investigator, and Crime Analysts, perform functions that were previously accomplished by sworn Officers. Since 2004, the funding for these positions has increased by 43 FTEs. This allows 43 Police Officers whose positions were assigned to administrative duties in 2004 to return to community policing activities. In 2015, the department continues this effort by adding an additional four Crime Analysts.

Body Cameras: Ensuring the safety of the public and of sworn Officers is of upmost importance. Studies have shown a significant decrease in incidents of using force and citizen complaints when Officers are wearing body cameras. In 2013, the department conducted a limited scope 60 day pilot program testing out various body camera models. During 2014 the department is purchasing a limited number of cameras to begin implementing in day to day operations. A standard operating procedure is being developed by the department to ensure proper usage and video storage. The 2015 proposed budget includes $100,000 to implement the use of body cameras in the department.

Additional Equipment: The 2015 proposed budget includes $2.8 million for police equipment, an increase of $842,000, or 42%, from 2014. The increase funds portable digital radio replacements, in car data storage, and computer replacements.

Shotspotter: In 2014 the city received grant funding from the State and Milwaukee County to expand Shotspotter coverage. In 2015, the budget maintains the expanded coverage area by adding $320,000 to the budget.

Group Violence Reduction Initiative: Violence can be dramatically reduced when community members and law enforcement join together to engage groups that have been historically prone to violence and provide a credible, moral message against violence, a credible law enforcement message about the consequences of further violence, and a genuine offer of help and aid to those who want it. In 2014, the department developed a new strategy that includes reaching out to past suspects and victims of violent crimes.

Sojourner Family Peace Center: The Sojourner Family Peace Center is Wisconsin's largest nonprofit provider of domestic violence prevention and intervention services. The Center provides a variety of services aiming to support and help families affected by domestic violence. In 2015, the Police Department will increase its support of this critical mission by moving the Sensitive Crimes Unit to the Sojourner Family Peace Center facility. The city will provide $27,600 in operating support for the facility.

Building Neighborhoods Capacity Program Grant: The Police Department received a $225,000 federal Building Neighborhoods Capacity Program Grant as part of a White House Neighborhood Revitalization Initiative. Other groups assisting in the neighborhood initiative here are the Greater Milwaukee Foundation, Northwestern Mutual Foundation and Children's Hospital of Wisconsin. The grant is being used to provide training and technical assistance to community organizations. The program is working to assess the needs of youth in Metcalfe Park and understand the needs and challenges people who live there face.

Sexual Offender Residency Restriction: In 2014 the city passed an ordinance creating a residency restriction for designated sexual offenders. The Police Department will implement a new database to collect, store, and monitor sexual offender information. The 2015 proposed budget adds $12,000 to purchase software supporting this effort.

Furlough Days: In 2013 and 2014, all sworn and civilian employees of the department took three furlough days. In 2015 all civilian furloughs are eliminated. This action increases the department's budget by $250,000 and will simplify management of personnel.

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 2015 proposed budget includes levy funded overtime of $12.5 million and grant funded overtime of $1.7 million.

CAPITAL BUDGET

The 2015 capital budget continues reinvestment in key areas of the department.

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. During 2014 the city conducted a Request for Proposal process to select the preferred vendor. A contract will be awarded in late 2014. The 2015 proposed budget includes $2,000,000 to begin implementation of the selected system.

Radio and Communication Upgrades: This program 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 2015, there is $200,000 for the installation of a new site in District 4.

Remodeling Police Administration Building (PAB): The Police Administration Building Master Plan is a multiyear plan to renovate the PAB. Due to the complexities of Phase I and Phase II, a one year funding reduction is proposed for the Master Plan. During 2014, Phase II will be completed with the beginning of Phase III. The 2015 proposed budget includes $860,000 for asbestos remediation on the third floor and the leasing of swing space.

Mobile Data Computer Upgrade: The Mobile Data Computers (MDCs) are the computers inside of police vehicles. These computers allow Officers to obtain critical information while in the field. The current fleet of MDCs are out dated and in need of replacement. The upgrade will replace 320 MDCs over a two year period. The 2015 proposed budget includes $1,000,000 to replace 160 MDCs.

Third District Parking Deck Repairs: The Third District parking garage upper parking deck is failing and needs to be repaired. The 2015 proposed budget includes $3.6 million to repair the parking deck. The city is in litigation with the contractor who performed the previous construction.

District Station Renovation Program: The 2015 proposed budget includes $540,000 for various repairs and upgrades at the district stations, the Neighborhood Task Force and Radio Shop.

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
	12.00		Police Officer	Reflects increase in average sworn strength.
-37			Detective	Elimination of long term and unfunded vacant positions.
	2.00		Crime Analyst	Increase funding.
1	1.00		Police Records Supervisor	Reclassification of Records Management Section.
18	18.00		Police Records Specialist III	
1			Police Records Assistant Manager	
-1	-1.00		Office Supervisor II	
-1	-1.00		Office Coordinator	
-1	-1.00		Administrative Specialist Senior	
-11	-11.00		Office Assistant II	
-5	-5.00		Office Assistant III	
-1	-1.00		Office Assistant IV	
1	0.50		Property Control Manager	New civilian management position.
1	0.50		Technical Communications Manager	
-1	-1.00		Police Finance and Planning Manager	Position eliminated.
-6			Police District Office Assistant	Elimination of long term and unfunded vacant positions.
-1			Production Designer II	
-1			Personnel Payroll Assistant I	
-5			Office Assistant II	
-10		-5.00	School Crossing Guard	Grant funding eliminated.
-59	**13.00**	**-5.00**	**Totals**	

PORT OF MILWAUKEE

EXECUTIVE SUMMARY

MISSION: To enhance the 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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	18.41	20.00	20.00	20.00	0.00	0.00
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	$1,170,679	$1,196,151	$1,208,258	$1,213,689	$17,538	$5,431
Fringe Benefits	574,056	574,152	543,716	546,160	-27,992	2,444
Operating Expenditures	842,339	991,000	1,038,000	923,000	-68,000	-115,000
Special Funds	1,778,363	1,878,000	1,980,000	2,130,000	252,000	150,000
TOTAL	$4,365,437	$4,639,303	$4,769,974	$4,812,849	$173,546	$42,875
REVENUES						
Charges for Services	$5,734,909	$4,639,303	$4,900,000	$4,812,849	$173,546	$-87,151
TOTAL	$5,734,909	$4,639,303	$4,900,000	$4,812,849	$173,546	$-87,151

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increase 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 directly create over 600 family supporting jobs as well as indirectly supporting hundreds of 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 are regional products. 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	2013 Actual	2014 Planned	2015 Planned
Tonnage growth.	+30%	0%	0%
Percentage of total expenses covered by revenues.	131%	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 2013 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 several ethnic festivals. This lease generated $1.35 million in 2013. The Port transfers any excess revenue to the city's General Fund to reduce the property tax burden.

In 2013, the Port generated operating revenue of approximately $4.4 million, the same as 2012. While Port revenues have remained relatively stable over the past five years, the Port's revenues consistently exceeded expenses by over $1 million.

The Port's total 2013 tonnage increased by 30% to 2.6 million tons. The tonnage increase can be attributed to a $650,000 increase (46%) in dry bulk tonnage. Dry bulk includes salt, coal and limestone and comprises nearly 92% of the Port's 2013 tonnage. In contrast, the remaining tonnage categories had a net tonnage decrease of 140,000 tons.

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.

RESIZE, RESTRUCTURE, AND REINVEST

Position Changes and Consolidation: There are currently no new positions planned for the Port. However, the Port will be working with the Department of Employee Relations to determine if the job description of its engineering staff accurately reflects the current duties of these staff.

Port Facilities: The 2015 proposed budget includes $2.1 million for the maintenance and improvement of the Port's facilities. Maintaining high quality facilities helps attract tenants, increase revenues and positively influences the local economy.

Revenues and Increase Tonnage: In 2015, 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 50,000 tons over the next few years.

CAPITAL BUDGET

Facility Improvements: The 2015 proposed capital budget includes $1 million to support Port facility improvements. This includes $500,000 for improvements to the Port's rail track. These projects support Port facilities that are attractive to potential tenants and enhance the Port's competitive advantages.

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

DEPARTMENT OF PUBLIC WORKS
ADMINISTRATIVE SERVICES DIVISION

EXECUTIVE SUMMARY

MISSION: Provide business operations and administrative support for DPW.

OBJECTIVES: Ensure that DPW personnel, financial, and budget transactions comply with City Ordinances and established procedures.

Provide for safe, OSHA compliant working conditions throughout DPW.

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

STRATEGIES: Investigate, review and solve complex problems regarding the planning and implementation of major projects and events, as they relate to public right of ways 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 Program.

BUDGET SUMMARY

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	40.05	41.38	41.00	42.00	0.62	1.00
FTEs - Other	5.07	4.80	4.70	4.70	-0.10	0.00
Total Positions Authorized	47	47	47	48	1	1
EXPENDITURES						
Salaries and Wages	$2,227,378	$2,188,325	$2,176,409	$2,250,220	$61,895	$73,811
Fringe Benefits	1,014,913	1,028,513	979,384	1,012,599	-15,914	33,215
Operating Expenditures	356,553	312,000	290,000	280,000	-32,000	-10,000
Equipment	19,121	30,000	10,000	2,000	-28,000	-8,000
TOTAL	$3,617,965	$3,558,838	$3,455,793	$3,544,819	$-14,019	$89,026
REVENUES						
Charges for Services	$1,400,805	$650,000	$1,397,000	$1,397,000	$747,000	$0
Licenses and Permits	1,797,442	1,455,200	1,750,500	1,750,500	295,300	0
TOTAL	$3,198,247	$2,105,200	$3,147,500	$3,147,500	$1,042,300	$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 Emerging Business Enterprise (EBE) and the Residential Preference Program (RPP).

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	2013 Actual	2014 Planned	2015 Planned
EBE participation as a percent of total annual contract payments.	30.3%	25%	25%
RPP wages paid as a percent of total contract.	43.1%	50%	50%
Employee work days lost due to injury.	8,219	5,000	8,000

STRATEGY IMPLEMENTATION

Improving Safety: DPW's Safety Section minimizes workplace injuries and supports 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 2015, the Safety Section will work closely with the Department of Employee Relations to improve injury data collection and analysis. This will enable DPW to identify high risk activities and effectively target safety efforts.

OSHA recording regulations dictate how employers count the number of calendar days employees are unable to work as a result of the injury or illness regardless of whether or not the employee was scheduled to work on those days. Weekend days, holidays, vacation days or other days off are included in the total numbers of days recorded if the employee would not have been able to work on those days because of a work related injury or illness. Therefore, as a result of this change the number of counted missed days has changed dramatically from 2012 to 2013. The 2015 planned outcome measure reflects this change.

RESIZE, RESTRUCTURE, AND REINVEST

Residential Preference Program: The Administrative Services Division is responsible for implementing the city's Residential Preference Program (RPP). This program leverages employment and training opportunities for city residents through requirements applicable to capital improvement projects. These projects include road repair, building repair, retrofitting and rehabilitation, water main repair and playfield reconstruction. 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. The RPP provides that 40% of the labor hours on such projects be allocated to unemployed or underemployed city residents. 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 2013, the RPP provided 18,800 hours of work and $5.9 million of wage income for Milwaukee target area residents.

Transitional Jobs Program: In 2015, the City of Milwaukee will continue its collaborations with UMOS and the Milwaukee Area Workforce Investment Board (MAWIB) on the Transitional Jobs Program. The 2015 proposed budget includes funding to support 100 transitional jobs in DPW. The program will provide paid training and employment opportunities for 100 Milwaukee residents. The program will help participants to develop useful skills in both the Forestry and Infrastructure Divisions. Upon completion of the six month program, participants will be equipped with new skills that will enable them to compete for family supporting jobs.

The 2015 proposed budget also includes funding for a Business Services Specialist position to provide administrative support and reporting for the Transitional Jobs 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
1	1.00		Business Services Specialist	Support Transitional Jobs Program.
	-0.38	-0.10	Various Positions	Miscellaneous adjustments.
1	**0.62**	**-0.10**	**Total**	

DEPARTMENT OF PUBLIC WORKS
INFRASTRUCTURE SERVICES DIVISION

EXECUTIVE SUMMARY

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

OBJECTIVES: Improve the condition and performance of the city's transportation, communication and related infrastructure systems.

STRATEGIES: Use the High Impact Street Program to increase performance and useful life of segments with high traffic counts.

Extend useful life of 80 miles of both high traffic and neighborhood streets through street resurfacing by 2017.

Improve bicycle and pedestrian access and safety.

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

Retrofit buildings and upgrade systems to increase energy efficiency.

BUDGET SUMMARY

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	370.43	321.41	368.88	312.41	-9.00	-56.47
FTEs - Other	254.34	307.13	286.12	307.13	0.00	21.01
Total Positions Authorized	802	810	810	801	-9	-9
EXPENDITURES						
Salaries and Wages	$16,135,834	$15,773,773	$16,688,111	$16,576,321	$802,548	$-111,790
Fringe Benefits	7,436,065	7,413,674	7,509,651	7,459,345	45,671	-50,306
Operating Expenditures	14,430,090	13,939,038	15,023,572	14,633,572	694,534	-390,000
Equipment	294,642	370,500	421,500	382,500	12,000	-39,000
Special Funds	0	0	0	0	0	0
TOTAL	$38,296,631	$37,496,985	$39,642,834	$39,051,738	$1,554,753	$-591,096
REVENUES						
Charges for Services	$3,590,992	$4,272,500	$3,938,000	$4,738,000	$465,500	$800,000
Miscellaneous	222,896	177,000	222,000	222,000	45,000	0
TOTAL	$3,813,888	$4,449,500	$4,160,000	$4,960,000	$510,500	$800,000

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, improving the functionality of existing facilities. 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 2015, ISD will use approximately $129.5 million to support its objectives, including $39.1 million in operating funds, $52.8 million in capital funds and $37.6 million in state and federal aid. Grant and aid funds are used primarily for two capital programs:

- Major Bridge Program
- Major Street Improvements Program

In the 2015 proposed budget, grant funds constitute 80% of the Major Bridge Program and 83.4% 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	2013 Actual	2014 Estimated	2015 Planned
Percentage of bridges with sufficiency rating greater than 50.	92.4%	90%	90%
Miles of bicycle lanes added.	23.8 miles	4 miles	14 miles
Miles of streets with useful life improved through Local Street and High Impact Street Programs.	21 miles	25 miles	36 miles
Street lights converted from series to multiple circuitry.	743	320	300

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 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,

Table 1

Major Streets

Source of Funds	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2015 - 2020 Average
City Funding (1)	$7,401,000	$4,947,150	$5,400,200	$7,993,200	$6,398,800	$10,706,300	$7,141,108
Assessable (2)	$390,000	$857,900	$432,700	$1,510,500	$652,600	$1,463,500	$884,533
Grant and Aid	$37,207,907	$30,118,950	$31,022,600	$40,163,960	$24,485,600	$40,894,200	$33,982,203
Annual Totals	**$44,998,907**	**$35,924,000**	**$36,855,500**	**$49,667,660**	**$31,537,000**	**$53,064,000**	**$42,007,845**

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

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

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.

A key concern in the health of the city's transportation network is to limit the number of street segments falling into poor condition. Once a street segment has fallen into poor condition, improvement costs become much higher. State funding allocations and local fiscal constraints render a conventional reconstruction only approach infeasible. Therefore, the city will supplement conventional reconstruction with a preservation strategy. This approach focuses attention on extending useful life and improving pavement condition on street segments that have high traffic counts.

Major Streets: The city's 286 miles of major and minor arterials are resurfaced and maintained as part of the city's Major Street 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 $45.1 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 to fund 19 major street projects in 2009 and 2010. This funding significantly accelerated the Major Street Program and improved some of the city's major thoroughfares. The 2015 proposed budget includes $44.6 million for the Major Street Program, of which $7.4 million is city funding (see Table 1). There are eight major street reconstruction projects scheduled for 2015 in addition to several bicycle and pedestrian improvement 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 reconstructed and resurfaced with capital funds budgeted for the Resurfacing and Reconstruction Program.

The 2015 proposed budget provides $13.5 million for the Resurfacing and Reconstruction Program. Approximately $1 million of these funds will be used for capital maintenance. Capital maintenance activities extend pavement life and help prevent problems such as potholes. The Department of Public Works aims to quickly repair potholes reported by both citizens and city crews. Through mid-August 2014, 13,647 potholes were reported to DPW by residents and by street maintenance personnel. This is the highest number of pothole reports year-to-date since this information started being tracked. The preservation strategy that increases the number of street miles improved in the Local Street Program is intended in part to reduce the future need to repair potholes.

In 2014, DPW restructured street maintenance crews in order to make quality, long lasting repairs to stretches of the more highly trafficked streets in the city. DPW has traditionally utilized two person crews to repair individual pothole reports called in by residents. In Spring 2014, the department began supplementing two person crews with

nine person "super crews". These crews use an assembly line approach on a long stretch of pavement to make longer lasting repairs to potholes and deteriorated pavement joints. Deploying street maintenance personnel in "super crews" instead of two person crews can lead to longer response times for individual pothole reports called in by residents, but the more thorough repairs made by the "super crews" improves the overall street condition for the long term.

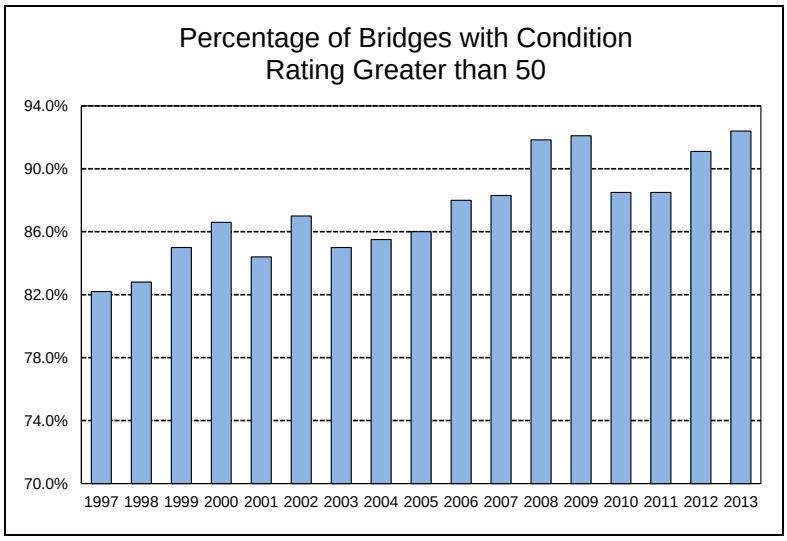
Due to the tremendous success and popularity of the High Impact Streets Program in 2013 and 2014, a similar approach will be employed within the Local Street Program. Whereas the High Impact Street Program uses a curb-to-curb asphalt resurfacing approach on high traffic streets typically serving commercial corridors, beginning in 2015 a portion of the Local Street Program funding will apply the same approach to neighborhood streets. This technique will allow for 36 miles of neighborhood and commercial district streets to be upgraded through the Local Street and High Impact Street Programs, instead of 21.7 miles which would see upgrades using the conventional approach (see Table 2).

Table 2

Local and High Impact Street Programs 2015 - 2016
Preservation Strategy vs. Traditional Reconstruction

Program Strategy	Miles of Street Improved		
	2015	2016	Total
Conventional Reconstruction	21.7	23.8	45.5
Preservation Strategy	36.0	44.0	80.0

Figure 1



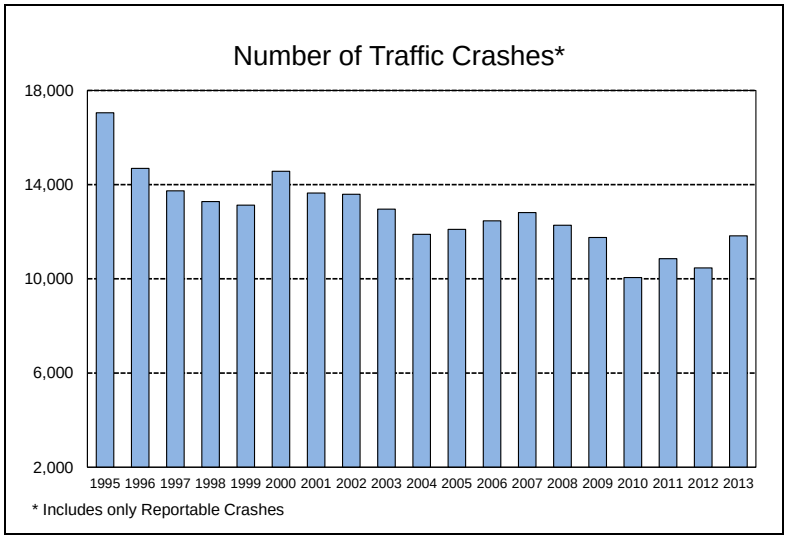
Major Bridges: The Major Bridge Program preserves and maintains a bridge system that ensures the safe and efficient movement of vehicles, people, and commodities. The 2015 proposed budget provides total funding of $500,000, including $100,000 in capital and $400,000 in grant and aid funds. Grant and aid funds have dropped significantly in recent years. From 2000 to 2009, the city received on average $10.3 million in grant and aid per year to support the Major Bridge Program. Aside from $23 million received primarily through the American Recovery and Reinvestment Act (ARRA) in 2011, grant and aid funding for bridges has declined significantly in recent years.

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 2013, 91.1% of the rated bridges had a sufficiency rating above 50 (see Figure 1). The six year capital plan for the Major Bridge Program contains significantly less grant and aid from the state than in recent years. This reduction in state bridge aid will shift more bridge projects to the city funded Local Bridge Program.

Local Bridges: The Local Bridge Program ensures that bridges are maintained, renovated and reconstructed when state and federal aid is not available. The downward trend of state and federal aid for bridges has made necessary a $4.4 million or 99% increase to the Local Bridge Program since 2006. The need for city funding to replace state and federal funding reduces the amount available for streets. The 2015 proposed budget provides approximately $8.8 million in city capital funding for local bridge projects. The program will fund the first phase of the rehabilitation of the South First Street Bascule Bridge over the Kinnickinnic River as well as two other bridge rehabilitation projects and design work for future repairs. The city owns 21 moveable bridges, and keeping these

bridges in good operating condition has been and continues to be a priority. From 1998 through 2020, the city will have reconstructed or rehabilitated all 21 moveable bridges. Given the high cost of repairing moveable bridges compared to fixed bridges, this reflects a tremendous commitment to the city's core infrastructure. Moveable bridges are utilized in order to provide access to commercial and leisure craft to navigable waterways within the city. In 2013, the city conducted 13,436 bridge raisings to accommodate water traffic.

Figure 2



Alley Reconstruction: The Alley Reconstruction Program for the 2015 proposed budget includes $1.6 million in new borrowing and $400,000 in assessable funding for the replacement of aging alleys. This funding provides for approximately 16 alley projects to be completed in 2015.

Street Lighting: The Street Lighting Program for the 2015 proposed budget includes $8.9 million in capital funding. Approximately $4.8 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. DPW will focus efforts in 2015 on converting temporary overhead lighting to permanent lighting, based on neighborhood and Common Council input.

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. In 2013, the city experienced 2,943 outages of three or more streetlights on the same circuit, the second highest amount in the last six years. DPW was able to restore service within its goal of 24 hours in over 99% of cases. 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. In 2014, the T-11S series circuit was converted from series to multiple circuitry. This circuit, centered near South 51st Street and West Howard Avenue, had been responsible for 239 circuit outages over the last five years.

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 2015 proposed budget provides $700,000 in capital funds. New capital funding in 2015 is far lower than in recent years due to a large balance of unexpended funds available from previous years. 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. The Traffic Control Program has contributed to a reduction in the number of reported traffic crashes by 35.8% since 1995 (see Figure 2). The department installed or replaced 7,187 traffic signs in 2013.

