



2021 BUDGET IN BRIEF

INTRODUCTION

The Budget in Brief provides an overview of the city's annual budget process, the budget structure, major funding sources, and budgeted expenses.

CITYWIDE PRIORITIES

The following priorities guide the city's budget:

- Provide safety and stability for all Milwaukee neighborhoods
- Increase economic opportunity and family supporting employment for all residents
- Protect children's health and support their educational success from birth to adulthood
- Preserve and leverage the city's environmental and physical assets
- Promote racial, social, and economic equity for all residents

2021 BUDGET HIGHLIGHTS

- The city's 2021 budget is \$1.55 billion.
- The budget provides a tax levy increase of 2.8% or \$8.2 million over 2020
- The tax rate per \$1,000 of assessed value is \$10.09 in 2021, a decrease from the rate of \$10.58 in 2020
- City property taxes on the average-valued home increase \$28.84
- The 2021 municipal service fees increase \$60.48 for the typical homeowner

COMMUNITY PROFILE

Population	
Total Population	594,548
Median Age	31.5 years
Population by Race/Ethnicity	
Black or African American*	38.3%
White*	35.1%
Hispanic or Latino (any race)	19.0%
Asian*	4.2%
Two or more races*	2.7%
American Indian and Alaska Native*	0.5%
Some other race*	0.2%
Native Hawaiian and Other Pacific Islander*	0.0%

*Not Hispanic or Latino

Residential Housing	
Number of housing units	258,444
Percent of owner occupied housing units	41.4%
Average residential property value	\$126,235

Economy	
Total employment	261,737
Population in labor force	273,994
Unemployment rate	4.5%

Income	
Per capita personal income	\$23,462
Median household income	\$41,838
Percent of population below poverty level	25.4%



BUDGET OVERVIEW

The city's budget provides an operational plan for delivering services to the community. Milwaukee adopts an annual balanced budget, which means that revenues equal expenses.

BUDGET GOALS

As the city develops the annual budget, it strives to provide critical city services while also limiting property tax increases and service charges on the typical residential property.

In addition, the city works to manage long-term obligations such as debt, pension benefits, and core infrastructure in a way that stabilizes ongoing funding requirements.

BUDGET STRATEGIES

Strategies to address the city's budget challenges include reducing the scale of city government operations; making strategic investments in technology, process improvements, and people; and engaging in redevelopment to improve the tax base and economic opportunities.



BUDGET PROCESS

Departmental Budget Requests • *Mid-Mar. to 2nd Tue. in May*

City departments review operational needs for the next year and submit budget requests to the Budget Office.

Budget Review • *Mid-May to September*

The Budget Office reviews all budget requests and prepares recommendations for the Mayor's consideration.

Mayor's Public Hearing on the Proposed Budget • *August*

The Mayor holds a public hearing to provide an opportunity for citizens to ask questions and make comments and recommendations regarding the upcoming budget.

Executive Budget Presentation • *September 28 Deadline*

On or before September 28th, the Mayor presents his Proposed Executive Budget to the Common Council.

Legislative Hearings • *October*

The Finance and Personnel Committee reviews the Proposed Executive Budget on behalf of the Common Council. The Committee reviews each departmental budget separately, getting input from the departments and the Budget Director, and requesting additional information as necessary.

The Finance and Personnel Committee may propose amendments to the Executive Budget for consideration by the Common Council. In addition, individual Council members may sponsor amendments to the proposed budget.

Public Hearing • *Early October*

The Mayor and Common Council hold a joint public hearing on the budget prior to budget adoption. All interested parties have an opportunity to comment on the budget during the hearing.

Budget Adoption • *November 14 Deadline*

On or before November 14th, the Common Council meets to review the Finance and Personnel Committee's recommendations; accepts, rejects, or modifies amendments as proposed; and adopts the budget.

After the Common Council has adopted the budget, it is forwarded to the Mayor for signature. Within seven working days the Mayor may sign the budget or veto individual line items. Mayoral vetoes are returned to the Council for a vote to either sustain or override the veto. The budget becomes final when it has been signed by the Mayor and returned to the Council without vetoes.

