2012 PLAN AND BUDGET SUMMARY

CITY OF MILWAUKEE

STATE OF WISCONSIN

Department of Administration
Budget and Management Division

Sharon Robinson
Administration Director

Mark Nicolini
Budget and Management Director

Budget and Management Staff

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

GUIDE TO BUDGET DOCUMENTS

PLAN AND BUDGET SUMMARY

A document containing a fiscal summary of the 2012 budget; a budget forecast for Milwaukee; detailed narrative descriptions of each department's mission, services, outcome measures and related activities; and a summary of appropriations by expenditure category. This document is printed annually in proposed and final form as follows: the *Proposed Plan and Executive Budget Summary* contains the Mayor's Executive Budget as presented to the Common Council for review. The *Plan and Budget Summary* contains the budget as adopted by the Common Council.

BUDGET

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

SIX-YEAR CAPITAL PLAN

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

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

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

or

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

BUDGET AND PLANNING PROCESS

City Strategic Plan

Citywide Objectives
Citywide Strategies

↓

Unified Strategic Plans and Budget

Department Objectives
Department Strategies
Department Performance Measures
Department Annual Budget

↓

Annual Budget

Executive Budget

↓

Adopted City Budget

Calendar Date	Activity
January - March	Departments Prepare Plans, Objectives, and Performance Measures
Mid-March	Departments Receive Budget Materials
May 10*	Plans and Budget Requests Due
July	Mayor's Public Hearings on Plans and Budgets
July - September	Mayor's Executive Plan and Budget Review
September 27**	Plan and Budget Submitted to Common Council
Mid-October	Legislative Hearings
October 27 and 28	Finance and Personnel Committee Budget Amendment Days
November 4***	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 ..... W. Martin Morics
City Treasurer ..... Wayne F. Whittow

COMMON COUNCIL

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

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

MUNICIPAL JUDGES

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

TABLE OF CONTENTS

2012 Budget Transmittal Statement from Mayor Tom Barrett I

Finance and Personnel Committee Report on the 2012 Adopted City Budget VIII

Overview of the 2012 Budget 1

Budget Summary Tables

2012 Adopted Budget and Tax Rate Compared to Prior Year 9

Property Tax Profile Combined Property Tax Rates 2008 through 2012 10

Comparison by Budget Sections Between 2012 Adopted Budget Versus 2011 Adopted Budget, Revenues, Tax Levies, and Resulting Changes 11

Property Tax Rate and Levy Comparison (Graphs) 14

General City Purposes Spending and Authorized Positions (Graphs) 15

Change in Positions 16

Estimated Full Time Equivalents O&M Funded 17

Estimated Full Time Equivalents Non-O&M Funded 18

Estimated Full Time Equivalents All Funding Sources 19

Comparison of 2012 Adopted Expenditures and Funding Sources with Prior Years 20

2012 Salary and Wage Information Used for Budget Purposes 25

School Board Budget 27

Summary of Borrowing Authorizations (Including School Purposes) 28

City of Milwaukee Organization Chart 29

City Budgets Under the Control of the Common Council 31

Property Tax Supplemented Funds

A. General City Purposes 33

B. Provision for Employes' Retirement Fund 190

C. Capital Improvements 197

D. City Debt 209

F. Common Council Contingent Fund 213

Special Revenue Funds

G. Parking Fund 216

H. Grant and Aid Fund 222

I. Economic Development Fund 226

J. Water Works 228

K. Sewer Maintenance Fund 235

M. County Delinquent Tax Fund 240

TABLE OF CONTENTS continued

Borrowing Authorizations General Obligation Bonds or Short Term Notes 241

Clarification of Intent 243

Tax Levy to Rate Conversion Table 245

ALPHABETICAL LISTING

2012 Adopted Budget and Tax Rate Compared to Prior Year 9
2012 Budget Transmittal Statement from Mayor Tom Barrett I

Administration, Department of
Annuity Contribution, Employer's Share 35
Assessor's Office 190

Board of Zoning Appeals (Special Purpose Account) 173
Borrowing Authorizations (General Obligation Bonds or Short Term Notes) 241

Capital Improvements 197
Change in Positions 16
City Attorney 45
City Debt 209
City Treasurer 174
Clarification of Intent 243
Common Council City Clerk 58
Common Council Contingent Fund 213
Comparison of 2012 Adopted Expenditures and Funding Sources With Prior Years 20
Comparisons by Budget Sections Between 2012 Adopted Budget Versus 2011 Adopted Budgets, Revenues, Tax Levies, and Resulting Changes 11
Comptroller 62
County Delinquent Tax Fund 240

Deferred Compensation Plan 197
Department of City Development 49

Economic Development Fund (Special Revenue Account) 226
Election Commission 67
Employee Health Care Benefits (Special Purpose Account) 171
Employee Relations, Department of 70
Employes' Retirement System 193
Estimated Full Time Equivalents O&M Funded 17
Estimated Full Time Equivalents Non-O&M Funded 18
Estimated Full Time Equivalents All Funding Sources 19

Finance and Personnel Committee Report on the 2012 Adopted City Budget VIII
Fire and Police Commission 78
Fire Department 86
Fringe Benefit Offset 182

General City Purposes Spending (Graphs) 15
Grant and Aid Fund (Special Revenue Account) 222

Health Department 90
Housing Authority of the City of Milwaukee (HACM) 58

ALPHABETICAL LISTING Continued

Library 105

Mayor's Office.....115
Milwaukee Economic Development Corporation (MEDC).....57
Municipal Court 118

Neighborhood Improvement Development Corporation (NIDC) 57
Neighborhood Services, Department of.....123

Organization Chart, City of Milwaukee.....29
Overview of the 2012 Budget.....1

Police Annuity and Benefit Fund 190
Police Department.....132
Port of Milwaukee.....138
Positions Ordinance, Reference 244
Property Tax Profile Combined Property Tax Rates 2008 through 2012 10
Property Tax Rate and Levy Comparison (Graphs) 14
Property Tax Supplemented Funds Summary of Expenditures (Under Control of the Common Council).....31
Provision for Employes' Retirement Fund (Pensions).....190
Public Works, Department of
- Administrative Services Division 143
- Infrastructure Services Division.....147
- Operations Division (Buildings and Fleet, Forestry, and Sanitation) 155
- Parking Fund (Special Revenue Account).....216
- Sewer Maintenance Fund (Special Revenue Account) 235
- Water Works (Special Revenue Account).....228

Redevelopment Authority of the City of Milwaukee (RACM) 58
Revenues, Detailed Listing.....187

Salary and Wage Information for Budget Purposes 25
Salary Ordinance, Reference.....244
School Board Budget.....27
Social Security Tax 190
Source of Funds for General City Purposes.....183
Special Purpose Accounts Analysis 164
Special Purpose Accounts Summary 166
Special Revenue Funds Summary.....215
Summary of Borrowing Authorizations (Including School Purposes) 28

Tax Levy to Rate Conversion Table 245
Tax Stabilization Fund Withdrawal.....183

Unified Call Center 178

Worker's Compensation (Special Purpose Account).....168

Tom Barrett
Mayor, City of Milwaukee

Mayor Tom Barrett
City of Milwaukee 2012 Budget Transmittal Statement

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

I'd like to start this morning by recognizing the 2011 National League Central Champions, our Milwaukee Brewers. Please join me in applauding our home town team's success!

I also want to acknowledge our Comptroller and our Treasurer, Wally Morics and Wayne Whittow. Combined, these two young men have served the citizens of Milwaukee for 86 years, Wally for 35 years; 19 years as Comptroller and Wayne, 51 years; 36 years as Treasurer. Gentlemen, on behalf of the citizens of Milwaukee, I want to thank you for your dedication and service and to wish you both all the best.

As I began to prepare my 2012 executive budget speech, I reflected on the lessons that I have learned from the seven city budgets that I have previously introduced as Mayor. While the details are numerous and varied one fundamental but important lesson emerged, Milwaukee is capable of responding to very difficult fiscal challenges in an intelligent and responsible manner. The proof of our sound response has been in the results: lower crime, job creation, improved infrastructure, redevelopment success stories, effective delivery of core services, and a Moody's credit rating superior to that of the County and the State of Wisconsin.

So, before I share with you the key elements of my expenditure and revenue proposals for 2012, I'd like to begin by sharing with you my conclusion regarding why we have responded effectively to fiscal challenges. My conclusion is simple, although it is in stark contrast to the dysfunctional behavior we are witnessing at so many government levels nowadays. Quite simply, it's your willingness as members of the Common Council under the leadership of President Hines, to join me in embracing difficult changes that has enabled the city to remain effective in its service delivery and sustainable in its finances.

The development of the 2010 city budget came in the wake of the 2008 financial crisis which contributed to a $1.56 billion loss in the assets of the city's Employee Retirement System. An employer contribution of more than $100 million, the first contribution since 1995, stared us in the face. The State budget included significant decreases in Shared Revenue and significant dollar increases to garbage tipping fees.

One path could have been to resort to fiscal gimmicks to balance the 2010 budget but instead, we took a different route we worked with the Pension Board to implement modified, but actuarially responsible, smoothing formulas. We engaged in tough, but fair collective bargaining that produced millions of dollars in savings. We balanced the budget, primarily with $32 million in operating budget reductions and modest use of reserves.

The path we chose in 2010 set the stage for our 2011 budget. The significant reductions we made in the 2010 operating budget reduced the 2011 level of funding needed to deliver baseline, essential services and provided the opportunity to make a voluntary $17.3 million contribution to our Employer Pension Reserve Account.

The results from these politically difficult, yet financially appropriate decisions are obvious as we enter the 2012 budget deliberations. Some of the most important results include:

Office of the Mayor • City Hall • 200 East Wells Street • Milwaukee, Wisconsin 53202
(414) 286-2200 • fax (414) 286-3191 • mayor@milwaukee.gov

Our pension plan is one of the few large public plans with a funded status of more than 100% and our funded status is projected to remain well above 90% for years to come. We have enjoyed temporary relief from employer contributions for the last two budgets. And with your support, we are building a prudent pension reserve to help us manage future funding obligations.

I want to thank Alderman Michael Murphy and our Comptroller, Wally Morics for their leadership on our pension issues.

Our debt service levy remained stable in last year's budget, and we project this stability to continue for the foreseeable future. Controlling our borrowing, combined with the good work of our Public Debt Commission and the over sight provided by the Public Works Committee, Chaired by Alderman Bauman and the Capital Improvements Committee, Chaired by Alderman Dudzik, has paid dividends.

I reference the initiatives we've taken in the past to frame the steps we must take not just for 2012 but for 2013 and beyond. Last week's release of the Census Bureau's poverty and income numbers was a stark and gut wrenching reminder that we are far from economic recovery.

Milwaukeeans, our neighbors, our families and our friends are hurting. Some would say that the poverty rate and the drop in real income for working and middle class Milwaukeeans are too much to overcome; present too high a mountain to climb.

I say now is the time to reaffirm our moral commitment to do all we can to lift families out of poverty and to provide necessary and essential services to all of our citizens for years to come not just 2012. Maintaining essential services, making smart investments in our infrastructure and keeping our debt service levy stable will serve us well when the national economy strengthens.

There is no question that we have fewer resources to work with. Our 2012 State Shared Revenue and Expenditure Restraint Program Aid payments will be more than $80 million less than the inflation adjusted 2003 payment, 2013 won't be any better. The cuts in state aids are two year cuts and the state levy limit in effect for 2012 will be in effect in 2013. There are $5 million fewer Community Development Block Grant dollars than in 2010 and there will be fewer federal funds to tackle home foreclosures.

The fiscal constraints are real and that's why it is so vitally important to plan more than one year ahead.

The fact that we, as a city, are weathering the economic tsunami is owed in large part to our employees. The fact that we deliver high quality services at a time our revenues have been falling is because our managers and employees have time and again risen to the challenge; not only risen but have excelled.

Our employees deserve our thanks and our gratitude. The last couple of years have not been easy and the next few will be more difficult. Please join me in acknowledging and thanking our employees for their great work and for their pride in our great city. It's fair to say City of Milwaukee employees have stepped up and are carrying a major load.

The State budget that was adopted in July hits us hard. It includes $12 million in state aid reductions, and a $1.1 million reduction to our recycling grant. In addition, we are dealing with a levy limit tied to new construction value, and our property values have declined. And while we weren't required to make a pension contribution payment in the 2011 and 2012 budgets, the pension contribution forecast for 2013 is $58 million. Pension payments between 2014 and 2022 are expected to be $70 million to $80 million a year. In addition to that, since 2000, we have seen health care costs increases of about $80 million more than three times the rate of inflation.

In factoring these variables, it was clear that the trend was unsustainable.

We had to implement the heath care benefit changes. I know these changes are difficult to accept and that the increases in health care coverage will have very real financial implications for our employees and their families. These are difficult times.

For the city government to manage rising costs at a time revenues are being cut and to meet our service delivery and fiduciary obligations, difficult decisions have to be made.

Because we have made the hard choices, there are no employee layoffs in my 2012 budget, and we preserve a very high level of services.

The decision to change our health insurance benefits was one of the two contentious propositions given to us by Madison. The second is employee pension contributions.

More than likely, there are very few people here this morning who would award style points to the Governor and the majority party for the way in which they went about their business.

The dust hasn't settled yet, but we do have Wisconsin Act 10.

I believe and, the public believes, that government employees all public employees, including police and fire personnel, should be making contributions to their pension accounts. It's financially prudent and the return benefits those paying into the pension fund. And, I believe that through the rough and tumble of negotiations, employee contributions would have been agreed to. After all, we all previously agreed to a two year pay freeze and that all new general city employees hired after January 1, 2010 would make an employee contribution. In addition, the leadership of the three public safety unions agreed to the health care changes.

But, what I believe and what is now State law, are two very different things.

On February 28th of this year, I sent a letter to Governor Walker requesting that he seek an opinion from the State Attorney General on the provisions of Act 10 that directly apply to the City of Milwaukee Employee Pension Fund. Attached to my letter was the opinion written by City Attorney Langley. In his opinion, the City Attorney concluded that the State cannot compel the member pension contribution by City of Milwaukee employees who were hired prior to January 1, 2010.

The City Attorney's opinion and Wisconsin Act 10 are in direct conflict.

Essentially, Act 10 provides that the employer may not pay member contributions for employees unless a collective bargaining agreement otherwise provides. The law applies to employers within the Wisconsin Retirement System, as well as the Milwaukee County Employee Retirement System and the City of Milwaukee Employee Retirement System.

From the day I sent the letter, to mid August of this year a total of six months there were 18 total communications between my office specifically my Chief of Staff and the Governor's staff.

On May 16th, Mr. Curley wrote to the Governor's Legal Counsel asking for his assurances that the legal issues raised by City Attorney Langley were, in fact, vetted, and asked for a formal opinion in response to Mr. Langley's issues.

On May 23rd, the Governor's Legal Counsel replied that he anticipated a response to the inquiry within the week.

Never happened, in fact, in August, we received a letter from the Governor's Legal Counsel that essentially stated we're not your legal counsel, follow the law.

Of course, many people would read his response as we never vetted the Milwaukee issues raised by the City Attorney.

So here's where we are: I've got a City Attorney's opinion and a State law which are in direct conflict.

I respect the City Attorney, I have not disregarded the opinion and I do not minimize the outstanding work he and his team undertake on our behalf.

But again, the fact is, we have a conflict between a State Statute and the City Attorney's conclusion that this statutory provision is unconstitutional and cannot be enforced. The State Attorney General has refused to issue an opinion regarding whether the statutory provision in question is legal. No court is in the process of resolving this question.

As a result, the 2012 budget has been developed under circumstances of legal uncertainty regarding the appropriate method of budgeting for member contributions.

I am proposing a budget, under our home rule authority, which is consistent with State Statutes as enacted by the Legislature. No judge has ruled that the State Statute is invalid or illegal as it applies to the City of Milwaukee, or enjoined me from proposing a budget consistent with State Statutes. Please keep in mind, however, that I am not proposing budget brinksmanship.

The budget includes $8.2 million in a special purpose account titled Compensation and Fringe Benefit Reserves. If, consistent with the City Attorney's opinion, it is determined that the city as employer is legally obligated to continue to pay the entire member contribution for all City of Milwaukee employees that were hired prior to January 1, 2010, my budget includes adequate funding for this purpose.

On the other hand, if the State Statute that mandates employers not to pay the member contribution for city employees, is determined to be legal, all general city employees will pay the member contribution the same as most other local government non-public safety employees in the State of Wisconsin.

In that event, I propose that the funding in the Compensation and Fringe Benefit Reserves account be used to provide general city employees with compensation adjustments. This account could also be used to provide funds in departmental wage and salary accounts sufficient to eliminate the unpaid mandatory furlough days. If circumstances allow, I look forward to cooperating with the Council on developing adjustments to the salary ordinance for our general city workforce. The future general city pay plan does not need to be zeroes as far as the eye can see.

I understand that this is a difficult decision for all of you. I have wrestled with this decision for months. However, I cannot in good conscience propose a budget that conflicts with State law. Unless a court has determined that in fact the relevant provisions are unconstitutional, there may be very negative consequences for the city to adopt a budget that conflicts with the statutes. This issue must be resolved.

If you adopt this change, it will also enhance the long term sustainability of our retirement plan and the security of pension benefits for our employees. This change in no way alters any retirement or disability benefit. In addition, by making our pension plan more sustainable and member benefits more secure, it will improve the long term employment security and wage progression for general city employees.

The ultimate rationale for our decisions is the delivery of services to our residents. I am proud to say that my budget continues our current service levels, and in some cases will enhance them.

First and foremost, this budget provides the capacity to enable the Milwaukee Police Department to lead our effort to provide safe neighborhoods.

The Police Department's application of analysis driven deployment, staffing and service delivery alternatives, and constructive community relations have contributed to a 33.5% decline in violent crime and a 25% decline in property crime for the first six months of 2011 compared to the first six months of 2007.

The 2012 budget ensures that adequate resources are available to continue these successful strategies. The department will draw on its overtime budget for the Neighborhood Task Force and other initiatives, without compromising district based operations. The department's productive use of Police Aides and Police Service Specialists has acted as a force multiplier, allowing a greater proportion of our Police Officers to be assigned to street duty.

The Fire Department will continue to deploy resources sufficient to achieve fire suppression and emergency medical response that are superior to national standards. The 2012 budget includes a staffing innovation designed to enhance the department's capacity to provide medical response, which comprise more than 80% of the calls for service. Two two-person squads will be located in stations that are in the center of the city's highest volume Emergency Medical Service (EMS) call areas. The squads will also have the ability to transport patients, but their primary role will be to be in-service, responding to EMS calls. This innovation will support the continuation of the department's high survival rates in a cost effective manner.

I'm also pleased to include a Fire Cadet Program in my 2012 budget. Through this program we are going to accomplish two of my goals for the department. We will ensure that incoming Fire Fighters are well trained and we will work to increase diversity in the Fire Department. I look forward to introducing the proud profession of fire fighting to well deserving Milwaukee youth.

Since the 2008 financial crisis, unemployment has been the number one economic concern facing the United States. We all know that getting more people to work remains job number one.

Worldwide economic conditions continue to be a drag on the Milwaukee economy. There are too few jobs, less business activity than we want, and continuing fiscal pressures on just about everyone in our city. We have an obligation to our citizens to take every reasonable step to improve our economic condition.

We need to continue our efforts to attract and retain good, private sector jobs. Our Department of City Development is making a compelling case for companies to grow here in Milwaukee. Look at some of the successes in recent months Palermo's, Ingeteam, Suzy's Cheesecakes, and J.F. Ahern have added or are going to add jobs in the Menomonee Valley. Companies like Diamond Precision and Pferd have grown on the northwest side. In Bay View, near the airport, along Historic Highway 41, in Riverwest, and on the west side, businesses are discovering opportunities.

Alderman Wade has joined me in making a commitment to set the stage for new industrial business growth in the 30th Street Corridor including at Century City. There is great potential along this corridor. Most importantly, there are great Milwaukee workers who are ready to step into new opportunities here.

We continue to fight for stable neighborhoods with aggressive efforts to mitigate the impacts of home foreclosures. We are working to preserve quality housing, organize neighbors, and strengthen the quality of life in residential neighborhoods across the city.

Businesses and developers are looking at city neighborhoods and the downtown area as they contemplate growth. They recognize our advantages. My 2012 city budget continues our work to improve the economy of Milwaukee.

Success in the economy of the 21st century requires a well educated work force. Many of Milwaukee's families face enormous challenges in enabling their children's ability to compete in the future and to prepare for educational challenges beyond high school. My funding proposals help our families take on these challenges without duplicating the efforts of other governmental entities.

My budget includes a commitment to improving reading. An important initiative will retain and expand youth literacy programs by providing property tax funding to replace decreased grant funding. The Teacher in the Library program began in 2010 and brings teachers to the public library during after school hours. Teachers help children complete homework assignments, assist students in becoming more focused on their studies, and assist librarians in promoting and developing reading as a lifelong skill and habit. Teachers also provide support, counseling, and advocacy for the parents and caregivers of participating children. In 2012, Teacher in the Library will expand to six library locations.

In addition, we are also increasing Central and neighborhood library service hours, and providing sustainable funding for the Center Street Library. That means our residents have more opportunities each week to learn new computer skills, get help creating resumes and finding a job, do their homework, research a new business venture, meet an author, and of course read a good book.

My budget also expands both outreach for the Summer Reading Program and the First Grade Library Card Campaign. In 2012, we will send out literacy experts to 80 early childhood classrooms to provide enriching story time sessions to some of the most at-risk children, those living in poverty.

These proposals will help solidify the libraries' role in neighborhood quality of life. Thank you to Alderman Hamilton for his leadership as Library Board of Trustees president as well as the very important work you're doing on the Milwaukee Promise.

Healthy early childhood development contributes to success in school. The Milwaukee Health Department understands the vital importance of early childhood development. It has been working hard to address infant

mortality. The Health Department offers free cribs to families who cannot afford them, and provides home visits to at-risk pregnant women and their families. We have conducted public education campaigns about safe sleep, proper prenatal care, and the importance of breastfeeding and childhood immunizations. And we examine each infant death and stillbirth, to see what might have been done to prevent it.

These programs have been shown to improve prenatal health and birth outcomes. Development results after birth have also been promising. Based on these results, the department will reallocate a larger share of its nursing resources to proactive, evidence based home visitation services.

Last month we announced a new partnership with the United Way of Greater Milwaukee. Using our very successful partnership to prevent teen pregnancy as a model, together we are building a communitywide infant mortality coalition with stakeholders from across the public, private and non-profit sector. Every child in our city deserves to be born strong with a good start and a great chance at a healthy and productive life.

This budget continues our commitment to improving our core infrastructure. My proposal for the Paving program, combined with funding from the Local Roads Improvement program, will enable DPW to complete almost 16 miles of reconstruction and resurfacing work on local streets. This budget also increases the amount available for capital maintenance by 7%. My six year Capital Improvements Program includes a reduction to the replacement cycle for local streets to 50 years by 2017.

Recent flooding events have heightened the public's attention on the performance of the local and regional sewer systems. The findings of the city's Flooding Task Force have made it clear that the problems of basement backups and sewer overflows have an important private property, as well as a public infrastructure, dimension. My budget for the Sewer Maintenance Fund addresses both of these issues.

The 2012 capital budget includes $39.1 million for sewer replacement and Infiltration and Inflow reduction projects. In 2012, this plan allows the city to replace approximately 15 miles of sewers, and to reline another 14 miles. This combined level of sewer replacement and relining effort will enable us to meet the optimal 90 year replacement cycle for local sewers. This funding includes a projected $2.64 million in grant funding, which we plan to combine with city funds, to perform a second project to reduce I&I from private property. I want to thank the Commissioners of Milwaukee Metropolitan Sewerage District for their leadership in enabling member communities to take on innovative solutions to waste water and storm water management.

As Council members, you understand very well the importance that solid waste management plays in the everyday lives of Milwaukeeans and the quality of our neighborhoods. And you also understand how reductions to State recycling grants and increases to State tipping fees affect the wallets of our constituents. Now, more than ever before, effective solid waste management is needed to produce financial as well as environmental sustainability.

I am pleased to announce that this budget includes initiatives from the Department of Public Works to increase recycling and lower the costs of our solid waste program. Based on an amendment to our recycling contract, the city will initiate single stream recycling and continue the assignment of additional recycling carts as necessary at no charge. As a result, 2012 estimated recycling revenue will increase $740,000.

This budget also responds to legitimate community concerns about new State laws that require voter identification. Many citizens in need of identification will pursue a State identification card from WiDOT. Possession of a valid birth certificate facilitates obtaining such an ID. My budget includes funding to help process requests for birth certificates through the Milwaukee Health Department. The Department of Administration has initiated discussions with potential grantors to help reimburse citizens for all or part of the $20 cost of a birth certificate. It's important that the city do what it can to protect our citizens' right to vote without financial penalty. I'd like to recognize the leadership of Alderwoman Coggs on this issue.

My 2012 budget also promotes financial sustainability. The tax levy will increase by less than 2/3 of 1%, bringing the three year average trend to less than 1.5% a year. If the Council approves the proposed level of municipal service charges, the typical residential property owner will experience a 1.4% increase ($20) from the impact of the tax levy and municipal charges.