Sidewalk Replacement: The 2015 proposed budget provides $1.4 million in city funding and approximately $450,000 in assessable funding to replace defective sidewalks. Approximately $500,000 is designated to reduce the

backlog of sidewalks needing replacement on a scattered site basis. The remainder is allocated to the quarter section program.

Bicycle and Pedestrian Facilities: The City of Milwaukee is ranked a bronze level bicycle friendly community by the League of American Bicyclists. As of 2014, the city has 86 miles of marked bike lanes on arterial streets and racks have been added to park more than 2,000 bikes in neighborhoods across the city. DPW was awarded five Transportation Alternatives Program (TAP) grants to fund various bicycle and pedestrian improvements. Approximately $375,000 in city funds leverages $1.5 million in state grant funds. These projects include funds for construction of bicycle parking, interactive bicycle mapping and development of a Safe Routes to School Policy and Plan.

Underground Conduit: The Underground Conduit 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, Water Works, and DPW. The conduit system also provides a secure and reliable route for traffic signals and street lighting cable circuits and systems. The 2015 proposed budget provides $1 million in capital funds for this program, a $500,000 increase from the 2014 budget.

Electrical Manholes: The Electrical Manholes Program is closely related to the Underground Conduit Program, as these manholes provide access to the city's conduit system for maintenance and installation of new communications cable. The 2015 proposed budget includes $1.1 million for this program. The capital funding is for replacement and repair of deteriorated electrical manholes. In 2014, positions were added to the budget to allow the city to repair and reconstruct electrical manholes instead of utilizing contract forces. This is estimated to reduce repair and reconstruction costs by as much as 50%. Equipment and personnel will be in place for city forces to take on this task in 2015.

FACILITIES CAPITAL PROJECTS

Aging city facilities present multiple challenges. The city prioritizes projects based on dual considerations of the probability and consequences of asset failure and the operational benefits and cost associated with each project. The 2015 proposed budget for facilities capital projects totals $4.7 million.

City Hall Exterior Restoration: In Spring 2014, work to replace defective terra cotta pieces on the exterior of City Hall commenced. No new funding for this project is necessary in the 2015 proposed budget. Restoration is expected to be complete by the end of 2014.

Environmental Remediation Program: The 2015 proposed budget includes $150,000 for the city's Environmental Remediation Program. This program funds lead and asbestos abatement in city facilities, soil and groundwater remediation, and fuel dispenser replacements.

ADA Compliance and Recreational Facility Program: The 2015 proposed budget includes $215,000 for the ADA Compliance and Recreational Facility Program. This program funds various accessibility improvements including building entrances, office modifications, and restrooms as well as recreational facilities. In 2015, this program will fund ADA related improvements at two city owned recreational facilities at 17th and Vine and 67th and Spokane.

Facilities Exterior Program: The 2015 proposed budget includes $2 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 repairs to the Municipal Services Building and Lincoln Garage, and repaving of the Lincoln Garage parking lot and access driveway.

Facilities Systems Program: The 2015 proposed budget includes $1.5 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 HVAC System upgrades systems at Lincoln Garage.

Space Planning, Alterations, and Engineering: The 2015 proposed budget includes $375,000 for space planning, alterations and engineering as well as 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. The City Hall Complex Remodeling Capital Program is folded into this program as part of the 2015 proposed budget.

Energy Efficiency and Renewable Energy Initiative Program: The 2015 proposed budget includes $100,000 to fund lighting and sensor upgrades at various city facilities.

RESIZE, RESTRUCTURE, AND REINVEST

The Infrastructure Services Division's 2015 proposed budget includes several initiatives to restructure and resize its operations:

- The 2015 proposed budget eliminates nine vacant tax levy funded positions with no anticipated impact to service delivery. This reduces DPW Infrastructure's O&M budget by $405,000.
- The 2015 proposed budget reflects a restructuring of the decision units within DPW Infrastructure. Six decision units are reduced to four. This restructuring places the department's engineers, drafters and designers in the same functional units as the field crews and personnel that carry out those plans and designs. For example, street design engineers are consolidated with street maintenance staff in the new Transportation Infrastructure Decision Unit. This will streamline management responsibility for each line of business in DPW Infrastructure within the same decision unit.
- The budget for equipment in the 2015 proposed budget totals $382,500, up slightly from the 2014 budget. This includes increased funding for replacement of equipment that serves the street maintenance and street lighting programs.
- Approximately $200,000 was added for an anticipated 4% increase to electricity rates for street, alley and traffic lighting. Electricity costs for street, alley and traffic lighting are expected to be approximately $5.2 million in 2015.
- In 2015, the City of Milwaukee will continue its collaboration with UMOS and the Milwaukee Area Workforce Investment Board (MAWIB) on the Transitional Jobs Program. The 2015 proposed budget includes funding to support transitional jobs in DPW Infrastructure. The program will provide paid training and employment opportunities for City of Milwaukee residents. Upon completion of the six month program, participants will be equipped with new skills that will enable them to compete for family supporting jobs. The program will give participants an opportunity to develop useful skills in the street maintenance section of DPW Infrastructure.

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	-7.00		Public Works Inspector II	Reduced to reflect recent years' actual expenditures.
-1	-1.00		Security Operations Manager	Vacant positions eliminated.
-1	-1.00		Custodial Worker II/City Laborer	
-9	**-9.00**	**0.00**	**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.

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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	649.55	660.05	663.50	656.59	-3.46	-6.91
FTEs - Other	67.95	72.29	58.05	58.05	-14.24	0.00
Total Positions Authorized	1,438	1,433	1,433	1,426	-7	-7
EXPENDITURES						
Salaries and Wages	$33,689,352	$32,989,003	$33,975,642	$33,677,607	$688,604	$-298,035
Fringe Benefits	15,371,475	15,504,832	15,289,039	15,154,924	-349,908	-134,115
Operating Expenditures	30,104,760	27,046,215	29,344,413	29,131,413	2,085,198	-213,000
Equipment	1,426,585	1,859,700	2,005,169	1,735,969	-123,731	-269,200
Special Funds	1,275,662	3,005,500	3,401,500	2,642,400	-363,100	-759,100
TOTAL	$81,867,834	$80,405,250	$84,015,763	$82,342,313	$1,937,063	$-1,673,450
REVENUES						
Charges for Services	$70,974,258	$72,630,200	$71,942,700	$75,036,920	$2,406,720	$3,094,220
TOTAL	$70,974,258	$72,630,200	$71,942,700	$75,036,920	$2,406,720	$3,094,220

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 quickly and economically, 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	2013 Actual	2014 Planned	2015 Planned
Fleet availability.	Police: 94% Light: 91% Heavy: 88%	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%.	-1.9%	-2%	-2%
Increase household recycling participation by 2%.	16%	2%	2%
Tons of salt used.	88,225	44,000	44,000
Trees pruned in cycle.	53.7%	100%	100%
Trees planted.	3,667	3,198	4,211

STRATEGY IMPLEMENTATION

The Department of Public Works Operations Division is comprised of Environmental Services and Fleet Services. The 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 2015 proposed budget provides $82.6 million in operating funds, $2.5 million of grant and reimbursable funding and $11 million of capital funds for DPW Operations Division's services to Milwaukee's residents and businesses.

Environmental Services: Environmental Services is comprised of Sanitation and Forestry Operations. Sanitation is responsible for solid waste collection recycling, street sweeping, brush collection, nuisance garbage, vacant lot maintenance and snow and ice control. These services sustain neighborhoods, protect the environment from harmful chemicals, and protect city residents from infectious disease and injury.

Sanitation operates an effective Recycling Program. The 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 regularly increases tipping costs. The 2015 proposed budget includes $10.1 million for tipping fees, a 14% increase from 2014.

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 program's goal 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:

40% DIVERSION OF SOLID WASTE BY 2020

- Phase I (2011-2012)
  - Reduced allowance for outside of cart refuse.
    - Reduced from 4 cubic yards to 1 cubic yard.
  - Allowance of only one garbage cart per residence, additional garbage carts provided for additional fee.
    - $15 fee per quarter in 2015.
  - Continue greater diversion of materials at self-help sites.
    - More items were added in 2012 - 2014
  - 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.

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.

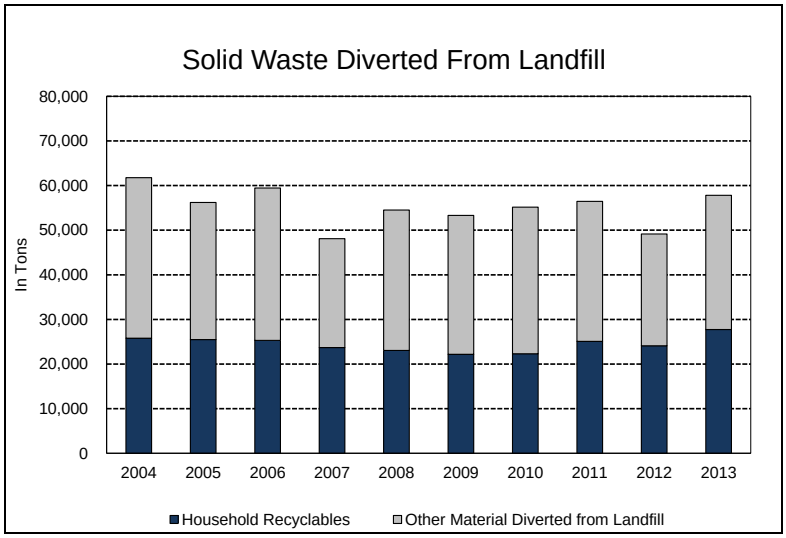
The primary benefits of the "40 by 2020" Program are reduced tipping fees, increased recycling revenues and a reduction in overall sanitation service costs. The Recycling Program generated over $1.8 million in 2013. The 2014 and 2015 revenue estimates for recycling are $1.9 million and $1.6 million, respectively.

The 2015 proposed budget provides nearly $4.1 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 2013, DPW collected approximately 243,000 tons of residential solid waste. Of this amount, 24,089 tons of recyclables and 25,071 tons of compost and other materials, or 24% of residential waste, was diverted from landfills (see Figure 1).

Figure 1



The citywide recycling pounds per household amount for 2013 was 19.6% higher than in 2009. Residents' participation in the household Recycling Program avoided nearly $940,000 in landfill disposal costs in 2013 and earned over $1.77 million in revenue from the sale of recyclables. The revenue and avoided disposal savings help offset the cost of providing household recycling collection service to over 180,000 households.

Forestry Operations: 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.

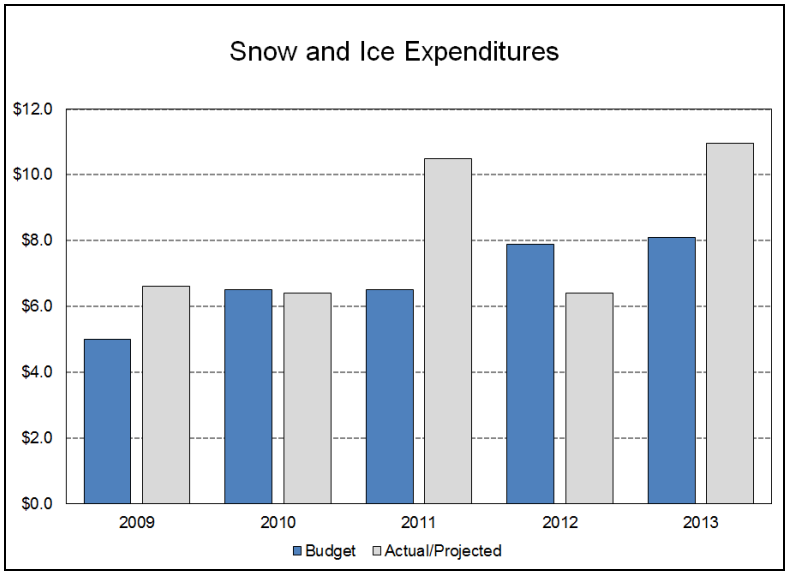
The Emerald Ash Borer emerged as a threat to the state's ash tree population in 2008 with its discovery in Ozaukee and Washington counties. The insect was recently discovered in the City of Milwaukee. DPW has been working with the State of Wisconsin on pest control strategy. This strategy involves an 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 used grant funding for the marginal cost for the purchase of Compressed Natural Gas (CNG) packers. Adding the CNG packers will reduce costs in the city's fleet. Currently the cost per mile for a diesel powered packer is approximately two times the cost of a CNG packer. There are currently 21 CNG vehicles in the city's packer fleet. An additional 22 packers will arrive in 2014 and 2015. These 43 CNG packers will generate fuel savings of approximately $258,000, or $6,000 per vehicle in 2015.

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.

Figure 2



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 the snow driver pool and overtime allows for more sustained snow removal operations using only city forces.

In 2013, DPW Operations conducted 24 plowing operations and 44 ice control operations at a cost of nearly $11 million. The 2013 budget included $8.2 million for this purpose. The 2015 proposed budget includes $8.7 million for snow and ice control operations, a $500,000 increase over the 2014 budget amount. The budgeted amount represents approximately 92% of the three year average cost for snow and ice control (see Figure 2).

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 2013, Fleet Services met or exceeded its goal of preventative maintenance checks and ensured the following in service rates:

- Police vehicles - 94%
- Light weight vehicles - 91%
- Heavy equipment - 88%

RESIZE, RESTRUCTURE, AND REINVEST

The 2015 proposed budget continues programs that increase efficiency and streamline property management, waste collection and recycling programs. These operations improve the services provided to Milwaukee residents.

Strong Neighborhoods Plan (SNP): The Department of Public Works operates three programs related to Mayor Barrett's Strong Neighborhoods Plan. These programs improve the overall condition of Milwaukee's neighborhoods. The 2015 proposed budget includes the following programs:

- **In-House Demolition:** The In-House Demolition Program is continued with funding of $630,000, a reduction of $363,000 from the 2014 budget. This program will demolish approximately 100 city owned properties that require razing. The program will provide employment for six Milwaukee residents.

- **Property Management**: The 2015 proposed budget includes $2 million for maintenance of city owned properties, including debris removal, grass mowing and snow removal. This program maintains over 3,000 city owned vacant lots and nearly 1,300 improved properties.

Operations Driver/Worker Pay: The 2015 proposed budget includes $107,000 for an improved pay plan for the Operations Driver/Worker (ODW) position. Essentially the new plan rewards ODWs for accepting more difficult assignments and offers a more competitive starting pay.

Transitional Jobs Program: In 2015, the City of Milwaukee will continue its collaboration with UMOS and the Milwaukee Area Workforce Investment Board (MAWIB) on the Transitional Jobs Program. The 2015 proposed budget includes funding to support 60 transitional jobs in DPW Operations. The program will provide paid training and employment opportunities for 100 City of Milwaukee residents. Upon completion of the six month program, participants will be equipped with new skills that will enable them to compete for family supporting jobs. The program will give participants an opportunity to develop useful skills in the Fleet, Forestry and Sanitation Services sections of DPW Operations.

Pruning: The 2015 proposed budget includes an additional $537,000 for pruning. These additional funds in combination with 60 Transitional Jobs will allow Forestry Section to reduce the city's tree pruning backlog.

Residential Disposal Costs: The 2015 proposed budget increases the expected costs for landfill waste to $10.1 million. Landfill tonnage costs are budgeted at 235,000 tons. This represents a modest tonnage reduction from the 2014 budget. However, despite the tonnage reduction an additional $1 million is budgeted to cover a 14.3% increase in landfill disposal costs. The per ton landfill costs in 2015 will increase to $43 per ton from $37.63 per ton.

Automated Collection: The 2015 proposed budget continues the process of reinvesting in solid waste services to improve productivity and reduce workers compensation costs. 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. This automation allows for the reduction of seven Operation Driver Worker positions, a savings of $258,000 from CNG.

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.

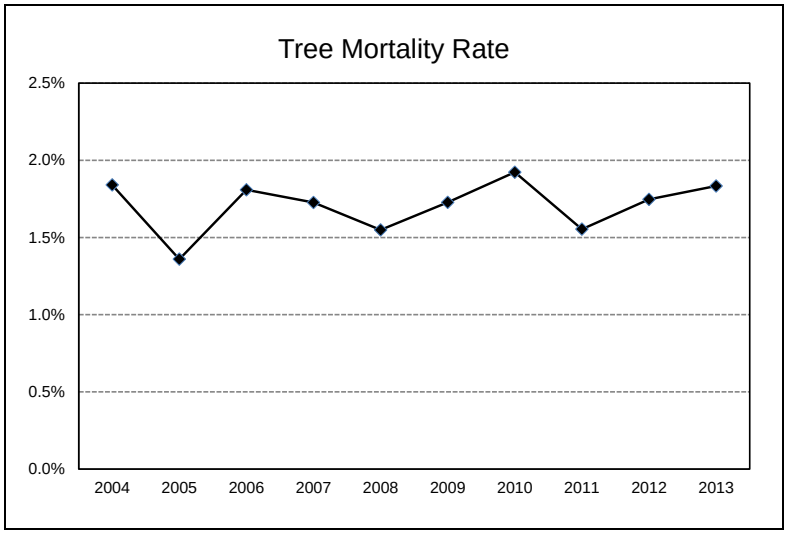
FEES

- **Solid Waste Fee:** The 2015 proposed Solid Waste Fee per quarter will increase 4% from $46.75 to $48.60 per residential unit. The annual impact on households, with one garbage cart, is an increase of $7.40 from $187 to $194.40. The fee will generate approximately $36.7 million or 92% of cost associated with garbage and recycling collection. Future increases in the Solid Waste Fee will be necessary as tipping fees and other costs increases occur.
- **Apartment Garbage:** The apartment garbage rates will increase by 8% in the 2015 proposed budget. This increase is necessary due to the 14% increase in tipping fee rates. The increase will allow the city to recoup 100% of the costs related to providing this service.
- **Snow and Ice Control Fee:** The 2015 proposed Snow and Ice Control Fee will increase 7% from $0.8556 to $0.9155 per front foot. The annual impact for a homeowner with a typical property with 40 feet of street frontage is $2.40 annually. The fee will generate approximately $8.7 million or 100% of the estimated cost of the city's Snow and Ice Control operation. Future increases in the Solid Waste Fee will be necessary as de-icing supplies and other costs increases occur.

CAPITAL PROJECTS

Environmental Facility Modification: While the 2015 proposed budget does not provide funding for the Material Recycling Facility (MRF), approximately $10 million has been appropriated to this project over the past three years. These funds are being used in a joint venture with Waukesha County to rehabilitate the facility and to purchase modern equipment. The project is expected to be completed by the end of 2014. Upon completion, the City of Milwaukee should see realize increased revenues and reduced costs from its recycling operations.

Figure 3



Tree Planting and Production: The 2015 proposed 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 3 shows data on tree mortality. In addition, $360,000 is provided for stump removal.

Concealed Irrigation and Landscaping: The 2015 proposed capital budget provides $500,000 for boulevard irrigation system replacements. These systems provide water for plant beds. Funding supports the replacement of up to 100 taps.

Emerald Ash Borer: The 2015 proposed capital budget includes $1 million for a two part Emerald Ash Borer Readiness and Response Program. Treatable ash trees are injected with a pesticide to protect against the Emerald Ash Borer (EAB). 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 EAB.

In 2015, a second part of the EAB Readiness and Response Program will be introduced. When an EAB infested ash tree is discovered on city property, all surrounding city trees will be moved. This will impede any EAB infestation.

The Emerald 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 2015 proposed budget provides $75,000 for this program.

Major Capital Equipment: The 2015 proposed capital budget includes $7.1 million for major capital equipment that costs more than $50,000 per unit and has a life cycle of at least ten years. This is a $600,000 increase from 2014. The 2015 program includes $6.8 million to replace 11 garbage and recycling packers, and equipment needed to support the DPW Operations and Infrastructure Services divisions.

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	-7.00		Operations Driver Worker	Efficiencies from automation.
		-9.00	City Laborer	Elimination of Dombrowski funding.
	3.54	-5.24	Various Positions	Funding changes.
-7	**-3.46**	**-14.24**	**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 2015 proposed budget provides funding of $35.5 million for Miscellaneous Special Purpose Accounts and total funding of $168.7 million for all Special Purpose Accounts. Highlights of the 2015 Miscellaneous Special Purpose Accounts (SPAs) include:

New Accounts

The 2015 proposed budget includes three new Special Purpose Accounts that are part of the Mayor's Compete Milwaukee Initiative to connect workforce development investments with employment opportunities in order to increase employment among city residents. The three accounts have total funding of $355,000 and include:

Career Pathways: This account is funded at $100,000 and will support the provision of case management, tutoring, training and certification for residents placed in transitional job opportunities with city departments.

Community Work Partnership: This account is funded at $180,000 and will be used in conjunction with other funding sources to support placement of Milwaukee residents in transitional jobs. The Compete Milwaukee Initiative will utilize various funding sources to support the placement of more than 130 residents in jobs.

Job Scan, Industry Assessment and Evaluation: This account is funded at $75,000 and will support the completion of an assessment of current and forecasted job growth and related workforce development needs for the regional labor market. The resulting report will identify critical areas of focus. This account will also fund an evaluation of the Compete Milwaukee Initiative. The SPA will be supplemented by funding from other sources.

Other Changes

Audit Fund: The 2015 proposed budget decreases the Audit Fund Special Purpose Account by $130,000. Total funding of $250,000 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 is funded at $30,000 in 2015.

City Attorney Collection Contract: The 2015 proposed budget provides $1,125,000 for the City Attorney Collection Contract, an increase of $240,000 from the 2014 budget. The increase results from a policy change adopted by the Common Council in September 2013 in File Number 130538. The change provides the city's collection agent six additional months to pursue *In Personam* collection of delinquent taxes. The goal of allowing additional time for collection efforts is to help homeowners avoid tax foreclosure and reduce the number of *In Rem* tax foreclosures.

Reducing *In Rem* tax foreclosures will generate long term savings for the city. At the close of the July collection cycle, the number of delinquent real estate tax accounts were down 7.1% and the amount of delinquent real estate taxes were down 7.6% from the prior year.

Driver License Recovery and Employability Program: The 2015 proposed budget provides no funding for this account. This account had been used to provide funding to the Center for Driver's License Recovery and Employability (CDLRE), which is part of Wisconsin Community Services, a non-profit organization. CDLRE assists residents in restoring suspended or revoked driver licenses. CDLRE will continue to receive $100,000 in CDBG funding in 2015.

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 increased by $100,000 to $650,000 in 2015. The increase is based on anticipated expenditures for maintenance of city owned properties acquired through tax foreclosures.

Outside Counsel/Expert Witness Fund: This account funds the legal expenses incurred by the city for the retention of outside counsel and experts necessary for litigation and related legal efforts. The account is increased by $420,000 to $850,000 in 2015, reflecting an anticipated increase in expenditures given current and expected litigation.

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 $353,000 to $550,000 in 2015, based on anticipated expenses.

Wages Supplement Fund: This account funds anticipated wage and fringe benefit increases for city employees, including increases resulting from collective bargaining agreements. The account is increased to $19.3 million in 2015. This amount is needed to fund anticipated compensation increases for city employees in 2015.