BUDGET STRUCTURE

The City of Milwaukee organizes the city budget into funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city's budget is divided into two groups of funds: Property Tax Supplemented Funds and Special Revenue Funds.

PROPERTY TAX SUPPLEMENTED FUNDS

\$1.16 billion

General City Purposes Fund **\$639 million**

Funds the general operations of the city. This includes department expenses and expenses for employee health care benefits and workers compensation.

Employee Retirement Fund **\$120 million**

Funds payment of employer pension contributions, social security contributions, and the city's supplemental deferred compensation plan.

Capital Improvements Fund **\$138 million**

Funds the purchase, construction, enhancement, or maintenance of physical infrastructure systems, facilities or equipment, or redevelopment. Infrastructure systems include bridges, streets, alleys, sidewalks, street lighting, and traffic control. Water, sewer and transportation infrastructure expenses are funded in enterprise funds.

City Debt Fund **\$259 million**

Funds the principal and interest on bonds issued by the city to finance capital improvements.

Contingent Fund **\$5 million**

Funds unanticipated emergencies and purposes not otherwise provided for in the budget.

SPECIAL REVENUE FUNDS

\$391 million

Enterprise Funds **\$331 million**

Enterprise funds are funds that support "business-type" operations financed primarily by user charges. They include the following:

Water Works **\$150 million**

Funds all activities necessary to provide water services to city residents and 16 other municipal customers. The Water Works is a city owned utility whose fees are regulated and approved by the State's Public Service Commission.

Sewer Maintenance Fund **\$115 million**

Funds operations and capital improvements of the city's sewer system as well as general fund operations pertaining to storm water management.

Transportation Fund **\$49 million**

Funds administrative and operations costs for the Milwaukee streetcar and for parking services, including construction and maintenance of parking lots, meters and structures.

Economic Development Fund **\$17 million**

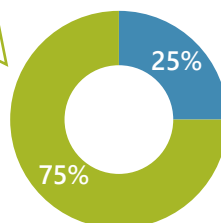
Funds economic development purposes including Business Improvement Districts (BIDs) and Neighborhood Improvement Districts (NIDs).

Grant and Aid Fund **\$51 million**

Accounts for Federal, State, and other grants that are legally restricted to expenditures for specific purposes.

County Delinquent Tax Fund **\$8 million**

Acts as a reserve against uncollected County delinquent property taxes.



REVENUES

The city generates revenue from several sources. The largest revenue sources are property taxes, intergovernmental revenue, and user charges. Other sources of revenue include grants, fines and forfeitures, licenses and permits, borrowing proceeds, Tax Incremental revenues, and Business Improvement District assessments, among others.

PROPERTY TAX

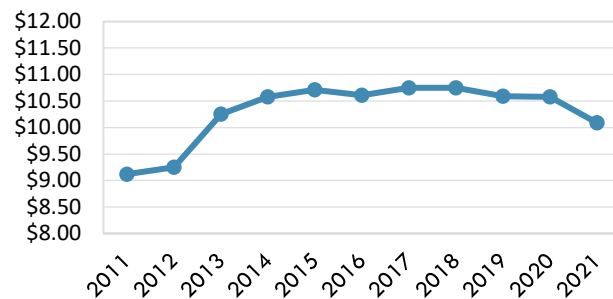
Property taxes are levied on the assessed value of all general property located in the city, except for property that is exempt from the property tax. A City of Milwaukee property tax bill includes property taxes for the City of Milwaukee, Milwaukee Public Schools, Milwaukee County, Milwaukee Metropolitan Sewerage District (MMSD), and Milwaukee Area Technical College (MATC). For the 2021 budget, approximately 36 cents of each property tax dollar go to the City of Milwaukee.

Tax Levy vs. Tax Rate

Property Tax Levy: The property tax levy represents the dollar amount of property tax revenue in a local government's budget. The city's property tax levy for the 2021 budget is \$299.2 million. Property taxes are 19.3% of total budget revenues.