The budget reduces the use of the Tax Stabilization Fund, Public Debt Amortization Fund, and the transfer from the Parking Fund reserves. New borrowing remains at sustainable levels. Most importantly, my budget prepares for

a very difficult future by adding $25 million to the Employers' Pension Reserve. The reserve will help us address the challenge of future employer pension contributions, which are currently projected to average more than $65 million a year for the foreseeable future, beginning in 2013. I thank the Council for its responsible and unanimous support that it demonstrated for my 2011 Employers' Reserve contribution proposal. I ask for your support once again for 2012. And as I cautioned last year, I will veto any diversion of my proposed level of Employer Reserve funding to any other purpose, regardless of its importance or political support.

In closing, I want to thank you in joining me in the very difficult, but appropriate budget decisions of the past that have helped keep the city on solid footing. As the recent census numbers show, we have a lot of work ahead of us. Let's keep moving Milwaukee forward.

Tom Barrett

Tom Barrett
MAYOR

MICHAEL J. MURPHY
ALDERMAN, 10TH DISTRICT

City Hall, Room 205
200 East Wells Street
Milwaukee, WI 53202

Phone (414) 286-3763
Fax (414) 286-3456

e-mail: mmurph@milwaukee.gov
website: www.milwaukee.gov/district10

CHAIR:
Finance & Personnel Committee
Employes' Retirement System Investment Committee
Housing Trust Fund Advisory Board
Milwaukee Arts Board

MEMBER:
Steering & Rules Committee
Zoning, Neighborhoods & Development
Deferred Compensation Plan Board

FINANCE AND PERSONNEL COMMITEE REPORT ON THE 2012 ADOPTED CITY BUDGET

The 2012 budget was the 21st budget in which I have participated and the eighth budget that I have overseen as chair of the Finance and Personnel Committee of the Milwaukee Common Council. Each year the Finance and Personnel Committee reviews the Mayor's proposed budget and recommends amendments to the full Common Council for action.

This year, based in part on the Committee's recommendations, the Common Council adopted an amended budget that establishes for 2012 a City tax levy of approximately $248 million—about $260,000 less than the tax levy that was proposed by the Mayor. This action marks the fourth consecutive year that the Common Council has forwarded to the Mayor an amended budget with a tax levy lower than the Mayor's proposal.

In addition, despite facing a reduction in state shared revenue and a state-mandated property tax levy freeze, the Common Council took action to improve aging infrastructure, mitigate the impact of the housing foreclosure crisis on neighborhoods, maintain essential library services, streamline City operations, and prepare for the City's future financial obligations.

The Council's action to increase funding for the Local Street Program by $1.3 million over the amount proposed by the Mayor will provide for the reconstruction or resurfacing of approximately 17.3 miles of City streets in 2012. The increase in funding will add another 1.5 miles to the 15.8 miles of streets that were proposed for improvements.

The Council's action to increase funding for the Alley Reconstruction Program by $2 million over the amount proposed by the Mayor will provide for the reconstruction of approximately 35 alleys in 2012. The Common Council also reduced by 50% the assessment rate for these alley reconstruction projects to lessen the financial impact on affected property owners and increase the number of projects approved.

The Council's action to increase funding for the Sidewalk Replacement Program by $1 million over the amount proposed by the Mayor will help to eliminate the backlog of known defective sidewalks in need of targeted replacement.

The Council's action to increase funding for the Housing Infrastructure Preservation Fund by $500,000 over the amount proposed by the Mayor will help to mitigate the impact of the housing foreclosure crisis on Milwaukee neighborhoods. Created in 2010, the Housing Infrastructure Preservation Trust provides a permanent dedicated funding source to finance City restoration or mothballing activities for certain properties. Work done by private contractors in conjunction with this program currently exceeds the goals of the City's Emerging Business Enterprise and Local Business Enterprise program.

Through the leadership of Common Council President Willie Hines, the Council provided funding to maintain at current levels the hours of operation in 2012 at the Center Street library–a critically-needed branch library that provides services to many low-income residents who live in the area.

The Council increased funding to monitor the water quality 5 to 6 days per week at the 3 Lake Michigan beaches located in the city and to better inform residents about the quality of the water at those beaches. The increase in City funding for this program is necessary to offset the reductions in recent years in state funding for this monitoring initiative.

In its commitment to public safety, the Council took action to reduce the number of rolling brownouts proposed by the Mayor for the Fire Department in 2012. The Council also directed the Fire Department and the City Comptroller's Office to conduct a study to be completed in early 2012 relating to the efficiency of the Fire Department's fire suppression and transport equipment.

The Council took action to streamline government operations by eliminating positions and reducing salaries in the City Treasurer's Office, a change that will result in a reduction of approximately $96,000 in personnel costs in 2012 over the Mayor's proposed budget.

The Council's action to increase funding for a voluntary contribution to the Employee Pension Reserve Fund by $2 million over the $25 million proposed by the Mayor improves the City's ability to make anticipated future required pension contributions that are estimated to be $57 million in 2013, and in the range of $70 to $80 million per year for several years thereafter. The Council's action to increase the amount of the voluntary contribution in 2012, to make a voluntary contribution of over $17 million in 2011, and to convene in 2011 a Pension Study Task Force, will provide options for meeting the City's future pension obligations without overburdening the City's limited financial resources.

With substantial pension payments anticipated, a property tax levy freeze mandated by the state, and no increases in state shared revenue expected in the coming years—combined with an increasing demand for City services as a result of the economic hardships residents are experiencing—the City of Milwaukee will continue to face fiscal challenges for the foreseeable future. However, through its actions in the 2012 budget, the Common Council has demonstrated its continued commitment to meeting these challenges in both a responsive and fiscally-responsible manner.

Sincerely,

Michael J. Murphy

Ald. Michael J. Murphy
Chair, Finance & Personnel Committee

THE VALUE OF MILWAUKEE

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

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

OUR VISION FOR MILWAUKEE

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

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

MISSION

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

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

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

OVERVIEW OF THE 2012 BUDGET

The 2012 City of Milwaukee Budget continues recent trends regarding the improved sustainability of fringe benefits and innovative approaches to service delivery. Maintaining this momentum is essential to the city's fiscal future, as projected pension funding requirements and substantial declines in state financial support for local governments create major challenges.

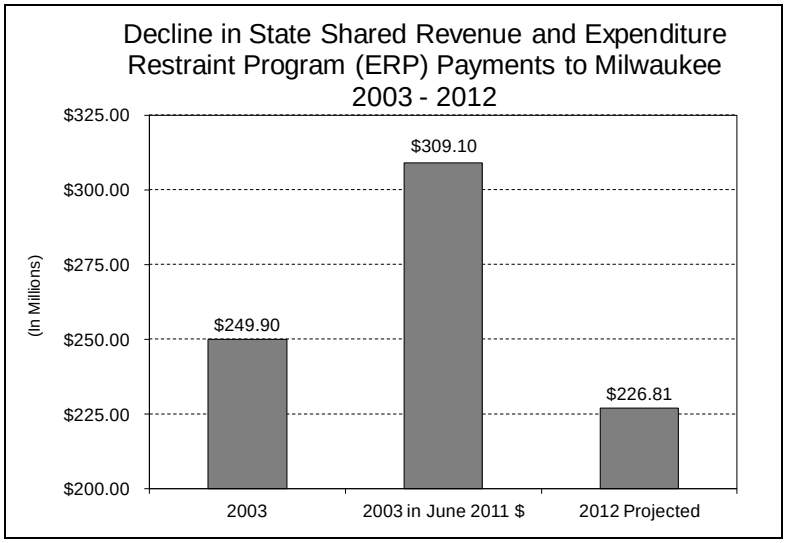
Financial Strategy

The City of Milwaukee's financial strategy reflects a multi-year planning perspective. This enables policymakers to manage fiscal challenges in a manner that limits the destabilizing impacts of negative events in any one budget year.

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

- Provide mission critical city services through annual budgets that limit the impact of tax levy and municipal service charge changes on the typical residential property to 3% or less a year.

Figure 1



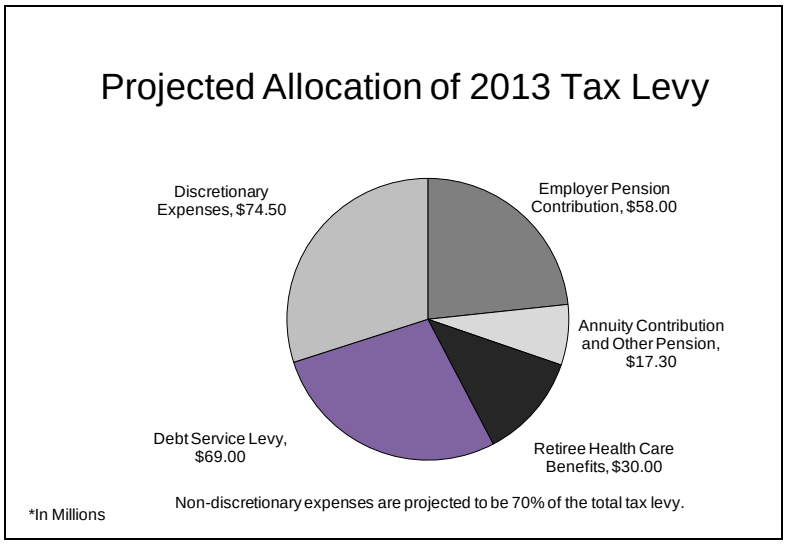
- Manage long term obligations such as core infrastructure, debt, and pension benefits in a manner that stabilizes ongoing funding requirements.

The Budget and Management Division (BMD) views the following as the most critical challenges to achieving the city's fiscal objectives over the next six years:

1. Although the city's ERS is one of the best funded Public Employee Retirement Systems (PERs) in the United States, employer contributions are expected to be required after a two year hiatus for the 2013 budget. The contribution is currently projected to be $58 million in 2013 and to average approximately $70 million a year following 2013.

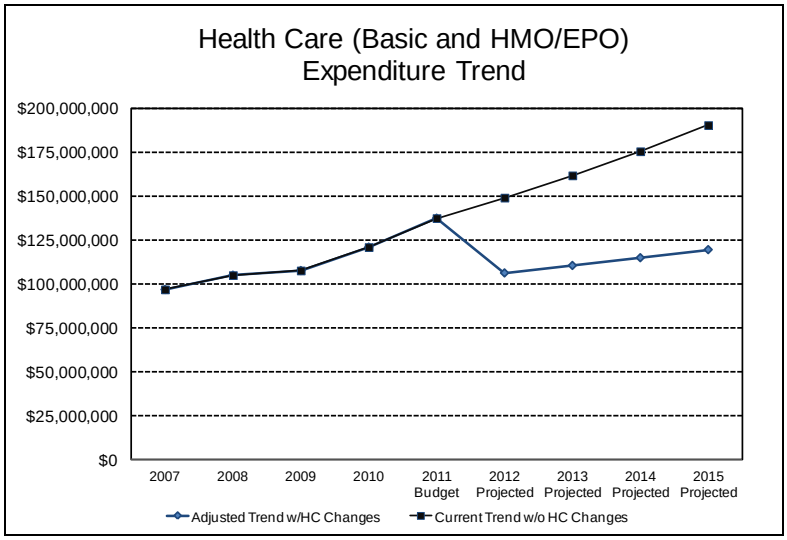
2. The 2011-2013 State Budget includes a $10.2 million reduction to the State's Shared Revenue and Expenditure Restraint Aid payments. As Figure 1 indicates, since 2003 the inflation adjusted value of these two state aids has declined more than $80 million. The city has no viable non-property tax revenue authority to offset this decline.

Figure 2



3. By 2013 non-discretionary expenditures will demand 70% of the projected city tax levy. As Figure 2 indicates, 60% of this non-discretionary total is for financing retirement related benefits.

Figure 3



BMD has identified the following opportunities that will help the city achieve these financial objectives:

1. The Common Council has approved a new health care benefits cost containment strategy that includes 12% employee premium sharing; cost sharing provisions that are expected to reduce unnecessary utilization; and a wellness initiative designed to help reduce and manage chronic health problems in an appropriate manner. As Figure 3 indicates, this strategy should reduce annual trend growth by approximately $70 million through 2015, compared to the 2011 baseline projection.

2. The city has made substantial improvements to the replacement cycles for several core infrastructure programs relative to 2004, while stabilizing the annual debt service levy. Preserving the city's infrastructure so that it functions adequately is necessary to avoid future destabilizing budget impacts.

3. Figure 4 illustrates the approximate 19% decline since 2004 in the inflation adjusted level of levy supported General Obligation annual borrowing authorizations. The estimated 2012 debt service levy has declined 2.1% relative to 2009, compared to a 40% increase which occurred during the four year period of 2005-2008. Maintaining a relatively stable debt levy is essential to ensuring adequate resources are available for delivering the city's mission.

4. The city's strong reserve condition enables adjustments to non-discretionary expense increases and state revenue decreases to be made over multiple years, as opposed to a more destabilizing one year transition.

BMD has applied the following strategies to develop the 2012 executive budget and to plan for succeeding years' budgets:

1. Maintain the level of new levy supported GO borrowing authorizations at $75 million annually, based on a three year rolling average.

2. Maintain full cost recovery for the operations funded by municipal service charges, licenses, and permits, and structure cost recovery for services and regulatory activities in a manner that encourages appropriate use and timely compliance.

3. Analyze and implement additional health care cost containment initiatives that focus on reducing provider costs and inappropriate utilization, and that manage the impacts of chronic conditions on costs.

4. Invest in capital and implement operational changes to improve productivity and service quality.

5. Develop funding strategies for pension obligations that smooth future contribution requirements in a manner that is consistent with actuarial standards.

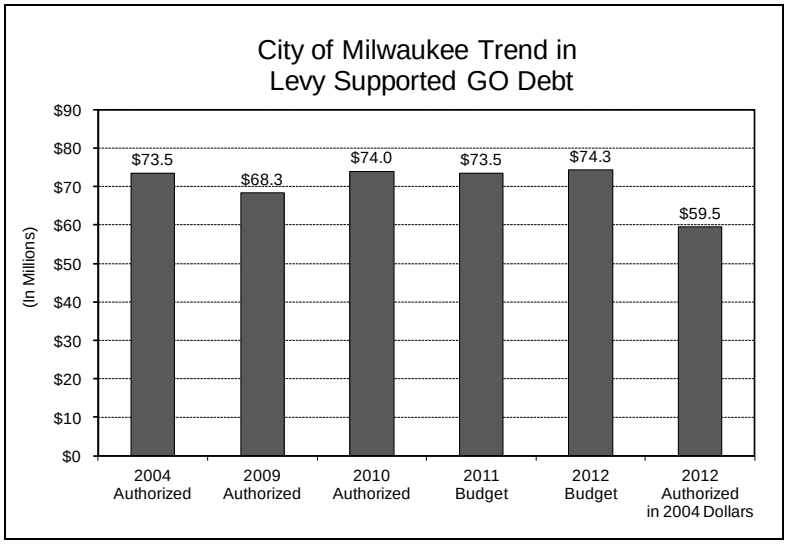
2012 Budget Bottom Line

The 2012 budget includes a levy increase of $1.3 million, which is an increase of approximately 1/2 of 1% over the 2011 adopted budget. The 2012 municipal service fees, combined with the adopted levy, result in a $20 increase, or 1.4%, above the 2011 budget's cost to the typical residential property owner.

This proposal is based on the following considerations:

- Projected 2012 State Shared Revenue to Milwaukee has declined $9.9 million compared to 2011. There is no prospect of any increase for the 2013 city budget.

Figure 4



- The city has achieved significant improvement in the trend outlook for employee health care benefit costs, and the 2012 budget level is $28.6 million below the 2011 adopted budget. Therefore, the levy increase will help preserve and, in some cases, improve service levels.

- The levy increase helps the city prepare for future fiscal challenges by helping to reduce reserve use for operating purposes by $1.2 million compared to 2011, and by a $27 million contribution to the Employers' Pension Reserve. Under this approach, the Employers' Reserve balance should approximate $57 million by the time withdrawals begin for the 2013 contribution.

The 2012 budget continues to manage the level of new levy supported General Obligation (GO) borrowing authorizations. The amount of new levy supported GO is $74.3 million, which is approximately 19% lower than the 2004 level in inflation adjusted terms. This borrowing discipline will help maintain recent progress in stabilizing the levy for debt service.

The 2012 budget maintains the total operating budget at the 2011 level. In addition, the 2012 budget makes important strides in ongoing sustainability through several actions. These include the recently enacted health care cost containment strategy; a substantial commitment to responsible pension funding through a $27 million contribution to the Employers' Reserve; and a reduction to the use of reserves for operations by approximately $1.2 million, compared to 2011.

Strategy, Mission Delivery, and 2012 Budget Priorities

The 2012 budget applies its financing to a mission to make Milwaukee an attractive place to live, work, and invest. The Mayor's expenditure strategies and budget priorities are based on five objectives that support mission delivery. These five objectives are:

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

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

Safe and Healthy Neighborhoods

1. The City of Milwaukee is using proactive strategies and operational innovations to maximize the impact of the city budget on public safety. The Police Department's application of analysis driven deployment, staffing and service delivery alternatives, and constructive community relations have contributed to an 33.5% decline in violent crime and a 25% decline in property crime since 2007. These accomplishments have occurred within a stable overall budget and sworn strength levels, while police overtime expenditures have declined $6 million between 2007 and 2010.

   The 2012 budget ensures that adequate resources are available to continue these successful strategies. The department will draw on its overtime budget for the Neighborhood Task Force and other initiatives, without compromising district based operations. The department will continue community based strategies in conjunction with the Department of Neighborhood Services and the City Attorney's Office to address challenges associated with abandoned housing.

2. The Fire Department will continue to deploy resources sufficient to achieve fire suppression and emergency medical response that are superior to national standards. The 2012 budget includes a staffing innovation designed to enhance the department's capacity to provide medical response, which comprise more than 80% of the calls for service. A two-person squad will be located in the center of the city's highest volume Emergency Medical Service (EMS) call areas. The squad's primary role will be responding to EMS calls. This innovation will support the continuation of the department's high survival rates in a cost effective manner.

Investment and Economic Vitality

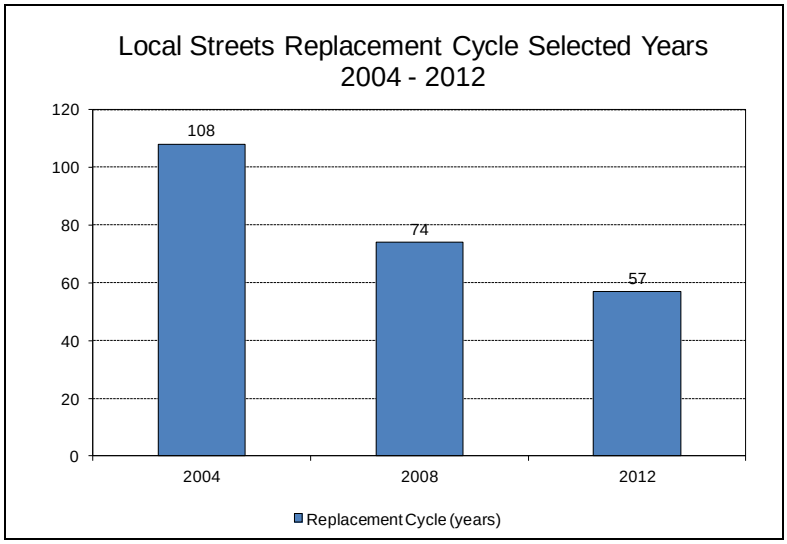
1. The City of Milwaukee utilizes a variety of strategies to promote investment and economic development. A major focus is improving employment and neighborhood conditions for all Milwaukeeans, thereby reducing disparity in incomes and economic opportunity.

2. Several recent initiatives stand out with respect to their impacts. The Menomonee Valley Business Park, Century City, and the Brewery have redeveloped hundreds of acres and helped to attract or preserve thousands of jobs. These redevelopments are within a short distance of Milwaukeeans seeking job opportunities. Initiatives recently undertaken or planned include the Reed Street Yards and the location of the University of Wisconsin Milwaukee Water Science program.

3. Infrastructure systems are essential to the functioning of the regional economy and to a high quality of life. The 2012 budget continues recent trends that have reduced replacement cycles and improved system condition. Notable examples include:

   - The budget includes $14.3 million for the Local Streets program. In conjunction with the Local Roads Improvement Program (LRIP) funding that is included in the Major Streets appropriation, funding will be available for a 57 year local streets

Figure 5



replacement cycle. As Figure 5 indicates, this replacement cycle is about half of what Mayor Tom Barrett encountered upon taking office in 2004. In addition, the Local Streets budget includes $1.6 million (+ 7% compared to 2011) for capital maintenance. Capital maintenance techniques extend street life cycles from 5 to 15 additional years.

- The budget provides $38.2 million for the Sewer Maintenance Fund capital program. The funding plan will enable the replacement or relining of 29 miles of city sewer in 2012, sufficient to achieve the desired 90 year replacement cycle. The budget also continues a partnership with the Milwaukee Metropolitan Sewerage District (MMSD) to implement improvements to private property that are expected to reduce the risk and intensity of basement backups.

- The 2012 Street Lighting Program reflects a 126% increase relative to 2004 under the budget. In addition to $4.3 million for paving driven projects, the proposal includes $1 million to replace outdated series circuitry. Outdated circuitry has been a major contributing factor to street lighting performance problems.

- The budget includes a major one-time increase of $1.6 million in city funding for alleys and a $597,500 in city funding for sidewalks to reduce the backlog of "spot" repairs.

4. Foreclosures create substantial challenges to investment in the city's neighborhoods. There are more than 6,000 foreclosures currently open within the city. The 2012 budget allocates considerable additional resources to the Department of Neighborhood Services to prevent the potential blighting influence that foreclosed properties can cause. These efforts include enhanced and increased code enforcement; accelerated enforcement actions directed toward the most problematic property owners; and active coordination with banks to ensure that these institutions provide adequate monitoring and follow through on their foreclosures.

Workforce Development

A quality work force has become an increasingly important factor in investment and industrial location decisions. The city budget uses several niches that contribute to improving the city's supply of qualified workers without duplicating the efforts of other government entities.

Earn & Learn is an "umbrella" program that involves employers from the public, private and non-profit sectors. Job placements provide an opportunity for participants to learn meaningful skills and add to their resume. In total, Earn & Learn employed almost 2,000 young people in the Summer of 2011. The Milwaukee Area Workforce Investment Board, which receives federal youth employment funds, has overall responsibility to operate Earn & Learn.

The 2012 budget includes $300,000 of Community Development Block Grant (CDBG) funds for an estimated 132 Earn & Learn summer job placements. The Mayor, through his efforts and those of the Department of City Development (DCD), has leveraged private sector support to increase this program's impacts. CDBG resources fund DCD's Youth Development Coordinator, who recruits private sector employers to participate in Earn & Learn. In 2011, 801 students were employed in private sector jobs. Wages paid to these youth workers totaled almost $1 million. DCD's Youth Development Coordinator was responsible for recruiting 38 private sector employers to participate in Earn & Learn in 2011.

The city's Resident Preference Program (RPP) leverages employment and training opportunities for city residents via requirements applicable to capital improvement projects. RPP provides that 40% of the labor hours on such projects be allocated to unemployed or under employed city residents. The recently completed restoration of City Hall is a prominent example of how the city's capital program leverages employment and skills development in the construction trades. In a typical year, the RPP will provide more than 86,000 hours of work and more than $3.5 million of wage income for Milwaukeeans. Many of the Department of City Development's economic development projects also apply RPP requirements.

Helping Children Succeed and Prepare for Post-Secondary Education

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

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

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

An important initiative will move various youth literacy programs from grant to property tax funding as part of the 2012 budget. The Teacher in the Library program began in 2011 and brings certified teachers to the public library during after school hours. Teachers help children complete homework assignments, assist students in becoming more focused on their studies, and assist librarians in promoting and developing reading as a lifelong skill and habit. Teachers also provide support, counseling, and advocacy for the parents and caregivers of participating children. MPL's program will provide bi-lingual (Spanish/English) teachers as the neighborhood's demographics and the needs of the student participants and their parents demand. This program is expanded in 2012 by funding a Library Education Outreach Specialist position and adding $90,000 in funding for teachers at six neighborhood libraries.

Poverty creates enormous challenges for child development. Unfortunately, many children from poor households enter school considerably behind their more fortunate peers in cognitive development. The Milwaukee Health Department (MHD) has initiated action on multiple fronts, which are funded in the 2012 budget, to help the community overcome these challenges.

For example, MHD's lead poisoning abatement program has significantly reduced the rate of lead poisoning among Milwaukee's children. The proportion of children aged 0 to 5 with high blood lead levels has declined from about 40% in 1995 to 3.4% in 2010. In 2012, the city plans to fund lead abatement efforts in approximately 775 properties.

The MHD is also implementing comprehensive approaches to improve pregnancy outcomes and early childhood development. These programs have been shown to improve prenatal health and reduce problematic pregnancies. Development results after birth have also been promising. The 2012 budget will continue to allocate a higher proportion of MHD's nursing resources to proactive and evidence based home visitation services.

Sustaining Environmental Assets

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

The Department of Public Works (DPW) operates solid waste programs that are the foundation of city government's role in maintaining a sustainable environment. Program objectives include diversion of waste from landfills as well as the daily focus on neighborhood cleanliness.