SPECIAL PURPOSE ACCOUNTS SUMMARY

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
Special Purpose Accounts Miscellaneous						
Alternative Transportation for City Employees	$112,390	$115,000	$115,000	$115,000	$0	$0
Annual Payment to Department of Natural Resources	7,034	7,100	7,100	7,100	0	0
Audit Fund	451,294	380,000	250,000	250,000	-130,000	0
Boards and Commissions Reimbursement Expense	17,379	17,000	18,000	18,000	1,000	0
Care of Prisoners Fund	0	0	90,000	30,000	30,000	-60,000
Career Pathways	0	0	0	100,000	100,000	100,000
City Attorney Collection Contract	1,124,789	885,000	1,125,000	1,125,000	240,000	0
City Memberships	83,649	88,000	88,000	88,000	0	0
Clerk of Court Witness Fees Fund	9,314	9,000	9,500	9,500	500	0
Community Outreach	2,277	20,000	15,000	15,000	-5,000	0
Community Work Partnership	0	0	0	180,000	180,000	180,000
Contribution Fund General	0	2,900,000	2,500,000	2,500,000	-400,000	0
Damages and Claims Fund	1,340,810	1,225,000	1,225,000	1,225,000	0	0
Drivers License Recovery and Employability Program	50,000	50,000	100,000	0	-50,000	-100,000
eCivis Grants Locator	26,675	26,675	26,675	26,675	0	0
Economic Development Committee Fund	21,054	20,000	30,000	20,000	0	-10,000
E-Government Payment Systems	44,959	65,000	60,000	60,000	-5,000	0
Employee Training Fund	19,654	20,000	20,000	20,000	0	0
Essential Services and Compliance Program	0	130,000	130,000	0	-130,000	-130,000
Firemen's Relief Fund	132,632	145,000	140,000	140,000	-5,000	0
Flexible Spending Account	76,863	115,000	115,000	115,000	0	0
Graffiti Abatement Fund	145,320	95,000	95,000	95,000	0	0
Group Life Insurance Premium	2,926,036	2,190,000	2,190,000	2,190,000	0	0
Illegal Dumping Tip Hotline	15,000	5,000	0	0	-5,000	0
Insurance Fund	420,670	429,689	429,689	429,689	0	0
Job Scan, Industry Assessment and Evaluation	0	0	0	75,000	75,000	75,000
Land Management	812,117	550,000	650,000	650,000	100,000	0
Long Term Disability Insurance	804,844	640,000	640,000	640,000	0	0
Maintenance of Essential Utility Services	31,113	0	0	65,000	65,000	65,000
Milwaukee Arts Board Projects	113,791	200,000	200,000	200,000	0	0
Milwaukee Fourth of July Commission	93,073	95,000	95,000	110,000	15,000	15,000
MMSD User Charge	0	44,790,095	45,006,352	45,006,352	216,257	0
Less Recover MMSD User Charge	0	-44,790,094	-45,006,351	-45,006,351	-216,257	0
Municipal Court Intervention Program	425,000	425,000	425,000	425,000	0	0
Nuisance Abatement Fund	0	0	0	0	0	0
Outside Counsel/Expert Witness Fund	531,718	430,000	600,000	850,000	420,000	250,000
Razing and Vacant Building Protection Fund	85,496	0	0	0	0	0
Reimbursable Services Advance Fund	0	50,000,001	50,000,001	50,000,001	0	0
Less Recover Reimbursable Services Advance Fund	0	-50,000,000	-50,000,000	-50,000,000	0	0
Remission of Taxes Fund	1,855,159	1,600,000	1,600,000	1,600,000	0	0
Reserve for 27th Payroll	0	1,500,000	1,500,000	1,500,000	0	0
Retirees Benefit Adjustment Fund	109,779	118,000	110,000	100,000	-18,000	-10,000
Tuition Reimbursement Fund	736,196	725,000	750,000	725,000	0	-25,000

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
Unemployment Compensation Fund	826,690	903,000	850,000	550,000	-353,000	-300,000
Wages Supplement Fund	0	13,100,000	18,200,000	19,300,000	6,200,000	1,100,000
Total Miscellaneous SPAs	$13,452,775	$29,223,466	$34,398,966	$35,548,966	$6,325,500	$1,150,000
Board of Zoning Appeals	$242,159	$288,137	$305,354	$307,448	$19,311	$2,094
Workers' Compensation Fund	$12,476,141	$15,000,000	$13,500,000	$13,000,000	$-2,000,000	$-500,000
Employee Health Care Benefits						
Administration Expenses	$6,958,382	$9,500,000	$6,600,000	$6,700,000	$-2,800,000	$100,000
UHC Choice Plus (formerly Claims)	13,147,949	9,000,000	11,000,000	9,000,000	0	-2,000,000
Wellness Program	0	0	3,200,000	3,200,000	3,200,000	0
Dental Insurance	1,896,090	2,200,000	2,200,000	1,900,000	-300,000	-300,000
UHC Choice "EPO" (formerly HMOs)	93,932,820	89,286,685	97,000,000	99,000,000	9,713,315	2,000,000
Total Employee Health Care Benefits	$115,935,241	$109,986,685	$120,000,000	$119,800,000	$9,813,315	$-200,000
Grand Total Special Purpose Accounts	$142,106,316	$154,498,288	$168,204,320	$168,656,414	$14,158,126	$452,094

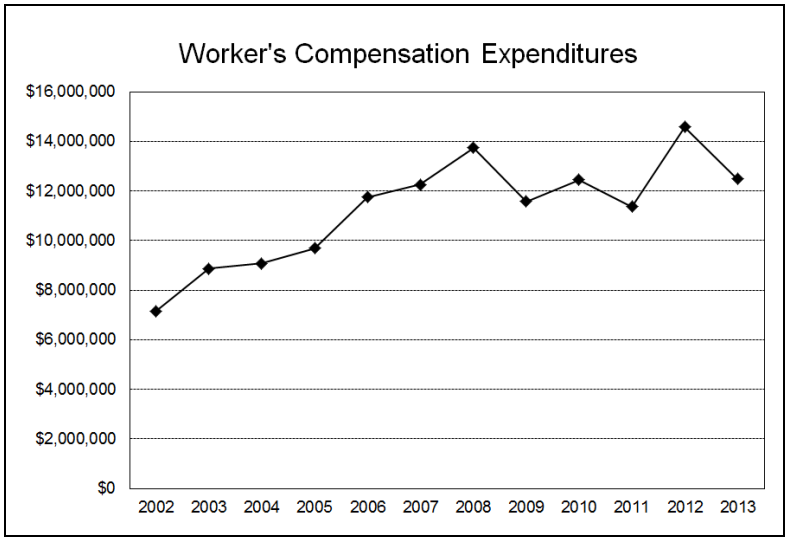
SPECIAL PURPOSE ACCOUNT
WORKER'S COMPENSATION

SUMMARY OF EXPENDITURES

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
Worker's Compensation	$12,476,141	$15,000,000	$13,500,000	$13,000,000	$-2,000,000	$-500,000
TOTAL	$12,476,141	$15,000,000	$13,500,000	$13,000,000	$-2,000,000	$-500,000

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

Figure 1



The 2015 proposed budget for the Worker's Compensation account totals $13 million. Worker's Compensation expenditures for 2014 are projected to be between $12.5 to $13 million and remaining funds will be carried over into 2015 to cover estimated expenditures of $13.5 million. Worker's Compensation expenditure trends have stabilized and are projected to decrease after several severe injuries occurred in 2011 that caused higher than normal expenditures in 2012.

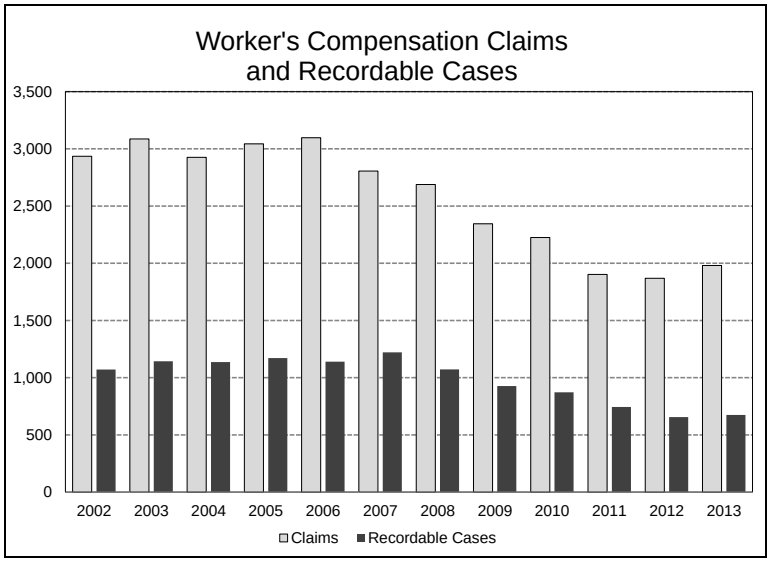
Growing medical costs have contributed to increased Worker's Compensation expenditures in recent years (see Figure 1). DER continues to utilize medical bill review and re-pricing options to adjust medical charges stemming from work related injuries. Bill review and re-pricing generate savings from State fee schedules and negotiated provider discounts. In 2013, medical and hospital discounts resulted in net savings of $3.9 million. Through June 2014, the city has achieved over $1.7 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 program's accountability structure 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.

Figure 2



Claims management system data provide 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). Safety plans include data analysis and identification and evaluation of safety practices needed to minimize job hazards and prevent injuries. Departments also identify goals and objectives for the following year along with associated action and completion steps for each goal.

The Risk Management Program and annual safety plans have contributed to several improvements, including return to work programs, accident investigation protocols and policies at the supervisory level, and including safety performance measures in job descriptions and performance appraisals. The program has also resulted in significant reductions in the number of claims and recordable cases (see Figure 2), as well as fewer incidents and lost workdays.

In 2015, DER will continue to improve the overall effectiveness of the Risk Management Program. Initiatives will focus on increasing accountability for safety at the supervisory level, and creating a stronger link between claims management and the identification of hazards related to policies, practices, skills sets in order to better identify problem areas and implement solutions.

DER is implementing 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 program's advantages include:

- Employees develop a relationship with an onsite physical therapist who has a thorough understanding of the work environment and any related job complexities or 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 environment 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 trends. These data include the number and type of claims filed, 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 realized significant reductions in many of these areas in recent years. Since

2008, serious injuries have decreased over 28%, injury hours have decreased by 58% and the incidence rate has declined by more than 30%.

Table 1

Worker's Compensation Indicators

	2006	2007	2008	2009	2010	2011	2012	2013
City Wide Data								
Claims	3,097	2,806	2,688	2,345	2,225	1,903	1,869	1,980
Recordable Cases	1,140	1,221	1,073	927	872	744	656	674
Incidence Rate	17.75	18.31	16.01	14.22	13.82	12.14	10.69	11.12
Lost Workdays	21,279	19,488	24,817	15,441	16,421	15,432	12,995	13,215
Injury Hours	197,972	206,227	217,584	152,596	165,083	124,874	111,250	90,824
Injury Pay	$3,618,117	$3,758,599	$4,096,525	$3,062,781	$3,317,044	$2,566,811	$2,329,798	$1,829,217
MFD								
Claims	973	725	627	566	614	432	441	368
Recordable Cases	346	364	294	270	298	197	195	159
Incidence Rate	29.36	29.83	24.55	22.49	26.99	17.86	17.79	14.48
Lost Workdays	8,821	4,684	10,136	3,625	5,755	4,614	4,652	3,850
Injury Hours	98,590	92,937	107,094	72,401	86,670	52,670	43,749	35,522
Injury Pay	$1,721,210	$1,649,650	$1,956,139	$1,442,241	$1,723,367	$1,018,141	$882,209	$749,192
MPD								
Claims	920	891	865	775	663	636	663	680
Recordable Cases	300	280	251	244	177	166	164	145
Incidence Rate	13.55	12.00	10.69	10.78	7.88	7.28	7.35	6.55
Lost Workdays	4,017	2,316	3,441	3,885	2,833	3,726	3,629	2,064
Injury Hours	34,252	26,238	35,116	32,241	29,201	34,540	40,082	23,032
Injury Pay	$764,525	$593,130	$824,790	$786,083	$718,955	$867,494	$1,036,846	$602,185
DPW All Divisions								
Claims	1,069	1,043	1,075	887	862	740	688	840
Recordable Cases	443	509	474	374	359	343	264	317
Incidence Rate	25.74	28.74	26.01	21.25	20.99	21.74	16.42	21.28
Lost Workdays	8,032	11,852	10,341	7,567	7,061	6,822	3,895	6,626
Injury Hours	61,355	76,834	66,553	47,064	44,198	35,007	22,379	27,432
Injury Pay	$1,062,630	$1,335,152	$1,164,474	$814,767	$786,257	$640,467	$336,226	$405,353

SPECIAL PURPOSE ACCOUNT
EMPLOYEE HEALTH CARE BENEFITS

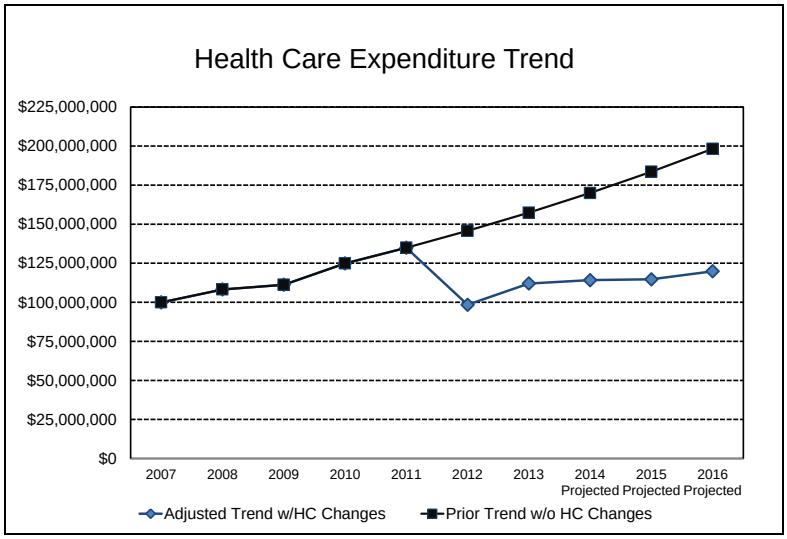
SUMMARY OF EXPENDITURES

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
UHC Choice Plus PPO	$13,147,949	$9,000,000	$11,000,000	$9,000,000	$0	$-2,000,000
UHC Choice EPO	93,932,820	89,286,685	97,000,000	99,000,000	9,713,315	2,000,000
Dental Insurance	1,896,090	2,200,000	2,200,000	1,900,000	-300,000	-300,000
Wellness Program	0	0	3,200,000	3,200,000	3,200,000	0
Administrative Expense	6,958,382	9,500,000	6,600,000	6,700,000	-2,800,000	100,000
TOTAL	$115,935,241	$109,986,685	$120,000,000	$119,800,000	$9,813,315	$-200,000

This Special Purpose Account covers employee health care costs for two separate self-funded plans, the Choice Plus PPO plan and the Choice EPO plan 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.

Figure 1



Because of these changes, the 2012 employee health care expenditures were decreased 26.5% from the 2011 health care expenditures (see Figure 1). While 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 and 2014 as city employees adjusted their health care decisions to conform to the new health care plan.

Despite the changes made in 2012, the city's health care expenditure trend has continued to increase with projected costs rising to approximately $150 million by 2017. Additional plan design changes are being implemented in 2015 to curb the rising trend in health care costs and create greater incentives for employees to make good healthcare decisions.

A table of the changes for the EPO plan is shown below:

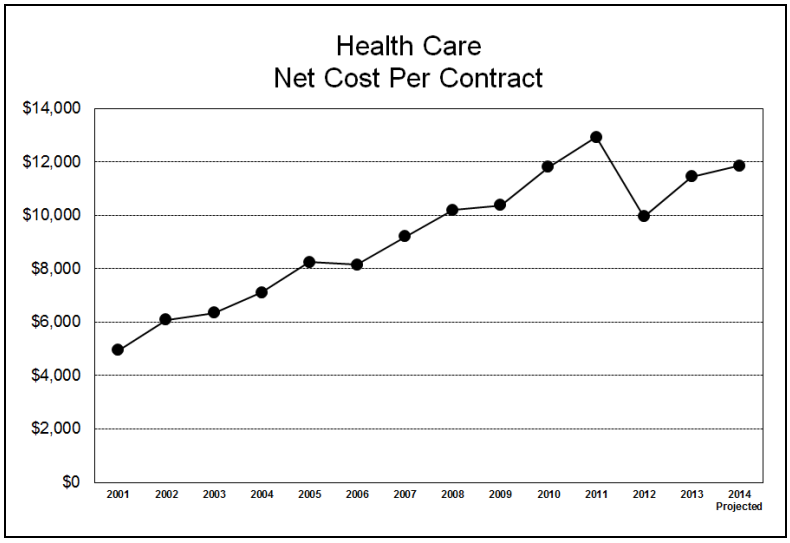
Benefit Design Components	Current Choice/EPO Benefits	2015 Choice/EPO Benefits
Deductible	$500 Single/$1,000 Family	$750 Single/$1,500 Family
Physician Co-Insurance	10% or $500 per member	10% Premium Tier 1 Providers 30% Non-Premium Providers
Out-of-Pocket Maximum	$1,000 Single/$2,000 Family	$1,500 Single/$3,000 Family
Emergency Room Visits	$150 co-pay once deductible and out-of-pocket max met	$200 Co-pay for each visit, part of out-of-pocket max but not part of co-insurance or deductible.
Drug Co-Pays	$5/$25/$50 Co-Pay	20% Co-insurance with $4 Min/$75 Max
Onsite Nurse Practitioner	None	20 hours per week, no cost to participant
Healthy Rewards/Wellness HRA	$150 per Participant ($150 Single/$300 Family)	$250 per participant ($250 Single/$500 Family)

For changes to the Choice Plus Plan, please visit DER's website at *http://city.milwaukee.gov/Benefits.*

The 2015 cost per health care contract is expected to remain largely unchanged from the 2014 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 2015, the projected cost per contract will be approximately 7.6% 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. 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 four years of the "Wellness, Your Choice Milwaukee" Program, the city realized a 27% decrease in tobacco usage among participants and a 37% decrease in hypertension. However, many areas still need improvement and the city launched an outcome based Healthy Rewards Program in 2014 to complement the city's wellness initiative and encourage employees and their spouses/partners to engage in ongoing health and wellness activities.

Figure 2



The "Healthy Rewards Program" will provide employees and spouses (members) with an opportunity to earn points by reaching certain

biometric and activity related goals. Reaching 100 points earns a $250 Health Reimbursement Account (HRA). To be eligible to participate in the "Healthy Rewards Program" and earn the $250 incentive, members will need to complete the initial three step health assessment process. The $250 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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	4.00	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	$189,999	$189,378	$204,609	$206,703	$17,325	$2,094
Fringe Benefits	20,534	56,103	58,089	58,089	1,986	0
Operating Expenditures	28,626	42,656	42,656	42,656	0	0
Equipment	3,000	0	0	0	0	0
TOTAL	$242,159	$288,137	$305,354	$307,448	$19,311	$2,094
REVENUES						
Licenses and Permits	$290,433	$306,000	$302,000	$302,000	$-4,000	$0
TOTAL	$290,433	$306,000	$302,000	$302,000	$-4,000	$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 2015, 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. In 2015, the city will implement its Land Management System, allowing BOZA the ability 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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	27.44	27.45	29.64	29.68	2.23	0.04
FTEs - Other	0.00	0.00	0.00	0.30	0.30	0.30
Total Positions Authorized	58	57	59	59	2	0
EXPENDITURES						
Salaries and Wages	$1,356,166	$1,372,307	$1,518,865	$1,505,975	$133,668	$-12,890
Fringe Benefits	628,422	644,984	683,490	677,689	32,705	-5,801
Operating Expenditures	667,231	773,118	806,690	780,815	7,697	-25,875
Equipment	1,873	0	12,660	12,660	12,660	0
Special Funds	35,159	47,835	47,835	47,835	0	0
TOTAL	$2,688,851	$2,838,244	$3,069,540	$3,024,974	$186,730	$-44,566
REVENUES						
Charges for Services	$159,927	$112,800	$117,900	$117,900	$5,100	$0
Licenses and Permits	84,170	84,400	84,100	84,100	-300	0
Miscellaneous	210,472	832,200	832,200	832,200	0	0
TOTAL	$454,569	$1,029,400	$1,034,200	$1,034,200	$4,800	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

The Treasurer's Office supports the city's efforts to improve fiscal capacity through its investment of city funds that are not needed immediately to meet current expenditures, including property taxes and lump sum revenue payments such as State Shared Revenue. In making investment decisions, the Treasurer's Office considers the safety, liquidity, and rate of return of various investment instruments. The Treasurer's Office also supports the city's efforts to deliver services at a competitive cost by controlling the costs of tax collection. The Treasurer's 2015 proposed operating budget totals approximately $3 million, a 5.7% increase from the 2014 adopted budget. The

increase reflects the need for additional resources to manage *In Rem* filings and upgrade the department's technology.

Key Performance Measures

Measure	2013 Actual	2014 Planned	2015 Planned
Cost of property tax collection as a percentage of property taxes collected.	.2390%	.2676%	.2839%
General Fund investment revenue realized on short term pooled cash investments.	$299,638	$340,800	$300,000
General Fund investment revenue realized on long term pooled cash investments.	$472,055	$491,400	$330,100

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 allowing special assessments and charges to be placed on the city's ten month, interest free installment payment plan. Another is having the city's collection agent, the Kohn Law Firm, attempt to collect delinquent real estate property taxes for a period of 12 months prior to the city pursuing a foreclosure action, instead of six months. The benefit of these two changes has been that taxpayers now have lower monthly payment amounts due, making it more likely to prevent *In Rem* tax foreclosure.

While these changes have been beneficial, the downturn in the housing market and the overall economy continues to contribute to a substantial number of foreclosure filings and tax delinquent parcels acquired. In 2013, the number of properties filed against by the city through *In Rem* foreclosure was 1,101 properties, with 748 of those acquired by the city. As Figure 2 shows, between 2007 and

Figure 1

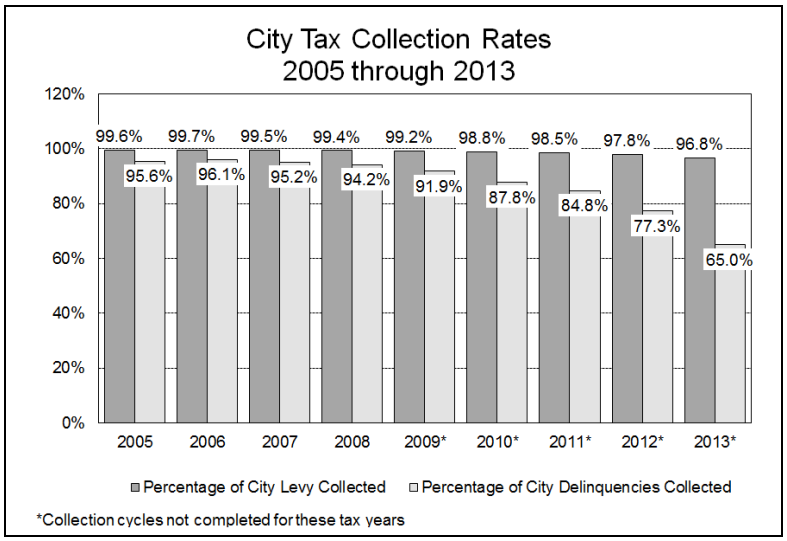
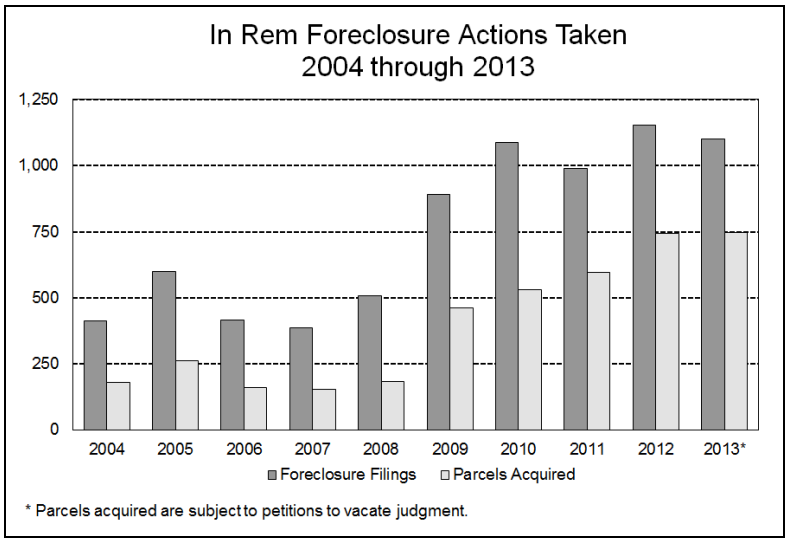


Figure 2



2013, foreclosure filings increased by 716 or 186% and parcels acquired increased by 588 or 368%. Filings and acquisitions are expected to remain at an elevated level in 2014 and 2015.