Property Tax Rate: The property tax rate is the amount assessed against each \$1,000 of assessed value of property subject to the property tax. The tax rate is set at an amount required to generate the total tax levy revenue included in a local government's annual budget. The city's property tax rate for the 2021 budget is \$10.09 per \$1,000 of assessed value.

PROPERTY TAX RATE
(DOLLARS PER \$1,000 OF ASSESSED VALUE)

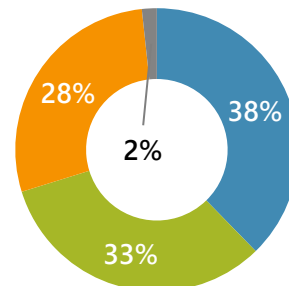


Property Tax Levy Distribution

The largest proportion of the 2021 city property tax levy is used for general city purposes, followed by employee retirement, and capital/debt service.

■ General City Purposes	\$113 million
■ Retirement Provisions	\$97 million
■ Capital/Debt Service	\$84 million
■ Contingent Fund	\$5 million

2021 CITY PROPERTY TAX LEVY
DISTRIBUTION BY PURPOSE



INTERGOVERNMENTAL REVENUE

Intergovernmental revenue, which includes revenues received from the state government, is \$273.0 million or 17.6% of total 2021 budget revenues. Wisconsin's tax system is designed to assess sales, income, and various business taxes, and redistribute them to municipal governments as "shared revenue." Shared revenue is intended to provide municipal governments a similar ability to raise revenue using reasonable tax rates regardless of their property tax wealth.

However, over the last 20 years the state's financial support of municipal governments has changed considerably. While state general purpose tax collections have grown significantly, the shared revenue payment to Milwaukee has decreased. For the 2021 budget, state shared revenue is \$219.1 million.

USER CHARGES

User charges allow local governments to recover the cost of certain services from service users. Examples of user costs include the solid waste charge, which is used to help fund garbage and recycling collection, and the snow and ice control charge, which is used help fund snow plowing and other related activities. The city has increasingly relied on user charges over the last 15 years, largely because of state aid reductions. User charges allow the city to use property tax dollars and state aids to fund departments with low cost recovery potential, such as Police, Fire, Library, and infrastructure services.

General fund user charges total \$143.2 million or 9.2% of 2021 budget revenues. The solid waste charge (\$44.9 million) is the largest user charge in the 2021 general fund budget.

Enterprise fund user charges total \$202.6 million or 13.1% of 2021 budget revenues. These revenues include Water Works operating (rate) revenue (\$91.0 million), subject to Public Service Commission approval, Sewer Maintenance Fund charges (\$73.8 million), and Transportation Fund revenues (\$37.9 million).



MUNICIPAL SERVICES CHARGES

Each quarter Milwaukee homeowners receive a Municipal Services Bill. The Municipal Services Bill includes nine user charges. Milwaukee Water Works manages the billing for these charges.

Milwaukee Water Works Charges

- Water Service Charge and Water Usage Charge: The cost of Milwaukee water to residential customers is four gallons per cent with an additional fixed cost for water service and public fire protection charges.

Milwaukee Metropolitan Sewerage District (MMSD) Charges

- MMSD Sewer Treatment Service Charge and MMSD Sewer Treatment Usage Charge: The city collects MMSD user charges for operations from customers based in the city and transmits the revenue to the sewerage district, which is a separate governmental entity. MMSD levies its own property tax for its capital improvements budget.

City of Milwaukee Municipal Services Charges

- Local Sewerage Charge: A charge for city sewer services based on water usage.
- Storm Water Management Charge: A charge for storm sewer management services based on the amount of impervious surface area of a property.
- Snow and Ice Removal Charge: A charge per foot of street frontage for all property, which partially offsets the cost of snow and ice control operations.
- Solid Waste Charge: This charge funds operations for garbage collection, recycling, the self-help centers, and other solid waste services.
- Extra Garbage Cart Charge: Units with more than one garbage cart are charged \$18.04 per quarter per extra cart.
- Street Lighting Charge: This charge funds the operation and maintenance of the city's street lights.