Mayor Tom Barrett has directed DPW to achieve long term positive environmental impacts. One of the primary targets is a 40% reduction of waste entering the city's waste stream by 2020. In order to achieve this target, DPW is implementing solid waste innovations based on the principles of (a) enabling sustainable, not polluting behavior;

and (b) establishing a relationship between the amount of solid waste generation from a household and its level of solid waste charges.

The 2012 budget responds to challenges posed by the state's $1.1 million reduction to the city's recycling grant. The city has developed a contract modification for recycling processing that has improved the financial incentives for recycling. The city's share of recycling revenue will increase from 50% to 80% under the contract terms. After increased expenses are taken into consideration, the contract change is expected to result in a net increase of $481,000 annually for the city. In addition, the city will begin to implement single stream collection as a means to facilitate additional use of the recycling option by residents.

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

The age of the city's sewers poses a challenge for capital financing. A commitment to a 90 year replacement cycle is a key component of providing for necessary infrastructure preservation. The 2012 budget for the Sewer Maintenance Fund (SMF) provides sufficient funding to replace or line 29 miles of sewer. The projected level of work is consistent with the 90 year replacement cycle.

The SMF also will support innovation regarding the improved operation of the sewerage system. The city's Flooding Study Task Force found that private property sources account for between 60% and 80% of the clear water that is entering and inundating sanitary sewer systems. In 2011, the city began a demonstration project to address private property infiltration and inflow. The project includes inspecting lateral connections, lateral cleaning or rehabilitation using cured-in-place liner. In addition, the project may also disconnect the home's foundation drain, and install a sump pump to discharge the flow from the foundation drain to the outside. Once completed, monitoring the flows in the sewershed will determine whether the private property work is a cost effective way to reduce clear water flows. In 2012, the city will continue I&I reduction projects on homes in a target area using data from this project. The 2012 Sewer Maintenance Fund I&I capital budget includes an estimated $2.64 million in grants from MMSD, as well as city funds, to enable a second major project on private property.

Conclusion

The 2012 budget uses innovation and improvements to health care fringe benefit sustainability to continue, and in some cases, expand on current service levels. The budget also improves the city's capacity to continue to finance its long term obligations in a responsible manner by controlling new debt authorizations and by improving reserve condition. The typical residential property will experience a cost increase of 1.4% in taxes and municipal service charges, compared to 2011. The proactive approach embodied in the budget will enable the city to manage future challenges over multiple years, and avoid highly disruptive impacts in any single year.

2012 ADOPTED BUDGET AND TAX RATE COMPARED TO PRIOR YEAR

PURPOSE OF EXPENDITURE AND FUNDING SOURCE	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 MINUS 2011 ADOPTED	2011 ADOPTED	2012 ADOPTED	CHANGE 2012 MINUS 2011 ADOPTED
A. GENERAL CITY PURPOSES						
1. Budget (Expenditure Authority)	$591,097,740	$590,373,797	$-723,943			
2. Non Tax Levy Funding	479,522,932	475,143,060	-4,379,872			
3. Tax Levy Funding	111,574,808	115,230,737	3,655,929	$4.13	$4.30	$0.17
B. EMPLOYEE RETIREMENT						
1. Budget (Expenditure Authority)	$91,552,796	$87,566,061	$-3,986,735			
2. Non Tax Levy Funding	31,540,133	29,549,911	-1,990,222			
3. Tax Levy Funding	60,012,663	58,016,150	-1,996,513	$2.22	$2.16	$-0.06
C. CAPITAL IMPROVEMENTS						
1. Budget (Expenditure Authority)	$117,962,597	$113,456,700	$-4,505,897			
2. Non Tax Levy Funding	117,055,597	112,431,700	-4,623,897			
3. Tax Levy Funding	907,000	1,025,000	118,000	$0.03	$0.04	$0.01
D. CITY DEBT						
1. Budget (Expenditure Authority)	$323,861,766	$294,741,146	$-29,120,620			
2. Non Tax Levy Funding	254,652,959	226,004,576	-28,648,383			
3. Tax Levy Funding	69,208,807	68,736,570	-472,237	$2.56	$2.56	$0.00
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	$0.18	$0.19	$0.01
SUBTOTAL (A+B+C+D+E+F)						
1. Budget (Expenditure Authority)	**$1,129,474,899**	**$1,091,137,704**	**$-38,337,195**			
2. Non Tax Levy Funding	**882,771,621**	**843,129,247**	**-39,642,374**			
3. Tax Levy Funding	**246,703,278**	**248,008,457**	**1,305,179**	**$9.12**	**$9.25**	**$0.13**
G. PARKING FUND						
1. Budget (Expenditure Authority)	$54,603,800	$55,829,554	$1,225,754			
2. Non Tax Levy Funding	54,603,800	55,829,554	1,225,754			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
H. GRANT AND AID						
1. Budget (Expenditure Authority)	$72,446,206	$63,846,247	$-8,599,959			
2. Non Tax Levy Funding	72,446,206	63,846,247	-8,599,959			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
I. DEVELOPMENT FUND						
1. Budget (Expenditure Authority)	$8,839,558	$7,703,639	$-1,135,919			
2. Non Tax Levy Funding	8,839,558	7,703,639	-1,135,919			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
J. WATER DEPARTMENT						
1. Budget (Expenditure Authority)	$114,474,906	$97,315,968	$-17,158,938			
2. Non Tax Levy Funding	114,474,906	97,315,968	-17,158,938			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
K. SEWER MAINTENANCE FUND						
1. Budget (Expenditure Authority)	$88,663,496	$94,685,124	$6,021,628			
2. Non Tax Levy Funding	88,663,496	94,685,124	6,021,628			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
M. COUNTY DELINQUENT TAXES FUND						
1. Budget (Expenditure Authority)	$12,300,000	$12,300,000	$0			
2. Non Tax Levy Funding	12,300,000	12,300,000	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)	**$351,327,966**	**$331,680,532**	**$-19,647,434**			
2. Non Tax Levy Funding	**351,327,966**	**331,680,532**	**-19,647,434**			
3. Tax Levy Funding	**0**	**0**	**0**	$0.00	$0.00	$0.00
TOTAL (A thru M)						
1. Budget (Expenditure Authority)	**$1,480,802,865**	**$1,422,818,236**	**$-57,984,629**			
2. Non Tax Levy Funding	**1,234,099,587**	**1,174,809,779**	**-59,289,808**			
3. Tax Levy Funding	**246,703,278**	**248,008,457**	**1,305,179**	**$9.12**	**$9.25**	**$0.13**

Tax Rates and Assessed Value - 2012 rate column is based on an estimated assessed value of: $26,823,951,183 as of December 1, 2011.

PROPERTY TAX PROFILE COMBINED PROPERTY TAX RATES 2008 THROUGH 2012

(Per $1,000 Assessed Valuation, Rounded to the Nearest Full Cent. Rates May Not Add Due to Rounding)

City of Milwaukee (Controlled by the Common Council)	**2008**	**2009**	**2010**	**2011**	**2012**
General City Purposes	$3.66	$4.22	$3.24	$4.13	$4.30
Provision for Employee Retirement	1.41	1.23	2.95	2.22	2.16
Capital Improvement Program	0.14	0.06	0.03	0.03	0.04
City Debt (Including School Debt)	2.61	2.41	2.49	2.56	2.56
Common Council Contingent Fund	0.18	0.17	0.18	0.18	0.19
Subtotal City of Milwaukee	**$8.01**	**$8.09**	**$8.89**	**$9.12**	**$9.25**
Area Board of Vocation, Technical and Adult Education District Nine	$1.92	$1.94	$2.06	$2.02	$1.95
Milwaukee School Board	8.84	9.82	10.66	10.85	11.11
Metropolitan Sewerage District	1.39	1.37	1.43	1.52	1.51
State Forestry	0.19	0.18	0.18	0.18	0.17
Milwaukee County	4.22	4.20	4.48	4.69	4.72
Subtotal Other Taxing Bodies	**$16.56**	**$17.51**	**$18.81**	**$19.26**	**$19.46**
Total Combined Tax Rate	**$24.57**	**$25.60**	**$27.70**	**$28.38**	**$28.71**
State Tax Credit	$-1.43	$-1.57	$-1.72	$-1.81	$-1.81
Net Tax Rate	$23.14	$24.03	$25.98	$26.57	$26.90

PROPERTY TAX LEVIES FOR COMMON COUNCIL CONTROLLED PURPOSES

	2008	**2009**	**2010**	**2011**	**2012**
General City Purposes	$104,074,730	$123,740,757	$89,998,860	$111,574,808	$115,230,737
Provision for Employee Retirement	40,188,093	35,888,093	81,844,193	60,012,663	58,016,150
Capital Improvement Program	4,014,280	1,764,320	793,000	907,000	1,025,000
City Debt	74,200,995	70,605,810	69,118,480	69,208,807	68,736,570
Common Council Contingent Fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Property Tax Levies for Common Council Controlled Purposes	**$227,478,098**	**$236,998,980**	**$246,754,533**	**$246,703,278**	**$248,008,457**

TAXABLE ASSESSED VALUATION

	2008	**2009**	**2010**	**2011**	**2012**
Residential	$18,753,914,925	$19,173,232,823	$17,743,825,065	$17,156,626,561	$17,069,535,250
Commercial	8,950,205,395	9,483,547,328	9,485,580,238	9,202,213,459	9,191,348,932
Manufacturing	726,692,200	772,959,900	732,007,800	732,279,700	746,955,100
Total Real Estate	**$28,430,812,520**	**$29,429,740,051**	**$27,961,413,103**	**$27,091,119,720**	**$27,007,839,282**
Personal Property	$943,560,442	$1,001,935,153	$983,160,269	$957,344,628	$909,803,701
Total Taxable Assessed Valuation	**$29,374,372,962 (a)**	**$30,431,675,204 (b)**	**$28,944,573,372 (c)**	**$28,048,464,348 (d)**	**$27,917,642,983 (e)**

(a) Based upon assessed values as of November 30, 2007.

(b) Based upon assessed values as of December 2, 2008.

(c) Based upon assessed values as of December 3, 2009.

(d) Based upon assessed values as of November 30, 2010.

(e) Based upon assessed values as of December 1, 2011.

COMPARISONS BY BUDGET SECTIONS BETWEEN 2012 ADOPTED BUDGET VERSUS 2011 ADOPTED BUDGETS, REVENUES, TAX LEVIES, AND RESULTING CHANGES

	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
A. General City Purposes			
Appropriations			
Salaries and Wages	$335,180,352	$347,776,602	$12,596,250
Fringe Benefits	140,130,048	153,339,677	13,209,629
Operating Expenditures	68,811,663	73,532,288	4,720,625
Equipment Purchases	5,494,362	6,387,625	893,263
Special Funds	6,917,870	7,173,899	256,029
Special Purpose Account Miscellaneous*	16,877,163	25,969,383	9,092,220
Workers Compensation Special Purpose Accounts	13,034,000	13,334,000	300,000
Employee Health Care Special Purpose Accounts	144,782,330	116,200,000	-28,582,330
Fringe Benefit Offset	-140,130,048	-153,339,677	-13,209,629
Total Appropriations	$591,097,740	$590,373,797	$-723,943
Funding Sources			
General City Revenues	$464,922,932	$461,376,060	$-3,546,872
Tax Stabilization Fund Withdrawal	14,600,000	13,767,000	-833,000
Property Tax Levy	111,574,808	115,230,737	3,655,929
Total Revenues	$591,097,740	$590,373,797	$-723,943
B. Employee Retirement			
Total Appropriations	$91,552,796	$87,566,061	$-3,986,735
Funding Sources			
Non-Property Tax Revenue	$31,540,133	$29,549,911	$-1,990,222
Property Tax Levy	60,012,663	58,016,150	-1,996,513
Total Revenues	$91,552,796	$87,566,061	$-3,986,735
C. Capital Improvements			
Total Capital Improvements Program			
Appropriations	$117,962,597	$113,456,700	$-4,505,897
Funding Sources			
1. **Borrowing** (General Obligation)			
a. New	$73,481,897	$74,308,100	$826,203
b. Carryover	(96,217,031)	(118,467,986)	(22,250,955)
2. **Borrowing** (Tax Incremental Districts)			
a. New	$22,000,000	$22,000,000	$0
b. Carryover	(164,297,654)	(137,942,604)	(-26,355,050)
3. **Special Assessments** (Internal Borrowing)			
a. New	$545,200	$1,065,600	$520,400
b. Carryover	(3,680,449)	(1,911,319)	(-1,769,130)
4. **Cash Financed**			
a. From Revenues	$14,428,500	$15,058,000	$629,500
b. Vehicle Registration Fee**	6,600,000	0	-6,600,000
c. From Tax Levy	907,000	1,025,000	118,000
d. Total Cash Financed	21,935,500	16,083,000	-5,852,500
Total Revenues (Capital Improvements)	$117,962,597	$113,456,700	$-4,505,897

** For the 2011 adopted budget the Vehicle Registration Fee is in the Capital Budget as a transfer to the General Fund ($3.3 million) and a transfer to Debt Service ($3.3 million). In the 2012 budget, the Vehicle Registration Fee is shifted to the General Fund.

	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
D. City Debt			
Total Appropriations			
(Includes Borrowing for Milwaukee Public Schools)	$323,861,766	$294,741,146	$-29,120,620
Funding Sources			
Revenues	$201,144,713	$171,102,058	$-30,042,655
TID Increments	25,834,453	24,336,886	-1,497,567
Delinquent Tax Revenue	27,673,793	30,565,632	2,891,839
Property Tax Levy	69,208,807	68,736,570	-472,237
Total Revenues	$323,861,766	$294,741,146	$-29,120,620
F. Common Council Contingent Fund			
Total Appropriations	$5,000,000	$5,000,000	$0
Funding Sources			
Total Revenue (Property Tax Levy)	$5,000,000	$5,000,000	$0
Subtotals (Items A through F)			
City Budget Appropriations	$1,129,474,899	$1,091,137,704	$-38,337,195
Less: Non-Property Tax Revenues	$882,771,621	$843,129,247	$-39,642,374
Property Tax Levies	$246,703,278	$248,008,457	$1,305,179
Special Revenue Accounts (Items G through M)			
G. Parking			
Total Appropriations	$54,603,800	$55,829,554	$1,225,754
Funding Sources			
Current Revenues	$21,853,400	$22,447,000	$593,600
Capital Improvements from Reserves	5,000,000	5,000,000	0
Withdrawal from Reserves	4,575,400	4,592,554	17,154
Citation Revenue and Processing	22,000,000	23,000,000	1,000,000
New Borrowing	1,175,000	790,000	-385,000
Other Funding (Carryover Borrowing)	(3,759,764)	(2,984,764)	(775,000)
Total Revenues	$54,603,800	$55,829,554	$1,225,754
H. Grant and Aid			
Total Appropriations	$72,446,206	$63,846,247	$-8,599,959
Funding Sources			
Grantor Share	$72,446,206	$63,846,247	$-8,599,959
Total Revenues	$72,446,206	$63,846,247	$-8,599,959
I. Economic Development			
Total Appropriations	$8,839,558	$7,703,639	$-1,135,919
Funding Sources			
BID Assessment/Excess TID Revenue	$8,839,558	$7,703,639	$-1,135,919
Total Revenues	$8,839,558	$7,703,639	$-1,135,919
J. Water Works			
Appropriations			
Operating Budget	$71,356,906	$72,597,968	$1,241,062
Capital Improvements Program	20,645,000	9,320,000	-11,325,000
Debt Service (Principal and Interest)	6,273,000	6,208,000	-65,000
Capital Funding from Retained Earnings	16,200,000	9,190,000	-7,010,000
Total Appropriations	$114,474,906	$97,315,968	$-17,158,938

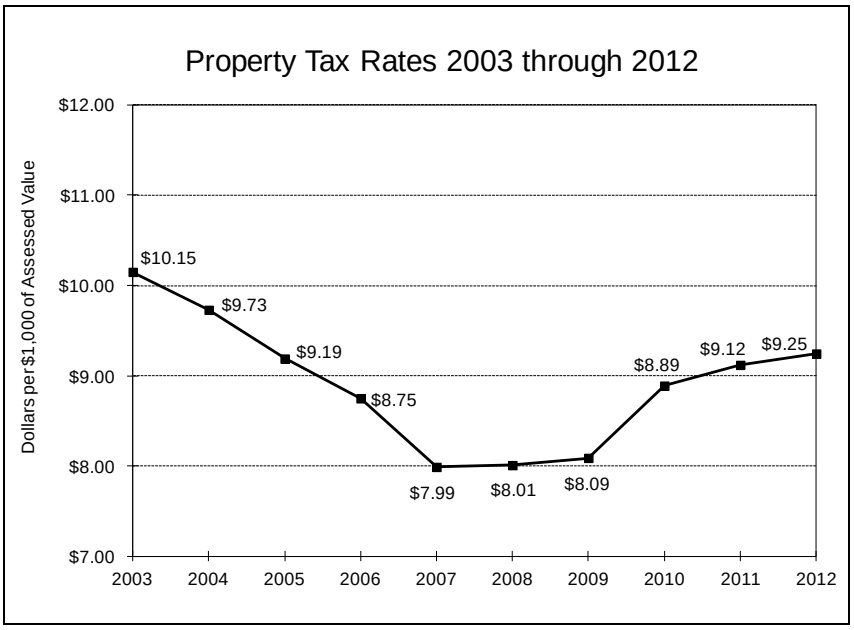
	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Funding Sources			
Current Operating Revenues	$86,454,000	$77,727,000	$-8,727,000
Non-Operating Revenues	7,775,906	7,130,000	-645,906
Proceeds from Borrowing	4,045,000	8,690,000	4,645,000
Use of Retained Earnings	16,200,000	3,768,968	-12,431,032
Other Funding (Carryover Borrowing)	(11,600,000)	(4,020,000)	(-7,580,000)
Total Revenues	$114,474,906	$97,315,968	$-17,158,938
K. Sewer Maintenance			
Appropriations			
Operating Budget	$48,830,496	$50,735,124	$1,904,628
Capital Improvements Program	39,833,000	43,950,000	4,117,000
Total Appropriations	$88,663,496	$94,685,124	$6,021,628
Funding Sources			
Sewer User Fee	$26,949,000	$27,589,039	$640,039
Storm Water Management Fee	22,681,075	23,815,129	1,134,054
Charges for Services	1,351,000	1,391,530	40,530
Miscellaneous Revenue and Retained Earnings	3,749,421	4,379,426	630,005
Other Funding (Carryover Borrowing)	(21,040,802)	(52,998,573)	(31,957,771)
Proceeds from Borrowing	33,933,000	37,510,000	3,577,000
Total Revenues	$88,663,496	$94,685,124	$6,021,628
M. County Delinquent Taxes			
Appropriations			
Operating Budget	$12,300,000	$12,300,000	$0
Total Appropriations	$12,300,000	$12,300,000	$0
Funding Sources			
Operating Revenue	$12,300,000	$12,300,000	$0
Total Revenues	$12,300,000	$12,300,000	$0
Subtotals Special Revenue Account Budgets (Items G through M)			
Total Budgets	$351,327,966	$331,680,532	$-19,647,434
Total Revenues (Non-Property Tax)	$351,327,966	$331,680,532	$-19,647,434
Grand Totals (Items A through M)			
Budget Appropriations	$1,480,802,865	$1,422,818,236	$-57,984,629
Less: Non-Property Tax Revenues	$1,234,099,587	$1,174,809,779	$-59,289,808
Property Tax Levies	$246,703,278	$248,008,457	$1,305,179

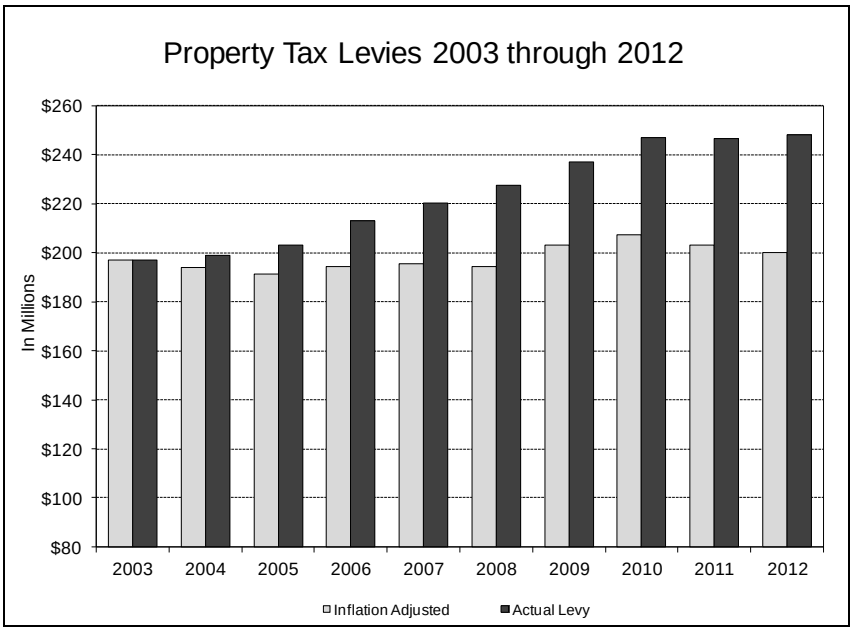
Note: All adopted budgets for governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance reserved for tax stabilization. For budget purposes, the fund balance reserved for tax stabilization is reflected as other financing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

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

PROPERTY TAX RATE AND LEVY COMPARISON

The graphs below show property tax rates and levies for the City of Milwaukee from 2003 through the 2012 adopted budget. The 2012 adopted tax rate of $9.25 is $0.13 higher than the 2011 rate of $9.12. The 2012 adopted tax levy of $248 million is $1.3 million or 0.5% higher than the 2011 levy. Since 2003, the property tax rate has decreased by $0.90 from $10.15 in 2003 to the 2012 adopted rate of $9.25. During this same period, the "real" or inflation adjusted property tax levy has increased $3 million.

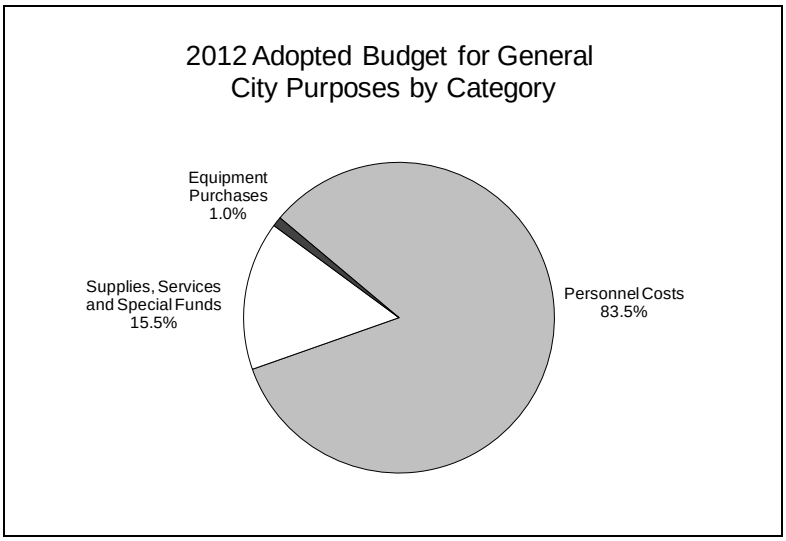




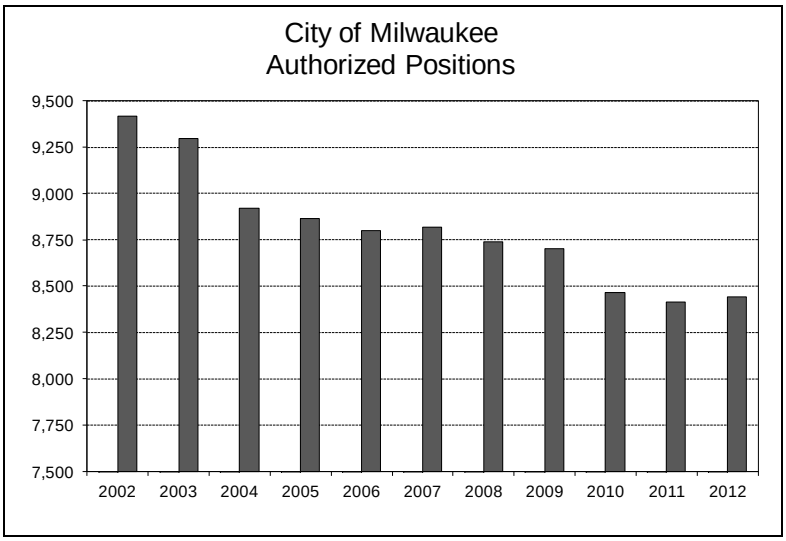
GENERAL CITY PURPOSES SPENDING

The pie chart below depicts the proportions of general city purposes spending allocated to Personnel Costs (83.5%), Supplies, Services, and Special Funds (15.5%), and Equipment Purchases (1.0%) in the 2012 adopted budget.

It should be noted that the 2012 adopted budget funds approximately $8.8 million of major equipment purchases in the capital budget.



The following bar graph indicates changes in authorized positions from 2002 to 2012. Funding for personnel costs (which include salary and wages) relates directly to the number of positions authorized citywide. Excluding temporary and seasonal staff, the 2012 adopted budget reflects a net increase of 26 positions from 2011 levels (8,416 in 2011 to 8,442 in 2012). The increase is the result of 58 temporary winter relief positions reclassified as Auxiliary positions in the DPW Operations Division. If these positions had been maintained as temporary winter relief positions, total positions in 2012 would have decreased by 32 from 2011.