RESIZE, RESTRUCTURE, AND REINVEST

***In Rem* Tax Foreclosure Filings:** The 2015 proposed budget provides funding for three separate *In Rem* tax foreclosure filings. Multiple filings have become necessary in recent years in order to handle the large volume of properties entering foreclosure. In 2012, each filing cost approximately $12,000.

Position Changes and Reductions: The 2015 proposed budget adds one Network Coordinator Associate position, adds one Tax Collection and Enforcement Coordinator position, and increases the number of direct labor hours for the Temporary Customer Service Representative I position to address the increase in the department's workload.

System Upgrades and Replacement: In 2015, the Treasurer's Office will upgrade its iNovah Cashiering System and begin work on replacing its legacy tax collection system, which is over 30 years old. Both system projects will require the dedication of staff resources to system development and extensive parallel testing to assure success.

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		Tax Collection and Enforcement Coordinator	New position needed to address *In Rem* foreclosures.
1	1.00		Network Coordinator Associate	Increased workload for new IT projects.
	-0.30	0.30	Special Assistant to City Treasurer	
	0.23		Customer Service Representative I	Increase in workload.
	-0.04		Miscellaneous Adjustment	
2	**1.89**	**0.30**	**Totals**	

FRINGE BENEFIT OFFSET

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
Fringe Benefit Offset	$-145,641,206	$-149,862,066	$-147,906,189	$-146,286,058	$3,576,008	$1,620,131
TOTAL	$-145,641,206	$-149,862,066	$-147,906,189	$-146,286,058	$3,576,008	$1,620,131

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 2015 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 2015 amounts to approximately $146.3 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 needed to offset budgeted expenditures. In 2015, the city anticipates generating approximately $613.2 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 decreased, 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 $14.5 million higher than the inflation adjusted revenue for 2015 of $390 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 2015 proposed 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 42.7% in 2015.

Figure 1

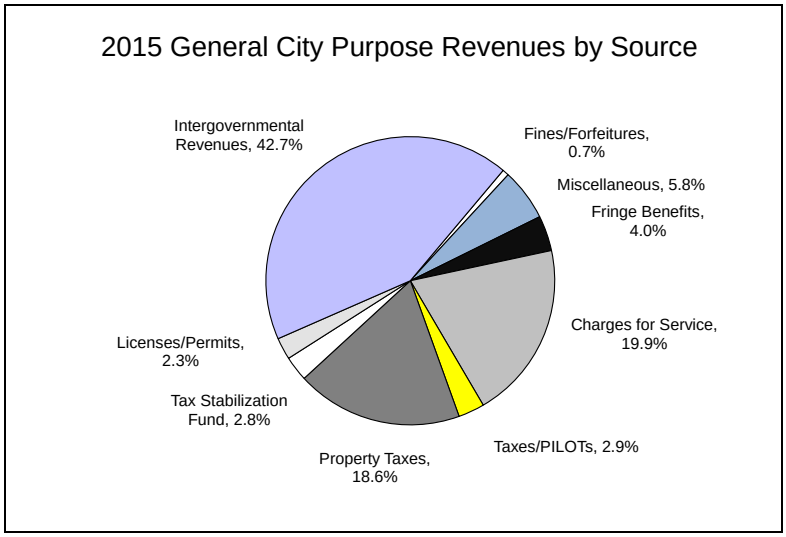
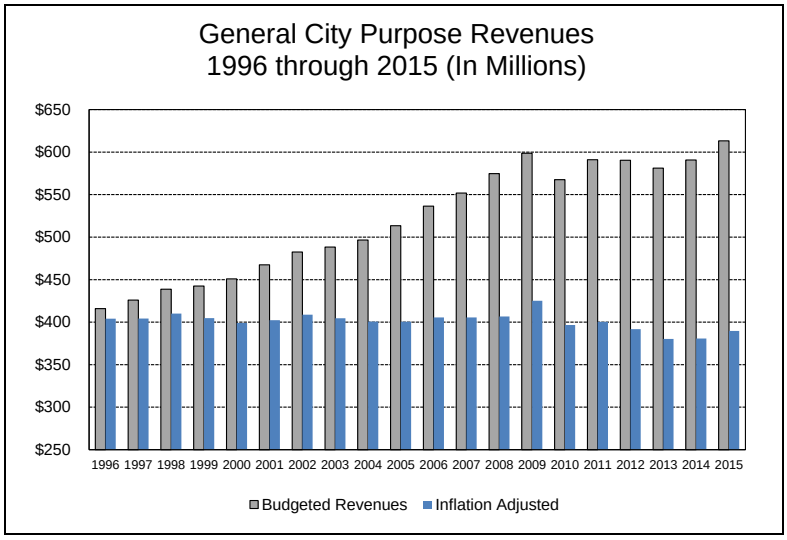


Figure 2



Over the same time period, the city's reliance on property taxes increased from 10.6% to 18.6%. The city has increased its efforts to diversify revenues by increasing charges for service as a percentage of revenue from 4.3% to 19.9%.

From 2005 to 2015, intergovernmental revenues decreased by $10.7 million from $272.5 million to $261.8 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 2015 budget, intergovernmental revenues total $261.8 million. This is an increase of $1.9 million from 2014.

The largest amount of state aids received by the city comes in the form of State Shared Revenue. In 2015, the city expects to receive $218.9 million of shared revenue. This is $128,000 higher than the amount expected to be received in 2014.

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 $97.3 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 $25.9 million in 2015, an increase of $793,000 from 2014.

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 2015 is $8.8 million, a $275,000 increase from 2014.

Figure 3

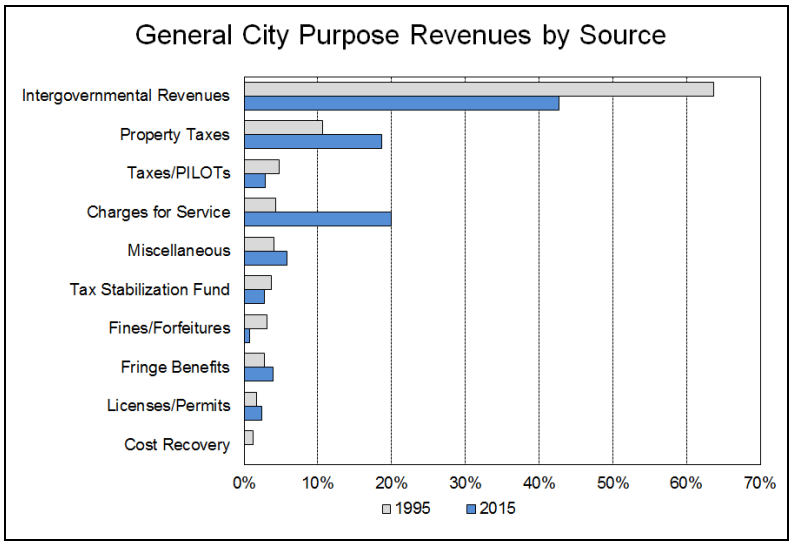
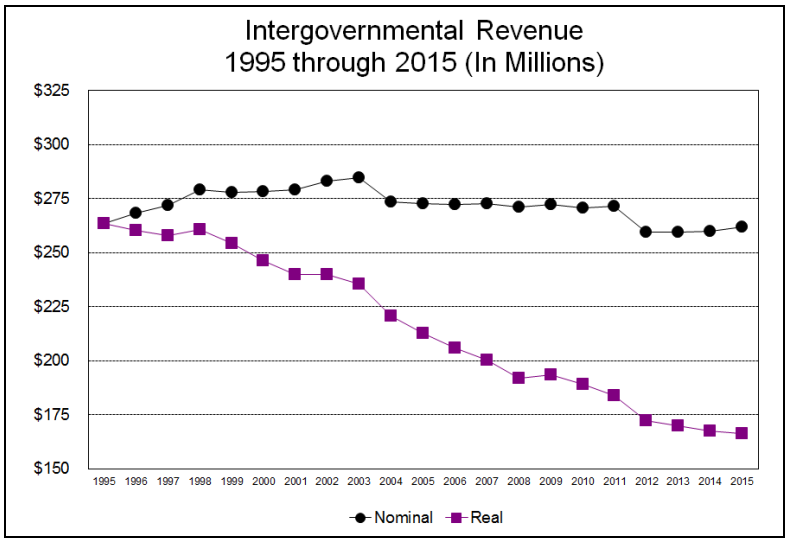


Figure 4



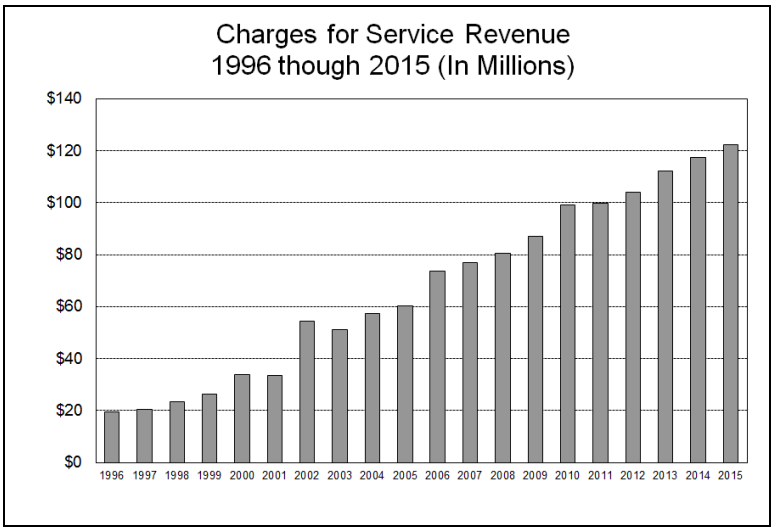
Property Taxes: The property tax levy will provide $114.3 million in revenue for the General City Purposes budget in 2015. The total city tax levy will be $256.9 million in 2015 or an increase from 2014 of $3.1 million or 1.2%.

Taxes and Payments in Lieu of Taxes: The 2015 proposed budget includes an estimated $18 million in revenue attributable to Taxes and Payments in Lieu of Taxes (PILOTs), an increase of $97,400 from 2014. 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 2015 proposed budget includes $122.3 million in revenue from charges for services, an increase of $4.8 million from 2014. 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 $122.3 million in 2015. This trend is also evident in Figure 3, where charges for service revenues increased from 4.3% of revenues to 19.9%. 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 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, the same as in 2014. There is no charge for additional recycling carts. The Solid Waste Fee will rise to $194.40 per year for residential units from the $187 per year that is charged in 2014 and will generate $38.6 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 $0.9155. The fee will generate a total of $8.7 million in 2015.

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 $15.7 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 2015, these revenues are expected to total $35.7 million. The decrease of $936,800 from 2014 in miscellaneous revenues is primarily due to a decrease in the Parking Fund transfer payment of $425,000, a $400,000 decrease in anticipated contribution revenue, a $250,000 decrease in property sale revenue, a $202,100 decrease in investment earnings and a $144,000 decrease in the Potawatomi payment.

Fines and Forfeitures: Revenue of $4.5 million related to fines and forfeitures is included in the 2015 proposed 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 2015 is estimated at $15.1 million, an increase of $1.1 million from 2014. 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 2015.

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 $16.6 million lapsed into the Fund at the end of 2013. The estimated balance of the Fund as of January 1, 2014 was $50.6 million.

The 2015 withdrawal will be $16.7 million which is 33% of the Fund balance. After the 2015 withdrawal and anticipated regeneration at the end of 2014, the Tax Stabilization Fund should have a fund balance of approximately $49.5 million.

A temporary additional withdrawal from the TSF is reflected in the 2015 proposed budget in anticipation of revenue estimation by the Comptroller. Some fees are being proposed to increase but have not yet been adopted by the Common Council. The Comptroller's practice is to recognize this revenue after the Common Council adopts legislation increasing the fees. The amount included in the 2015 proposed budget for this purpose is $507,000. Once the fee increases are approved by the Common Council and recognized by the Comptroller they will appear in the appropriate revenue category and this portion of the TSF withdrawal will be eliminated.

2. SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	2012 ACTUAL EXPENDITURES	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED VERSUS 2014 ADOPTED
Taxes and Payments in Lieu of Taxes					
Housing Authority	$691,377	$702,707	$680,000	$665,000	$-15,000
Parking	1,444,386	1,560,567	1,450,000	1,500,000	50,000
Water Works	11,891,211	12,395,168	11,800,000	12,000,000	200,000
Trailer Park Taxes	88,475	64,990	65,000	50,000	-15,000
Payment in Lieu of Taxes Other	392,023	414,380	370,000	420,000	50,000
Interest/Penalties on Taxes	2,040,349	1,955,731	1,696,300	1,956,000	259,700
TID Excess Revenue	0	0	1,559,000	950,000	-609,000
Other Taxes	149,842	405,992	310,700	487,400	176,700
Total Taxes	$16,697,663	$17,499,535	$17,931,000	$18,028,400	$97,400
Licenses and Permits					
Licenses					
Amusement Dance/Music	$150,141	$131,144	$150,000	$131,000	$-19,000
Dog and Cat	84,394	84,170	84,400	84,100	-300
Food City Clerk	2,169,912	2,228,388	2,100,000	2,307,000	207,000
Food Health Department	57,371	87,464	67,500	175,000	107,500
Health Department Non-Food	37,354	31,823	37,400	34,400	-3,000
Liquor and Malt	1,475,189	1,377,637	1,460,300	1,372,000	-88,300
Scales	500,211	794,273	534,500	500,000	-34,500
Miscellaneous City Clerk	610,423	598,262	610,000	795,000	185,000
Miscellaneous Neighborhood Services	460,739	492,833	428,700	449,000	20,300
Miscellaneous Department Public Works Administration	17,982	16,767	15,000	16,500	1,500
Permits					
Board of Zoning Appeals	$290,376	$290,433	$306,000	$302,000	$-4,000
Zoning Change Fees	45,925	52,000	50,000	50,000	0
Building	2,705,347	3,352,948	3,099,300	3,509,000	409,700
Building Code Compliance	310,882	292,162	310,000	300,000	-10,000
Curb Space Special Privilege	103,650	23,845	107,200	21,000	-86,200
Electrical	1,116,438	1,313,596	1,200,000	1,280,000	80,000
Elevator	162,312	216,570	175,000	210,000	35,000
Occupancy	350,860	461,926	450,000	500,000	50,000
Plumbing	686,529	723,087	650,000	600,000	-50,000
Miscellaneous Neighborhood Services	113,387	129,712	106,100	126,000	19,900
Sign and Billboard	96,167	93,083	96,000	93,000	-3,000
Special Events	245,397	282,856	225,000	250,000	25,000
Miscellaneous Department of Public Works	399,526	329,588	311,200	330,000	18,800
Special Privilege Miscellaneous Neighborhood Services	374,819	332,052	355,000	348,000	-7,000
Sprinkler Inspection	100,805	119,743	90,000	128,000	38,000
Use of Streets Excavating	1,090,584	1,168,231	904,000	1,154,000	250,000
Plan Exam Department of City Development	654,468	-79	0	0	0
Total Licenses and Permits	$14,411,188	$15,024,514	$13,922,600	$15,065,000	$1,142,400
Intergovernmental Revenue					
Fire Insurance Premium	$1,100,257	$1,061,053	$1,100,000	$1,080,000	$-20,000
Local Street Aids	25,485,274	24,941,965	25,092,000	25,885,000	793,000

	2012 ACTUAL EXPENDITURES	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED VERSUS 2014 ADOPTED
Payment for Municipal Services	1,912,146	1,922,338	1,850,000	1,900,000	50,000
State Payments Police	660,450	746,563	702,700	747,000	44,300
State Shared Revenue (General)	218,729,727	218,788,833	218,752,000	218,880,000	128,000
Other State Payments	7,034	7,034	7,000	7,000	0
Expenditure Restraint Aid	8,316,164	8,475,356	8,552,000	8,827,000	275,000
Computer Exemption Aid	3,930,384	3,792,273	3,900,000	4,500,000	600,000
Total Intergovernmental Revenue	$260,141,436	$259,735,415	$259,955,700	$261,826,000	$1,870,300
Charges for Services - General Government					
City Attorney	$764,038	$1,006,107	$797,400	$761,000	$-36,400
Department of Employee Relations	160,816	159,155	169,000	163,000	-6,000
City Treasurer	172,721	159,927	112,800	162,900	50,100
Common Council City Clerk	186,930	151,890	160,000	149,700	-10,300
Cable Franchise Fee	5,155,248	5,000,553	5,300,000	4,800,000	-500,000
Comptroller	507,255	499,882	480,000	480,000	0
Municipal Court	1,733,859	1,524,122	1,797,800	1,752,000	-45,800
Assessor	668,149	647,332	600,500	700,500	100,000
Department of City Development	469,066	8,610	10,100	8,000	-2,100
Department of Administration	157,893	110,106	773,100	77,000	-696,100
Fire Department	5,605,868	5,824,785	5,753,200	6,687,000	933,800
Police Department	148,064	603,780	558,800	624,000	65,200
Department of Neighborhood Services	13,301,950	15,095,825	13,564,600	14,611,000	1,046,400
Building Razing	738,786	1,001,507	740,000	900,000	160,000
Fire Prevention Inspections	1,812,177	2,001,172	1,865,000	2,000,000	135,000
Essential Services	72,445	69,723	75,000	72,000	-3,000
Placard Fee	0	19,326	22,000	22,000	0
IT/Training Surcharge Department of Neighborhood Services	0	240,366	300,000	250,000	-50,000
Department of Public Works Operations Buildings and Fleet	4,974,078	4,427,988	4,183,000	4,273,000	90,000
Department of Public Works Infrastructure Division	5,263,317	3,590,992	4,272,500	4,738,000	465,500
Department of Public Works Operations Division Forestry	164,234	133,467	130,000	130,000	0
Harbor Commission	5,720,383	5,734,909	4,639,303	4,812,849	173,546
Department of Public Works Administrative Services	1,429,595	1,400,805	650,000	1,397,000	747,000
Department of Public Works Operations Division Sanitation	4,360,411	4,729,669	4,203,000	4,438,500	235,500
Solid Waste Fee	31,849,573	33,994,612	35,072,272	36,741,600	1,669,328
Extra Garbage Cart Fee	2,310,000	1,864,447	2,267,928	1,860,000	-407,928
Snow and Ice Control Fee	7,956,949	7,955,486	8,170,000	8,743,000	573,000
Street Sweeping and Leaf Collection	12,140,000	14,437,000	15,059,000	15,738,820	679,820
Apartment Garbage Pickup	1,625,796	1,613,715	1,625,000	1,544,000	-81,000
Health Department	1,100,937	877,484	957,200	873,000	-84,200
Public Library	469,362	419,797	479,800	475,000	-4,800
County Federated System	769,811	716,868	713,000	713,000	0
Recycling Contract	2,091,046	1,817,874	1,920,000	1,568,000	-352,000
Total Charges for Services	$113,880,757	$117,839,281	$117,421,303	$122,265,869	$4,844,566
Fines and Forfeitures					
Municipal Court	$5,041,542	$4,483,325	$4,755,400	$4,506,000	$-249,400
Total Fines and Forfeitures	$5,041,542	$4,483,325	$4,755,400	$4,506,000	$-249,400

	2012 ACTUAL EXPENDITURES	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED VERSUS 2014 ADOPTED
Miscellaneous Revenue					
Transfer from Other Funds	$20,410,157	$18,550,000	$17,425,000	$17,000,000	$-425,000
Interest on Investment	809,248	210,472	832,200	630,100	-202,100
Contributions	2,681,834	1,673,815	2,900,000	2,500,000	-400,000
Department of Administration Property Sales	553,389	532,789	424,500	575,500	151,000
Department of City Development Property Sales	318,443	4,725	350,000	100,000	-250,000
Department of Public Works Infrastructure Division Rent	242,186	222,896	177,000	222,000	45,000
Comptroller Rent	164,254	172,795	164,000	164,000	0
Department of City Development Rent	2,175	176	3,000	0	-3,000
Other Miscellaneous	7,094,981	1,811,922	970,500	1,014,300	43,800
Insurance Recovery	363,678	350,518	351,900	346,000	-5,900
Potawatomi	5,515,390	5,444,526	5,444,000	5,300,000	-144,000
Harbor Commission Transfer	1,350,000	1,360,000	1,378,300	1,581,700	203,400
Vehicle Registration Fee	6,256,684	750,000	6,250,000	6,300,000	50,000
Greendale Water Payment	0	6,338,316	0	0	0
Total Miscellaneous Revenue	$45,762,419	$37,422,950	$36,670,400	$35,733,600	$-936,800
Fringe Benefits					
Fringe Benefit Offset	$25,575,166	$24,466,050	$24,300,000	$24,300,000	$0
Total Fringe Benefits	$25,575,166	$24,466,050	$24,300,000	$24,300,000	$0
Total General Fund Revenue	$481,510,171	$476,471,070	$474,956,403	$481,724,869	$6,768,466
Amount to be Raised Pursuant to 18-02-6	$123,677,738	$116,810,199	$115,745,352	$131,509,220	$15,763,868
Less:					
Tax Stabilization Fund Withdrawal (Sustainable)	$13,767,000	$14,900,000	$20,000,000	$16,700,000	$-3,300,000
Tax Stabilization Fund Withdrawal (Revenue Anticipation)	$0	$0	$0	$507,000	$507,000
Property Tax Levy	$109,910,738	$101,910,199	$95,745,352	$114,302,220	$18,556,868
Total Sources of Fund for General City Purposes	$605,187,909	$593,281,269	$590,701,755	$613,234,089	$22,532,334

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.

SUMMARY OF EXPENDITURES

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
Firemen's Pension Fund						
Employer's Pension Contribution	$35,091	$36,000	$36,000	$36,000	$0	$0
Lump Sum Supplement Contribution	91,837	85,000	70,000	70,000	-15,000	0
Subtotal	$126,928	$121,000	$106,000	$106,000	$-15,000	$0
Policemen's Pension Fund						
Employer's Pension Contribution	$221,538	$228,538	$228,538	$206,000	$-22,538	$-22,538
Lump Sum Supplement Contribution	30,000	30,000	30,000	30,000	0	0
Subtotal	$251,538	$258,538	$258,538	$236,000	$-22,538	$-22,538
Employees' Retirement Fund						
Employer's Pension Contribution	$59,308,747	$61,600,000	$61,900,000	$60,000,000	$-1,600,000	$-1,900,000
Administration	19,339,464	25,020,959	28,351,081	28,397,088	3,376,129	46,007
Annuity Contribution Tax Levy	4,175,448	8,430,960	13,500,000	2,000,000	-6,430,960	-11,500,000
Annuity Contribution Employer's Reserve Fund	16,233,608	13,400,000	10,000,000	10,400,000	-3,000,000	400,000
Subtotal	$99,057,267	$108,451,919	$113,751,081	$100,797,088	$-7,654,831	$-12,953,993
Social Security Tax	$17,293,668	$17,257,298	$17,300,000	$17,800,000	$542,702	$500,000
Former Town of Lake Employees' Fund						
Employer's Pension Contribution	$7,273	$7,300	$7,300	$7,300	$0	$0
Subtotal	$7,273	$7,300	$7,300	$7,300	$0	$0
Deferred Compensation Plan	$1,300,186	$1,632,435	$1,546,935	$1,549,299	$-83,136	$2,364
Total	$118,036,860	$127,728,490	$132,969,854	$120,495,687	$-7,232,803	$-12,474,167
Revenues						
Fringe Benefits Pensions	$1,152,400	$1,273,783	$1,217,818	$1,232,096	$-41,687	$14,278
Charges for Service Employees' Retirement System	18,896,766	24,644,935	27,986,148	27,986,148	3,341,213	0
Charges to Other Funds	0	721,677	730,000	730,000	8,323	0
Charges for Service Deferred Compensation	1,300,186	1,632,435	1,546,935	1,549,299	-83,136	2,364
Property Tax Levy	79,698,013	85,965,660	91,400,953	78,510,144	-7,455,516	-12,890,809
Employer's Reserve Fund	16,233,608	13,400,000	10,000,000	10,400,000	-3,000,000	400,000
Miscellaneous Employees' Retirement System	80,300	90,000	88,000	88,000	-2,000	0
Total	$117,361,273	$127,728,490	$132,969,854	$120,495,687	$-7,232,803	$-12,474,167

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 26,761 members in the system as of December 31, 2013.