Average Annual 2021 Municipal Services Charges:	
Local Sewerage Charge	\$105
Storm Water Management Charge	\$93
Snow and Ice Removal Charge	\$43
Solid Waste Charge	\$242
Street Lighting Charge	\$40
Total	\$522

EXPENDITURES

The following is a summary of 2021 budgeted city expenditures by major category: public works, public safety, neighborhoods and development, general government, culture and recreation, health, debt, and retirement benefits.

■ PUBLIC WORKS \$452 million

Approximately 29% of the overall budget is devoted to public works-related spending. This includes maintenance of the city's streets, sewers, and facilities and services such as garbage collection, snow and ice control, forestry, and water works. The General City Purposes Fund includes \$125.6 million for public works-related spending.

2021 Budget Highlights:

- \$71.2 million for core infrastructure programs including streets, bridges, street lighting, and sewers.
- Improve the condition and extend the useful life for 21 miles of major streets, local streets and high traffic streets serving commercial corridors.
- Fund the replacement of 1,100 lead water service lines. The city assists with funding of the private side of the replacement, and the Water Works funds the public side.
- \$25 million to replace and line 10 miles of medium to large combined storm and sanitary sewer mains and an additional \$2 million to line 11 miles of small diameter sanitary sewer main and inspect sanitary sewer manholes.
- Funding for the downspout disconnection program. The program provides incentives for residential properties that contain up to four units to disconnect their downspouts from the combined sewer system by 2025. An estimated 50,000 residential parcels will need their downspout disconnected.
- Replacement of 20 miles of water mains and \$4.4 million for water facilities.



■ PUBLIC SAFETY \$400 million

Approximately 26% of the budget is devoted to public safety-related expenses. This includes expenses for the Police Department, Fire Department, Fire and Police Commission, and Municipal Court.

2021 Budget Highlights:

- Fund an average annual Police strength of 1,682 sworn officers, a decrease of 120 from 2020. The Police Department will hire 30 officers in early 2021. These positions will be funded by a COPS grant at no cost to the city.
- Reduce a heavy apparatus in the Fire Department with a cost savings of \$1.9 million. Response times to fire and emergency medical service calls are expected to increase by 6 to 8 seconds but remain superior to national standards.
- Continue the Fire Department's community paramedic program to ensure that the 911 system is utilized appropriately and provides Milwaukee's residents with the appropriate care for their health care needs.
- Continue funding for the five-year community collaborative and monitoring outlined in the settlement with the American Civil Liberties Union of Wisconsin. The 2021 Budget includes \$300,000 in the Police budget for this effort.



■ CITY DEBT \$259 million

Approximately 17% of the budget funds principal and interest payments for city borrowing. The tax levy share for debt in 2021 is \$83.4 million or 27.9% of the total tax levy. The debt budget also includes revenues of \$30.2 million from tax increments, which offset the borrowing costs associated with Tax Increment Finance redevelopment projects.



■ NEIGHBORHOODS & DEVELOPMENT \$164 million

About 11% of the budget is devoted to spending for neighborhoods and development. This includes expenses for the Department of City Development, Department of Neighborhood Services, Port Milwaukee, Board of Zoning Appeals, as well as several special purpose accounts.

2021 Budget Highlights:

- \$11.9 million to fund neighborhood investment, affordable housing and homeownership. This funding supports Mayor Barrett’s commitment to create, preserve or improve 10,000 affordable housing units in 10 years, starting in 2018.
- Continue to fund the STRONG Homes Loan and Compliance Loan programs as well as commercial corridor revitalization.

■ RETIREMENT BENEFITS \$120 million

Approximately 7.7% of the total city budget is used for employee retirement expenses. The city has a home rule defined-benefit pension plan, the City of Milwaukee Employees’ Retirement System. The Employee Retirement Fund includes the employer pension contribution to the retirement system and the employer share of funding for Social Security and Medicare for covered employees.