CHANGE IN POSITIONS

	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
General City Purposes			
Administration, Department of	110	114	4
Assessor's Office	56	56	0
City Attorney	63	63	0
City Development, Department of	204	163	-41
Common Council City Clerk	114	112	-2
Comptroller's Office	67	67	0
Election Commission	19	2,156	2,137
Employee Relations, Department of	73	73	0
Fire and Police Commission	21	21	0
Fire Department	1,026	1,022	-4
Health Department	272	268	-4
Library	378	377	-1
Mayor's Office	14	14	0
Municipal Court	45	42	-3
Neighborhood Services, Department of	247	251	4
Police Department	2,904	2,904	0
Port of Milwaukee	35	37	2
Public Works, Department of **(Total)**	(2,315)	(2,299)	(-16)
Administrative Services Division	64	58	-6
Infrastructure Services Division	804	803	-1
Operations Division	1,447	1,438	-9
Special Purpose Account	11	11	0
Treasurer's Office	60	60	0
Unified Call Center	1	21	20
General City Purposes Total	**8,035**	**10,131**	**2,096**
General City Purposes Total *	**8,027**	**7,986**	**-41**
Pensions			
Deferred Compensation	2	2	0
Employees' Retirement System	52	52	0
Pensions Total	**54**	**54**	**0**
Parking Fund	131	122	-9
Sewer Maintenance Fund	164	164	0
Water Works	382	367	-15
Subtotal Budgeted Positions	**8,766**	**10,838**	**2,072**
Less Temporary Positions	350	2,396	2,046
Total Budgeted Positions	**8,416**	**8,442**	**26**

* Does not include Election Commissioners and Election Commission temporary election workers (8 in 2011 and 2,145 in 2012) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
O&M Funded

	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
General City Purposes			
Administration, Department of	64.14	72.05	7.91
Assessor's Office	42.55	42.55	0.00
City Attorney	56.80	55.98	-0.82
Common Council City Clerk	89.67	92.40	2.73
Comptroller's Office	51.16	50.16	-1.00
Department of City Development	39.70	41.35	1.65
Election Commission *	7.00	7.00	0.00
Employee Relations, Department of	45.00	45.00	0.00
Fire and Police Commission	11.60	11.60	0.00
Fire Department	1,025.05	1,006.96	-18.09
Health Department	142.00	144.21	2.21
Library	291.18	298.48	7.30
Mayor's Office	11.50	11.50	0.00
Municipal Court	40.38	36.38	-4.00
Neighborhood Services, Department of	169.00	182.50	13.50
Police Department	2,680.51	2,674.73	-5.78
Port of Milwaukee	20.00	21.00	1.00
Public Works, Department of **(Total)**	(956.51)	(994.09)	(37.58)
Administrative Services Division	51.94	45.94	-6.00
Infrastructure Services Division	296.60	298.27	1.67
Operations Division	607.97	649.88	41.91
Special Purpose Accounts	4.00	3.00	-1.00
Treasurer's Office	30.80	29.37	-1.43
Unified Call Center	1.00	18.00	17.00
General City Purposes Total	**5,779.55**	**5,838.31**	**58.76**
Pensions			
Deferred Compensation	2.00	2.00	0.00
Employees' Retirement System	41.50	41.50	0.00
Pensions Total	**43.50**	**43.50**	**0.00**
Parking Fund	128.75	119.75	-9.00
Sewer Maintenance Fund	104.02	108.05	4.03
Water Works	358.72	346.70	-12.02
Grand Total	**6,414.54**	**6,456.31**	**41.77**

* Election Commission does not include temporary election workers (2.8 FTEs in 2011 and 16.11 FTEs in 2012) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
Non-O&M Funded

	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
General City Purposes			
Administration, Department of	39.26	35.80	-3.46
Assessor's Office	0.00	0.00	0.00
City Attorney	2.25	2.07	-0.18
Common Council City Clerk	2.13	3.00	0.87
Comptroller's Office	9.34	9.34	0.00
Department of City Development	108.30	88.65	-19.65
Election Commission	0.00	0.00	0.00
Employee Relations, Department of	8.60	8.60	0.00
Fire and Police Commission	1.80	1.80	0.00
Fire Department	7.50	6.84	-0.66
Health Department	115.80	114.10	-1.70
Library	31.37	22.32	-9.05
Mayor's Office	0.00	0.00	0.00
Municipal Court	0.00	0.00	0.00
Neighborhood Services, Department of	44.50	39.00	-5.50
Police Department	82.78	80.78	-2.00
Port of Milwaukee	0.00	0.00	0.00
Public Works, Department of **(Total)**	(402.28)	(380.78)	(-21.50)
Administrative Services Division	9.06	10.77	1.71
Infrastructure Services Division	301.99	299.14	-2.85
Operations Division	91.23	70.87	-20.36
Special Purpose Accounts	0.00	0.00	0.00
Treasurer's Office	0.60	0.00	-0.60
Unified Call Center	0.00	0.00	0.00
General City Purposes Total	**856.51**	**793.08**	**-63.43**
Pensions			
Deferred Compensation	0.00	0.00	0.00
Employees' Retirement System	0.00	0.00	0.00
Pensions Total	**0.00**	**0.00**	**0.00**
Parking Fund	0.00	0.00	0.00
Sewer Maintenance Fund	28.99	24.95	-4.04
Water Works	11.44	5.46	-5.98
Grand Total	**896.94**	**823.49**	**-73.45**

ESTIMATED FULL TIME EQUIVALENTS
All Funding Sources

	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
General City Purposes			
Administration, Department of	103.40	107.85	4.45
Assessor's Office	42.55	42.55	0.00
City Attorney	59.05	58.05	-1.00
Common Council City Clerk	91.80	95.40	3.60
Comptroller's Office	60.50	59.50	-1.00
Department of City Development	148.00	130.00	-18.00
Election Commission *	7.00	7.00	0.00
Employee Relations, Department of	53.60	53.60	0.00
Fire and Police Commission	13.40	13.40	0.00
Fire Department	1,032.55	1,013.80	-18.75
Health Department	257.80	258.31	0.51
Library	322.55	320.80	-1.75
Mayor's Office	11.50	11.50	0.00
Municipal Court	40.38	36.38	-4.00
Neighborhood Services, Department of	213.50	221.50	8.00
Police Department	2,763.29	2,755.51	-7.78
Port of Milwaukee	20.00	21.00	1.00
Public Works, Department of **(Total)**	(1,358.79)	(1,374.87)	(16.08)
Administrative Services Division	61.00	56.71	-4.29
Infrastructure Services Division	598.59	597.41	-1.18
Operations Division	699.20	720.75	21.55
Special Purpose Accounts	4.00	3.00	-1.00
Treasurer's Office	31.40	29.37	-2.03
Unified Call Center	1.00	18.00	17.00
General City Purposes Total	**6,636.06**	**6,631.39**	**-4.67**
Pensions			
Deferred Compensation	2.00	2.00	0.00
Employees' Retirement System	41.50	41.50	0.00
Pensions Total	**43.50**	**43.50**	**0.00**
Parking Fund	128.75	119.75	-9.00
Sewer Maintenance Fund	133.01	133.00	-0.01
Water Works	370.16	352.16	-18.00
Grand Total	**7,311.48**	**7,279.80**	**-31.68**

* Election Commission does not include temporary election workers (2.8 FTEs in 2011 and 16.11 FTEs in 2012) due to staffing fluctuations between election and non-election years.

COMPARISON OF 2012 ADOPTED EXPENDITURES AND FUNDING SOURCES
WITH PRIOR YEARS BY MAJOR BUDGET SECTIONS AND SUBSECTIONS
SECTION 1. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

	2009 ACTUAL** EXPENDITURES	2010 ACTUAL** EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
A. General City Purposes					
1. Budgets for General City Purposes					
Administration, Department of	$8,928,140	$8,293,104	$8,140,878	$8,966,213	$825,335
Assessor's Office	4,834,024	4,882,226	4,665,708	4,627,225	-38,483
City Attorney	7,480,908	8,210,601	7,673,922	7,629,058	-44,864
City Development, Department of	4,787,666	4,611,604	4,340,956	4,682,014	341,058
City Treasurer	2,967,640	3,086,252	3,241,414	3,063,379	-178,035
Common Council City Clerk	8,165,634	8,353,234	8,287,572	8,555,215	267,643
Comptroller	5,560,256	5,182,133	5,320,238	5,652,900	332,662
Election Commission	1,274,652	2,023,588	1,334,791	2,912,189	1,577,398
Employee Relations, Department of	5,121,857	4,958,222	4,496,036	4,541,064	45,028
Fire and Police Commission	994,628	1,058,400	1,280,472	1,300,016	19,544
Fire Department	109,909,413	103,017,840	103,047,292	105,025,041	1,977,749
Health Department	14,189,765	13,657,277	12,898,015	13,161,487	263,472
Library	23,032,140	22,274,169	22,265,743	22,699,974	434,231
Mayor's Office	1,167,823	1,203,561	1,202,701	1,215,279	12,578
Municipal Court	3,598,619	3,456,311	3,569,175	3,505,745	-63,430
Neighborhood Services, Department of	15,524,383	15,345,280	15,685,462	17,236,668	1,551,206
Police Department	237,346,874	237,834,824	229,346,322	236,229,306	6,882,984
Port of Milwaukee	4,031,150	4,555,798	4,897,157	5,018,503	121,346
Public Works Department (Total)	(122,460,659)	(120,076,323)	(114,406,962)	(123,518,599)	(9,111,637)
Administrative Services Division	4,706,671	4,855,582	4,847,544	4,533,496	-314,048
Infrastructure Services Division	29,678,155	38,270,164	36,912,077	39,508,604	2,596,527
Operations Division	88,075,833	76,950,577	72,647,341	79,476,499	6,829,158
Special Purpose Accounts	141,585,973 *	151,357,129 *	174,998,012	163,659,514	-11,338,498
Unified Call Center	0	0	128,960	514,085	385,125
Fringe Benefit Offset	-138,111,918	-145,155,953	-140,130,048	-153,339,677	-13,209,629
Total Budgets for General City Purposes	$584,850,286 **	$578,281,923 **	$591,097,740	$590,373,797	$-723,943

* 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	$14,195,291	$16,547,593	$16,534,500	$16,147,300	$-387,200
Licenses and Permits	12,186,050	12,948,031	12,428,200	12,647,600	219,400
Intergovernmental Revenue	272,336,857	270,938,831	271,595,500	259,501,500	-12,094,000
Charges for Services	96,273,406	102,363,468	99,817,832	103,920,603	4,102,771
Fines and Forfeitures	4,802,074	5,422,461	5,255,000	5,304,000	49,000
Miscellaneous Revenue	34,256,412	41,080,041	35,291,900	38,855,057	3,563,157
Fringe Benefits	23,534,619	27,827,185	24,000,000	25,000,000	1,000,000
Total Revenues	$457,584,709	$477,127,610	$464,922,932	$461,376,060	$-3,546,872
Tax Stabilization Fund Withdrawals	$22,378,500	$13,070,000	$14,600,000	$13,767,000	$-833,000
Property Tax Levy	123,740,757	86,187,127	111,574,808	115,230,737	3,655,929
Total Financing for General City Purposes	$603,703,966	$576,384,737	$591,097,740	$590,373,797	$-723,943
B. Employees' Retirement					
1. Budgets for Employees' Retirement					
Firemen's Pension Fund					
Pension Contribution	$70,711	$49,109	$71,000	$45,000	$-26,000
Lump Sum Supplement Contribution	194,267	145,584	125,000	115,000	-10,000
Policemen's Pension Fund					
Pension Contribution	$41,423	$329,672	$268,667	$209,000	$-59,667
Lump Sum Supplement Contribution	0	0	0	30,000	30,000
Employees' Retirement Fund					
Pension Contribution	$0	$49,034,656	$0	$0	$0
Administration	17,950,233	19,089,917	28,755,539	26,823,322	-1,932,217
Employers' Share of Employees' Annuity Contribution	19,349,705	17,415,288	24,971,165	15,904,000	-9,067,165
Annuity Contribution Employer's Reserve Fund	5,581,000	7,000,000	17,350,000	25,000,000	7,650,000

	2009 ACTUAL** EXPENDITURES	2010 ACTUAL** EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Social Security					
Social Security Tax	$18,594,501	$18,235,854	$18,522,164	$18,007,000	$-515,164
Former Town of Lake Employees' Retirement Fund					
Pension Contribution	$6,667	$7,273	$7,300	$7,300	$0
Deferred Compensation	$1,114,302	$1,239,952	$1,481,961	$1,425,439	$-56,522
Total Budgets for Employees' Retirement	$62,902,809 **	$112,547,305 **	$91,552,796	$87,566,061	$-3,986,735
2. Source of Funds for Employees' Retirement					
Fringe Benefits Pension	$1,031,857	$1,081,015	$1,187,000	$1,251,774	$64,774
Charges to Retirement Fund	17,510,713	18,826,314	28,461,539	26,442,698	-2,018,841
Charges to Deferred Compensation	1,114,302	1,239,952	1,481,961	1,425,439	-56,522
Charges to Other Governmental Units	0	790,616	328,633	350,000	21,367
Miscellaneous Revenue/Reserve Fund	5,652,500	7,074,032	81,000	80,000	-1,000
Property Tax Levy	35,888,093	81,844,193	60,012,663	58,016,150	-1,996,513
Total Financing for Employees' Retirement	$61,197,465	$110,856,122	$91,552,796	$87,566,061	$-3,986,735
C. Capital Improvements					
1. Budgets for Capital Improvements					
Special Capital Projects or Purposes	$802,906	$2,502,951	$15,135,000	$11,022,000	$-4,113,000
Administration, Department of	993,672	1,459,890	2,035,000	600,000	-1,435,000
City Attorney	61,895	0	0	0	0
City Development, Department of	21,604,832	29,474,648	30,661,257	29,176,000	-1,485,257
Common Council City Clerk	243,541	758,363	0	40,000	40,000
Election Commission	0	37,660	0	0	0
Employee Relations, Department of	18,375	21,635	0	0	0
Fire and Police Commission	752	357	0	0	0
Fire Department	2,666,580	1,162,095	3,064,000	3,424,000	360,000
Health Department	1,451,270	219,590	110,000	450,000	340,000
Library	2,264,288	2,579,639	2,526,000	2,577,000	51,000
Municipal Court	818,800	457,837	0	0	0
Police Department	1,401,268	3,737,768	4,987,931	1,502,000	-3,485,931
Port of Milwaukee	561,035	204,698	0	225,000	225,000
Public Works, Department of (Total)	(45,544,486)	(51,357,726)	(59,443,409)	(64,440,700)	(4,997,291)
Administration Division	921,401	411,384	500,000	1,220,000	720,000
Infrastructure Services Division	37,392,712	37,829,657	49,839,950	52,981,700	3,141,750
Operations Division	7,230,373	13,116,685	9,103,459	10,239,000	1,135,541
Total Budgets for Capital Improvements (Other than Parking, Water Works and Sewer Maintenance)	$78,433,700 **	$93,974,857 **	$117,962,597	$113,456,700	$-4,505,897
2. Source of Funds for Capital Improvements					
General Obligation Borrowings					
New Borrowing	$59,277,121	$67,823,143	$73,481,897	$74,308,100	$826,203
Carryover Borrowing	0 (a)	0 (a)	86,457,267 (a)	118,467,986 (a)	32,010,719 (a)
Tax Increment District Public Improvements					
New Borrowing	$11,109,228	$19,405,821	$22,000,000	$22,000,000	$0
Carryover Borrowing	0 (a)	0 (a)	164,297,654 (a)	137,942,604 (a)	-26,355,050 (a)
Anticipated Special Assessments					
New Authorizations	$1,100,684	$1,313,474	$545,200	$1,065,600	$520,400
Carryover Special Assessments	0 (a)	0 (a)	3,680,449 (a)	1,911,319 (a)	-1,769,130 (a)
Capital Improvement Revenues					
Cash Revenues	$5,560,539	$4,932,112	$14,428,500	$15,058,000	$629,500
Motor Vehicle Registration Fee	0	0	6,600,000	0	-6,600,000
Property Tax Levy	1,386,128	500,307	907,000	1,025,000	118,000
Total Financing for Capital Improvements (Other than Parking, Water Works and Sewer Maintenance)	$78,433,700 *	$93,974,857 *	$117,962,597	$113,456,700	$-4,505,897

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

* Does not include school board expenditures.

	2009 ACTUAL** EXPENDITURES	2010 ACTUAL** EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
D. City Debt (Including School Purposes)					
1. Budget for City Debt					
Bonded Debt (Principal)	$205,228,056	$186,780,117	$289,094,030	$246,731,434	$-42,362,596
Bonded Debt (Interest)	31,941,372	33,318,284	39,945,643	51,909,142	11,963,499
Bonded Debt (Fees)	315,024	392,000	400,000	450,000	50,000
Bonded Debt (Issuance Expenses)	462,616	1,314,257	1,000,000	1,575,000	575,000
Subtotal	$237,947,068	$221,804,658	$330,439,673	$300,665,576	$-29,774,097
Less: Prepayment					
Prepayment Deduction (PDAF)	$-6,500,000	$-5,400,000	$-4,900,000	$-4,500,000	$400,000
Special Assessment	-3,850,301	-1,950,000	-1,677,907	-1,424,430	253,477
Total Budget for City Debt (a)	$227,596,767 **	$214,454,658 **	$323,861,766	$294,741,146	$-29,120,620

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

Milwaukee School Board		
2009	$20,556,484	
2010	$17,593,929	
2011	$15,947,420	(est.)
2012	$15,149,361	(est.)

2. Source of Funds for City Debt					
Revenues	$108,182,325	$91,809,584	$201,144,713	$171,102,058	$-30,042,655
TID Increments from Prior Year	23,819,667	23,659,994	25,834,453	24,336,886	-1,497,567
Delinquent Tax Revenues	24,929,225	29,866,600	27,673,793	30,565,632	2,891,839
Property Tax Levy	70,665,550	69,118,480	69,208,807	68,736,570	-472,237
Total Financing for City Debt	$227,596,767	$214,454,658	$323,861,766	$294,741,146	$-29,120,620
F. Common Council Contingent Fund					
1. Budget for Common Council Contingent Fund					
Common Council Contingent Fund	[$1,449,764] *	[$4,098,228] *	$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

* 2009 and 2010 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)	$953,783,562	$999,258,743	$1,129,474,899	$1,091,137,704	$-38,337,195
Non-Tax Levy	$739,251,370	$758,020,267	$882,771,621	$843,129,247	$-39,642,374
Tax Levy	$236,680,528	$242,650,107	$246,703,278	$248,008,457	$1,305,179
Subtotal Financing for (Estimated Revenues) Common Council Controlled Budgets					
(Except Water and Special Revenue Accounts)	$975,931,898	$1,000,670,374	$1,129,474,899	$1,091,137,704	$-38,337,195
Special Revenue Accounts Sections G through M					
G. Parking					
1. Budget for Parking Program					
Operating and Maintenance Expense	$24,618,783	$26,227,986	$27,641,800	$27,629,397	$-12,403
Transfer to General Fund	18,132,150	22,287,000	20,787,000	20,410,157	-376,843
Transfer to Pension Fund	0	0	0	2,000,000	2,000,000
Capital Improvement Program	2,038,595	1,859,376	1,175,000	790,000	-385,000
Capital Improvements to be Financed from Available Cash Reserves	0	0	5,000,000	5,000,000	0
Total Budget for Parking Program	$44,789,528 **	$50,374,362 **	$54,603,800	$55,829,554	$1,225,754
2. Source of Funds for Parking Operations					
Parking Permits	$3,165,150	$3,927,789	$3,762,000	$3,912,000	$150,000
Meters	4,653,243	5,112,303	4,951,400	5,118,000	166,600
Rental and Lease of Facilities	7,573,903	7,449,221	7,295,000	7,367,000	72,000
Towing of Vehicles	4,029,834	3,783,053	4,020,000	3,700,000	-320,000
Vehicle Disposal	1,439,486	1,483,048	1,330,000	1,550,000	220,000
Miscellaneous	499,729	817,189	495,000	800,000	305,000
Subtotal Financing of Parking Operations	$21,361,345	$22,572,603	$21,853,400	$22,447,000	$593,600
Other Funding Sources					
Withdrawal from Reserves	$1,024,631	$847,892	$4,575,400	$4,592,554	$17,154
Citation Revenue	20,879,206	25,094,491	22,000,000	23,000,000	1,000,000
Miscellaneous	4,200	0	0	0	0

	2009 ACTUAL** EXPENDITURES	2010 ACTUAL** EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Capital Improvements to be Financed from Available:					
Cash Reserves	$0	$0	$5,000,000	$5,000,000	$0
New Borrowing	0	1,859,376	1,175,000	790,000	-385,000
Carryover Borrowing	0 (a)	0 (a)	3,759,764 (a)	2,984,764 (a)	-775,000 (a)
Subtotal Other Funding Sources	$21,908,037	$27,801,759	$32,750,400	$33,382,554	$632,154
Total Financing for Parking	$43,269,382	$50,374,362	$54,603,800	$55,829,554	$1,225,754
(a) Reiteration of prior year's authority does not affect budget totals.					
H. Grants and Aids Projects (Except Capital Projects)					
1. Budget for Grants and Aids Projects					
Grantor Share (Non-City)	$52,394,849	$72,012,434	$72,446,206	$63,846,247	$-8,599,959
Total for Grants and Aids Projects	$52,394,849 **	$72,012,434 **	$72,446,206	$63,846,247	$-8,599,959
2. Source of Funds for Grants and Aids Projects					
Grantor Share (Non-City)	$52,394,849	$72,012,434	$72,446,206	$63,846,247	$-8,599,959
Total Financing for Grants and Aids Projects (Except Capital Projects)	$52,394,849	$72,012,434	$72,446,206	$63,846,247	$-8,599,959
I. Economic Development Fund					
1. Budget for Economic Development Fund					
Business Improvement Districts	$6,744,919	$8,954,507	$8,839,558	$7,703,639	$-1,135,919
Total Budget for Economic Development Fund	$6,744,919	$8,954,507	$8,839,558	$7,703,639	$-1,135,919
2. Source of Funds for Economic Development Fund					
Business Improvement District Assessments	$6,744,919	$8,977,025	$8,839,558	$7,703,639	$-1,135,919
Total Source of Funds for Economic Development Fund	$6,744,919	$8,977,025	$8,839,558	$7,703,639	$-1,135,919
J. Water Works					
1. Budget for Water Works, Department of Public Works					
Operating Budget	$69,575,284	$76,892,805	$77,629,906	$78,805,968	$1,176,062
Capital Improvements Program	19,308,374	16,825,681	20,645,000	9,320,000	-11,325,000
Deposits to Special Accounts (Retained Earnings)	19,256,986	16,831,549	16,200,000	9,190,000	-7,010,000
Total Expenditures and Deposits	$108,140,644 **	$110,550,035 **	$114,474,906	$97,315,968	$-17,158,938
2. Source of Funds for Water Works					
Operating Revenue	$67,951,553	$68,497,180	$86,454,000	$77,727,000	$-8,727,000
Non-Operating Revenue	9,039,143	5,998,920	7,775,906	7,130,000	-645,906
Proceeds from Borrowing	0	0	4,045,000	8,690,000	4,645,000
Retained Earnings	31,149,948	36,053,935	16,200,000	3,768,968	-12,431,032
Total Source of Funds for Water Works	$108,140,644	$110,550,035	$114,474,906	$97,315,968	$-17,158,938
K. Sewer Maintenance					
1. Budget for Sewer Maintenance					
Operating Budget	$43,464,021	$43,993,920	$48,830,496	$50,735,124	$1,904,628
Capital Budget	36,236,229	41,172,721	39,833,000	43,950,000	4,117,000
Deposit to Retained Earnings	2,312,799	0	0	0	0
Total Budget for Sewer Maintenance	$82,013,049 **	$85,166,641 **	$88,663,496	$94,685,124	$6,021,628
2. Source of Funds for Sewer Maintenance					
Sewer User Fee	$27,508,815	$27,611,980	$26,949,000	$27,589,039	$640,039
Storm Water Fee	18,950,771	22,602,412	22,681,075	23,815,129	1,134,054
Charges for Services	1,739,065	1,821,279	1,351,000	1,391,530	40,530
Miscellaneous Revenue	835,650	2,039,415	3,749,421	3,006,421	-743,000
Retained Earnings	0	0	0	1,373,005	1,373,005
Proceeds from Borrowing	32,978,748	37,929,849	33,933,000	37,510,000	3,577,000
Total Source of Funds for Sewer Maintenance	$82,013,049	$92,004,935	$88,663,496	$94,685,124	$6,021,628
M. Delinquent County Taxes					
1. Budget for Delinquent County Taxes					
Delinquent County Taxes and Tax Certificate Purchases	$10,681,537	$11,716,384	$12,300,000	$12,300,000	$0
Total Budget for Delinquent County Taxes	$10,681,537	$11,716,384	$12,300,000	$12,300,000	$0

	2009 ACTUAL** EXPENDITURES	2010 ACTUAL** EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
2. Source of Funds for Delinquent County Taxes					
Purchase of Milwaukee County Delinquent Taxes	$10,681,537	$11,716,384	$12,300,000	$12,300,000	$0
Total Source of Funds for Delinquent County Taxes	$10,681,537	$11,716,384	$12,300,000	$12,300,000	$0
Subtotal Budget Authorization for Special Revenue Accounts	$304,764,526	$338,774,364	$351,327,966	$331,680,532	$-19,647,434
Subtotal Estimated Revenues for Special Revenue Accounts	$303,244,380	$345,635,175	$351,327,966	$331,680,532	$-19,647,434
Total All Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,258,548,088	$1,338,033,107	$1,480,802,865	$1,422,818,236	$-57,984,629
Total Financing Revenues of Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,279,176,278	$1,346,305,549	$1,480,802,865	$1,422,818,236	$-57,984,629

** Expenditures include funding carried over from prior year.

2012 SALARY AND WAGE INFORMATION USED FOR BUDGET PURPOSES
(FOR INFORMATIONAL PURPOSES ONLY)

The salary and rates shown in the following salary and wage schedule are based on the most current information available as of the date of the submittal of the 2012 adopted budget. (Please refer to the note at the end of schedule for procedure and assumptions utilized in determining salary and wage appropriations in the 2012 budget.)