The Policemen's Annuity and Benefit Fund (PABF) administers pensions for city Police Officers employed prior to 1947. There were 53 members as of January 1, 2014.

Funds in the Firemen's Pension Fund are provided for retired Fire Fighters who were employed prior to 1947. This fund had 30 members as of January 2014.

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 responsibly financing pensions.

SERVICES

Annuity Contribution/Employee's Share: The 2015 proposed budget provides a total of $12.4 million for the employee's share of the annuity contribution that is paid by the city. Of that amount, $2 million for the city's share of employees' annuity contributions is provided from the annuity account and $10.4 million from the Employer's Pension Reserve Fund. This is a decrease of $9.4 million over the total amount provided for this purpose in 2014.

There are two major changes to funding for the employee's share of the annuity contribution. The city will no longer pay the employee contributions for general city employees ($7.5 million) and the city paid an extra $2 million in annuity contributions that will be credited to the employee contribution in 2014 and carried over for use in 2015.

Part of the State of Wisconsin Supreme Court decision on ACT 10 on July 31, 2014 included a ruling on general city employee pension payments made by the city on behalf of the general city employee. The court ruled that making this payment was an issue of statewide concern and the general city employee must pay the employee contribution instead of the city. The change will require the general city employees to pay the 5.5% employee pension contribution, and for Elected Officials with 2.5% multipliers to pay 7%.

Social Security Payments: In the 2015 proposed budget, $17.8 million is provided for Social Security payments.

Administration: In the 2015 proposed budget, ERS administrative costs are $28.4 million.

Employer's Reserve Fund: An expected balance of approximately $25.6 million will remain in the Employer's Reserve Fund at the end of 2014. The 2015 proposed budget includes the use of $10.4 million from the Reserve Fund to smooth the property tax levy impact of an employer pension contribution of $60 million.

Employer's Pension Contribution (PABF): The 2015 proposed budget includes a $206,000 contribution for the former Policemen's Annuity and Benefit Fund.

Lump Sum Contribution for Firemen's Annuity and Benefit Fund (FABF): A total of $70,000 is provided in the 2015 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 2014.

Lump Sum Contribution for Policemen's Annuity and Benefit Fund (PABF): There is $30,000 provided in the 2015 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 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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	42.50	43.50	43.50	43.50	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	53	54	55	55	1	0
EXPENDITURES						
Salaries and Wages	$2,497,206	$2,710,176	$2,706,263	$2,737,992	$27,816	$31,729
Fringe Benefits	1,152,400	1,273,783	1,217,818	1,232,096	-41,687	14,278
Operating Expenditures	15,569,205	20,762,000	23,958,000	23,958,000	3,196,000	0
Equipment	120,653	275,000	469,000	469,000	194,000	0
Special Funds	0	0	0	0	0	0
TOTAL	$19,339,464	$25,020,959	$28,351,081	$28,397,088	$3,376,129	$46,007
REVENUES						
Charges for Services	$18,896,766	$24,644,935	$27,986,148	$27,986,148	$3,341,213	$0
Miscellaneous	80,300	90,000	88,000	88,000	-2,000	0
TOTAL	$18,977,066	$24,734,935	$28,074,148	$28,074,148	$3,339,213	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

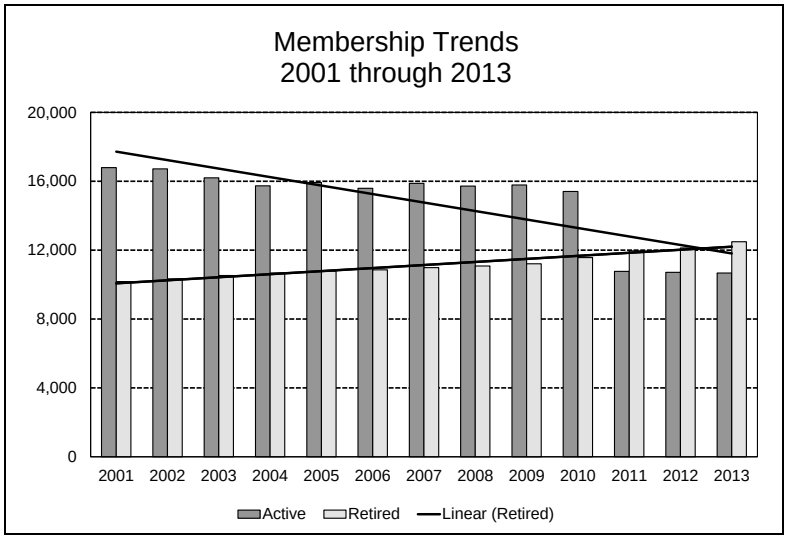
1. Minimize the amount of tax levy funding needed to support the Employes' Retirement System.
   - Effectively manage the pension funds under its control.
   - Provide high quality service to its customers.

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 Group Life Insurance Program, and health care for city retirees, including COBRA health and dental plans. As of December 2013, there were 26,805 members in the ERS, of which 60% were 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 system.

Figure 1



Key Performance Measures

Measure	2013 Actual	2014 Planned	2015 Planned
Exceed the gross of return of the blended benchmark index (previous five years).	1.6%	0.5%	0.5%
Exceed 95% favorable rating on customer satisfaction survey.	99%	95%	95%

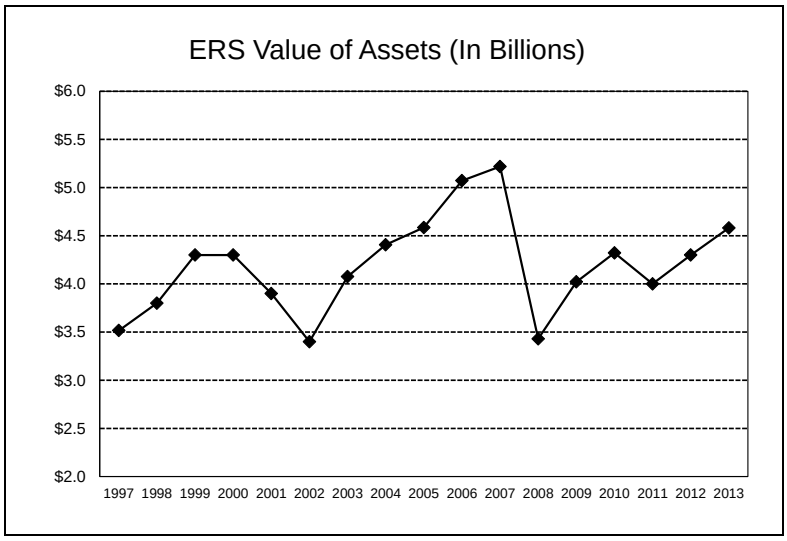
STRATEGY IMPLEMENTATION

The actuarial accrued liabilities on behalf of ERS members are $4.83 billion as of January 1, 2014. 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 18.4% in 2013.

Despite recent fluctuations, the Fund has stayed above median performance for funded public plans (see Figure 2). In order to maintain pension payments in future years, keep an adequate funded ratio of assets to liabilities, and comply with City Charter requirements, the 2015 proposed budget includes a $10 million withdrawal from the Employee Pension Reserve Fund. The city's stable contribution policy moderates fluctuations in the city's annual funding cost for employee retirement.

ERS measures the Fund's performance by comparing its investment return against a blended benchmark index consisting of the following indices:

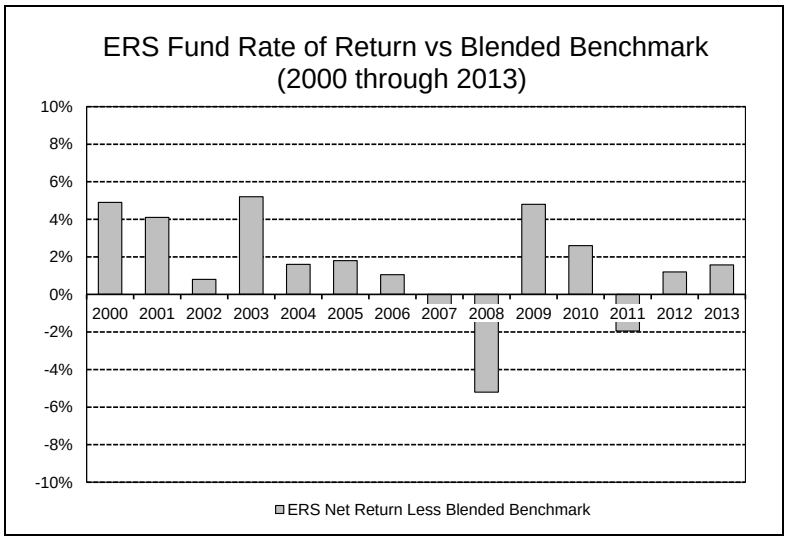
Figure 2



- 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. This strategy takes advantage of long term investment and market trends that occur over the life of an investment cycle. The long term objective is for the Fund to outperform the blended benchmark by 0.5%.

Figure 3



As seen in Figure 3, the Fund experienced a recovery in 2013 due to improved fixed income and domestic equity performance. The 2013 gross rate of return was 19.6%, while the blended benchmark rate of return was 18.1%.

Customer Service: ERS provides enhanced customer service through a series of public awareness projects and counseling on a variety of benefits, including pension, disability, separation and death. ERS is also responsible for administering group life insurance and retiree health insurance for the City of Milwaukee and certain city agencies. A monthly retiree newsletter and annual newsletter to active members keeps members informed on a variety of issues, including Fund performance, tax issues, and health insurance issues. Letters, counseling sessions, and phone conversations 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 and website also 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.

RESIZE, RESTRUCTURE, AND REINVEST

ERS' budget is funded almost entirely by Pension Trust Fund assets, 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 with maximum cost effectiveness.

The 2015 proposed budget increases by 13.3% or $3.3 million. Most of this increase is in the Operating Expenditures Account, which increases by $3.2 million (15.4%) from the 2014 budget. Expenditure increases are primarily due to increased investment manager fees due to increased assets under management.

ERS continues to upgrade and replace existing information technology equipment and to upgrade its network, which supports the information systems managing retirement benefits. The 2015 proposed budget includes $469,000 for these items, an increase of $194,000 (70%) from the 2014 budget. Projects include replacing nine servers and expanding storage to ensure adequate capacity for ERS information systems.

The 2015 proposed budget also funds a regular fiduciary audit to validate ERS compliance with its fiduciary mission and responsibilities.

Effective January 2014, ERS established a new custody agreement with Northern Trust. The agreement provides $225,000 of annual net savings over the next five years. While custody fees increase, ERS will receive a greater share of securities revenue (80% compared to 75%) and third party foreign exchange transaction fees ($50 per transaction) are eliminated. A $200,000 increase in expenses is more than offset by the expected investment return increase of $425,000.

ERS added two managers in a new asset class, Absolute Return, in 2014. These managers are Allianz Structured Alpha, an option based strategy, and Newton Global Real Return, a tactical allocation strategy. The purpose of this new asset class is to better diversify the fund, enabling ERS to meet its earnings goal while lowering overall risk.

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	Position reclassified.
1	1.00		ERS Business Operations Analyst	
-1			Pension Specialist Senior	Eliminate unfunded Auxiliary positions.
-1			Management Accountant Senior	
3			Member, ERS Annuity and Pension Board	Board expansion per Charter Ordinance File 131162.
1	**0.00**	**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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	2.28	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	$129,283	$128,235	$128,235	$129,733	$1,498	$1,498
Fringe Benefits	53,821	60,270	74,120	74,986	14,716	866
Operating Expenditures	1,117,082	1,368,930	1,269,580	1,269,580	-99,350	0
Equipment	0	0	0	0	0	0
Special Funds	0	75,000	75,000	75,000	0	0
TOTAL	$1,300,186	$1,632,435	$1,546,935	$1,549,299	$-83,136	$2,364
REVENUES						
Charges for Services	$1,300,186	$1,632,435	$1,546,935	$1,549,299	$-83,136	$2,364
TOTAL	$1,300,186	$1,632,435	$1,546,935	$1,549,299	$-83,136	$2,364

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 allows after tax contributions under the Roth 457 provision. In 2014, the Plan was modified to allow members to make loans from their account.

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 7,410 active and retired participants and assets of $781 million as of June 30, 2014.

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 2013, 4,455 employees were deferring an average of $472 per month. During the second quarter of 2014, the number of employees participating was 4,466 and the average monthly deferral decreased to $462.

Plan participants can deposit their payroll contribution into seven different investment account options and four model portfolio options:

- Stable Value
- Actively Managed Income
- Balanced Socially Conscious
- Passively Managed U.S. Equity
- Actively Managed Equity
- Passively Managed International Equity
- Schwab Personal Choice Retirement
- Conservative Model Portfolio
- Accumulator Model Portfolio
- Wealth Builder Model Portfolio
- Aggressive Model Portfolio

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: Support the regional economy and protect the environment and public health

OBJECTIVES: Maintain core infrastructure condition.

Improve the efficiency of city operations.

STRATEGIES: Where feasible use alternative strategies to increase the amount of infrastructure improved within funding constraints.

Develop investment strategies to ensure favorable rates of return on city capital investments.

Stage project funding over multiple years.

Continue increasing budgets for core infrastructure.

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The 2015 proposed 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 add to its 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 2015 proposed general city capital improvements budget totals $133.1 million, an increase of $9.7 million from the 2014 budget. The tax levy supported portion of the capital budget, which includes tax levy cash resources as well as tax levy supported General Obligation (GO) debt, totals $94.7 million, an increase of $4.2 million or 4.6% from the 2014 budget.

The city's long term goal is to provide tax levy supported borrowing authorizations that equate 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 through the Sewer Maintenance Fund and the Stormwater Fee. The city has also utilized lease payments from the Sewer Fund and Water Works for the Tower Facility to pay GO debt service. These financing changes increase the city's capacity to invest in infrastructure prudently, using long term debt within debt limit constraints.

Continuing high levels of investment in core city infrastructure projects was a priority in development of the 2015 proposed budget. Core infrastructure programs including streets, bridges, street lighting and sewers total $82 million in the 2015 proposed budget. Figure 1 shows improvements made in core infrastructure funding from 2004 to 2015. Since 2004 funding for core infrastructure has increased by $39.1 million, nearly 100%.

The 2015 proposed budget includes significant increases in the number of Information Technology (IT) projects and city facility projects. To manage the borrowing impact of these increases, public buildings and IT projects are staged over two or more years when feasible. However, the increase in facility and IT projects combined with continued commitment to core infrastructure and economic development, resulted in the need for increased GO borrowing. IT projects total $8.9 million, a 120% increase from the 2014 budget. Funds for capital projects to construct, improve or economize city facilities total $27 million in the 2015 proposed budget, an increase of $6 million.

The 2015 proposed budget limits use of tax levy cash for capital improvements. Funding of $1.2 million of cash from the tax levy is used for capital improvements in 2015, down from $5.3 million in the 2014 budget. IT upgrades and replacements, housing and economic development programs, and a portion of the High Impact Street Program are funded with tax levy cash in the 2015 proposed budget.

Functional Categories: General city funded capital improvement projects 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 1

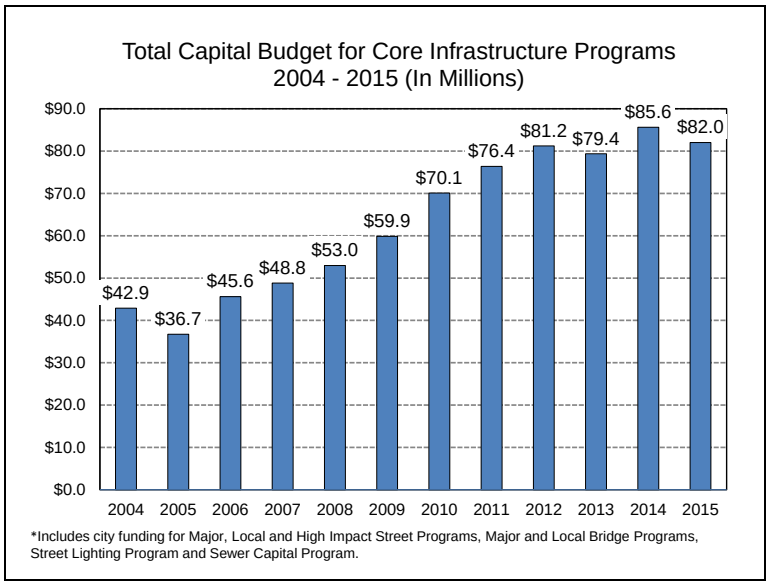
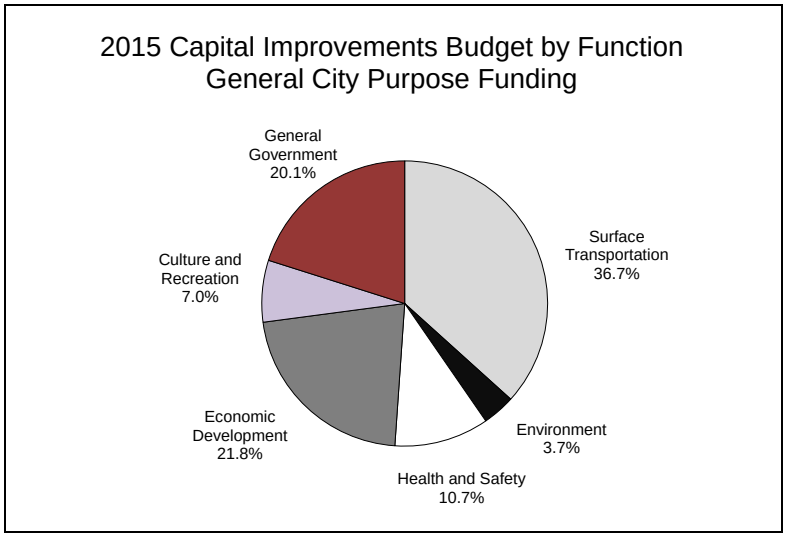


Figure 2



Surface Transportation projects constitute the largest functional category, which is 36.7% of the general city funded capital budget or $46 million. Including grant and aids, total Surface Transportation spending is $85.9 million, down from $94.5 million in 2014.

Economic Development is the second largest capital functional area at 21.8% of the general city funded capital budget. New borrowing for Economic Development in 2015 is increased by $650,000, and over $95 million in Tax Incremental District borrowing authority is likely to be carried from 2014 to 2015. A new Department of City Development Commercial *In Rem* Property Program is included in the 2015 proposed budget to help stabilize commercial districts throughout the city. This complements the Mayor's Strong Neighborhoods Program initiated in the 2014 budget to revitalize residential districts affected by blight.

The General Government project category constitutes the third largest functional area, with $25.1 million, or 20.1% of total funding provided for this purpose. This is a net increase of $8.2 million from 2014. This category consists of buildings, IT projects and major capital equipment.

The Health and Safety project category comprises 10.7% of the 2015 general city funded capital budget. This includes Fire, Police and Health Department capital programs. Environment programs include the expansion of sewer capacity and Infiltration and Inflow reduction programs, included in the Sewer Maintenance Fund since 2008. These projects are 3.7% of the city funded capital budget. Culture and Recreation projects include a $5.4 million increased investment in library maintenance and construction. The Culture and Recreation project category represents 7% of the city funded capital budget.

Funding Sources: The 2015 proposed 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 2015 city funded capital budget (excluding grant and aids).

Figure 3

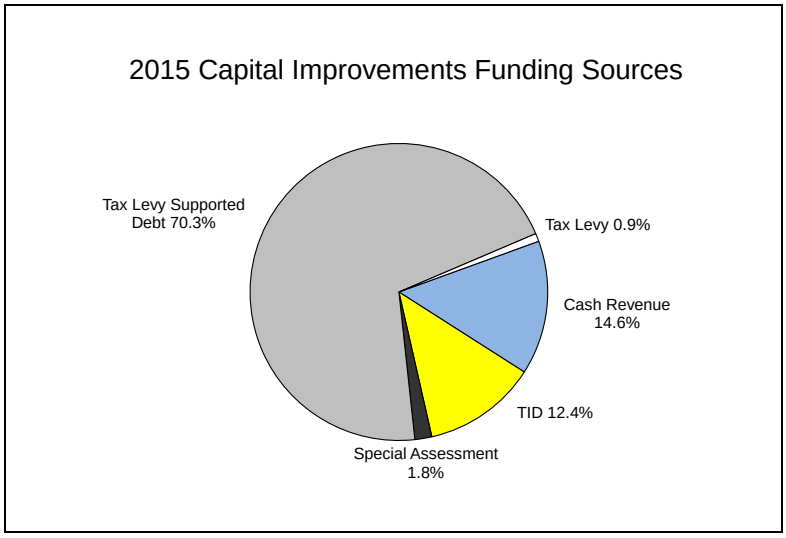
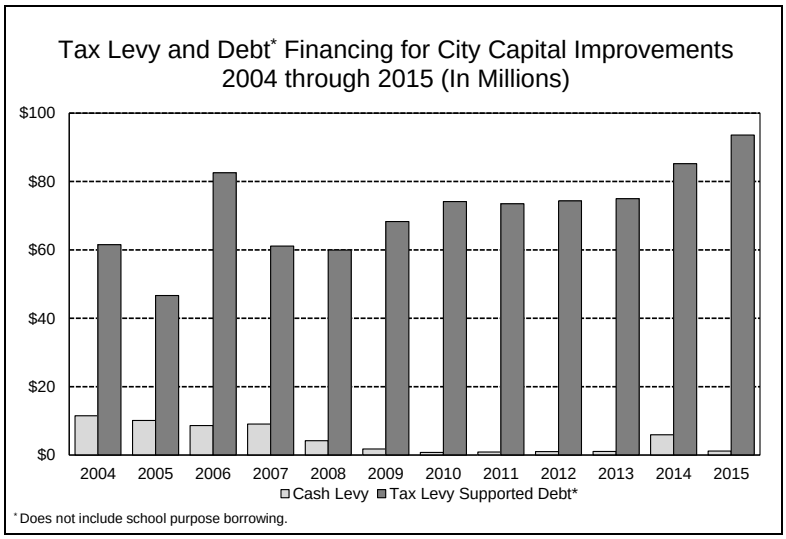


Figure 4



For 2015, the largest funding source is tax levy supported debt financing. Levy supported GO borrowing in the 2015 proposed capital budget is $93.6 million, up from $85.2 million in 2014. 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.

Another major source of funding for capital projects is Tax Incremental District (TID) borrowing, with $16.5 million, or 12.4% 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 2015 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 $19.5 million of cash revenues, which is 14.6% of the total, and $2.4 million of special assessments, which represent 1.8% of the total. Not included in Figure 3 are capital grant and aids for street reconstruction, which are anticipated to be $37.2 million in 2015.