■ GENERAL GOVERNMENT \$101 million

Approximately 6.5% of the budget is used for general government spending, including expenses for the Department of Administration, Assessor’s Office, City Attorney, City Clerk, Comptroller’s Office, Election Commission, Department of Employee Relations, Mayor’s Office, and Treasurer’s Office.

■ HEALTH \$29 million

Roughly 1.8% of the budget is devoted to public health-related spending. This includes expenses for the Milwaukee Health Department.

2021 Budget Highlights:

- \$4,000,000 in CDBG funding to continue the city’s efforts in preventing and containing the spread of COVID-19. Funding will support positions that perform testing and contact tracing, including the addition of 325 auxiliary positions.
- Continue to improve the Childhood Lead Poisoning Prevention Program. Several new positions were added in 2020 and 2021 to improve intake of new cases, assist families if they must temporarily or permanently vacate a property, and comply with program requirements.
- \$200,000 in additional CDBG funding to expand the violence prevention interrupter program to the Southside.
- \$250,000 to expand the Community Resource Navigators program, a public-health outreach program targeting neighborhoods impacted by high rates of violence and unemployment.

■ CULTURE & RECREATION \$27 million

About 1.7% of the budget is devoted to spending for culture and recreation. This includes expenses for the Milwaukee Public Library as well as several special purpose accounts.

2021 Budget Highlights:

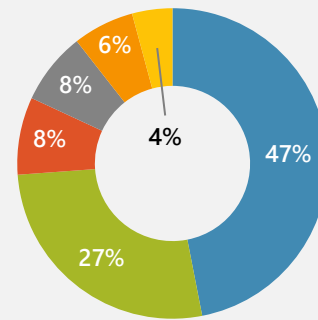
- Maintain library hours and service levels at 2020 levels, including after-school and employment resource programs.
- \$300,000 in capital funding for the MKE Plays initiative to replace the city’s aging recreational facilities with modern, innovative play spaces for Milwaukee’s youth.

PERSONNEL

Approximately 82% percent of the general city purposes budget funds personnel costs. It's important to note that retirement-related costs are included in a separate section of the budget, so this percentage does not fully reflect the impact of fringe benefits on the total budget.

There are an estimated 7,481 full time equivalents (FTE) in the 2021 budget (an FTE represents 2,080 hours of budgeted wages). This does not include temporary election workers because annual staffing levels vary based on the number of elections. The largest number of employees work in public safety-related positions, followed by public works-related positions.

CITY OF MILWAUKEE ESTIMATED FULL TIME EQUIVALENTS (FTEs) BY CATEGORY



Public Safety	3,511 FTEs
Public Works	2,013
Health	604
General Government	562
Neighborhoods & Development	477
Culture & Recreation	314

ADDITIONAL INFORMATION & RESOURCES

BUDGET INFORMATION

For more detailed information, complete copies of the Plan and Executive Budget Summary and the Detailed Budget documents are available at <http://city.milwaukee.gov/Budget>

For questions or additional information, contact the Budget Office at (414) 286-3741 or budget@milwaukee.gov.

ADDITIONAL CITY RESOURCES

Unified Call Center

Residents can submit service requests and receive information about city services through the city's Unified Call Center.

- Phone: (414) 286-CITY
- Web: <http://city.milwaukee.gov/ucc>
- Mobile: MKE Mobile app

E-Notify

Use E-Notify to receive email and text alert notices from the city: <http://city.milwaukee.gov/enotify>

City Calendar

Stay up to date on city hall meetings and community events by checking the city calendar: <http://city.milwaukee.gov/calendar>

Stay Connected

Follow elected officials and city departments on social media: <http://city.milwaukee.gov/connect>

City Channel

View city meetings and informational programs online: <http://city.milwaukee.gov/cityclerk/CityChannel>

Community Profile Data Sources: US Census Bureau, 2015-2019 American Community Survey 5-year Estimates; BLS, Local Area Unemployment Statistics (2019); City of Milwaukee Assessor's Office (2020)

Photo credits: City of Milwaukee Department of Public Works, Milwaukee Police Department, Milwaukee Fire Department, Department of City Development, Public Information Division

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