CURRENT RATES
(MINIMUM - MAXIMUM)

Pay	Annual Rate			Pay	Annual Rate			Pay	Annual Rate			Pay	Annual Rate			Pay	Annual Rate		
Range	Minimum		Maximum	Range	Minimum		Maximum	Range	Minimum		Maximum	Range	Minimum		Maximum	Range	Minimum		Maximum
001	36,507	-	51,106	255	41,153	-	45,922	445	36,902	-	40,836	572	48,133	-	56,066	722	34,508	-	41,410
002	38,902	-	54,455	258	41,491	-	47,048	450	37,681	-	44,239	576	54,591	-	64,598	724	33,994	-	43,453
003	41,458	-	58,036	260	39,408	-	44,336	455	38,640	-	42,943	577	50,835	-	71,176	726	36,399	-	44,820
004	44,194	-	61,870	262	39,886	-	44,905	460	39,507	-	44,277	578	54,189	-	75,860	732	40,088	-	49,021
				265	43,105	-	48,589	465	38,002		44,658	579	61,571	-	86,196	733	40,749	-	50,277
005	47,109	-	65,956	268	43,368	-	49,406	475	38,241	-	45,901	580	74,549	-	104,368	734	40,749	-	50,772
006	50,206	-	70,295	270	44,215	-	50,254	478	35,491	-	47,360	587	53,646	-	63,981	740	36,994	-	40,545
007	53,518	-	74,922	272	30,831	-	31,555	480	22,862	-	31,587	588	56,941	-	67,910	741	37,833	-	41,614
008	57,028	-	79,836	274	33,027	-	38,599	490	29,592	-	35,831	589	58,671	-	66,035	742	38,193	-	42,763
009	60,809	-	85,129	275	44,215	-	51,208	495	33,714	-	38,840	591	62,009	-	75,346	750	30,641	-	40,157
010	64,804	-	90,728	276	42,194	-	46,512	500	35,363	-	38,963	592	40,019	-	48,021	785	54,612	-	61,466
011	69,089	-	96,721	280		-	49,311	503	31,309	-	37,393	593	44,357	-	53,697	786		-	68,765
012	73,626	-	103,077	281	46,607	-	53,328	504	33,316	-	38,473	594	45,940	-	55,742	788	59,676	-	67,165
013	78,468	-	109,864	282	47,182	-	54,117	505	34,776	-	38,484	595	47,652	-	57,868	796	55,624	-	73,694
014	83,653	-	117,118	285	47,426	-	54,482	508	35,785	-	41,225	596	49,472	-	60,080	798	64,697	-	83,770
015	89,161	-	124,823	287	46,421	-	56,292	510	37,727	-	41,863	597	58,697	-	71,293	801	46,992	-	63,230
016	95,030	-	133,049	288	48,696	-	59,175	515	36,216	-	44,277	598	55,374	-	67,258	804	62,007	-	66,005
017	101,293	-	141,815	290	46,325	-	58,682	516	38,595	-	43,837	599	60,537	-	77,914	808	65,274	-	70,509
018	107,973	-	151,159	291	47,623	-	62,287	520	39,507	-	44,277	600	32,290	-	38,989	812	70,555	-	75,263
019	115,085	-	161,113	300	29,052	-	34,313	522	39,604	-	44,865	602	37,564	-	46,013	813	67,839	-	82,289
020	122,663	-	171,735	305	30,107	-	35,021	525	40,469	-	45,577	604	43,846	-	58,711	831	58,553	-	71,051
				309	28,064	-	34,432	526	39,604	-	47,367	606	51,595	-	66,379	835	65,756	-	79,809
036		-	3,000	314	31,724	-	37,271	528	39,952	-	46,569	607	64,697	-	77,134	836	68,351	-	82,967
037		-	4,200	324	31,234	-	35,900	529	26,216	-	27,997	619	42,235	-	50,465	839	76,777	-	93,216
040		-	6,350	325	32,647	-	35,891	530	41,395	-	46,862	620	44,077	-	59,792	842	86,250	-	104,745
041		-	6,600	329	31,895	-	36,708	532	39,522		45,159	621	54,563	-	64,671	850	37,623	-	63,230
047		-	51,646	330	35,363	-	38,963	534	38,769	-	45,695	622	52,283	-	67,910	853	47,341	-	66,938
050		-	14,960	335	34,077	-	37,568	535	40,191	-	45,695	624	50,098	-	59,792	856	60,434	-	70,509
148	53,996	-	127,810	338	36,538	-	40,287	536	41,151	-	45,371	625	55,624	-	73,694	857	67,839	-	82,289
200	28,401	-	35,171	340	34,776	-	38,484	540	43,909	-	50,147	626	56,941	-	67,910	858	37,681	-	50,282
205	30,289	-	37,292	345	37,727	-	41,863	541	43,909	-	52,069	627	62,015		73,926	863	73,592	-	89,370
210	32,582	-	38,128	347	39,158	-	42,272	542	45,906	-	52,069	628	64,697	-	77,134	865	82,683		100,435
215	35,585	-	39,024	350	38,595	-	43,028	544	45,210	-	52,861	629	64,697	-	83,770	867	110,434	-	134,202
220	35,939	-	39,458	355	39,507	-	44,277	545	45,210	-	51,824	630	73,558	-	87,622				
225	36,293	-	39,892	360	40,469	-	45,577	546	45,210	-	55,273	635	37,109	-	42,556				
230	36,582	-	40,287	400	24,733	-	31,316	547	46,421	-	56,292	640	39,604	-	44,865				
235	37,409	-	41,311	405	26,941	-	31,664	548	50,447	-	59,247	642	46,421	-	56,292				
238	37,833	-	41,791	406	27,574	-	35,041	549	51,455	-	60,432	644	53,594	-	65,123				
240	38,258	-	42,272	410	28,057	-	33,014	550	46,607	-	53,328	646	59,851	-	71,785				
245	39,175	-	43,310	415	29,487	-	34,432	553	46,607	-	55,379	665	37,236	-	43,182				
247	40,942	-	45,397	424	29,479	-	35,296	555	48,133	-	54,958	666	46,019	-	56,468				
248	39,642	-	44,095	425	31,915	-	35,305	556	48,133	-	58,690	670	55,883	-	67,624				
249	39,724	-	44,407	430	34,653	-	38,095	557	49,214	-	57,139	694	44,564	-	50,580				
250	40,110	-	44,880	435	33,326	-	36,718	558	46,607	-	57,254	696	48,944	-	56,183				
251	37,998	-	44,407	437	36,028	-	41,678	559	53,631	-	61,842	698	50,621	-	58,137				
252	40,676	-	45,425	440	36,170	-	39,875	560	51,455	-	58,748	704	39,039	-	42,827				
254	39,643	-	45,922	441	34,405	-	37,897	565	52,960	-	62,123	710	41,105		45,197				

Rates for various unions or nonmanagement/nonrepresented differ somewhat, as specified in the Salary Ordinance. According to the Salary Ordinance, in no case shall the salary of any city official exceed that of the Mayor.

CURRENT RATES (Continued)

Pay Range		Hourly Rate			Pay Range		Hourly Rate			Pay Range	Hourly Rate			Pay Range	Hourly Rate
902		7.57	-	8.84	936	**	19.24			958	28.52			987	27.32
906		7.75	-	9.46	939		13.49	-	14.18	960	27.56			988	30.13
910		10.09	-	13.24	940		18.46	-	20.26	961	28.26			989	32.85
918		8.98	-	10.47	943		10.00			962	27.98			990	28.98
923		10.33	-	11.61	944		12.00			974	18.35	-	22.70	991	30.84
924		11.00	-	13.52	945		13.00			975	14.77	-	26.59	992	30.88
925	**	10.83			948	***	84.15			978	29.55			993	29.35
926		11.67	-	13.24	950		46.95			981	26.43				
927		12.83	-	15.25	951	**	19.94	-	21.45	982	27.46				
928		12.24	-	15.18	954		22.27			983	26.81				
929		12.02	-	12.68	955	**	21.91			984	27.14				
930		13.93	-	17.52	956		26.57			985	29.42				
934	**	28.58			957		27.24			986	27.85				

** Official Rate - Biweekly *** Official Rate - Daily

2011 Budget for 2011 Budget Purposes

The individual salary and wage rate lines were based on 2009 rates of pay for most salary groups. No additional funding is provided in the Wages Supplement Fund to supplement departmental salary and wage accounts during 2011 since current collective bargaining agreements freeze wage benefits for 2011.

SCHOOL BOARD BUDGET
(NOT UNDER THE CONTROL OF THE COMMON COUNCIL)
(FOR INFORMATIONAL PURPOSES ONLY)

A. BUDGET FOR SCHOOL BOARD*

	2008 - 2009 Budget	2009 - 2010 Budget	2010 - 2011 Budget	2011 - 2012 Budget
Appropriations and Expenditures	$1,005,850,288	$1,072,818,849	$1,046,455,787	$975,327,119
Total Appropriations and Expenditures	**$1,005,850,288**	**$1,072,818,849**	**$1,046,455,787**	**$975,327,119**

B. SOURCE OF FUNDS FOR SCHOOL BOARD*

Non-Property Tax Revenue and Surpluses	$718,071,588	$776,985,735	$752,948,779	$677,540,325
Tax Levies				
Property Tax Levy	$287,778,700	$295,833,114	$293,507,008	$297,786,794
Total Financing of School Board Budget	**$1,005,850,288**	**$1,072,818,849**	**$1,046,455,787**	**$975,327,119**

* School Board budget is based on fiscal year ending June 30.

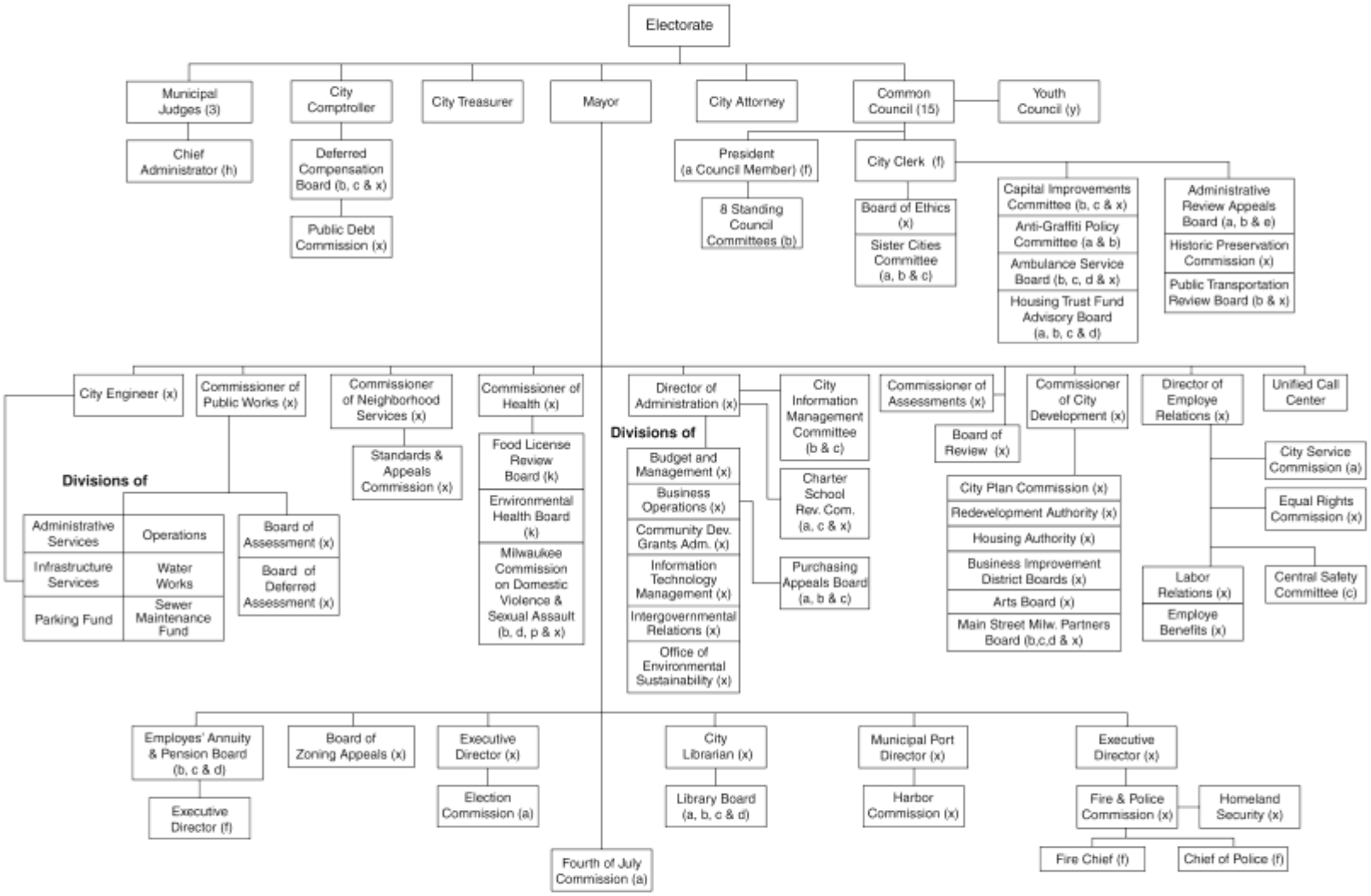
SECTION II. SUMMARY OF BORROWING AUTHORIZATIONS
(Including School Purposes)

	2010	2011	2012
General Obligation Bonds or Short Term Notes			
New Borrowing			
General City Purposes	$75,079,580	$74,656,897	$75,098,100
Schools	2,000,000	2,000,000	2,000,000
Subtotal New Borrowing	**$77,079,580**	**$76,656,897**	**$77,098,100**
Carryover Borrowing*	(150,190,863)	(96,217,031)	(127,452,750)
Subtotal	**$77,079,580**	**$76,656,897**	**$77,098,100**
Special Assessment Borrowing			
New Borrowing	$770,000	$545,200	$1,065,600
Carryover Borrowing*	(8,582,492)	(3,680,449)	(1,911,319)
Subtotal	**$770,000**	**$545,200**	**$1,065,600**
Contingency Borrowing			
New Borrowing	$150,000,000	$150,000,000	$200,000,000
Carryover Borrowing*	(0)	(0)	(0)
Subtotal	**$150,000,000**	**$150,000,000**	**$200,000,000**
Tax Incremental District Borrowing			
New Borrowing	$23,222,323	$22,000,000	$22,000,000
Carryover Borrowing*	(164,578,922)	(164,297,654)	(137,942,604)
Subtotal	**$23,222,323**	**$22,000,000**	**$22,000,000**
Delinquent Taxes Borrowing			
New Borrowing	$24,000,000	$28,000,000	$37,000,000
Carryover Borrowing*	(0)	(0)	(0)
Subtotal	**$24,000,000**	**$28,000,000**	**$37,000,000**
Revenue Anticipation Borrowing			
New Borrowing	$400,000,000	$400,000,000	$400,000,000
Carryover Borrowing*	(0)	(0)	(0)
Subtotal	**$400,000,000**	**$400,000,000**	**$400,000,000**
Water Works Borrowing			
New Borrowing	$0	$4,045,000	$8,690,000
Carryover Borrowing*	(12,275,000)	(11,600,000)	(4,020,000)
Subtotal	**$0**	**$4,045,000**	**$8,690,000**
Sewer Maintenance Fund Borrowing			
New Borrowing	$21,337,000	$33,933,000	$37,510,000
Carryover Borrowing*	(85,755,826)	(21,040,802)	(52,998,573)
Subtotal	**$21,337,000**	**$33,933,000**	**$37,510,000**
Total All Borrowing			
New Borrowing	$696,408,903	$715,180,097	$783,363,700
Carryover Borrowing*	(421,383,103)	(296,835,936)	(324,325,246)
Total	**$696,408,903**	**$715,180,097**	**$783,363,700**

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

CITY OF MILWAUKEE ORGANIZATION CHART

Source: City Clerk's Office • December 2011



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

I. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

PROPERTY TAX SUPPLEMENTED FUNDS
SUMMARY OF EXPENDITURES

EXPENSE CATEGORY	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
A. General City Purposes	$578,281,923	$591,097,740	$590,373,797	$-723,943
B. Employees' Retirement	112,547,305	91,552,796	87,566,061	-3,986,735
C. Capital Improvements	93,974,857	117,962,597	113,456,700	-4,505,897
D. City Debt	214,454,658	323,861,766	294,741,146	-29,120,620
F. Contingent Fund	[4,098,228] *	5,000,000	5,000,000	0
TOTAL	$999,258,743	$1,129,474,899	$1,091,137,704	$-38,337,195

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

A. GENERAL CITY PURPOSES

1. BUDGET APPROPRIATIONS AND EXPENDITURES

DEPARTMENT OF ADMINISTRATION

EXECUTIVE SUMMARY

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

OBJECTIVES: Reduce the currently projected proportion of the 2012-2016 city tax levies allocated to non-discretionary purposes in a fiscally responsible manner.

Identify, prioritize, and target five racial, social, and economic disparities in the community that city government can work to reduce.

Increase the ongoing level of external, non-stimulus funding available for achieving strategic objectives.

Increase efficiency in citywide operation of facilities and information technology.

STRATEGIES: Develop budgets and fiscal policy that enable stable financing of long term obligations.

Implement the MORE ordinance and changes to existing programs to increase the number of new EBE firms located in Milwaukee.

Improve energy efficiency in city buildings and facilities and purchase more energy efficient vehicles.

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

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	64.59	64.14	72.05	7.91
FTEs - Other	34.25	39.26	35.80	-3.46
Total Positions Authorized	106	110	114	4
EXPENDITURES				
Salaries and Wages	$4,323,918	$4,215,217	$4,633,770	$418,553
Fringe Benefits	2,109,245	2,023,304	2,316,886	293,582
Operating Expenditures	514,772	679,357	813,557	134,200
Equipment	17,975	18,000	12,000	-6,000
Special Funds	1,327,194	1,205,000	1,190,000	-15,000
TOTAL	$8,293,104	$8,140,878	$8,966,213	$825,335
REVENUES				
Charges for Services	$216,745	$103,000	$117,900	$14,900
Miscellaneous	307,991	328,000	320,300	-7,700
TOTAL	$524,736	$431,000	$438,200	$7,200

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

Strategies and Milestones for 2012

Objective: Reduce proportion of the property tax levy allocated to non-discretionary purposes.	
Strategies	**2012 Milestones**
Improve the diversification of the city's revenue structure.	Equity in transforming the solid waste charge. Modify pooled cash investment policy.
Develop budgets and fiscal policy that enable stable financing of long term obligations.	Evaluate the impacts of the city's health care cost containment strategy on retiree health care benefits and recommend appropriate strategy modifications to manage OPEB liability growth. Develop alternatives for retirement system funding that manage the growth of employment contributions in a manner consistent with actuarial standards. Limit 2012 newly authorized levy supported GO borrowing to a level consistent with meeting the three year rolling average of $75 million annually.
Objective: Enhance transit options and existing infrastructure.	
Strategies	**2012 Milestones**
Reduce local street replacement cycle to 65 years by 2014.	Adopt 2012 budget with a budget of at least $14 million for local streets, including funding for street preservation and LRIP.
Establish a regional transportation strategy, including a Locally Preferred Alternative.	Identify financial strategy for local match of the Milwaukee streetcar project.

Strategies and Milestones for 2012

Objective: Identify, prioritize, and target racial, social, and economic disparities in the community that city government can work to reduce.	
Strategies	**2012 Milestones**
Prioritize reductions to racial disparities where the city can have an impact.	Resolve barriers to voting access caused by the new voter identification law.
Implement the Disparity Study recommendations, which were adopted as city policy during 2009.	Increase the number of contacts to new EBE firms located in the city.
Objective: Increase external funding for achieving strategic objectives.	
Strategies	**2012 Milestones**
Maintain and expand *I Have a Dream Milwaukee* program to empower youth to go to college.	Secure 10% increase in funding.
Objective: Increase efficiency in citywide operations of facilities and information technology.	
Strategies	**2012 Milestones**
Increase enterprise focus of Information Technology Services.	Implement the citywide land management system and initiate management responsibilities of RACM databases and IT systems.

STRATEGY IMPLEMENTATION

Fiscal Sustainability: A key DOA goal is improving the city's fiscal sustainability. DOA's long term objective is to increase the level of non-property tax, non-municipal service fee revenues as a proportion of the General Fund budget by 2%. As a result of declines in State Shared Revenue, state imposed municipal levy limits, and the Expenditure Restraint Program, increasing local own source revenue is necessary to improve the city's long term fiscal sustainability.

The 2012 budget includes a change in the city's approach to investing available fund balances, sometimes referred to as "idle cash." Currently, the City Treasurer provides this function, pursuant to statutory limitations under s. 66.0603. The current interest rate environment, combined with the emphasis on liquidity and safety, have resulted in the General Fund portion of investment income declining from $8.8 million in 2006 to a projected level of less than $1 million for 2011.

The 2012 budget implements an initiative to increase investment income, while remaining in compliance with statutory limitations and the need to ensure adequate liquidity to serve the city's cash flow requirements. The Common Council, via File 070880, authorized the Public Debt Commission to issue up to $150 million of commercial paper, as part of an overall city borrowing program which may include the issuance of commercial paper for cash flow management and improved investment return. In 2012, the Comptroller is provided with the authority to invest available fund balances, with the additional provision to use private investment management where it is feasible and cost effective. This change capitalizes on the existing commercial paper facility to ensure adequate liquidity and available private money management expertise to increase the city's non-property tax revenue potential.

The commercial paper facility allows managing the city's pooled cash investments actively while ensuring the liquidity necessary for city operations. This establishes an enhanced performance allocation of pooled cash of at least $100 million, allowing private fund managers to provide superior yield on this "core" portion. Funds will be invested in accordance with State Statue 66.0603. Through the designation of the "core" Pooled Cash, fund managers will generate additional yield by extending the duration of investments to one to three years, with the possibility of a portion of the funds being invested in instruments of three to seven years. In the event remaining Pooled Cash should fall below the necessary threshold, the city will issue short term Commercial Paper to provide additional funds on a temporary basis.

This revised approach is estimated to result in additional investment return of approximately 150 basis points annually.

Enhancing Transit and Infrastructure: Milwaukee is a regional and statewide transportation hub, which provides economic benefits to the city. However, this creates a need to maintain and improve the transit and infrastructure in the metropolitan area. The city needs to ensure sufficient replacement cycles for its core infrastructure systems, including major and local streets. The goal is to achieve a local street replacement cycle of at least 65 years by 2014. As fiscal sustainability improves, the amount of replacement miles budgeted on an annual basis will increase.

The City of Milwaukee is one partner in a regional transportation system that encompasses surrounding municipalities, counties, and state government. DOA will work with the Mayor and the Common Council to establish a regional transportation strategy including adoption of a Locally Preferred Alternative, revision of the Downtown Plan, and a financial strategy for a local match, so that the city and its regional and state partners can work collaboratively on improving the metropolitan transit system. This improvement is critical to sustaining the economic growth supported by an effective transit system.

Environmental Sustainability: The DOA Office of Environmental Sustainability (OES) through its own initiatives, and in collaboration with partners, seeks to create a sustainable city through closer strategic alliance with Milwaukee's businesses, community and environmental advocacy groups, and philanthropic organizations. The OES mission is to position Milwaukee as a leader in environmental sustainability by advocating economic development policies that incorporate the "triple bottom line" of sustainable development; people, planet and profits. OES has three goals:

- Improving sustainability and economic efficiencies of city operations;
- Improving area businesses' sustainability and competitiveness; and
- Improving community sustainability and livability.

OTHER SERVICE AND BUDGET CHANGES

Administrative Centralization: As part of the Administration's goal to create centralized resources, the 2012 budget moves two positions to the Department of Administration from other departments. A Graphic Designer II will move under the Office of the Director from the Milwaukee Health Department. This position will provide citywide design services to effectively communicate enterprise changes, community outreach, and citizen information campaigns such as voter identification law changes or census counts. There is a need for timely and available graphic design resources citywide. This position will be available centrally to aid with special projects in the Department of Administration, the Department of Employee Relations, the Election Commission, as well as continuing communication efforts for the Milwaukee Health Department.