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 reduces the long term interest cost of financing short lived assets and immediate, small cost improvements. Tax levy financing, while it has fluctuated, has generally declined from the peak of $17 million in 2002 to just over $1 million in 2013. The 2014 budget was a departure from that trend, increasing tax levy financing to $5.3 million. The 2015 proposed budget returns tax levy financing nearer to the 2013 level, at $1.2 million.

2015 HIGHLIGHTS AND CHANGES

Strong Neighborhoods Plan: The 2015 proposed capital budget includes $4.7 million to support the Strong Neighborhoods Plan, specifically the goals of mitigating blight through demolition as well as revitalizing the city's housing stock via loans for renovation of city owned homes and renewal of vacant space. The Department of Neighborhood Services (DNS), working with the Department of Public Works crew funded in the operating budget, will demolish or deconstruct 170 vacant homes in 2015, a considerable decrease from the 500 funded in 2014. The capital budget funds 70 of these DNS demolitions, plus implementation of a lower impact hybrid deconstruction program, at a total cost of $1.3 million.

The Department of City Development is allocated capital funds totaling $3.7 million to fund renovation and redevelopment of city owned residential and commercial property, through a number of incentive and direct programs. Efforts continuing in 2014 will be the city's matching loan programs for homebuyers and investors, a partnership with ACTS housing to convert vacant homes to owner occupancy, and the Rent-to-Own Program for tenants "inherited" by the city to own the home they rent. New funded efforts include a challenge fund for redevelopment of city owned property, and a dedicated account for city owned commercial property. An additional $200,000 is proposed to fund continuing work improving vacant lots, both directly by DPW, as well as through the Mayor's HOME GR/OWN Initiative.

City Facility and IT Projects: The 2015 proposed budget adds $6 million in capital funding for projects to upgrade or construct city facilities and a $4.8 million increase for IT related capital projects compared to 2014. When possible, projects are funded over two or more years in order to preserve funding for traditional core infrastructure investments, such as streets and bridges. These types of projects are less visible to the public, but are crucial to city operations and service delivery.

Almost one-third of the $27 million included in the 2015 proposed budget for city facility projects is composed of improvements to existing Milwaukee Public Library facilities and the ongoing replacement of several branch libraries. Upgrades to interior, exterior and mechanical systems at Central Library and the city's branch libraries total $4.5 million. The 2015 proposed budget includes $4.3 million for projects to replace branch libraries. This includes funding for the second year of a three year project to replace the Forest Home and Mill Road libraries, as well as funding to begin site selection and the Request for Proposals process for replacement of the Capitol Drive and Martin Luther King libraries using a mixed use model.

Other facility projects include the initial phase of a three year project to add capacity to the Fire Department's Fire Repair Shop, located on West Virginia Street and South First Street, by constructing an annex adjacent to the existing facility. The structure was built in 1929 and is not well suited to the needs of modern apparatus. Building the Fire Repair Shop annex will reduce the amount of out of service rigs and achieve some operational savings. The 2015 proposed budget also provides $3.1 million to complete the remodeling of the City Attorney's Office on the eighth floor of City Hall and $1.8 million for building and mechanical upgrades to the Department of Public Works Lincoln Garage.

Opportunities for increased efficiency and the need to upgrade existing systems result in increased funding for IT projects in 2015. Almost $9 million in capital funding is directed to IT related upgrades and improvements. This includes $2 million for a planned upgrade to the Police Department's Records Management System and $1 million for the initial phase of a two year project to replace mobile computers used by officers and detectives in the field.

A new Tax Collection System and a new Assessment System will replace outdated technology and improve functionality for internal and public users. Funding of $1.5 million is included to replace obsolete voting machines for the Election Commission.

Major Capital Equipment: Major Capital Equipment Accounts in the Fire Department and Department of Public Works fund the purchase of durable equipment with an original unit cost of $50,000 or more. In 2015, the DPW Operations Division will use $7.1 million to replace major fleet equipment. The Fire Department will use $414,000 for Major Capital Equipment, significantly less than the $2.3 million allocated in 2013 and 2014. This reduction made funds available for construction of the Fire Repair Shop annex.

Sewer Maintenance Fund Transfer to Support 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 2015 with a $2.7 million transfer payment made to capital improvements to support the Emerald Ash Borer Readiness and Response, Tree Planting and Production Programs, stump removal 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 *2015 Proposed Plan and Executive Budget Summary.*

2015 LARGE SCALE PROJECTS FUNDING BY SOURCE

	CITY FUNDED CONSTRUCTION	CONSTRUCTION GRANT FUNDS	TRAFFIC CONTROL	CONDUIT AND MANHOLES	PROJECT TOTAL
LOCAL BRIDGE PROGRAM					
South First Street Bascule Bridge over Kinnickinic River	$5,400,000	$0	$0	$0	$5,400,000
MAJOR STREETS					
South 13th Street - West Forest Home Avenue to West Windlake Avenue	$236,100	$1,277,800	$58,400	$60,000	$1,632,300
South 35th Street - West Burnham Avenue to West Greenfield Avenue	$275,800	$1,211,200	$32,000	$50,000	$1,569,000
West Lloyd Street - North 60th Street to West Lisbon Avenue	$640,000	$3,184,000	$56,000	$100,000	$3,980,000
North Teutonia Avenue - West Capitol Drive to West Ruby Avenue	$455,000	$1,849,000	$41,000	$50,000	$2,395,000
South Howell Avenue - East Grange to East Layton Avenue	$755,000	$3,435,000	$0	$50,000	$4,240,000
West Loomis Road - South 51st Street to West Fardale Avenue	$75,000	$10,925,000	$0	$0	$11,000,000

SUMMARY OF DEPARTMENTAL APPROPRIATIONS OVERVIEW OF 2015 PROPOSED CAPITAL BUDGET GENERAL CITY PURPOSES

	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
City Funded					
Special Projects	$8,710,000	$8,712,000	$9,562,000	$852,000	$850,000
Administration, Department of	1,060,000	4,450,000	3,260,000	2,200,000	-1,190,000
Assessor's Office	0	833,500	555,000	555,000	-278,500
City Attorney's Office	1,758,000	1,937,300	3,120,000	1,362,000	1,182,700
City Development, Department of	23,500,000	25,300,000	24,900,000	1,400,000	-400,000
Common Council City Clerk	175,000	2,503,000	588,000	413,000	-1,915,000
Comptroller's Office	0	370,000	0	0	-370,000
Election Commission	0	1,700,000	1,530,000	1,530,000	-170,000
Fire Department	4,437,000	13,222,000	4,798,000	361,000	-8,424,000
Fire & Police Commission	150,000	0	0	-150,000	0
Health Department	425,000	833,675	366,000	-59,000	-467,675
Library	3,383,000	9,075,000	8,750,000	5,367,000	-325,000
Municipal Court	144,000	504,000	504,000	360,000	0
Neighborhood Services	2,320,000	1,231,500	2,244,000	-76,000	1,012,500
Police Department	9,177,000	9,881,650	8,200,000	-977,000	-1,681,650
Port of Milwaukee	750,000	1,550,000	1,000,000	250,000	-550,000
Public Works, Department of	67,395,000	93,297,828	63,764,000	-3,631,000	-29,533,828
Subtotal City Funded	$123,384,000	$175,401,453	$133,141,000	$9,757,000	$-42,260,453
Grants and Aids Funding					
Port of Milwaukee	$0	$800,000	$800,000	$800,000	$0
Public Works, Department of	44,818,000	37,607,907	37,607,907	-7,210,093	0
Subtotal Grants and Aids Funding	$44,818,000	$38,407,907	$38,407,907	$-6,410,093	$0
Enterprise Funds					
Parking	$1,715,000	$2,292,000	$2,292,000	$577,000	$0
Sewer Maintenance	44,550,000	44,150,000	44,200,000	-350,000	50,000
Water	13,825,000	17,500,000	24,950,000	11,125,000	7,450,000
Subtotal Enterprise Funds	$60,090,000	$63,942,000	$71,442,000	$11,352,000	$7,500,000
Total Capital Plan	$228,292,000	$277,751,360	$242,990,907	$14,698,907	$-34,760,453

2015 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	87,000	0	0	0	0	87,000	0	87,000
Land Management System								
Budget	$0	$850,000	$0	$0	$0	$850,000	$0	$850,000
TOTAL SPECIAL CAPITAL PROJECTS								
Budget	**$112,000**	**$1,450,000**	**$0**	**$0**	**$8,000,000**	**$9,562,000**	**$0**	**$9,562,000**
DEPARTMENT OF ADMINISTRATION								
IT Upgrades								
Budget	$250,000	$0	$0	$0	$0	$250,000	$0	$250,000
Workplace Safety and Efficiency								
Budget	0	400,000	0	0	0	400,000	0	400,000
Tax Collection System								
Budget	0	1,200,000	0	0	0	1,200,000	0	1,200,000
Mobile Device Security								
Budget	0	160,000	0	0	0	160,000	0	160,000
Map Milwaukee ArcGIS Upgrade								
Budget	0	400,000	0	0	0	400,000	0	400,000
DSS E-Vault Upgrade								
Budget	0	300,000	0	0	0	300,000	0	300,000
Public Safety Communications								
Budget	0	550,000	0	0	0	550,000	0	550,000
TOTAL DEPARTMENT OF ADMINISTRATION								
Budget	**$250,000**	**$3,010,000**	**$0**	**$0**	**$0**	**$3,260,000**	**$0**	**$3,260,000**
Assessor's Office								
Assessment System								
Budget	$0	$555,000	$0	$0	$0	$555,000	$0	$555,000
TOTAL ASSESSOR'S OFFICE								
Budget	**$0**	**$555,000**	**$0**	**$0**	**$0**	**$555,000**	**$0**	**$555,000**
City Attorney								
City Hall 8th Floor Remodel								
Budget	$0	$3,120,000	$0	$0	$0	$3,120,000	$0	$3,120,000
TOTAL CITY ATTORNEY								
Budget	**$0**	**$3,120,000**	**$0**	**$0**	**$0**	**$3,120,000**	**$0**	**$3,120,000**
DEPARTMENT OF CITY DEVELOPMENT								
Advance Planning								
Budget	$100,000	$0	$0	$0	$0	$100,000	$0	$100,000
Neighborhood Commercial District Street Improvement Fund								
Budget	0	200,000	0	0	0	200,000	0	200,000
Carryover	0	0	0	0	0	0	0	0
Tax Increment Financed Urban Renewal Projects (Including Grant Funded Projects)								
Budget	0	0	16,500,000	0	3,500,000	20,000,000	0	20,000,000
Carryover	0	0	0	0	0	0	0	0
Business Improvement Districts								
Budget	0	250,000	0	0	0	250,000	0	250,000
Carryover	0	0	0	0	0	0	0	0
Healthy Neighborhoods Initiative								
Budget	150,000	0	0	0	0	150,000	0	150,000
In Rem Property Management								
Budget	0	2,000,000	0	0	750,000	2,750,000	0	2,750,000
Commercial In Rem Property								
Budget	0	500,000	0	0	0	500,000	0	500,000
Housing Infrastructure Preservation Fund								
Budget	0	450,000	0	0	0	450,000	0	450,000
Brownfield Program								
Budget	0	500,000	0	0	0	500,000	0	500,000
TOTAL DEPARTMENT OF CITY DEVELOPMENT								
Budget	**$250,000**	**$3,900,000**	**$16,500,000**	**$0**	**$4,250,000**	**$24,900,000**	**$0**	**$24,900,000**

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
COMMON COUNCIL CITY CLERK								
LRB Research Office Upgrade								
Budget	$0	$438,000	$0	$0	$0	$438,000	$0	$438,000
Channel 25 Digital Conversion								
Budget	0	150,000	0	0	0	150,000	0	150,000
TOTAL COMMON COUNCIL CITY CLERK								
Budget	**$0**	**$588,000**	**$0**	**$0**	**$0**	**$588,000**	**$0**	**$588,000**
ELECTION COMMISSION								
Voting Machine Replacement								
Budget	$0	$1,530,000	$0	$0	$0	$1,530,000	$0	$1,530,000
TOTAL ELECTION COMMISSION								
Budget	**$0**	**$1,530,000**	**$0**	**$0**	**$0**	**$1,530,000**	**$0**	**$1,530,000**
FIRE DEPARTMENT								
Fire Facilities Maintenance Program								
Budget	$0	$1,374,000	$0	$0	$0	$1,374,000	$0	$1,374,000
Major Capital Equipment								
Budget	0	414,000	0	0	0	414,000	0	414,000
Fire Repair Shop Annex								
Budget	0	2,900,000	0	0	0	2,900,000	0	2,900,000
Auxiliary Power Supply								
Budget	0	110,000	0	0	0	110,000	0	110,000
TOTAL FIRE DEPARTMENT								
Budget	**$0**	**$4,798,000**	**$0**	**$0**	**$0**	**$4,798,000**	**$0**	**$4,798,000**
HEALTH DEPARTMENT								
Health Facilities Capital Projects								
Budget	$0	$366,000	$0	$0	$0	$366,000	$0	$366,000
TOTAL HEALTH DEPARTMENT								
Budget	**$0**	**$366,000**	**$0**	**$0**	**$0**	**$366,000**	**$0**	**$366,000**
LIBRARY								
CENTRAL LIBRARY								
Central Library Improvements Fund								
Budget	**$0**	**$1,700,000**	**$0**	**$0**	**$0**	**$1,700,000**	**$0**	**$1,700,000**
NEIGHBORHOOD LIBRARIES								
Branch Library Improvement Fund								
Budget	$0	$2,750,000	$0	$0	$0	$2,750,000	$0	$2,750,000
Carryover	0	0	0	0	0	0	0	0
Branch Library Construction								
Budget	0	4,300,000	0	0	0	4,300,000	0	4,300,000
TOTAL LIBRARY								
Budget	**$0**	**$8,750,000**	**$0**	**$0**	**$0**	**$8,750,000**	**$0**	**$8,750,000**
MUNICIPAL COURT								
CATS and Website Upgrade								
Budget	$0	$504,000	$0	$0	$0	$504,000	$0	$504,000
TOTAL MUNICIPAL COURT								
Budget	**$0**	**$504,000**	**$0**	**$0**	**$0**	**$504,000**	**$0**	**$504,000**
NEIGHBORHOOD SERVICES								
Concentrated Blight Elimination								
Budget	$0	$1,319,000	$0	$0	$0	$1,319,000	$0	$1,319,000
Conversion of Water Tower Garage								
Budget	0	425,000	0	0	0	425,000	0	425,000
Code Compliance Loans								
Budget	0	0	0	0	500,000	500,000	0	500,000
TOTAL NEIGHBORHOOD SERVICES								
Budget	**$0**	**$1,744,000**	**$0**	**$0**	**$500,000**	**$2,244,000**	**$0**	**$2,244,000**
POLICE DEPARTMENT								
Remodel Administration Building Offices								
Budget	$0	$860,000	$0	$0	$0	$860,000	$0	$860,000
District Station Repairs								
Budget	0	540,000	0	0	0	540,000	0	540,000
Third District Parking Deck Repair								
Budget	0	0	0	0	3,600,000	3,600,000	0	3,600,000
Mobile Data Computer Upgrades								
Budget	0	1,000,000	0	0	0	1,000,000	0	1,000,000
RMS System								
Budget	0	2,000,000	0	0	0	2,000,000	0	2,000,000

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
Radio and Communications Upgrades								
Budget	0	200,000	0	0	0	200,000	0	200,000
TOTAL POLICE DEPARTMENT								
Budget	**$0**	**$4,600,000**	**$0**	**$0**	**$3,600,000**	**$8,200,000**	**$0**	**$8,200,000**
PORT OF MILWAUKEE								
Liquid Cargo Pier								
Budget	$0	$0	$0	$0	$0	$0	$0	$0
Roadway Paving								
Budget	0	100,000	0	0	0	100,000	0	100,000
Dockwall Rehabilitation								
Budget	0	150,000	0	0	0	150,000	0	150,000
Rail Track and Service Upgrades								
Budget	0	500,000	0	0	0	500,000	0	500,000
Pier Berth and Channel Improvements								
Budget	0	0	0	0	0	0	800,000	800,000
Terminal Resurfacing								
Budget	0	250,000	0	0	0	250,000	0	250,000
TOTAL PORT OF MILWAUKEE								
Budget	**$0**	**$1,000,000**	**$0**	**$0**	**$0**	**$1,000,000**	**$800,000**	**$1,800,000**
Carryover	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
DPW INFRASTRUCTURE SERVICES								
BRIDGE CONSTRUCTION								
Bridge State and Federal Funded								
Budget	$0	$100,000	$0	$0	$0	$100,000	$400,000	$500,000
Bridge Reconstruction Local								
Budget	0	8,810,000	0	0	0	8,810,000	0	8,810,000
TOTAL BRIDGE CONSTRUCTION								
Budget	**$0**	**$8,910,000**	**$0**	**$0**	**$0**	**$8,910,000**	**$400,000**	**$9,310,000**
STREET/PAVING CONSTRUCTION								
Street Reconstruction City Contribution to State and Federally Aided Projects								
Budget	$0	$7,401,000	$0	$390,000	$0	$7,791,000	$37,207,907	$44,998,907
Street Reconstruction or Resurfacing Regular City Program								
Budget	0	12,300,000	0	1,200,000	0	13,500,000	0	13,500,000
High Impact Street Program								
Budget	350,000	1,650,000	0	0	0	2,000,000	0	2,000,000
Alley Reconstruction Program								
Budget	0	1,625,000	0	400,000	0	2,025,000	0	2,025,000
New Street Developer								
Budget	0	0	0	0	400,000	400,000	0	400,000
Street Improvements Sidewalk Driveway and Gutter Replacement								
Budget	0	1,350,000	0	450,000	0	1,800,000	0	1,800,000
Street Improvements Street Lighting								
Budget	0	8,860,000	0	0	0	8,860,000	0	8,860,000
Street Improvements Traffic Control Facilities								
Budget	0	700,000	0	0	0	700,000	0	700,000
Street Improvements Underground Conduit and Manholes								
Budget	0	1,000,000	0	0	0	1,000,000	0	1,000,000
Underground Electrical Manhole Reconstruction								
Budget	0	1,100,000	0	0	0	1,100,000	0	1,100,000
TOTAL STREET/PAVING CONSTRUCTION								
Budget	**$350,000**	**$35,986,000**	**$0**	**$2,440,000**	**$400,000**	**$39,176,000**	**$37,207,907**	**$76,383,907**
BUILDINGS PROJECTS								
Space Planning Facilities								
Budget	$0	$375,000	$0	$0	$0	$375,000	$0	$375,000
Facility Systems Program								
Budget	0	1,480,000	0	0	0	1,480,000	0	1,480,000
Environmental Remediation Program								
Budget	0	100,000	0	0	50,000	150,000	0	150,000
ADA Compliance Program								
Budget	0	215,000	0	0	0	215,000	0	215,000
Facilities Exterior Upgrades Program								
Budget	0	2,008,000	0	0	0	2,008,000	0	2,008,000

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
North Point Lake Tower Restoration								
Budget	0	340,000	0	0	0	340,000	0	340,000
Energy Efficiency and Renewable Energy								
Budget	0	100,000	0	0	0	100,000	0	100,000
TOTAL BUILDINGS PROJECTS								
Budget	**$0**	**$4,618,000**	**$0**	**$0**	**$50,000**	**$4,668,000**	**$0**	**$4,668,000**
TOTAL DPW INFRASTRUCTURE								
Budget	**$350,000**	**$49,514,000**	**$0**	**$2,440,000**	**$450,000**	**$52,754,000**	**$37,607,907**	**$90,361,907**
DPW OPERATIONS DIVISION								
FLEET SECTION								
Major Capital Equipment								
Budget	$0	$7,080,000	$0	$0	$0	$7,080,000	$0	$7,080,000
TOTAL FLEET SECTION								
Budget	**$0**	**$7,080,000**	**$0**	**$0**	**$0**	**$7,080,000**	**$0**	**$7,080,000**
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	300,000	0	0	1,220,000	1,520,000	0	1,520,000
Stump Removal								
Budget	0	0	0	0	360,000	360,000	0	360,000
Vacant Lot Beautification								
Budget	200,000	0	0	0	0	200,000	0	200,000
Hazardous Tree Removal Program								
Budget	0	0	0	0	75,000	75,000	0	75,000
Emerald Ash Borer Readiness and Response								
Budget	0	0	0	0	1,000,000	1,000,000	0	1,000,000
TOTAL FORESTRY SECTION								
Budget	**$200,000**	**$800,000**	**$0**	**$0**	**$2,655,000**	**$3,655,000**	**$0**	**$3,655,000**
SANITATION SECTION								
Brine Makers								
Budget	$0	$275,000	$0	$0	$0	$275,000	$0	$275,000
TOTAL SANITATION SECTION								
Budget	**$0**	**$275,000**	**$0**	**$0**	**$0**	**$275,000**	**$0**	**$275,000**
TOTAL DPW OPERATIONS DIVISION								
Budget	**$200,000**	**$8,155,000**	**$0**	**$0**	**$2,655,000**	**$11,010,000**	**$0**	**$11,010,000**
TOTAL DEPARTMENT OF PUBLIC WORKS								
Budget	**$550,000**	**$57,669,000**	**$0**	**$2,440,000**	**$3,105,000**	**$63,764,000**	**$37,607,907**	**$101,371,907**
TOTAL PROJECTS								
Budget	**$1,162,000**	**$93,584,000**	**$16,500,000**	**$2,440,000**	**$19,455,000**	**$133,141,000**	**$38,407,907**	**$171,548,907**

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.

Use liquidity in a responsible manner to limit impact of debt on taxpayers.

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Effective management that stabilizes debt service costs and controls outstanding debt supports the goal of delivering services at competitive cost and improving fiscal capacity.

Milwaukee has 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 Aa3 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	$42,306	Moderate
Taxpayer Concentration (Top Ten Taxpayers)	4.0%	Very Diverse
Financial		
Unreserved General Fund Balance	7.1%	Strong
Debt		
Direct Debt Per Capita	$1,081	Moderately High
Direct Debt Percent of Market Value	2.4%	Moderately High
Debt Maturing Within Ten Years	84.0%	Standard is 50.0%

OVERVIEW

The 2015 debt expenditures total $280 million, an increase of $2 million from 2014. 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.

CITY DEBT EXPENDITURES AND SOURCES OF FUNDS

General City Excluding Schools and Revenue Anticipation Notes (RAN): Debt service associated with city borrowing for capital improvement projects, not including RAN borrowing, is $198.1 million in 2015, an increase of $1.8 million from 2014. The property tax levy for debt service is $57.9 million, a decrease of $3.9 million from 2014.