Additionally, the 2012 budget provides the Business Operations Division of DOA additional resources for Department of Public Works (DPW) related procurements. A significant backlog has developed in DPW purchasing and contracting, resulting in delays and loss of best pricing for some projects. The 2012 budget eliminates the Inventory and Purchasing Coordinator position in DPW Administration and reallocates that funding for a new Purchasing Agent in the Department of Administration Business Operations Division. This position will

focus on DPW purchasing and contracts as outlined in a Service Level Agreement signed by the management of each organizational unit.

Information Technology Management: The 2012 budget continues to align information technology resources with service needs and the city's fiscal circumstances. In 2010, the city's Chief Information Officer (CIO) took an expanded role in citywide information technology cost management. This included a thorough review of IT professional contracts and citywide IT staffing levels. The CIO will continue to assess the feasibility and appropriateness of certain technology services to be considered for consolidation within ITMD. In the 2012 budget, ITMD will take over management of the Redevelopment Authority database and information technology.

2012 Budget by Services (Funding in Millions)

Service	**Office of the Director and Budgeting and Financial Management**	
Activities:	Operating and capital budget administration and planning, forecasting, revenue analysis, strategic and fiscal planning, performance measurement, environmental sustainability, homeland security, and workforce development.	
		2012 Projection
Performance Measures:	Increase in general city non-tax levy own source revenues.	5.0%
	Meet expenditure restraint program expenditure limit.	Yes
	Implement six service improvements through the AIM process.	6
	Percentage reduction in energy use in city facilities.	3.0%
	Percentage reduction in stormwater runoff from city properties.	1.0%
Funding by Source:	Operating Funds	$1.6
	Totals	**$1.6**
Service	**Grants Management**	
Activities:	Grants administration, coordination, and planning.	
		2012 Projection
Performance Measures:	Dollar amount of new grant funding.	$1,000,000
	Number of successful grant applications.	8
Funding by Source:	Operating Funds	$0.1
	Grants and Reimbursables	$1.2
	Totals	**$1.3**
Service	**Information Technology and Management**	
Activities:	Enterprise systems, Geographic Information Systems, information policy, systems development and support, E-Government, and city website.	
		2012 Projection
Performance Measures:	Number of "visits" on the city's website.	5,000,000
	Number of service requests processed through the city's website.	10,000
	Number of registered E-Government users.	36,000
	Number of E-Notify subscribers.	15,000
Funding by Source:	Operating Funds	$5.5
	Special Purpose Accounts	$0.1
	Capital Budget	$0.6
	Totals	**$6.2**

2012 Budget by Services (Funding in Millions)

Service	**Procurement and Materials Management**	
Activities:	Purchasing administration, competitive bidding, contract administration, Procard administration, inventory monitoring, Emerging Business Enterprise, and material disposal and sale.	
		2012 Projection
Performance Measures:	Number of purchasing appeals.	2
	Number of EBE certifications and recertifications.	90
	EBE participation rate.	18.0%
	Percent of requisitions for items under $5,000.	25.0%
	Number of Procard transactions.	16,000
Funding by Source:	Operating Funds	$1.2
	Grants and Reimbursables	$0.3
	Totals	**$1.5**
Service	**Intergovernmental Relations**	
Activities:	Intergovernmental relations, lobbying, fiscal and budget analysis, and planning.	
		2012 Projection
Funding by Source:	Operating Funds	$0.5
	Totals	**$0.5**

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		Graphic Designer II	Centralized citywide access to graphic design services.
1		0.50	Graduate Intern	Additional Environmental Sustainability programming.
-1	-1.00	.	Office Assistant II	Reduced administrative workload due to reorganization of duties.
1	1.00		Purchasing Agent (DPW)	Additional capacity needed for timely processing of DPW purchases.
2	1.00	1.00	Programmer Analyst	Centralization of RACM and DCD information technology maintenance.
	5.91	-4.96	Various Positions	Reduced capital and grant deductions and various other funding changes.
4	**7.91**	**-3.46**	**Totals**	

ASSESSOR'S OFFICE

EXECUTIVE SUMMARY

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

OBJECTIVES: Improve customer service and transparency in assessment operations.

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

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

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

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	42.55	42.55	42.55	0.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	56	56	56	0
EXPENDITURES				
Salaries and Wages	$2,888,134	$2,764,870	$2,595,199	$-169,671
Fringe Benefits	1,390,927	1,327,138	1,297,600	-29,538
Operating Expenditures	430,996	417,700	578,426	160,726
Equipment	0	0	0	0
Special Funds	172,169	156,000	156,000	0
TOTAL	$4,882,226	$4,665,708	$4,627,225	$-38,483
REVENUES				
Charges for Services	$388,241	$305,500	$300,000	$-5,500
TOTAL	$388,241	$305,500	$300,000	$-5,500

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

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

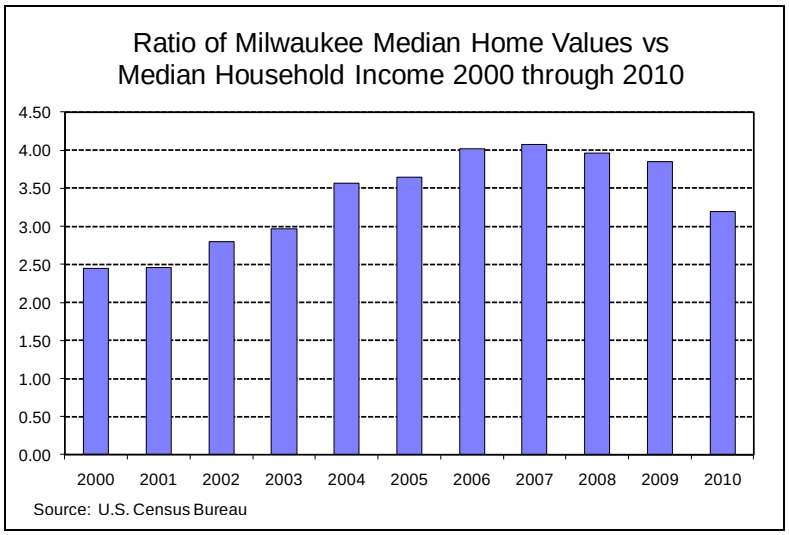
Strategies and Milestones for 2012

Objective: Improve customer service and transparency in assessment operations.	
Strategies	**2012 Milestones**
Increase ease of taxpayers and property owners in accessing, acquiring, and understanding information.	Reduce public requests for general information by 5% via increased availability of information on website. Increase the availability of assessment and housing market related information on the Internet.
Objective: Increased accuracy of assessments, reducing the need for appeals and changes to final property tax revenues.	
Strategies	**2012 Milestones**
Continued accuracy of information.	Number of assessment appeals remain at or below levels that have been maintained since 2004.
Implement a proactive program to challenge assessment appeals made under s. 74.37.	City Attorney providing dedicated staff for review and litigation of appeals.
Limit property value shifts or property value assessment exemptions to minimize impact to residential sector.	Monitor residential value as percentage of total assessed value.

STRATEGY IMPLEMENTATION

The performance of the Assessor's Office in producing fair, accurate, and equitable assessments is measured statistically in a number of ways. One key statistic is the assessment ratio, which compares the assessed value of sold homes with their sale prices. The Assessor's Office reached its goal of residential assessments being within 96% of sales prices in 2010. As shown in Figure 1, increases in Milwaukee residential home values outpaced residents' gains in income from 2000 through 2007. Market conditions from 2008 through 2010 complicated home pricing. The maintenance of a 96% assessment ratio reflects continued assessment accuracy in a complicated housing market.

Figure 1



The Assessor's Office has used technology, strong recordkeeping, and other efficiency improvements to increase its productivity by nearly 50% between the 1999 and 2011 assessment years (see Figure 2). These improvements have occurred with taxable land parcels increasing by 7,000 and Full Time Equivalent staffing levels decreasing 17%.

The coefficient of dispersion and the Price Related Differential (PRD) further test the uniformity of assessments. The coefficient of dispersion measures the tendency of assessments to reflect sales values for the year (see Figure 3). For example, if the target is an assessment level of 100%, and the coefficient of dispersion is 10, this means that the average assessment is within 10% of that 100% target. The PRD is a statistical measure used to determine if assessments are favoring one class of homeowners over another. If this differential is greater than 1, the assessment is regressive (advantageous to those with higher property values); if it is less than 1, the assessment is progressive (advantageous to those with lower property values). The Assessor's Office had a PRD of 1.01 for the 2010's assessment cycle, indicating a high degree of accuracy and fairness in valuing property despite the challenging housing market.

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

The City of Milwaukee, had nearly 7,000 tax exempt properties in 2011 with an estimated exempted value of more than $4 billion. To protect the city's tax base, the Assessor's Office critically reviews all tax exemptions on an ongoing basis to ensure that all exempt properties continue to serve the public good and provide the services that rendered them tax exempt. The Assessor's Office has also worked with some non-profit organizations and colleges and universities to have these organizations provide Payments in Lieu of Taxes (PILOTs) as part of agreements related to new development.

Figure 2

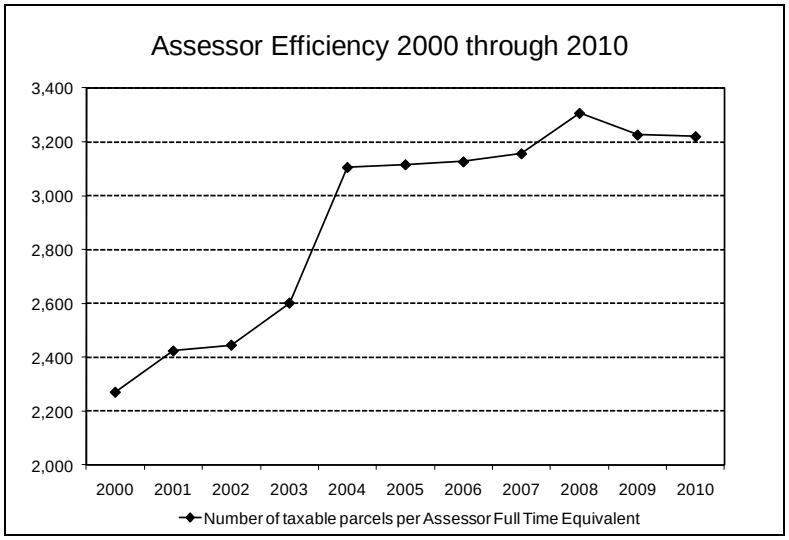


Figure 3

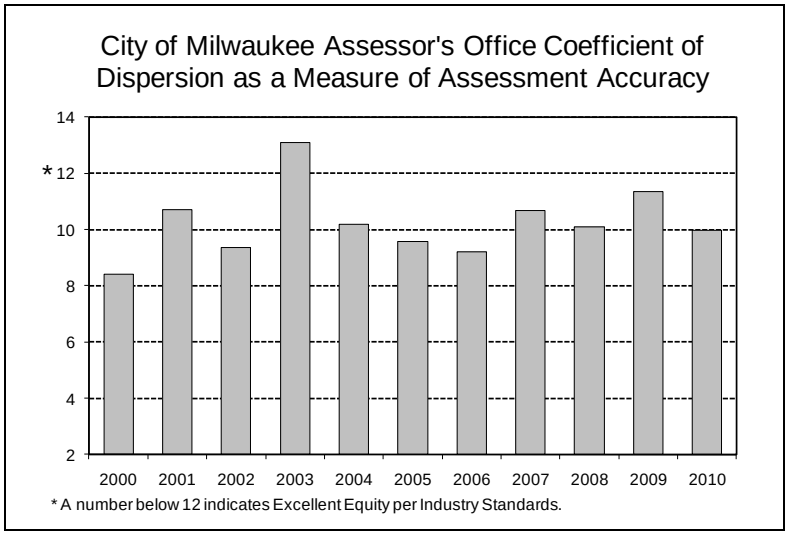
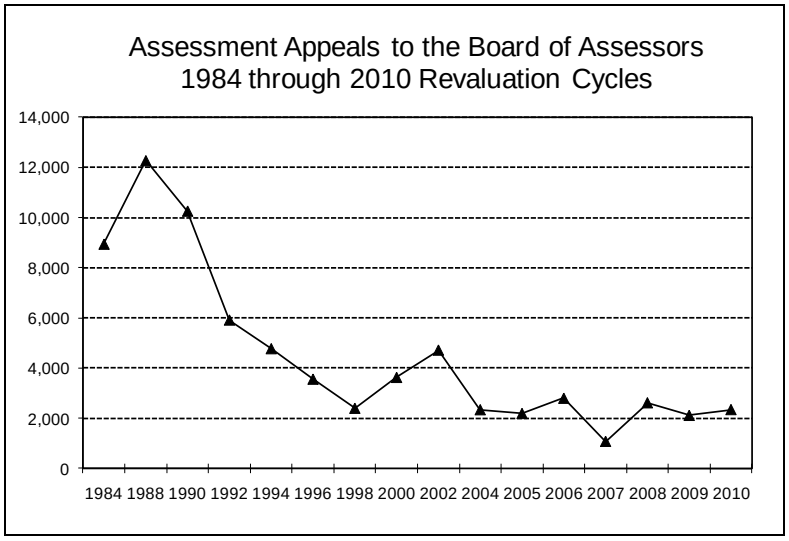


Figure 4



OTHER SERVICE AND BUDGET CHANGES

The Assessor's Office will decrease total expenditures from the 2011 budget by $54,283 (1.2%) to $4.6 million. This decrease is the net result of increases in professional legal services, fringe benefit costs, and printing and mailing, as well as decreases in salaries and wages. The Assessor's Office will be staffed in 2012 at 2011 levels.

The Assessor's Office constantly works to improve its assessment efficiency and accuracy, including initiatives to update technology, maintaining up-to-date information on land parcels and the housing market.

2012 Budget by Services (Funding in Millions)

Service	**Property Assessment**	
Activities:	Assessment of real and personal property, supporting the Board of Assessors and Board of Review, reviewing exemption requests.	
		2012 Projection
Performance Measures:	Assessment level.	95%-105%
	Coefficient of dispersion.	<12.0
	Price related differential.	1.00
Funding by Source:	Operating Funds	$3.8
	Special Purpose Accounts	$0.8
	Totals	**$4.6**
Service	**Process Objections**	
Activities:	Timely resolution of objections and appeals to property assessments.	
		2012 Projection
Performance Measures:	Total assessment objections.	2,600
	Number of appeals to Board of Review.	560
Funding by Source:	Operating Funds	$0.7
	Totals	**$0.7**
Service	**Public Information**	
Activities:	Providing prompt and accurate information to taxpayers and property owners of assessment related information.	
		2012 Projection
Performance Measures:	Residential property inquiries.	2,700
	Commercial property inquiries.	1,400
Funding by Source:	Operating Funds	$0.1
	Totals	**$0.1**

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

CITY ATTORNEY

EXECUTIVE SUMMARY

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

OBJECTIVES: Protect the city's interests in litigation.

Improve the quality of life for Milwaukee residents.

Manage risk so that liabilities do not disrupt finances.

STRATEGIES: Assess and defend claims, lawsuits, and administrative cases.

Provide legal advice and policy options to city officials and departments.

Community prosecution initiatives to abate nuisances.

Vigorously prosecute ordinance violations.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	53.50	56.80	55.98	-0.82
FTEs - Other	2.15	2.25	2.07	-0.18
Total Positions Authorized	63	63	63	0
EXPENDITURES				
Salaries and Wages	$5,355,470	$4,852,650	$4,767,705	$-84,945
Fringe Benefits	2,380,600	2,329,272	2,383,853	54,581
Operating Expenditures	417,692	413,000	427,500	14,500
Equipment	56,839	79,000	50,000	-29,000
Special Funds	0	0	0	0
TOTAL	$8,210,601	$7,673,922	$7,629,058	$-44,864
REVENUES				
Charges for Services	$784,282	$888,000	$781,000	$-107,000
TOTAL	$784,282	$888,000	$781,000	$-107,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

The City Attorney is a publicly elected official and conducts all of the legal business for the city and its "clients" including departments, boards, commissions, and other city government agencies. The City Attorney's Office

handles litigation and maintains a docket of cases to which the city may be a party, provides legal advice and opinions, and prepares and examines legislation for the Common Council. In addition, the City Attorney is responsible for drafting all legal documents that are required in conducting the business of the city, in collecting claims and delinquencies, and in prosecuting city ordinance violations.

Strategies and Milestones for 2012

Objective: Protect the city's interest in litigation and interest arbitration.	
Strategies	**2012 Milestones**
Assess merits of claims, lawsuits, and administrative cases. Vigorously defend the city's interest.	Number of claims resolved through denial or settlement. Number of lawsuits filed and resolved.
Provide legal advice and support to city officials and departments.	Legal opinions drafted. Resolutions and ordinances prepared and reviewed. Contracts and other legal documents drafted.
Objective: Improve quality of life for Milwaukee residents.	
Strategies	**2012 Milestones**
Continue Community Prosecution Unit initiatives to abate nuisance properties, investigate problem licensed premises, and prosecute prostitution activity in conjunction with other departments and residents.	Number of referrals received and closed. Number of lawsuits initiated and closed.
Prosecute violations of city ordinances in Municipal Court.	Number of ordinance violations resolved through dismissal, settlement, or trial.

STRATEGY IMPLEMENTATION

The primary objective of the City Attorney's Office is to protect the legal interests of the City of Milwaukee. The department has two indicators that measure achievement of this objective. The first is the percent of cases resolved by pre-trial evaluation. After a defendant has passed through intake, the City Attorney's Office tries to resolve the case without further court appearances. If cases can be resolved in this manner, court time can be used for more serious offenses. As shown in Figure 1, in 2010 cases resolved by pre-trial evaluation remained at 48%.

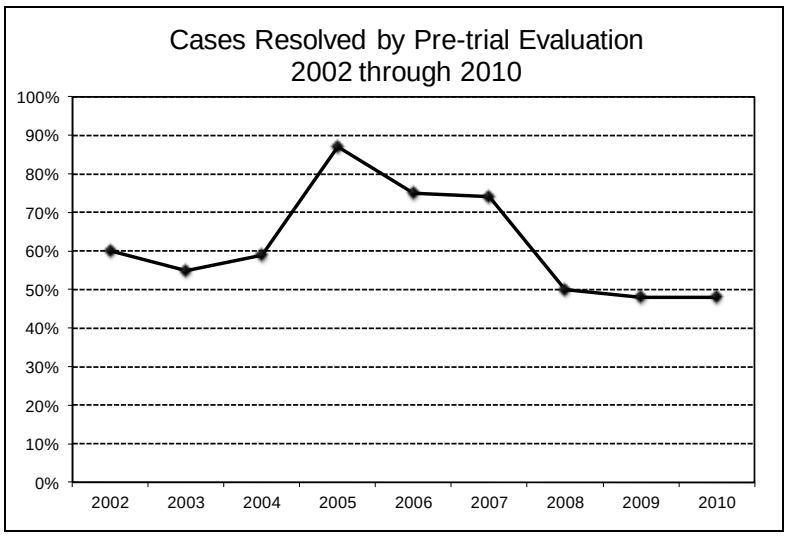
The second measure is the percent of claims filed three years prior that result in lawsuits. When claims between the city and claimant cannot be resolved they expose the city to increased liability and additional time spent in court. Therefore, it is in the best interests of the city to minimize the number of claims that proceed to litigation. However, claimants have three years after filing a claim to file a lawsuit. In 2010, 15% of claims filed three years prior resulted in lawsuits.

OTHER SERVICE AND BUDGET CHANGES

Community Prosecution: Since 2005, the Community Prosecution Unit of the City Attorney's Office has collaborated with community agencies and other City of Milwaukee departments to abate nuisance properties, eliminate known drug and gang houses, investigate problem licensed premises, and prosecute prostitution activity.

Community prosecutors actively assist the Police Department by focusing on problem properties in specific neighborhoods. The unit includes assigned Police Officers, an inspection team from the Department of Neighborhood Services, and City Attorney staff. In 2010, 708 general nuisance referrals have been opened, closed, or are being actively investigated and monitored.

Figure 1



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 2012 budget provides $1.3 million for the Damages and Claims Fund for anticipated liability exposure. The Collection Contract Fund is funded at $960,000, in line with projected expenditures. Policy premiums of $450,000 are required for the Local Government Insurance Fund. The Outside Counsel/Expert Witness Fund maintains funding of $430,000 to prepare for upcoming lawsuits. The Nuisance Abatement Fund is provided $25,000 in 2012 to abate commercial or residential properties that have been officially declared a nuisance.

Community Development Block Grant (CDBG) Funding: Due to a decrease in overall CDBG funding, the City Attorney's Office will receive no grant funding in 2012. However, the City Attorney's Office will continue to provide legal services to CDBG and fund the costs in their operating budget.

Position Change: Due to fiscal constraints in 2012, one vacant Assistant City Attorney position is unfunded and converted to an Auxiliary position.

2012 Budget by Services (Funding in Millions)

Service	**City Attorney Legal Services**	
Activities:	Prepare and review corporate and general documents, special legal services, represent the city in litigation cases, collection enforcement, and ordinance violation prosecution.	
		2012 Projection
Performance Measures:	Cases resolved by pre-trial evaluation.	47.0%
	Claims that result in lawsuits (reflects claims filed three years prior).	5.0%
Funding by Source:	Operating Funds	$7.6
	Capital Budget	$0.0
	Grants and Reimbursables	$0.2
	Special Purpose Accounts	$3.1
	Totals	**$11.0**

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	-1.00		Assistant City Attorney	Vacancy unfunded and converted to an Auxiliary position.
	0.18	-0.18	Assistant City Attorney	Grant funding decreased.
0	**-0.82**	**-0.18**	**Totals**	

DEPARTMENT OF CITY DEVELOPMENT

EXECUTIVE SUMMARY

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

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

Become ranked in top 30 of 50 largest cities by showing an upward trend in job growth by 2012.

STRATEGIES: Increase ease and efficiency of permit process by promoting use of the E-permit system.

Work vigorously to reduce the impact of high rates of residential foreclosures on Milwaukee neighborhoods.

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

Identify 20 acres for spot acquisition or brownfield redevelopment.

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

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

Continue the Earn & Learn Summer Youth Employment program.

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

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

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	46.42	39.70	41.35	1.65
FTEs - Other	84.07	108.30	88.65	-19.65
Total Positions Authorized	201	204	163	-41
EXPENDITURES				
Salaries and Wages	$2,908,258	$2,593,792	$2,819,913	$226,121
Fringe Benefits	1,369,139	1,245,020	1,409,957	164,937
Operating Expenditures	253,416	266,000	266,000	0
Equipment	0	0	0	0
Special Funds	80,791	236,144	186,144	-50,000
TOTAL	$4,611,604	$4,340,956	$4,682,014	$341,058
REVENUES				
Charges for Services	$303,267	$308,200	$417,300	$109,100
Licenses and Permits	622,904	454,000	495,100	41,100
Miscellaneous	315,628	150,000	250,000	100,000
TOTAL	$1,241,799	$912,200	$1,162,400	$250,200

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

Strategies and Milestones for 2012

Objective:	**Increase the amount of net new construction in the community by 1% or more annually (as measured by the Wisconsin Department of Revenue).**
Strategies	**2012 Milestones**
Increase ease and efficiency of permit process by promoting use of the E-permit system.	Achieve 50% E-permit utilization rate.
Stimulate development by effectively marketing city and Redevelopment Authority owned property for development and redevelopment.	Use new real estate database to improve quality and currency of data regarding city and RACM property, and streamline creation of documents required for transactions.
Stimulate development through employment retention and attraction efforts.	Partner with Milwaukee 7 to respond vigorously to opportunities for business attraction and retention.
Undertake site assembly and/or brownfield redevelopment to create sites for appropriate tax generating or neighborhood serving redevelopment.	Continue redevelopment of Century City and Reed Street Yards business parks.
Objective:	**Become ranked in top 30 of 50 largest cities for job growth by showing an upward trend in employment by 2012.**
Strategies	**2012 Milestones**
Use tools in the department's "toolbox" to provide customized assistance to employers resulting in job attraction and retention.	Use tools like the Development Fund, low interest loans, tax credits, and Tax Incremental Financing to create or retain at least 1,200 jobs.
Improve the disparity between unemployed minority and whites.	Reduce the minority unemployment rate by 10% by 2013 while maintaining a low overall unemployment rate.
Objective:	**Reduce the potential impact on neighborhood blight of foreclosed and abandoned properties.**
Strategies	**2012 Milestones**
Support the purchase and renovation of foreclosed residential properties by homeowner-occupants and responsible developers.	Provide NSP loans and grants to homeowner occupants and developers, and partner with banks to expand private lending for the purchase and renovation of foreclosed properties.

Strategies and Milestones for 2012

Responsibly manage and market tax foreclosed properties.	Sell 125 tax foreclosed properties to new owners.
Improve neighborhood appearance and vitality by continuing the Healthy Neighborhoods and Targeted Investment Neighborhood (TIN) programs.	Assist property owners and neighborhood improvement efforts in 7 "Healthy Neighborhoods" and 12 "Targeted Investment Neighborhoods".
Develop effective strategies to mitigate negative impacts of high rates of home mortgage foreclosures.	Continue efforts through the Neighborhood Stabilization program.
Continue façade and retail investment fund grants, and support to Business Improvements Districts to catalyze small businesses and improve neighborhood commercial corridors.	Provide direct assistance to 35 Business Improvement Districts and at least 80 small businesses.
Objective: Expose 1,000 inner city youth to career environments.	
Strategies	**2012 Milestones**
Provide employment opportunities for teens through the Earn & Learn program.	Partner with the Milwaukee Area Workforce Investment Board to seek resources and develop partnerships to support jobs for 125 youth in City of Milwaukee internships and 1,500 youth in community internships.
Develop the Life Ventures Partnership to connect youth with information about jobs and careers and encourage partnerships among local youth serving agencies receiving Community Development Block Grant funding.	Publish regular Life Ventures Partnership e-mail newsletters for youth, youth serving agencies and employers, and sponsor ongoing training opportunities.
Objective: Improve surface water quality and polluted stormwater runoff by 2018.	
Strategies	**2012 Milestones**
Incorporate bioswales and other passive stormwater retention into the urban landscape.	Incorporate green infrastructure into Neighborhood Commercial District Street Improvement projects.