Table 2

CITY DEBT EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	33,465,225	31,807,885	31,807,885	-1,657,340	0
MPS Loans, ADA and Information System	6,915,717	8,100,448	8,100,448	1,184,731	0
Parking	1,659,453	2,058,593	2,058,593	399,140	0
Sewer Maintenance Fund	6,814,384	6,206,326	6,206,326	-608,058	0
Special Assessments	1,397,319	738,556	738,556	-658,763	0
Tax Increment Districts	20,815,607	24,272,361	24,272,361	3,456,754	0
Water Works	3,889,805	3,128,336	3,128,336	-761,469	0
Subtotal	$76,020,849	$77,375,844	$77,375,844	$1,354,995	$0
Tax Levy Debt					
General City	$196,305,778	$198,107,916	$198,107,916	$1,802,138	$0
RANs City and MPS	862,500	862,500	862,500	0	0
Schools	9,510,717	8,000,000	8,000,000	-1,510,717	0
Subtotal	$206,678,995	$206,970,416	$206,970,416	$291,421	$0
Total Debt Needs	$282,699,844	$284,346,260	$284,346,260	$1,646,416	$0
Fees and Issuance Costs	$1,628,000	$1,862,840	$1,862,840	$234,840	$0
Deduction for PDAF Prepayment	-5,000,000	-4,500,000	-5,500,000	-500,000	-1,000,000
Deduction for Segregated S.A.	-1,397,319	-738,556	-738,556	658,763	0
Total	$277,930,525	$280,970,544	$279,970,544	$2,040,019	$-1,000,000

Table 3

CITY DEBT SOURCE OF FUNDS	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	33,465,225	31,807,885	31,807,885	-1,657,340	0
MPS Loans, ADA and Information System	6,915,717	8,100,448	8,100,448	1,184,731	0
Parking	1,659,463	2,058,593	2,058,593	399,130	0
Sewer Maintenance Fund	7,814,384	7,006,326	7,006,326	-808,058	0
Tax Increment Districts	20,815,607	24,272,361	24,272,361	3,456,754	0
Water Works	5,189,805	4,328,336	4,328,336	-861,469	0
Subtotal	$76,923,540	$78,637,288	$78,637,288	$1,713,748	$0
General Obligation Debt Financing					
Other Revenues	$139,200,000	$135,037,000	$143,437,000	$4,237,000	$8,400,000
Tax Levy	61,806,985	67,296,256	57,896,256	-3,910,729	-9,400,000
Subtotal	$201,006,985	$202,333,256	$201,333,256	$326,271	$-1,000,000
Total Debt Needs	$277,930,525	$280,970,544	$279,970,544	$2,040,019	$-1,000,000

Milwaukee Public Schools (MPS): The debt service cost for school borrowing will be $8 million in 2015, a decrease of $1.5 million from 2014. Since 1989, the city has provided MPS with $182.3 million in tax levy supported 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 2015 proposed budget, debt service for TIDs is $24.3 million with revenues from tax increments supporting that debt service cost.

Delinquent Taxes: The 2015 proposed budget includes $31.8 million to finance delinquent tax borrowing which is $1.7 million less than 2014. Estimates of sources of funds from the collection of delinquent taxes and interest penalties are $31.8 million in 2015, a decrease of $1.7 million from 2014. Delinquent tax borrowings have begun to decrease, reflecting the decline in foreclosures and unemployment in the city.

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 2015 debt budget, the Parking Fund provides $2.1 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 tax*p*ayers choose a six year payment option, the city borrows money to finance the project. The 2015 debt budget includes approximately $0.7 million to finance debt service costs associated with special assessment borrowing.

Figure 1

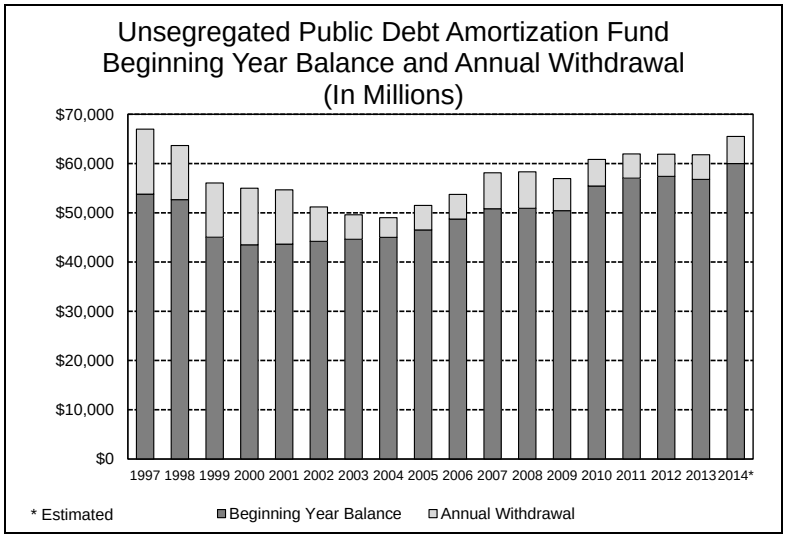
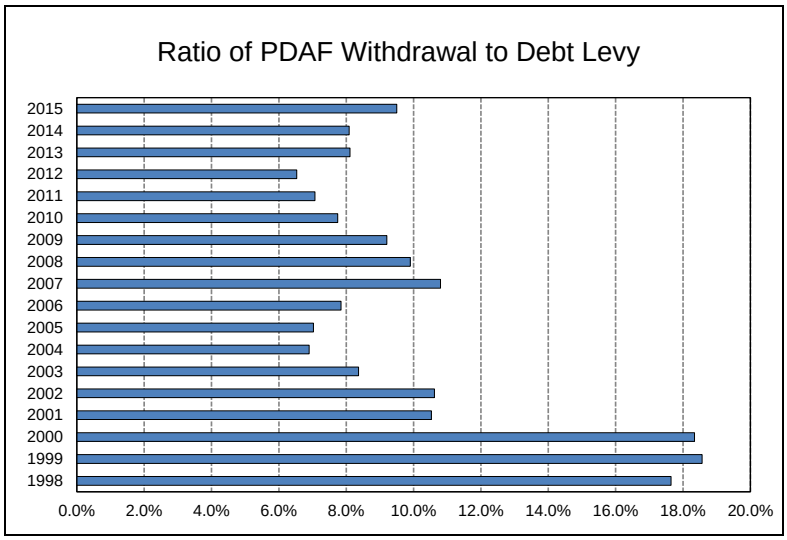


Figure 2



Water Works: The 2015 debt budget includes $3.1 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 $6.2 million in debt service for 2015 relates to sewer capital projects, a decrease from 2014 of $0.6 million. Over the next several years, financing for sewer projects will be moved from general obligation borrowing repaid by Sewers to revenue bonds.

Miller Park Project: The 2015 proposed 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. Annual rental payments from the Sewer Maintenance Fund and Water Works will offset this debt. In 2015, the rental payment is $2.3 million.

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.

The Comptroller's Office and the Budget and Management Division determined that a draw of $8.4 million in 2015 in unassigned fund balance from the city's debt service fund was a prudent way to reduce the overall debt service levy.

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 2015 proposed budget is $5.5 million, an increase of $500,000 from the 2014 withdrawal. The annual withdrawal balances the competing goals of reducing the tax levy for debt service versus maintaining a sufficient reserve balance. Figure 1 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 $56.8 million, despite a low interest rate environment.

The 2015 PDAF withdrawal reflects the need to use the fund to control the debt service property tax levy. Figure 2 shows the ratio of the PDAF withdrawal to the debt tax levy. The 2015 proposed budget maintains a 9.5% ratio.

In 2015, the Budget and Management Division and the Comptroller's Office will develop a plan to strategically use the PDAF. Along with other financing tools, the PDAF will be used to minimize debt service levy growth and fund the city's major facility and infrastructure needs through levy supported debt in the capital budget.

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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
Common Council Contingent Fund	[4,775,967]	$5,000,000	$5,000,000	$5,000,000	$0	$0
TOTAL	[4,775,967]	$5,000,000	$5,000,000	$5,000,000	$0	$0

SOURCE OF FUNDS

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 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.

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SPECIAL REVENUE FUNDS

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
G. Parking Fund	$45,376,728	$51,637,476	$51,150,110	$52,236,350	$598,874	$1,086,240
H. Grant and Aid Project Fund	53,875,794	50,622,451	46,919,181	49,759,391	-863,060	2,840,210
I. Economic Development Fund	7,504,054	11,705,477	12,300,755	11,100,755	-604,722	-1,200,000
J. Water Works	105,709,557	98,354,443	119,203,445	135,484,403	37,129,960	16,280,958
K. Sewer Maintenance Fund	80,230,313	99,966,197	106,392,502	103,985,490	4,019,293	-2,407,012
M. Delinquent County Taxes Fund	9,931,715	10,530,000	10,530,000	10,530,000	0	0
TOTAL	$302,628,161	$322,816,044	$346,495,993	$363,096,389	$40,280,345	$16,600,396

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.

G. PARKING FUND

EXECUTIVE SUMMARY

MISSION: Leverage city parking assets and programs to support 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 possible customer experience.

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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	109.96	117.75	118.75	118.75	1.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	120	120	121	121	1	0
EXPENDITURES						
Salaries and Wages	$4,384,111	$4,666,682	$4,790,535	$4,846,535	$179,853	$56,000
Fringe Benefits	2,367,420	2,520,008	2,586,889	2,617,129	97,121	30,240
Operating Expenditures	13,901,533	14,869,300	14,340,000	14,340,000	-529,300	0
Equipment	67,668	279,200	475,400	475,400	196,200	0
Special Funds	4,256,834	5,162,286	5,665,286	5,665,286	503,000	0
Transfer to General Fund	18,550,000	17,425,000	16,000,000	17,000,000	-425,000	1,000,000
TOTAL OPERATING	$43,527,566	$44,922,476	$43,858,110	$44,944,350	$21,874	$1,086,240
Capital Projects	$1,849,162	$6,715,000	$7,292,000	$7,292,000	$577,000	$0
TOTAL BUDGET	$45,376,728	$51,637,476	$51,150,110	$52,236,350	$598,874	$1,086,240

STATEMENT OF REVENUES

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
OPERATING REVENUES						
Structures	$7,175,291	$7,070,500	$6,956,500	$6,981,000	$-89,500	$24,500
Meters	4,982,267	4,974,400	4,932,000	4,950,000	-24,400	18,000
Permits	4,283,438	3,891,000	4,020,000	4,031,300	140,300	11,300
Towing	4,199,150	3,900,000	4,000,000	4,000,000	100,000	0
Lots	30,959	23,000	32,000	32,000	9,000	0
Parking Citation Revenue	21,344,212	21,000,000	20,500,000	20,702,300	-297,700	202,300
Miscellaneous	1,114,865	740,000	1,100,000	1,100,000	360,000	0
Vehicle Disposal	1,183,764	1,425,000	1,100,000	1,100,000	-325,000	0
Sale of Real Property	0	0	0	0	0	0
Withdrawal From Reserves	0	1,898,576	1,217,610	2,047,750	149,174	830,140
TOTAL OPERATING	$44,313,946	$44,922,476	$43,858,110	$44,944,350	$21,874	$1,086,240
CAPITAL FINANCING						
Proceeds from Borrowing	$1,849,182	$1,715,000	$2,292,000	$2,292,000	$577,000	$0
Retained Earnings	0	5,000,000	5,000,000	5,000,000	0	0
TOTAL CAPITAL FINANCING	$1,849,182	$6,715,000	$7,292,000	$7,292,000	$577,000	$0
TOTAL SOURCES OF FUNDS	$46,163,128	$51,637,476	$51,150,110	$52,236,350	$598,874	$1,086,240

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;
- Vehicle towing, storing and disposal;
- Parking enforcement;
- Information desk operations, and
- Citation processing.

Operating the Parking Fund as an Enterprise Fund allows the transfer of excess revenues to the General Fund, reducing the property tax levy and diversifying the city's revenue base.

The Parking Fund operates five parking structures; operates and maintains approximately 6,500 on-street parking spaces; manages approximately 45 parking lots; issues over 700,000 parking citations each year; annually tows approximately 27,000 illegally parked and abandoned vehicles to the city's tow lot; and issues approximately 120,000 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	2013 Actual	2014 Planned	2015 Planned
Percent of revenue collected by credit card at multi-space meters.	69%	71.2%	72%
Percentage of towed vehicles returned to owners.	91%	87%	90%
Average number of days vehicles stored before returned to owners.	1.9	2.1	2.05
Citation collection costs as percent of revenues.	14.7%	15%	15%

STRATEGY IMPLEMENTATION

Financial Management: The Parking Fund's financial goal is to maintain at least a 2:1 ratio of current assets to current liabilities. At the end of 2013, the Fund's ratio was 3.3:1 and the 2015 projected ratio is 3.5:1 (see Figure 1). Current liabilities have remained relatively constant in recent years, and 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, the damage is limited. The largest revenue source is citations, which generated about $21.3 million in 2013 and is expected to generate approximately $20.7 million in 2015. Citation revenue is driven by issuance, which has been reduced due to economic factors and greater compliance.

Technology Improvements: The multi-space meter project began in 2007, and multi-space meters currently cover over 2,900 parking spaces. Each meter controls multiple parking spaces and are most effective in areas with six or more metered spaces. Multi-space meters offer customers flexible payment options and accept coins, credit and debit card payments. The Parking Fund continues to investigate and test single space meters that will provide the same flexible payment options.

Figure 1

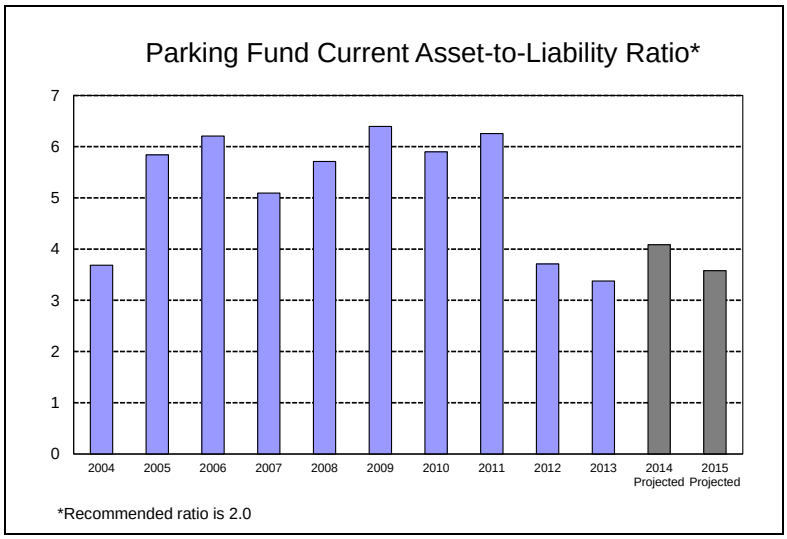
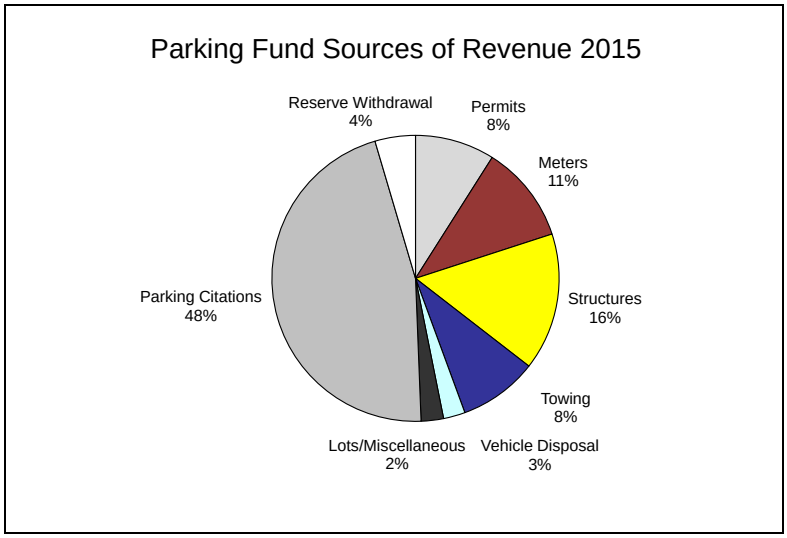


Figure 2



The Parking Fund will increase payment flexibility by implementing a pay-by-phone system. The system will offer customers the ability to pay for parking directly through a smart phone or by voice. The systems cost is anticipated to be covered by users in the form of a convenience fee. A RFP has been issued for implementation in early 2015.

Overnight on-street parking in the city requires a permit. Previously, physical permits were purchased online and in person at any Police District Station and displayed in the rear window of the vehicle. In 2013, Parking added new technology to approximately 30 enforcement vehicles, allowing night parking permits to be issued and tracked virtually. The need for physical permits has been eliminated, saving printing, staff, and maintenance costs, and enforcement productivity has increased. Kiosks remain in service to accept payment and sell permits, but the permit printing and issuance function is longer required.

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 entered into a citation processing and management agreement with Duncan Solutions. This 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 14.7% of citation revenues in 2013.
- **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 certified with the Wisconsin Department of Revenue. Since inception of the TRIP Program, over $37 million in outstanding parking debt has been collected by the city. TRIP collections were over $2 million in 2013 and are estimated to be about $2.4 million in 2014.
- **Citation Payment Plans**: The citation processing contract allows persons seeing the Citation Review Manager to pay their citations over a period up to one year without having to schedule a hearing in Municipal Court. In 2013, approximately 5,084 customers utilized the payment plan.

Rate Increases: Some rate increases will be implemented in 2015, including various day time permits, limited citation late fees, and monthly parking rates in two of the city owned structures. These changes are projected to increase revenue by $256,000.

RESIZE, RESTRUCTURE, AND REINVEST

The 2015 proposed budget includes a $17 million transfer to the General Fund, a $425,000 reduction from 2014. This transfer provides a meaningful level of relief to property taxpayers and preserves the long term stability of the Fund.

Two major spending pressures on the Parking Fund are debt service and future payments toward accrued pension liability. As an enterprise operation, Parking must fund these costs, which will add $1.4 million to the Parking budget in 2015. By 2017, due to debt and pension costs and constraints on revenue growth, the Parking Fund may need to reduce the General Fund transfer to $15 million to maintain adequate reserves. This transfer amount provides long term certainty for both the Parking Fund and the General Fund.

Bradley Center Agreement: With annual Common Council approval, the city will provide the Bradley Center with a payment of $175,000 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

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		Parking Operations Manager	New position.
1	**1.00**	**0.00**	**Totals**	

H. GRANT AND AID FUND

EXECUTIVE SUMMARY

OBJECTIVES: The Grant and Aid Fund provides expenditure authority for federal, state, and other grants whose proceeds are restricted to operating expenditures for specific purposes. Expenditures are made in accordance with the grant and aid process established in City Ordinances. Grants support the objectives and strategies of departments.

STRATEGIES: Manage changes in Community Development Block Grant (CDBG) and HOME funding, including potential changes in the allowable uses of CDBG funding.

Identify and obtain new grant funding sources.

Assist departments in identifying and applying for potential grant funding.

BUDGET SUMMARY

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
Grantor Share (Non-City)	$53,875,794	$50,622,451	$46,919,181	$49,759,391	$-863,060	$2,840,210
TOTAL	$53,875,794	$50,622,451	$46,919,181	$49,759,391	$-863,060	$2,840,210

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 that authorizes a specific project, creates a sub-account, and allocates 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	2014	2015	Difference
Administration	$19,614,044	$20,426,538	$812,494
City Development	585,000	760,000	175,000
Fire	337,608	59,663	-277,945
Fire & Police Commission	134,000	280,585	146,585
Health	8,159,500	11,232,350	3,072,850
Library	1,053,390	1,063,437	10,047
Police	3,352,182	5,549,558	2,197,376
Public Works	2,386,727	2,387,260	533
Unanticipated	15,000,000	8,000,000	-7,000,000
Totals	$50,622,451	$49,759,391	$-863,060

OTHER SERVICE AND BUDGET CHANGES

The 2015 grant and aid budget is $49.8 million, an $863,060 decrease from 2014. Unanticipated grant funding decreases by $7 million (see Table 1). Reduced grant funding projected for 2015 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 $20.4 million in grant funds. This is an increase of $812,494 or 4.1% from the 2014 budget. There are anticipated increases in the Community Development Block Grant Program ($500,000 or 3.6%), the HOME Program Grant ($200,000 or 5%), the Emergency Shelter Grant Program ($34,688 or 3.6%) and the Housing Opportunities for Persons with AIDS Grant ($77,571 or 15.2%).

The 2015 proposed budget includes $50,000 in CDBG reprogramming funds for the Summer Youth Internship Program and $50,000 in CDBG reprogramming funds for the Department of Neighborhood Services Graffiti Abatement Program.

Department of City Development grant funding increases by $175,000 (29.9%) to $760,000. There is a $250,000 increase in the Economic Development Grant, $25,000 for the Cities of Service Impact Volunteering Fund Grant and a $100,000 reduction to the Brownfield Grant. There is no change to the Economic Development Initiatives, Coastal Management, or Arts Board Grants.

Fire Department grant funding decreases by $277,945 (82.3%) to $59,663. The Metropolitan Medical Response System Grant has expired and the department anticipates a $10,337 decrease in the EMS Funding Assistant Program Grant.

The Fire and Police Commission anticipates grant funding to increase by $146,585 (109%) to $280,585. There is $172,585 in new grant funding for the State and Local Implementation Grant Program Coordinator and a $26,000 decrease in anticipated funding for the Southeast Wisconsin State Communications Interoperable Plan Coordinator Grant.

Health Department grant funding increases by $3.1 million (37.7%) to $11.2 million. There are increases to several grants, including the HIV STT Grant ($+25,000), the Medical Assistance Grant ($+60,000), the Violence Prevention Homicide Review Grant ($+100,000) and the Women, Infants and Children Grant ($+196,000). Other additional grant funds anticipated in 2015 include the Lead Hazard Reduction Grant ($3.9 million), the FDA Food Inspection Grant ($70,000), and the Beach Monitoring Grant ($11,700). These funding increases are offset by decreases to several grants, including the Breast Cancer Well Women Health Initiative ($-52,800), the End AIDS Milwaukee Grant ($-50,000), the HIV Women's Grant ($-64,500), the LAUNCH Grant ($-612,000), the Lead Abatement Grant ($-157,000), the Refugee Screening Grant ($-197,800) and the STD Dual Protection Program Grant ($-100,000).

Library grant funding increases by $10,047 (1%) to $1.06 million, the result of a $10,047 (11.9%) increase to the Interlibrary Loan Services Grant, for total funding of $94,737. There is no change in the Talking Book and Braille Library Grant, which provides $968,700 in grant funding.

Police Department grant funding increases by $2.2 million (65.6%) to $5.5 million. Major changes include the Brewers Grant ($2 million) and the Bradley Center Program Grant ($162,000), both of which are on two year funding cycles, the Mobile Crisis Team Grant ($+187,500), the Potawatomi Bingo Casino Grant ($+100,000), the COPS STOP Program Grant ($+48,556), and the Wisconsin Internet Crimes Against Children ($+5,000). There are also anticipated decreases to various grants, including ATF Firearms Trafficking Task Force ($-21,000), High Intensity Drug Trafficking Area Grant ($-182,809), Justice Assistance Grant ($-100,000), and the Truancy Abatement and Burglary Suppression Grant ($-36,000).

Department of Public Works grant funding is approximately the same as in 2014 at $2.4 million, which includes $2.3 million for the Recycling Grant and $87,260 for the Miles of Travel Monitoring Grant.

Unanticipated grant funding is $8 million, a decrease of $7 million from 2014.

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 *2015 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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
Business Improvement Districts	$7,504,054	$8,505,477	$9,100,755	$9,100,755	$595,278	$0
Excess TID Revenue	0	3,200,000	3,200,000	2,000,000	-1,200,000	-1,200,000
TOTAL	$7,504,054	$11,705,477	$12,300,755	$11,100,755	$-604,722	$-1,200,000

STRATEGY IMPLEMENTATION

The Economic Development Fund supports the goal of increasing investment and economic vitality throughout the city. The 2015 proposed budget for the Economic Development Fund is $11 million. There is no tax levy impact in this fund. Revenue of $11 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 $9 million in 2015 for activities ranging from economic development and administration to streetscaping and public safety. The following is a list of active BIDs and NIDs for 2015 and their corresponding budgets as well as budget authority for new potential NIDs:

NID #1 (Brewery) $78,432

NID #3 (Washington Park Partners) $180,976

BID #2 (Historic Third Ward) $631,766

BID #3 (RiverWalk) $0

BID #4 (Greater Mitchell Street) $148,301

BID #5 (Westown) $97,644

BID #8 (Historic King Drive) $205,689

BID #9 (735 North Water RiverWalk) $0

BID #10 (Avenues West) $137,085

BID #11 (Brady Street Business Area) $142,320

BID #13 (Oakland Avenue) $8,269

BID #15 (RiverWalk) $505,464

BID #16 (West North Avenue) $160,067

BID #17 (Northwest Area Business) $0

BID #19 (Villard Avenue) $81,722

BID #20 (East North Avenue) $241,233

BID #21 (Downtown Management District) $3,324,546

BID #25 (Riverworks) $234,901

BID #26 (Menomonee Valley) $135,629

BID #27 (Burleigh) $54,622

BID #28 (North Avenue Gateway District) $76,939

BID #29 (Teutonia, Capitol, Atkinson) $100,659

BID #31 (Havenwoods) $211,288

BID #32 (North Avenue Market Place) $99,874

BID #35 (Becher/Kinnickinnic) $35,480

BID #36 (Riverworks II) $45,648

BID #37 (30th Street Industrial Corridor) $182,403

BID #38 (Cesar Chavez) $29,216

BID #39 (Center Street Market Place) $0

BID #40 (Airport Gateway) $374,126

BID #41 (Downer Avenue) $84,122

BID#42 (Schlitz Park) $124,583

BID #43 (South 27th Street) $133,366

BID #44 (Kinnickinnic) $53,996

BID #48 (Granville) $380,389

BID #49 (Reed Street Yards) $150,000

BID #50 (South 13th - Oklahoma Ave) $50,000

Potential New BIDs $500,000

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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	343.72	345.07	342.40	343.98	-1.09	1.58
FTEs - Other	8.95	10.60	11.27	16.44	5.84	5.17
Total Positions Authorized	369	369	365	371	2	6
EXPENDITURES						
Salaries and Wages	$16,711,190	$18,220,242	$18,201,887	$18,658,500	$438,258	$456,613
Fringe Benefits	6,773,715	9,998,641	8,950,608	9,051,503	-947,138	100,895
Operating Expenditures	45,162,110	46,448,000	48,033,500	48,256,700	1,808,700	223,200
Equipment	1,364,319	1,967,000	2,167,450	2,517,700	550,700	350,250
Special Funds	5,279,963	7,895,560	7,100,000	7,100,000	-795,560	0
TOTAL	$75,291,297	$84,529,443	$84,453,445	$85,584,403	$1,054,960	$1,130,958

CAPITAL BUDGET SUMMARY

CAPITAL BUDGET						
Mains Program	$8,365,752	$11,500,000	$11,450,000	$19,500,000	$8,000,000	$8,050,000
Plants and Other	6,851,476	2,325,000	6,050,000	5,450,000	3,125,000	-600,000
TOTAL CAPITAL BUDGET	$15,217,228	$13,825,000	$17,500,000	$24,950,000	$11,125,000	$7,450,000
CAPITAL FINANCING						
Retained Earnings/Cash	$9,858,236	$9,425,000	$17,250,000	$14,214,000	$4,789,000	$-3,036,000
Bond Issue	5,342,796	4,000,000	0	10,736,000	6,736,000	10,736,000
Assessments	0	100,000	100,000	0	-100,000	-100,000
Developer Financed	16,196	300,000	150,000	0	-300,000	-150,000
TOTAL CAPITAL FINANCING	$15,217,228	$13,825,000	$17,500,000	$24,950,000	$11,125,000	$7,450,000

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
REVENUES						
Operating	$80,380,624	$80,808,000	$86,785,000	$86,785,000	$5,977,000	$0
Non-Operating	6,450,919	6,692,000	6,700,000	6,700,000	8,000	0
Developer Capital and Assessments	16,196	400,000	250,000	0	-400,000	-250,000
Bond Issue	5,342,796	4,000,000	0	10,736,000	6,736,000	10,736,000
Withdrawal From Retained Earnings	13,519,022	6,454,443	25,468,445	31,263,403	24,808,960	5,794,958
TOTAL REVENUES	$105,709,557	$98,354,443	$119,203,445	$135,484,403	$37,129,960	$16,280,958
EXPENDITURE AUTHORIZATIONS						
Operating	$75,291,297	$84,529,443	$84,453,445	$85,584,403	$1,054,960	$1,130,958
Capital Funding	15,217,228	13,825,000	17,500,000	24,950,000	11,125,000	7,450,000
Deposit To Retained Earnings	15,201,032	0	17,250,000	24,950,000	24,950,000	7,700,000
TOTAL AUTHORIZATIONS AND DEPOSITS	$105,709,557	$98,354,443	$119,203,445	$135,484,403	$37,129,960	$16,280,958

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

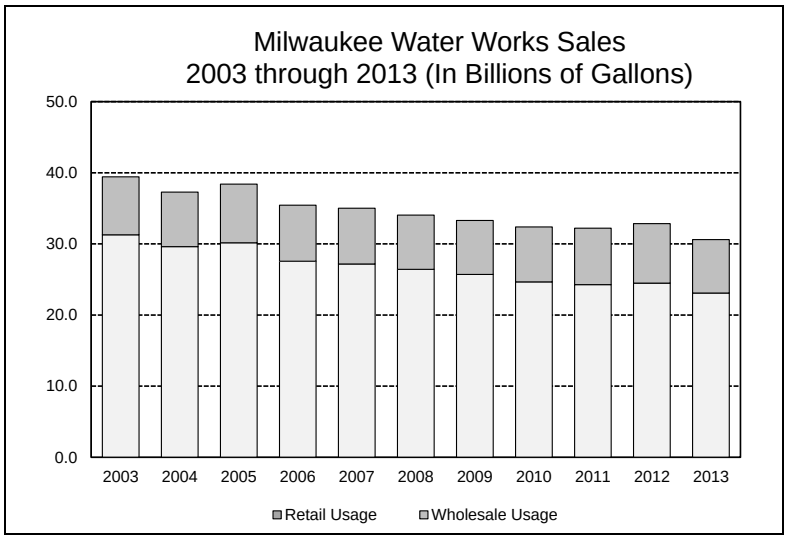
Community Goals and Department Objectives:

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 changes in customer water usage allowing downsizing to meet reduced demands as well as 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.

Figure 1



Consistent with recent trends, gallons of water sold decreased from 2012 to 2013 by 2.3 million or 7%. Since 2003, metered water sales have declined 18%, 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 consumption descreases, the Water Works' cost for electricity, chemicals, and construction and maintenance of the water distribution system does not decrease proportionally. From 2009 through 2013, electricity costs for the utility have increased by 21%.

In 2013, MWW resumed 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 meter replacement, 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 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 control spending and increase rates.

Key Performance Measures

Measure	2013 Actual	2014 Planned	2015 Estimated
Rank of rate for 1 CCf of water, residential customer among Class AB utilities in the seven county metro area.	5/25	3/23	11/23
Rate of Return.	4.06%	1.964%	5.38%
Percent of days in full compliance with Safe Drinking Water Act.	100%	100%	100%
Main breaks.	614	1,002	530

QUALITY AND RELIABILITY

In 2013, 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 18 water quality complaints that were attributable to water treatment activities. Typically, plumbing issues within a customer's building explain most water quality complaints.

The winter of 2013-2014 was extraordinarily harsh with extended periods of cold and deep penetration of frost into the ground. Between December 1, 2013 and March 31, 2014 MWW staff responded to over 4,000 calls related to winter conditions, 661 of which were water main breaks. MWW staff repaired 458 and contractors assisted with 203 repairs. During the same period the previous year, 345 water main breaks occurred, 296 of which were repaired by MWW and 49 of which were repaired by contractors. In addition, there were 509 burst water meters and 154 frozen services, compared to 126 burst meters and no frozen services the previous winter. Even with this very high workload, MWW repaired 95% of main breaks within 24 hours and the average time that customers were without water was 4.4 hours. From January through March 2014, winter costs for water main break repairs, replacing burst meters and thawing frozen services approached $5.3 million. The cost of treating and pumping the water that was lost due to leaks was estimated at $437,000. In May 2014, the utility experienced a leak on a 72"

steel pipeline that necessitated the shutdown of the Texas Avenue Pumping Station and caused 82 water main breaks. A total of $1.7 million was spent to repair the leak and add a structural liner to add 50 years of life to that section of pipe.

The MWW proposed capital budget includes a substantial increase in funding for water main replacements, essential to the long term sustainability of the system and to ensuring that MWW can fulfill its mission of providing high quality, healthy drinking water to its customers. The Capital Improvements Committee and Public Service Commission have endorsed such an increase. Financial constraints in recent years have caused the water main replacement cycle to approach 400 years in 2011 and 2012 with less than 5 miles replaced; industry standard is a 100 year replacement cycle (20 miles per year), and analyses specific to MWW's system suggest that replacement of 28 miles per year is optimal. The 2015 proposed budget replaces 15 miles of water main and assumes increasing up to 20 miles replaced in 2020. This requires position increases in both the Engineering Section's Water Mains Design group and in construction related positions in the Water Distribution Section. The 2015 proposed budget also reflects an approximately 30% increase in bid prices for water main replacement projects.

Currently, MWW is midway through a two step rate adjustment with the Public Service Commission of Wisconsin (PSC). The need for funds to carry out the more robust Water Main Replacement Program and decreasing revenues associated with reduced water usage are the primary drivers for the rate adjustment. A 3% across the board increase was effective for water sold after June 1, 2014. As proposed by MWW, the second step would result in average single family residential, commercial and industrial customer's water bill amounts of $52.95, $689.25 and $10,390.79 per quarter. For residential customers, $52.95 per quarter translates to 59 cents per day. At these levels, MWW rates remain highly competitive both locally and nationally. The proposed increase would make $22.8 million of cash available for funding the capital improvements program. A decision on the second step is anticipated from the PSC by October 2014.

RESIZE, RESTRUCTURE, AND REINVEST

In addition to increased main replacement, MWW must continually reinvest in its pumping system and treatment plants. The 2015 non-mains capital program, as well as recently completed and ongoing non-mains capital projects, reflects MWW's commitment to sustaining high quality service delivery for the long term future.

Non-mains capital projects at the Linnwood Water Treatment Plant include replacing a roof, a sanitary sewer force main, flocculator bearings in one quadrant, butterfly valves in the pump room, and dielectrics in one ozone generator; completing design for motor control center replacement in 2016; and beginning mitigation of corrosion of steel pipes within the plant. Estimates for these projects total $1.95 million. For the Howard Avenue Plant, $300,000 is requested to resurface a concrete driveway and finalize design of the aged substation and switchgear. The Lincoln Avenue storage tanks are badly in need of interior and exterior painting; $2.5 million is estimated for this work. In addition, $700,000 is proposed to make additional structural improvements in the Meter Shop North.

Ongoing projects authorized in prior years include construction of backup power generation at the Linnwood Plant, improvements to pumps at various locations, and the inspection and repair of the Riverside tunnel. Backup power generation is completed and in service at the Riverside Pumping Station, and the Florist and Grange Booster Pumping Stations.

MWW continues to look for ways to control costs in its day-to-day operations. The 2015 proposed budget includes several efficiencies and improvements to manage and reduce costs. Monitoring and operational safeguards are being implemented to remotely operate the Howard Avenue Plant. The automatic Meter Replacement Program is nearly 50% complete. This program improves efficiency and increases customer service by deploying a real time work order system, reducing manual data entry and dispatch of field personnel. The consolidation of two Meter Shops into one automating the site will be completed in 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		Water Meter Field Supervisor	Shifted from Auxiliary.
	1.00		Civil Engineer II	Previously unfunded position.
-6	-4.00		Water Treatment Plant Operator	Vacant positions eliminated.
-1	-1.00		Office Assistant III	
1	1.00		Office Assistant IV	
1	1.00		Water System and Project Manager	
-5	-5.00		Water Meter Field Supervisor	
5	5.00		Water Field Supervisor	
-2	-2.00		Water Meter Field Supervisor (Aux)	
1	0.50		Water Field Supervisor	
1	0.50		Water Meter Reading Specialist	
-1	-1.00		Management Civil Engineer Senior	
1	1.00		Civil Engineer IV	
1	1.00		Engineering Tech IV	Title change due to reclassification.
-1	-1.00		Engineering Tech II	
-1	-1.00		Water Distribution Scheduling Manager	
1	1.00		Water Distribution Construction Manager	
-1	-1.00		Water Distribution Systems Manager	
7	7.00		Water Field Supervisor	
-7	-7.00		Water Distribution Field Supervisor	
1	1.00		Program Assistant I	
-1	-1.00		Hydrant Service Worker	
2	0.67		Water Field Supervisor	
-2	-0.67		Water Distribution Supervisor	

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Program Assistant I	Title change due to reclassification
1	1.00		Program Assistant II	
-7	-7.00		Water Treatment Plant Operator	
-12	-12.00		Senior Water Treatment Plant Operator	
6	6.00		Water Utility Laborer	
18	18.00		Water Treatment Plant Operator	
-4	-4.00		Water Plant Laborer	
-2	-2.00		Water Plant Laborer (Aux)	
6	6.00		Water Treatment Plant Operator Trainee	
-1	-0.25		Senior Water Treatment Plant Operator (Aux)	
1	0.25		Water Treatment Plant Operator (Aux)	
36	36.00		Water Distribution Repair Worker	
-20	-20.00		Water Distribution Repair Worker I	
-24	-24.00		Water Distribution Repair Worker II	
-11	-11.00		Water Distribution Laborer	
19	19.00		Water Utility Laborer	
-8	-4.00		Hydrant Service Worker (Aux)	
-1	-1.00		Water Distribution Laborer (Aux)	
8	4.00		Water Utility Laborer (Aux)	
1	1.00		Water Utility Laborer (Aux)	
-12	-12.00		Senior Water Treatment Plant Operator	
12	12.00		Water Treatment Plant Operator	
-6	-6.00		Water System Operator	
-2	-2.00		Water Plant Laborer	

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	0.43	0.57	Management Civil Engineer Senior	Increased Main Replacement Program.
2	0.86	1.14	Civil Engineer III	
5	2.11	2.89	Engineering Tech IV	
1	0.43	0.57	Engineering Drafting Tech IV	
1	1.00		Water Field Supervisor	
1	1.00		Water Construction Coordinator	
-1	-1.00		Water Plant Operations Supervisor	Eliminate vacant position.
-1	-0.25		Water System Operator (Aux)	
	-0.67	0.67	Various Positions	Increase capital deduction in Engineering Section.
2	**-1.09**	**5.84**	**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 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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	0.00	100.05	103.05	103.05	3.00	0.00
FTEs - Other	0.00	14.95	11.95	11.95	-3.00	0.00
Total Positions Authorized	146	146	146	146	0	0
EXPENDITURES						
Salaries and Wages	$4,337,913	$4,603,485	$4,843,753	$4,908,218	$304,733	$64,465
Fringe Benefits	2,130,525	2,163,638	2,276,564	2,306,862	143,224	30,298
Operating Expenditures	6,997,270	6,430,000	6,904,000	6,904,000	474,000	0
Equipment	63,791	460,000	735,000	730,000	270,000	-5,000
Special Funds	29,762,792	41,759,074	47,483,185	44,936,410	3,177,336	-2,546,775
O&M TOTAL	$43,292,291	$55,416,197	$62,242,502	$59,785,490	$4,369,293	$-2,457,012
Capital Projects	$36,246,411	$44,550,000	$44,150,000	$44,200,000	$-350,000	$50,000
Deposit to Retained Earnings	691,611	0	0	0	0	0
TOTAL	$80,230,313	$99,966,197	$106,392,502	$103,985,490	$4,019,293	$-2,407,012
REVENUES						
Sewer Maintenance Fee	$29,399,780	$28,934,192	$30,973,000	$29,802,218	$868,026	$-1,170,782
Stormwater Maintenance Fee	26,204,887	27,006,356	27,480,000	28,626,737	1,620,381	1,146,737
Charges for Services	1,665,534	1,727,338	1,687,764	1,779,158	51,820	91,394
Interest Revenue	29,737	163,813	94,051	163,813	0	69,762
Miscellaneous Revenue	609,806	0	0	0	0	0
Developer Financed	3,012	100,000	0	0	-100,000	0
Proceeds from Borrowing	20,000,000	39,500,000	39,000,000	39,650,000	150,000	650,000
Grant and Aid	2,317,557	1,650,000	0	1,650,000	0	1,650,000
Assessable	0	0	0	0	0	0
Withdrawal from Retained Earnings	0	884,498	7,157,687	2,313,564	1,429,066	-4,844,123
TOTAL	$80,230,313	$99,966,197	$106,392,502	$103,985,490	$4,019,293	$-2,407,012

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 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	2013 Actual	2014 Planned	2015 Planned
Sanitary sewer overflows.	3	0	0
Number of basement backups reported.	25	0	0
Miles of sewers replaced or relined.	71	54	32

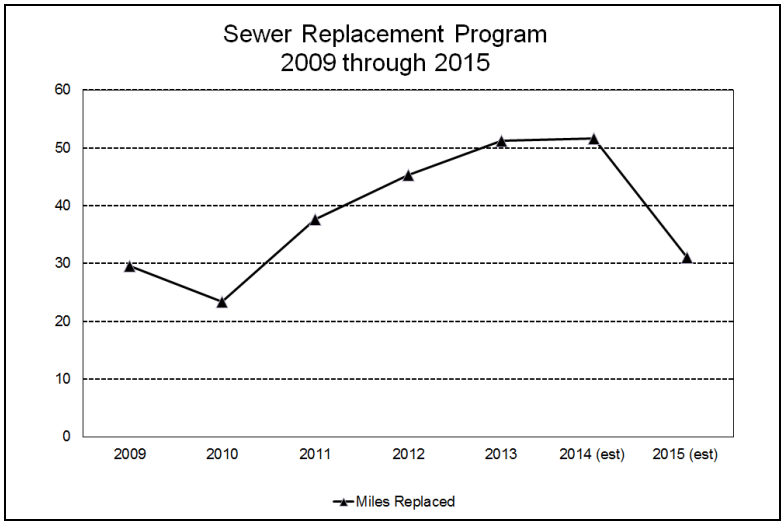
STRATEGY IMPLEMENTATION

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 2015 proposed capital budget includes $32.8 million to replace 20 miles of sewer and an additional $6.65 million to reline 12 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 2009 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 completed 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 885 homes. Data collected and analyzed shows a 47% decrease in flows following the lining of both the public main sewers and private laterals in this study area.

Figure 1



The 2015 Sewer Maintenance Fund's I&I capital budget includes an estimated $1.65 million in grants from MMSD for work on private property.

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 2015 proposed 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 2015, the capital budget includes $1.1 million for the installation of bio-infiltration 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 2015, 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.

In 2015, the department will begin a flood mitigation project in the Dineen Park Neighborhood. Over the past ten years this neighborhood has experienced repeated flooding occurrences. The city is working with Milwaukee County and local residents to determine the most effective and preferred stormwater management plan. The 2015 proposed capital budget includes $2.75 million for this project.

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 Fleet staff. When DPW staff is unavailable, Sewer crews cannot perform their duties. In 2012, Sewer Crew Leaders began operating certain large vehicles and pieces of sewer maintenance equipment. The training provides Sewer Maintenance with the flexibility to operate some of their equipment when DPW Fleet staff is unavailable. The 2015 proposed budget continues this trend by purchasing an excavator for the department to own and operate.

Stormwater Management Fee: The 2015 proposed Stormwater Management Fee per quarter per Equivalent Residential Unit (ERU) will increase 6%, or $1.02, from $16.94 to $17.96. The annual impact on the typical residential user will increase $4.08 from $67.76 to $71.84. This will generate $28.6 million in 2015. 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 future years, particularly if the city further increases its investment in private property work.

Local Sewerage Charge: The 2015 proposed Local Sewerage Charge rate will increase 3%, or four cents, from $1.34 to $1.38 per 100 cubic feet of water (CCF). The quarterly impact on the typical residential user will increase $0.68 from $22.64 to $23.32 for local service. The annual impact on the typical residential user will increase $2.71 from $90.57 to $93.28 for local service. This will generate $29.8 million in 2015. Like the Stormwater Management Fee, regular increases in future years 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 2015 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 2015, the city will cash finance $2.9 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, manhole inspection projects, and channel restoration projects.

Debt Fund Transfer: The 2015 proposed budget includes a $5.95 million transfer from the Sewer Maintenance Fund to the Debt Fund for sewer related GO debt service.

Payment to the General Fund: The Sewer Maintenance 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 2015 proposed budget will transfer $16 million from the Sewer Maintenance Fund to the General Fund to pay for all tree care costs and pension payments associated with street sweeping, leaf collection, brush collection, and pruning. Street trees help reduce stormwater flows by absorbing water through their root system. The transfer also includes $40,000 to fund the Health Department's Beach Water Quality and Advisory Program. An additional $3 million transfer to the capital fund will support tree planting, the Emerald Ash Borer Prevention Program, the Environmental Remediation Program, and the Urban Forestry Training 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
	3.00	-3.00	Various Positions	Miscellaneous adjustment.
0	**3.00**	**-3.00**	**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

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
Purchase of Delinquent County Taxes	$9,931,715	$10,530,000	$10,530,000	$10,530,000	$0	$0
TOTAL	$9,931,715	$10,530,000	$10,530,000	$10,530,000	$0	$0

SOURCE OF FUNDS

	2013 ACTUAL EXPENDITURES	2014 ADOPTED BUDGET	2015 REQUESTED BUDGET	2015 PROPOSED BUDGET	CHANGE 2015 PROPOSED BUDGET VERSUS 2014 ADOPTED	CHANGE 2015 PROPOSED BUDGET VERSUS 2015 REQUESTED
County Delinquent Taxes Collected	$9,931,715	$10,530,000	$10,530,000	$10,530,000	$0	$0
TOTAL	$9,931,715	$10,530,000	$10,530,000	$10,530,000	$0	$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. BORROWING AUTHORIZATIONS

General Obligation Bonds or Short Term Notes

	New 2015 Authortiy
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).	$0
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).	$0
B. Renewal and Development Projects	
1. For providing financial assistance to blight elimination, slum clearance, redevelopment and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335, 66.1337 and 66.1105.	
MEDC Loan Program.	
Subtotal Renewal and Development Projects.	$5,619,000
C. Public Improvements	
1. Public buildings for housing machinery and equipment.	$27,570,000
2. Harbor improvements.	1,000,000
3. Parking facility improvements.	2,292,000
4. Purchase of sites for and construction of engine houses, fire stations reconstruction, remodeling, planning, design and site acquisition.	4,384,000
5. Police Department facility construction.	1,400,000
6. Bridge and viaduct.	8,910,000
7. Sewage disposal, sewer improvement and construction.	0
8. Street improvements and construction.	36,736,000
9. Parks and public grounds.	215,000
10. Library improvements authorized under section 229.11 and 229.17.	8,750,000
11. Rubbish.	0
Subtotal General Obligation Bonds or Short Term Notes (Sections A through C).	$96,876,000
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.	$2,440,000
Subtotal General Obligation Bonds or Local Improvements Bonds.	$2,440,000
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).	$16,500,000
Subtotal General Obligation Bonds, Short Term Notes or Revenue Bonds.	$16,500,000
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

	New 2015 Authortiy
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.	$10,736,000
Subtotal Revenue Bonds or General Obligation Bonds.	$10,736,000
K. Sewer Maintenance Fund Borrowing	
Sewer Maintenance Fund revenue bonds or general obligation bonds including prior years.	$39,650,000
Subtotal Revenue Bonds or General Obligation Bonds.	$39,650,000
Total General Obligation Bonds or Short Term Notes	**$805,202,000**

(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 have not been included in this publication.

TAX LEVY TO RATE CONVERSION TABLE

Assessed Value Used in Conversion Calculation as of September 12, 2014: $24,164,129,620

Tax Rate Per $1,000 of Assessed Valuation	Levy Change	Levy Change	Tax Rate Per $1,000 of Assessed Valuation
$0.01	$241,641	$5,000	$0.00
$0.05	$1,208,206	$10,000	$0.00
$0.10	$2,416,413	$50,000	$0.00
$0.25	$6,041,032	$100,000	$0.00
$0.50	$12,082,065	$500,000	$0.02
$1.00	$24,164,130	$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