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.

There was one Tax Incremental District created in 2010. The district was South 27th and West Howard Avenue (TID 76).

South 27th Street and West Howard Avenue: This district includes 17 acres of commercial property bounded by South 27th Street, West Howard Avenue and the south branch of the Kinnickinnic River. Properties in the district include two vacant auto dealerships, a retail mall, a trailer court, the historic Wildenberg Hotel and a new CVS Pharmacy.

Plans for the district will initially focus on the former Foster Pontiac dealership site. The proposal is to convert it into a Buffalo Wild Wings restaurant and additional retail space. The amended plan now provides funding for a median cut in South 27th Street to provide access to the site and landscaping along South 27th Street and the river.

Other key components of the district include redevelopment of the trailer court and the hotel. Another part of the plan is to convert the other vacant auto dealership into retail space.

Development in the Menomonee Valley: Ingeteam, a Spanish company with worldwide operations, will produce electric generators for wind turbines and converters for green energy at its Milwaukee plant. Construction began in the Menomonee Valley Industrial Center in 2010. Ingeteam anticipates employing 275 people at the new 114,000 square foot building. The company's new facility will occupy an 8.1 acre site that Ingeteam purchased from the city at market rates. A package of loans and tax credits, including Wisconsin's new JOBS tax credit and new markets tax credits to be used in construction financing, helped Ingeteam to select Milwaukee.

Small Businesses: The main employers in any community are existing small businesses. In 2010, DCD continued its commitment to the growth of jobs and local industry in Milwaukee through financial and technical assistance provided to small and mid-sized businesses. This assistance comes from the various funds and programs under DCD's control, including facade grants, grant and loan programs.

Through TIDs and these small business programs, DCD reported the following accomplishments in 2010:

- Jobs created: 819
- Jobs retained: 1,223
- New housing constructed: 361 units
- Commercial/industrial space created: 468,000 square feet
- Investment leveraged: $219 million
- Development Center walk-in customers: 13,617
- 101 vacant lots sold that generated $2.8 million in sales revenue and $81 million in expected investment

In 2012, 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, riverfront property, underused industrial properties, and the Memonomee Valley.

Development Center: The City of Milwaukee Development Center is responsible for the processing of all permits for the construction or remodeling of city buildings. The number of permits issued through the Development Center increased from 33,186 in 2009 to 37,888. The department issued 53% of the permits through the online E-permits system in 2010. In 2012, DCD projects it will issue at least 50% of permits online as contractors continue to become more familiar with the system.

Earn & Learn Program: DCD also administers the Earn & Learn program. Earn & Learn assists young people in making a successful transition to adulthood by providing opportunities to develop work readiness skills while they earn wages working in government, community and faith based organizations and private sector businesses. In 2010, DCD placed 160 youth in City of Milwaukee internships and partnered with MAWIB to place 2,136 youth in private and non-profit internships.

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

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

In 2008, Mayor Barrett launched the Milwaukee Foreclosure Partnership Initiative (MFPI) to combat the effects of risking foreclosures on city residents and neighborhoods. More than 100 volunteers came together to develop innovative solutions to address the foreclosure problem. Milwaukee's Common Council also convened the Special Joint Committee on the Redevelopment of Abandoned and Foreclosed Homes to guide the city's efforts for the use of federal funding to address foreclosed homes in city neighborhoods.

Neighborhood Stabilization Program: The federal Neighborhood Stabilization Program (NSP) funding supports several strategies to address the issue of foreclosed homes in city neighborhoods. It includes a set of tools that build on existing programs, as well as new programs. Proposed activities include those that promote homeownership, affordable rental housing, blight elimination and the improvement of city neighborhoods.

Milwaukee has received more than $39 million in NSP funding in the program's three phases. Funds support purchase and rehabilitation of foreclosed properties, selective demolition, new construction and creation of a foreclosed property land bank.

All bank owned foreclosed properties are on the city's foreclosure website with information on financing opportunities and resources available for homeownership. DCD works with local lenders, realtors, home buying counseling agencies and community organizations to market opportunities under the program to prospective homeowners.

CAPITAL PROJECTS

Advanced Planning Fund ($175,000): Funding supports land use, engineering, marketing and economic studies related to economic and real estate development activities.

Neighborhood Commercial District Street Improvement Fund ($500,000): This funding provides a match to Business Improvement District loans to improve the streetscapes and the required city match for approved CMAO projects.

Tax Increment Districts (TIDs): The 2012 budget provides the following TID borrowing authority:

- **New Borrowing for Potential New TIDs ($20 million):** This portion provides funding authority for potential new TIDs created in 2012. These TIDs will still undergo the existing approval process through the Joint Review Board, Mayor, and Common Council.
- **Developer Revenues ($4.3 million):** Provides budget authority to pay the increment on current developer financed TIDs. There are offsetting revenues for these payments.
- **Capitalized Interest ($2 million):** Provides budget authority to pay for interest costs associated with TID borrowing for the first two years of debt service payments.

Healthy Neighborhoods Initiative ($200,000): This initiative provides funding for the city to cooperate with local neighborhood organizations and foundations to promote investment in some of Milwaukee's stronger neighborhoods. Funds are available for various projects including general home improvement and small scale neighborhood projects.

Façade Program ($0.5 million): This funding supports façade improvement grants to businesses.

Brownfield Program ($0.5 million): This funding supports brownfield cleanup.

Housing Infrastructure Preservation Fund ($800,000): This program provides funding for property improvements to housing the city has obtained through foreclosure. The intent is to take housing that currently is not habitable but worthy of restoration or rehabilitation and make necessary improvements to that housing. Use of the fund will prevent further deterioration of properties with a high potential for resale and renovation, and will reduce negative impacts of such properties on their neighborhoods.

2012 Budget by Services (Funding in Millions)

Service	**Economic Development**	
Activities:	Administer Tax Incremental Financing program, support private development investment, small business loans through MEDC, façade grants, retail investment grants, support to BIDs, develop and market industrial corridors, home improvement and infill housing, development permitting and plan review, upgrade streets in neighborhood commercial districts, prepare and market sites for new development, support development of market rate housing, sell city owned real estate for development and brownfield redevelopment.	
		2012 Projection
Performance Measures:	Total number of permits issued.	33,000
	E-permit utilization rate.	48%
	Jobs **created** or **retained** by employers receiving city assistance and support.	1,500
	New housing units constructed with city assistance.	400
Funding by Source:	Operating Funds	$3.8
	Grants and Reimbursables	$14.8
	Capital Budget	$29.0
	Special Purpose Accounts	$0.9
	Totals	**$48.5**
Service	**Federally Assisted Housing**	
Activities:	Operate 5,200 units of public housing for low income residents, administer 5,800 section 8 vouchers for low income residents, implement HOPE VI grants to re-engineer public housing developments, and increase self-sufficiency of public housing residents through partnerships with service providers.	
		2012 Projection
Performance Measures:	U.S. Department of Housing and Urban Development Public Housing Assessment System rating.	Standard Performer
	U.S. Department of Housing and Urban Development Section 8 Voucher program rating.	High Performer
Funding by Source:	Grants and Reimbursables	$66.0
	Totals	**$66.0**

2012 Budget by Services (Funding in Millions)

Service	**Land Use and Policy Planning**	
Activities:	Prepare citywide Comprehensive Plan elements, prepare neighborhood land use and redevelopment plans to guide investment, administer Milwaukee's zoning ordinance, data analysis and policy development, design guidance for city assisted development and redevelopment, and staff support for the City Plan Commission and Historic Preservation Commission.	
		2012 Projection
Performance Measures:	Prepare neighborhood land use and redevelopment plans.	2
Funding by Source:	Operating Funds	$0.9
	Capital Budget	$0.2
	Totals	**$1.1**

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	Accountant II	Change in grant funding.
-1		-1.00	Accounting Assistant II	
-25			Summer Youth Team Leader	Unfunded positions.
1	1.00		Accountant II	Transferred position from RACM.
-1		-1.00	Lead Housing Maitenance Mechanic	Change in HACM - city positions.
-1		-1.00	Custodial Worker II - City Laborer	
-2		-2.00	Office Assistant IV	
-5		-5.00	Building Maintenance Mechanic I	
-1		-1.00	Business Systems Supervisor	
-2		-2.00	Housing Manager II	
-1		-1.00	Building Maintenance Mechanic II	
-1		-1.00	Office Coordinator	
1		1.00	Housing Manager III	
-2		-2.00	Office Assistant III	
-1		-1.00	Rent Assistance Specialist III	
1		1.00	Office Assistant II	
	0.65	-2.65	Various Positions	Miscellaneous experience adjustment.
-41	**1.65**	**-19.65**	**Totals**	

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE (HACM)

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

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

HACM activities include:

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

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE (RACM)

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

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

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

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

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

MILWAUKEE ECONOMIC DEVELOPMENT CORPORATION (MEDC)

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

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

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

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

NEIGHBORHOOD IMPROVEMENT DEVELOPMENT CORPORATION (NIDC)

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

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

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

COMMON COUNCIL CITY CLERK

EXECUTIVE SUMMARY

MISSION: To 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: Produce efficient operations that deliver city government information in a user friendly, understandable manner.

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

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

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

BUDGET SUMMARY

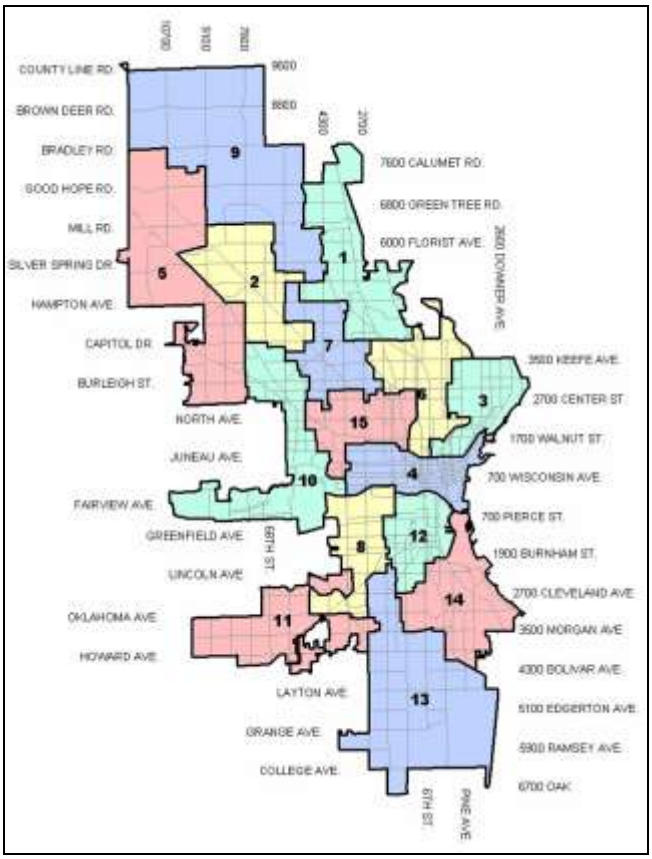
	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	90.30	89.67	92.40	2.73
FTEs - Other	2.00	2.13	3.00	0.87
Total Positions Authorized	113	114	112	-2
EXPENDITURES				
Salaries and Wages	$5,124,310	$5,019,535	$5,043,320	$23,785
Fringe Benefits	2,441,094	2,409,377	2,521,660	112,283
Operating Expenditures	737,597	795,625	862,000	66,375
Equipment	17,633	26,000	29,200	3,200
Special Funds	32,600	37,035	99,035	62,000
TOTAL	$8,353,234	$8,287,572	$8,555,215	$267,643
REVENUES				
Charges for Services	$4,990,788	$4,950,100	$5,143,400	$193,300
Licenses and Permits	2,411,680	2,160,000	2,333,000	173,000
Miscellaneous	0	0	0	0
TOTAL	$7,402,468	$7,110,100	$7,476,400	$366,300

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

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

Map 1



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

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

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

CHANGES IN SERVICES

The Common Council City Clerk's 2012 operating budget totals $8.5 million, a 2.2% increase from the 2011 budget. The City Clerk's budget has been reduced from its request to stay within budgetary constraints. One vacant Legislative Fiscal Analyst Lead position has been eliminated, to streamline operations and meet budgetary goals.

OTHER SERVICE AND BUDGET CHANGES

Increase in Printing and Mailing Costs: Responsibility for processing applications for Food Dealer Licenses was transferred from the Health Department to the City Clerk's License Division in 2011. This additional responsibility has increased the City Clerk's expenditures for printing, mailing, and labeling. In the 2012 budget, $12,375 has been added to the City Clerk's operating budget to fund these expenditures.

Computer System Upgrades: The City Clerk's 2012 budget includes $82,000 for Computer System Upgrades, a $62,000 increase above its 2011 budget. This includes funding for the installation of Microsoft Office 2010 onto

Common Council City Clerk computers, as well as the replacement of eight Aldermanic computers and seven committee laptops.

Changes in Funding Sources: In the City Clerk's 2012 budget, the Public Relations Supervisor and two Graphics Designer II positions are partially funded through the city's Me2 and Milwaukee Shines grant programs. Me2 is funding $33,354 and Milwaukee Shines is funding $31,740 of these three positions. The City Clerk's Office lost $4,000 in CDBG grant funding in the 2012 budget for support for the Historic Preservation Commission. This cost has been added to the City Clerk's operating budget.

Mailing Expenses Reduced: General mailing expenses are reduced by $30,000 in 2012 due to restrictions on Aldermanic mailings during an election year.

Position Changes: The 2012 budget contains an elimination of one O&M position, a Legislative Fiscal Analyst Lead in the Research and Analysis Section of the Legislative Reference Bureau. This vacant position was eliminated in order to meet budgetary goals and is not expected to negatively impact the level of service provided by the Legislative Reference Bureau.

Loss of Grant Funds for Historic Preservation Commission: The City Clerk's Office will not receive CDBG funding in 2012 for the Senior Planner position in the Historic Preservation Commission. The loss of approximately $65,000 in grant funding will be shifted to the operating budget in the 2012 budget.

2012 Budget by Services (Funding in Millions)

Service	**City Government Administration**	
Activities:	Supports the operations of the Common Council and City Clerk's Office, and performs governmental administration functions assigned to the City Clerk. Provides information to the general public regarding the operations of city government.	
		2012 Projection
Funding by Source:	Operating Funds	$5.5
	Totals	**$5.5**
Service	**License Administration**	
Activities:	Issuance and administration of licenses.	
		2012 Projection
Performance Measures:	Number of applications processed.	18,000
	Number of licenses issued.	11,500
	Number of other permits and registrations issued.	1,400
Funding by Source:	Operating Funds	$0.9
	Totals	**$0.9**
Service	**Public Information**	
Activities:	Provides information to the general public regarding the operations and services of city government.	
		2012 Projection
Funding by Source:	Operating Funds	$0.8
	Totals	**$0.8**

2012 Budget by Services (Funding in Millions)

Service	**Legislative Operations**	
Activities:	Establish city ordinances, policies, and budgets for the operation of city government. Provide record keeping, research, and drafting services in support of Council operations.	
		2012 Projection
Funding by Source:	Operating Funds	$1.4
	Totals	**$1.4**

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		Legislative Fiscal Analyst Lead	Vacant position eliminated to meet budgetary goals.
-1	-1.00		Office Assistant II	Position reclassified in Common Council File 101533.
1	1.00		License Specialist	
	1.00	-1.00	Senior Planner (Historic Preservation Commission)	Reduced CDBG funding for city services.
-1			Production Technician (0.5 FTE)	Vacant position eliminated.
	2.73	1.87	Various Positions	Miscellaneous adjustments.
-2	**2.73**	**0.87**	**Totals**	

COMPTROLLER

EXECUTIVE SUMMARY

MISSION: To fulfill the responsibilities of the independently elected Comptroller of the City of Milwaukee.

OBJECTIVES: Create efficiencies to improve the city's financial system and processes.

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

Improve management of the city's pooled cash investments.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2011 ADOPTED VERSUS 2012 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	44.98	51.16	50.16	-1.00
FTEs - Other	8.83	9.34	9.34	0.00
Total Positions Authorized	67	67	67	0
EXPENDITURES				
Salaries and Wages	$3,279,948	$3,302,188	$3,511,933	$209,745
Fringe Benefits	1,588,382	1,585,050	1,755,967	170,917
Operating Expenditures	229,818	410,000	370,000	-40,000
Equipment	79,252	15,000	15,000	0
Special Funds	4,733	8,000	0	-8,000
TOTAL	$5,182,133	$5,320,238	$5,652,900	$332,662
REVENUES				
Charges for Services	$536,971	$275,000	$375,000	$100,000
TOTAL	$536,971	$275,000	$375,000	$100,000

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 is an elected official, 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 of the issuance of city debt. 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.

Strategies and Milestones for 2012

Objective:	**Provide independent fiscal, financial and program analysis, revenue estimation and auditing.**
Strategies	**2012 Milestones**
Create efficiencies to improve the city's financial system.	Accuracy of revenue estimation within 2%. Six completed audits.
Objective:	**Process, maintain and report on financial position, operating results and cash flow projections to ensure accurate, efficient and reliable financial operations.**
Strategies	**2012 Milestones**
Maintain the city's high quality credit and manage debt in a manner that supports improvements to the overall fiscal environment.	AA+ bond rating. Unqualified audit opinion by the city's outside auditor.

STRATEGY IMPLEMENTATION

A key 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 received in each of the last ten years.

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 increases.

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 minimize the increase in the property tax levy. In 2010, General Fund revenues exceeded the Comptroller's estimate by $8.8 million or 1.5 %. This additional revenue will contribute to the TSF balance for 2012 budget purposes.

Another key 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. The audits include:

- 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 IT networks and systems.

The official accounting records of the city are critical to its operations. Without 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. They also serve to 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 warrants against failures in important information by ensuring that accurate accounting records are being kept.

The Comptroller is also responsible for managing the city's debt. The Comptroller's goal is to retain the city's high "investment grade" bond ratings and maintain low borrowing costs. Low borrowing costs produce direct benefits to the taxpayer. The city continues to maintain high investment grade ratings of Aa2 from Moody's and AA from Standard & Poor's.

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

OTHER SERVICE AND BUDGET CHANGES

The 2012 budget includes change in the city's approach to investing available fund balances, sometimes referred to as "idle cash". Currently, the City Treasurer provides this function, pursuant to statutory limitations under s. 66.0603. The current interest rate environment, combined with the emphasis on liquidity and safety, have resulted in the general fund portion of investment income declining from $8.8 million in 2006 to a projected level of less than $1 million for 2011.

The 2012 budget implements an initiative to increase investment income, while remaining in compliance with statutory limitations and the need to ensure adequate liquidity to serve the city's cash flow requirements. The Common Council, via File 070880, authorized the Public Debt Commission to issue up to $150 million of commercial paper, as part of an overall city borrowing program which may include the issuance of commercial paper for cash flow management and improved investment return.

The commercial paper facility allows managing the city's pooled cash investments actively while ensuring the liquidity necessary for city operations. The initiative establishes an enhanced performance allocation of pooled cash of at least $100 million, allowing private fund managers to provide superior yield on this "core" portion. Funds will be invested in accordance with State Statue 66.0603. Through the designation of the "core" Pooled Cash, fund managers will generate additional yield by extending the duration of investments to one to three years, with the possibility of a portion of the funds being invested in instruments of three to seven years. In the event

remaining Pooled Cash should fall below the necessary threshold, the city will issue short term commercial paper to provide additional funds on a temporary basis.

This initiative is estimated to result in additional investment return of approximately 150 basis points annually moving the responsibility of investing the city's "idle cash" from the City Treasurer to the Comptroller's Office does not require additional resources or personnel.

Staffing Change: The 2012 budget eliminates funding for the Executive Administrative Assistant position.

2012 Budget by Services (Funding in Millions)

Service	**Administration**	
Activities:	Ensure duties of the Comptroller's Office are performed in a timely, accurate and efficient manner.	
		2012 Projection
Funding by Source:	Operating Funds	$1.2
	Totals	**$1.2**
Service	**Financial Services**	
Activities:	Financial analysis, revenue estimation, auditing, and accounting.	
		2012 Projection
Performance Measures:	Accuracy of revenue estimates within 2.0% of actual revenues.	100.0%
	Completed audit reports.	6
Funding by Source:	Operating Funds	$1.2
	Totals	**$1.2**
Service	**General Accounting**	
Activities:	General accounting, payroll administration, oversight of financial assistance, coordination of financial operations systems, and reporting.	
		2012 Projection
Performance Measures:	Unqualified audit opinion by the city's outside auditor.	Yes
Funding by Source:	Operating Funds	$3.1
	Grants and Reimbursables	$0.7
	Totals	**$3.8**
Service	**Debt Management**	
Activities:	Public debt management, preparation and sale of city debt, and financial services.	
		2012 Projection
Performance Services:	Bond Rating.	AA+
Funding by Source:	Operating Funds	$0.2
	Totals	**$0.2**

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
	-1.00		Executive Administrative Assistant	Funding eliminated.
-1	-1.00		Management Accounting Specialist Senior	Management positions now represented by a bargaining unit and retitled.
1	1.00		Accounting Specialist	
-4	-4.00		Management Accounting Specialist Senior	
4	4.00		Accounting Specialist	
-1	-1.00		Information Systems Auditor Senior	
1	1.00		Information Systems Auditor	
-5	-5.00		Auditing Specialist	
5	5.00		Auditor	
-4	-4.00		Management Accounting Specialist Senior	
4	4.00		Accounting Specialist	
-4	-4.00		Management Accounting Specialist Senior (D)	
4	4.00		Accounting Specialist (D)	
-1	-1.00		Auditing Specialist (B)	
1	1.00		Auditor (B)	
-2	-2.00		Management Accounting Specialist Senior (B)	
2	2.00		Accounting Specialist	
-1	-1.00		Network Coordinator Senior	
1	1.00		Network Analyst	
0	**-1.00**	**0.00**	**Totals**	

ELECTION COMMISSION

EXECUTIVE SUMMARY

MISSION: Conduct elections that build public trust in the democratic process and encourage registration and voting.

OBJECTIVES: Conduct fair, accurate, and transparent elections.

STRATEGIES: Conduct the required primary and general elections in the Spring and Fall of 2012.

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

Adequately adjust operations to Wisconsin state law changes regarding voter identification and redistricting of elector boundaries.

Increase the ongoing availability of committed and trained poll workers.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2012 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	21.56	9.80	23.11	13.31
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	107	19	2,156	2,137
EXPENDITURES				
Salaries and Wages	$656,156	$523,146	$1,811,359	$1,288,213
Fringe Benefits	337,632	251,110	152,000	-99,110
Operating Expenditures	1,029,800	560,535	948,830	388,295
Equipment	0	0	0	0
TOTAL	$2,023,588	$1,334,791	$2,912,189	$1,577,398

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

Four elections generally occur in even numbered years such as 2012, including the presidential, congressional, statewide and municipal primary and general elections. The 2012 budget funds these elections based on the 2008 Election Commission expenditures which contained a comparable election workload.

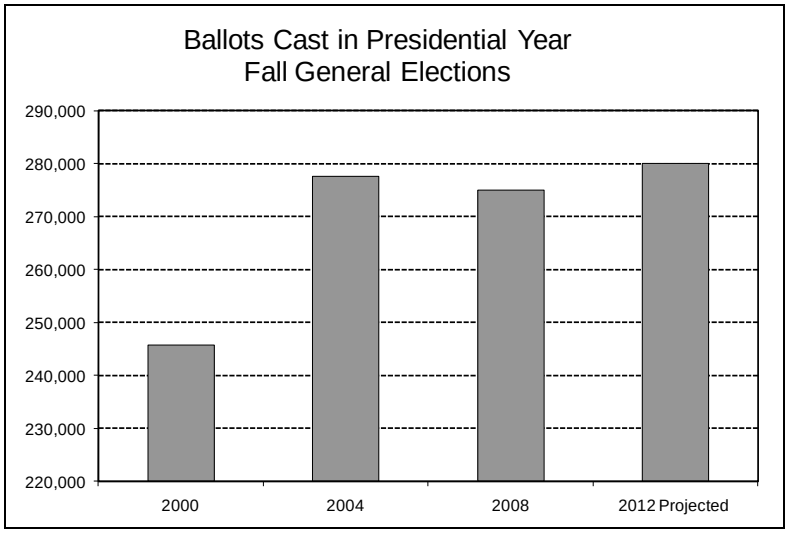
Strategies and Milestones for 2012

Objective: Conduct fair, accurate, and transparent elections.	
Strategies	**2012 Milestones**
Conduct municipal, statewide, congressional and presidential primaries and general elections.	Elections conducted with fewer than 2% of polling locations reporting voting machine problems.
Process and accurately record voter registration cards from previous elections.	Voter registration rolls updated in time for all 2012 elections.

STRATEGY IMPLEMENTATION

The Election Commission has recruited a pool of new poll workers to assist with elections. Milwaukee's 189 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 Election Day duties. Chief Inspectors manage polling site activities and ensure compliance with election law.

Figure 1



OTHER SERVICE AND BUDGET CHANGES

Since the Election Commission will have higher turnout elections in 2012 (see Figure 1) as opposed to 2011, positions and funding for temporary staff, election day poll workers, and ballots are increased in 2012.

Poll workers are funded as positions in the Salary and Wages portion of the budget. They were moved from "Other Operating Services" as recommended by the Comptroller's Office and the Department of Employee Relations due to federal classification requirements. The Management Services Specialist position's funding was eliminated in 2009 but position authority is maintained in case the position is needed to support additional workload.

2012 Budget by Services (Funding in Millions)

Service	**Elections**	
Activities:	Conduct elections and encourage registration and voting by eligible residents through media advertising, canvassing, and other special events.	
		2012 Projection
Performance Measures:	Expected voter turnout.	< 60%
	Percentage of polling places with Election Day voting machine problems.	2.0%
Funding by Source:	Operating Funds	$2.9
	Totals	**$2.9**

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			Management Services Specialist	Flexibility needed for staffing 2012 elections.
	13.31		Various Positions	Increases needed for staffing 2012 elections.
2,136			Various Positions	Change to how poll workers are hired.
2,137	**13.31**	**0.00**	**Totals**	

DEPARTMENT OF EMPLOYEE RELATIONS

EXECUTIVE SUMMARY

MISSION: To attract, retain, and motivate a productive and diverse workforce that is committed to creating a safer, stronger, and healthier Milwaukee while complying with applicable federal and state employment regulations, civil service rules, and labor agreements.

OBJECTIVES: Provide human resources advice and consultation services to City of Milwaukee agencies and ensure compliance with applicable employment laws and regulations.

Provide a qualified and readily available candidate pool for city employment.

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

Enhance safety in the workplace at the operating department level and control associated expenditures.

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

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

Finalize the implementation of the position control application.

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

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

Work with the city's Labor Management Committee to implement the second phase of Citywide Wellness, Health Advocacy, and Disease Management Program.

Review and study national data on public sector liability and worker compensation claims and identify best practices from entities with a track record of minimizing injuries and controlling costs.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	48.87	45.00	45.00	0.00
FTEs - Other	1.32	8.60	8.60	0.00
Total Positions Authorized	75	73	73	0
EXPENDITURES				
Salaries and Wages	$2,917,111	$2,685,500	$2,679,711	$-5,789
Fringe Benefits	1,401,027	1,289,040	1,339,857	50,817
Operating Expenditures	529,993	464,592	464,592	0
Equipment	2,070	23,904	23,904	0
Special Funds	108,021	33,000	33,000	0
TOTAL	$4,958,222	$4,496,036	$4,541,064	$45,028
REVENUES				
Charges for Services	$169,937	$180,000	$170,000	$-10,000
Miscellaneous	74,720	302,000	150,000	-152,000
TOTAL	$244,657	$482,000	$320,000	$-162,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

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

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

Strategies and Milestones for 2012

Objective: Provide human resources advice and consultation services to City of Milwaukee agencies and ensure compliance with applicable employment laws and regulations.	
Strategies	**2012 Milestones**
Implement changes associated with Wisconsin Act 10 requirements.	Compensation and benefit changes are finalized and implemented by January 2012. City Service Commission rules and procedures are updated and modified in accordance with legal requirements and best HR practices (January 2012 and ongoing). All city departments have developed and implemented work rules and policies/procedures consistent with DER guidance and direction by January 2012. Changes to create uniform benefits for general city employee groups have been implemented when appropriate (January 2012 and ongoing).
Continue facilitating and coordinating leadership development program to provide managers with knowledge and skill sets for operations and workforce management.	Curriculum will be adjusted to include sessions dealing with changes that are a result of Wisconsin Act 10.
Complete a comprehensive review of staffing models and impact on unemployment claims and expenditures.	Ensure that departments' staffing, termination, and layoff actions follow city procedures and minimize avoidable unemployment costs. Prepare and disseminate department specific unemployment compensation reports on a quarterly basis.
Finalize the implementation of position control application.	All general city departments have completed employee and position data entry by January 2012. A new Visual Organization Inventory is generated from the Position Control Application by the Summer of 2012.
Objective: Provide a qualified and readily available candidate pool for city employment.	
Strategies	**2012 Milestones**
Ensure all recruitment and testing activities are done in compliance with applicable standards and employment regulations and in an effective and efficient manner.	Implement a new application for online recruitment, test management, requisition and certification functions by Summer 2012.

Strategies and Milestones for 2012

	All Fire and Police recruitment and testing functions and activities have transitioned fully to the Fire and Police Commission by January 2012.
Objective: Reduce the growth rate in health care costs, improve quality of care, and employee accountability and responsibility for care.	
Strategies	**2012 Milestones**
Continue work with Labor Management Committee to implement phase two of Citywide Wellness, Health Advocacy, and Disease Management Program.	Analyze two year program aggregate data provided by Workforce Health by Spring 2012. Facilitate and implement health education sessions and make available to city employees by Summer of 2012.
Objective: Enhance safety in the workplace at the operating department level and control associated expenditures.	
Strategies	**2012 Milestones**
Improve safety accountability structures and monitor effectiveness of programs and initiatives identified and implemented by departments in accordance with safety plans developed in 2011.	Continue to work with departments to review and analyze injury and claim data to enhance safety plans and implement associated interventions. Identify and develop additional metrics for gauging progress or lack thereof with worker's compensation/departmental safety initiatives. Monitor grievances filed under the new Workplace Safety Grievance Procedure required by Act 10 and ensure appropriate action and follow-up at the departmental level.
Review and study national data of public sector liability and worker compensation claims.	Identify best practices from entities with a track record of minimizing injuries and controlling costs.

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 2010, DER processed 9,798 applications (excluding protective services), conducted 112 exam sessions and approved over 4,700 individuals for hiring eligible lists. To address the recruitment workload with reduced staff and improve efficiencies with filling vacant positions, DER will be issuing a Request for Proposal to upgrade to a new staffing services application that will allow all applications to be completed online, automate requisition and certification functions, and expedite the creation of eligible lists.

Automate Functions for Filling Vacant Positions: In 2012, DER will issue a new contract with a vendor to service the online application, test management, and applicant flow functions. The new system should facilitate automating the requisition and certification functions and expediting the process of filling vacancies.

Position Control: Position management is a tool in the PeopleSoft HRMS system to better monitor the filling of budgeted positions. This initiative is a joint effort between DOA, the City Clerk's Office, and DER. The application allows the Budget and Management Division, DER, and departments to quickly identify which positions are filled, vacant, or under filled. The architecture for position management was created by ITMD and plans are in place to have DPW, MPD, and MFD complete their entries to launch this initiative in 2012.

City Service Rule Review: DER has not completed a comprehensive review of civil service rules since 1991. Over the years, changes to the rules have been adopted in response to specific issues or situations brought to the Commission's attention by a city agency or city employees. DER recognizes that changes in technology, staff reductions, and streamlined procedures have impacted the work of the department and how that work is done. A comprehensive review of the rules including assessing the impact of Wisconsin ACT 10 and changes needed as a result of this legislation will be completed early in 2012.

Transfer of Fire and Police Recruitment and Testing Functions: In 2011 the recruitment and testing functions for the Police and Fire departments were transferred back to the Fire and Police Commission. The Commission is now responsible for recruitment and testing for sworn personnel, dispatchers, and telecommunicators. Throughout 2011, DER helped with the transition of these functions to provide a seamless transfer with minimal interruptions to the recruitment and testing process. DER expects that these functions will be fully transitioned to the Fire and Police Commission by January 2012. Recruitment and testing for other civilian positions, at the discretion of the Commission, will continue to be handled by DER.

Staffing Model Review: In 2012, DER will review the various staffing models that are utilized by departments and the extent of associated unemployment compensation liability. DER will work with departments to identify staffing practices that accommodate departments' needs and minimize unemployment compensation expenditures. This will also be reviewed in the context of changes associated with the implementation of Wisconsin ACT 10. Departments will also be provided unemployment compensation data and reports on a quarterly basis to better understand and manage the liability created by decisions made at the operating level.

Employee Benefits: In 2011, 10,491 employees and retirees are participating in the city's health care plans. Since 2000, health care expenditures have increased approximately $87 million, or 153%, from $57 million to $144 million in projected expenditures for 2011. These increases result from growth in medical costs and the comprehensive nature of the city's current health benefit designs for the HMO and Basic Plans. Given the ongoing financial challenges faced by the city, a more sustainable health care plan was pursued for 2012.

The city's health care plan for 2012 includes significant changes to the current Basic and HMO plans for all employees in order to reduce the total cost of these plans. Specific plan design changes were chosen that will lower the total premium for both employees and the city, decrease large trend increases over the long run, and encourage more appropriate utilization. As a result, the 2012 employee health care budget is $116.2 million, a decrease of 20% from the 2011 budgeted amount.

Beginning in 2012 all employees are expected to have a 12% monthly premium payment based on a four tier rate structure. Employees will also pay co-insurance, deductibles and an out of pocket maximum for all health plans. The revised benefit structure will cause the overall cost per health care contract to decrease substantially in 2012.

City of Milwaukee "Wellness, Your Choice Milwaukee": In 2010 the city initiated a 12 person "Wellness and Prevention" Labor Management Committee to identify key issues in the development, implementation and promotion of a comprehensive wellness and prevention program aimed at improving the overall well being of the population and assisting individuals in addressing chronic diseases. The committee developed an RFP for a Wellness and Prevention Program and chose Froedtert Health Workforce Health to administer the "Wellness, Your Choice Milwaukee" program.

The program was implemented in the Fall of 2010 and employees who chose to participate completed a three step process including an online health questionnaire, lab work, and meeting with a health professional. Employees

who did not participate and employees who use tobacco paid a health assessment fee in addition to the monthly health care premium. There was excellent participation the first year with 87% of eligible people completing all three steps of the wellness initiative. This number surpassed both the city and Froedtert's estimates for participation and the city hopes to meet or exceed this number for 2012.

Once the initial phase of the program was completed, Froedtert Health Workforce Health provided a report summarizing aggregate data and trends so that disease management and prevention programs could be specifically tailored to the health needs of city employees.

Phase two of the wellness initiative is currently underway and all employees will again have the opportunity to participate in the wellness initiative for 2012 and avoid an additional health care assessment fee for non-participation and tobacco usage. Individuals who participate in the program will receive a monthly $10 rebate in 2012.

Workplace Safety and Risk Management: In 2009, the Budget and Management Division and DER directed DPW and the Fire and Police departments to develop department specific safety plans in conjunction with the implementation of a Risk Management Model (RMM) for injury prevention. A number of programs were implemented as a result of the safety plans including a Return to Work Program in the Fire Department, a Transitional Duty Program in the Department of Public Works and improved injury classification in the Police Department. Supervisory personnel in the Fire Department and DPW have completed accident investigation training to further pinpoint the causes of workplace injuries and ensure that proactive and preventive measures are in place for injury avoidance.

Departments annually submit an updated safety plan and implement and monitor the goals and initiatives outlined in those plans. DER will work with the Budget and Management Division to ensure departmental systems are implemented to track progress and gauge effectiveness of safety initiatives. In addition, DER and the Budget and Management Division will identify and track performance measures to better analyze injury rate prevention, avoidance of lost time, duration of lost time, and recurrence.

Two new initiatives are planned that will enhance the city's commitment to workplace safety and injury prevention. On October 1, 2011 the City Civil Service Commission (CSC) will be required, though Wisconsin Act 10, to implement a Workplace Safety Grievance Procedure. The grievance procedure will allow employees to identify, document and report safety related concerns that present a threat of injury or illness and allow managers, supervisors, and/or safety officers to address those concerns in a timely and expeditious manner. The grievance procedure will be administered by DER and the resulting data will be analyzed along with other safety data to deepen the city's understanding of work related injuries, increase prevention efforts and improve cost containment.

In addition, in 2012 the RMM will be expanded to include other departments such as the Library, Neighborhood Services, the Health Department and the Department of City Development.

OTHER SERVICE AND BUDGET CHANGES

DER will implement various benefit and work rule changes associated with Wisconsin Act 10 and Chapter 350 of the Milwaukee Code of Ordinances. These changes will standardize benefits for all general city employees (union, management, and non-represented) and implement fiscally responsible human resource practices. Most changes to compensation and benefits will be finalized and implemented by January 2012. City Service Commission rules and procedures will also be updated and modified in accordance with legal requirements. DER will work with city departments to develop and implement work rules and policies and procedures that are consistent with the changes outlined above.

2012 Budget by Services (Funding in Millions)

Service	**Employee Relations**	
Activities:	Labor relations, grievance administration, labor contract negotiation, diversity outreach and claims investigation, and employee training and development.	
		2012 Projection
Performance Measures:	Percentage of grievances closed and settled prior to arbitration.	93.0%
	Number of grievances filed under new discipline procedure.	100
Funding by Source:	Operating Funds	$0.7
	Grants and Reimbursables	$0.2
	Special Purpose Accounts	$0.8
	Totals	**$1.7**

Service	**Compensation and Employee Benefits**	
Activities:	Health and dental benefits, flexible spending accounts, job classification, pay administration, unemployment compensation, long term disability insurance, and Commuter Value Pass program.	
		2012 Projection
Performance Measures:	Change in active employee health costs.	-16.8%
	Employee health care contribution as a percentage of premium rates.	12.0%
	Number of employees and retirees participating in health care plans.	10,490
Funding by Source:	Operating Funds	$1.1
	Special Purpose Accounts	$118.3
	Totals	**$119.4**

Service	**Staffing**	
Activities:	Recruitment, examinations, certification of eligible applicants, and outplacement services.	
		2012 Projection
Performance Measures:	Number of applications processed.	9,030
	Number of positions filled from eligible lists.	203
	Percentage of candidates referred who were minorities.	50.0%
	Percentage of candidates referred who were women.	65.0%
	Number of terminations during probationary period.	13
Funding by Source:	Operating Funds	$1.5
	Totals	**$1.5**

Service	**Worker's Compensation**	
Activities:	Administration, data analysis, and departmental safety monitoring.	
		2012 Projection
Performance Measures:	Number of worker's compensation claims (receipts).	2,420
	Average cost per claim.	$5,600
	Number of recordable cases.	805
Funding by Source:	Operating Funds	$1.2
	Special Purpose Accounts	$13.3
	Totals	**$14.5**

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		Labor Relations Officer	Position retitled to reflect duties.
1	1.00		Labor Relations Representative	
0	**0.00**	**0.00**	**Totals**	

FIRE AND POLICE COMMISSION

EXECUTIVE SUMMARY

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

OBJECTIVES: Monitor and 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.

Identify and reduce racial, social, and economic disparities in the community.

Prevent, respond to and recover from major disruptive events.

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

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

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

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

Promote diverse public service departments.

Increase community awareness of Homeland Security/Emergency Government Mission.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	14.58	11.60	11.60	0.00
FTEs - Other	1.88	1.80	1.80	0.00
Total Positions Authorized	18	21	21	0
EXPENDITURES				
Salaries and Wages	$610,657	$723,922	$727,299	$3,377
Fringe Benefits	288,263	347,483	363,650	16,167
Operating Expenditures	112,038	127,167	127,167	0
Equipment	742	4,300	4,300	0
Special Funds	46,700	77,600	77,600	0
TOTAL	$1,058,400	$1,280,472	$1,300,016	$19,544

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

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

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

Strategies and Milestones for 2012

Objective:	**Monitor and ensure the quality and effectiveness of Fire and Police department policies, practices, and outcomes through appropriate utilization of the Commission's oversight authority.**
Strategies	**2012 Milestones**
Perform policy review and analysis concerning police and fire services including crime reduction strategies, fire prevention and suppression, and citizen complaints.	Expand the policy and standards committee role of the Fire and Police Commission citizen board members. Utilize staff, interns, and university partnerships to conduct in depth analysis of selected policy issues.
Objective:	**Provide a viable citizen complaint program to ensure that complainants are heard and satisfied with the overall process.**
Strategies	**2012 Milestones**
Continue refining the citizen complaint program to address allegations of employee misconduct.	Increase the number of mediations and policy retraining sessions by expanding the program to include MPD generated complaints.
Improve Commission efficiency and effectiveness while increasing transparency to the public.	Increase response rate to citizen complaint exit surveys.
Monitor and audit complaints and investigations conducted by the Fire and Police departments.	Utilize IT capacity to analyze complaint patterns and trends of random audits and specific issues of public concern.
Fully integrate independent investigation and monitoring functions with the policy and oversight functions.	Link results of Fire and Police Commission investigations and audits of Police Department investigations with research analysis functions to identify policy revisions.

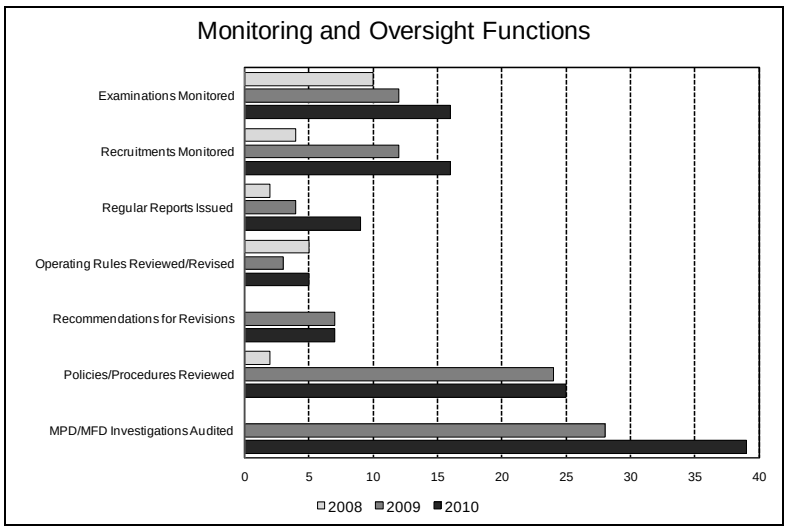
Strategies and Milestones for 2012

Objective: Improve community relations and enhance public confidence through transparent operations and improved accessibility to information.	
Strategies	**2012 Milestones**
Increase citizen opportunities for interaction with the FPC through regular community meetings to share information and gather citizen feedback.	Hold bi-monthly Commission meetings at a variety of locations throughout the community.
Improve communications with the public.	Enhance annual, semi-annual and periodic public policy reports. Continue to increase utilization of the Commission website and provide information such as trial outcomes, policy reviews, and recommendations for improvements.
Expand the network of community advocates to assist individuals with the complaint process.	Improve outreach to other community agencies involved in public safety issues.
Objective: Identify and reduce racial, social, and economic disparities in the community.	
Strategies	**2012 Milestones**
Promote diverse public safety departments.	Finalize FPC reorganization by fully reintegrating all functions related to testing, hiring, promoting, and recruiting public safety personnel. Evaluate entry level and promotional position responsibilities and job requirements to revise and update examination qualifications and procedures. Continue to refine recruiting, hiring and promotion procedures to attract a diverse applicant pool.
Objective: Prevent, respond to and recover from major disruptive events.	
Strategies	**2012 Milestones**
Increase community awareness of Homeland Security/Emergency Government mission.	Improve access to public information and resources for individuals to prepare for disaster or other emergencies.
Improve and expand ongoing preparedness planning.	Refine procedures for activation and operation of the City of Milwaukee Emergency Operations Center. Update and revise continuity of operations plans/continuity of government (COOP/COG) operations for all city agencies, functions, and departments. Expand the citizen corps of volunteers for disaster response effectiveness.

STRATEGY IMPLEMENTATION

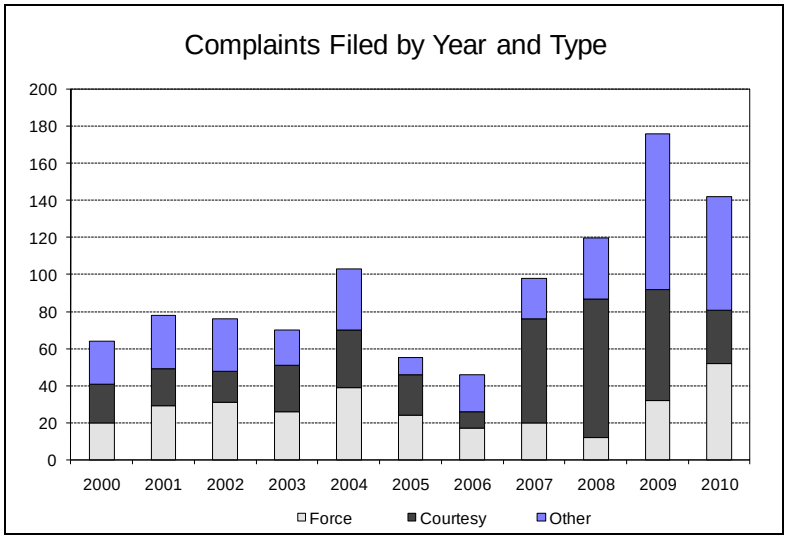
Policy Oversight: The Fire and Police Commission's primary responsibility is policy oversight. The Commission has a statutory responsibility to oversee and prescribe the policies and standards of both the Fire and Police departments. This oversight authority is ultimately exercised by Board action but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

Figure 1



In 2010, the Commission issued a memorandum on its findings regarding traffic stops by MPD and officers' referral of drivers to the Department of Motor Vehicles for re-examination and another memorandum on the MPD priority classification for 9-1-1 calls regarding shots fired. In 2012, the Commission anticipates completing memorandums on additional topics as they become identified through statutory changes, modifications of procedures, and as a result of performing its monitoring function.

Figure 2



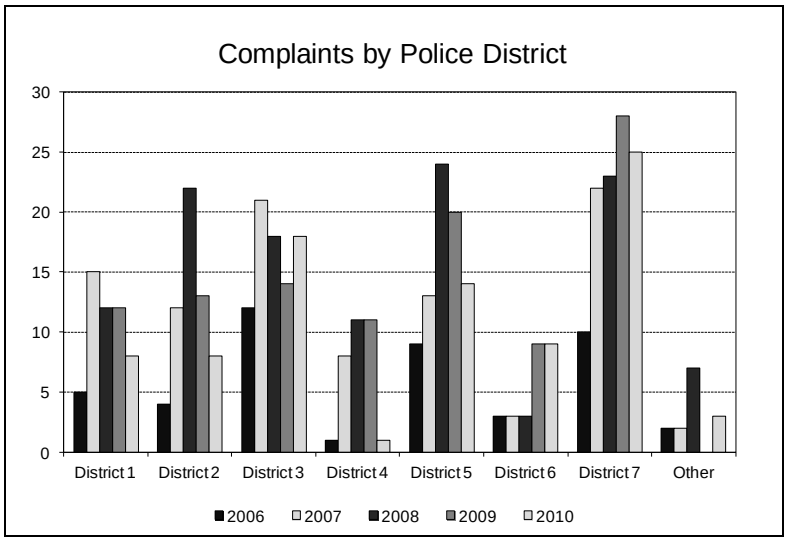
In 2010, the Commission partnered with the University of Wisconsin Milwaukee to conduct an analysis of MPD's use of force incidents. This UWM analysis will be ongoing through 2011 and the data and report conclusions will serve as a foundation for future analysis and reporting. The Commission also issued a report on the use of force incidents involving canines. In order to establish baseline data for determining the frequency and circumstances surrounding vehicle pursuits, the Commission in 2010 conducted an eight year review of vehicle pursuits. The data from this report will also be used for future analysis of MPD policies, procedures and training. In 2011, the Commission will provide periodic summaries of officer involved shootings and an evaluation of taser deployment and usage by the MPD. In addition, the Commission is completing the construction of a software program and database that will track the use of force for each individual police officer throughout his/her career.

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

The citizen complaint process has four goals:

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

Figure 3



A new citizen complaint program was adopted in 2009 to expedite the overall complaint resolution process. In 2010, procedures were added for minor cases that normally go through the full complaint process. Under the new procedures, the outcome of a complaint is determined at an earlier stage and resolution is reached without an administrative board hearing. The new procedures save approximately 8 to 10 steps in the process along with staff time and resources. The revamped process has significantly shortened the time needed to resolve a complaint from an average of 270 days in 2008 to 21 days in 2010. The Commission strives to resolve all citizen complaints in 90 days or less.

The revamped complaint process also includes a mediation program. Mediation facilitates a non-adversarial approach for complaint resolution and offers complainants the chance to better understand and be directly involved with the resolution. The Commission utilizes trained mediators to assist with the process and more efficiently handle the anticipated mediation caseload. In 2011, the Commission began providing mediation for complaints filed directly with the Police Department in addition to complaints filed with the Commission.

The Commission periodically monitors and audits complaint investigations regardless of whether the complaint is filed with the Commission or with the Fire and Police departments. The ability to capture trends and patterns and identify critical elements of a particular investigation is an important function of the Commission in providing proper oversight. Trends are examined from investigations that result in discipline or are ultimately dismissed. The monitoring function uses data collected from the intake investigation screening process to evaluate the quality of investigations and recommend improvements to existing procedures. The Commission will use its monitoring authority in addition to its authority to discipline employees as tools to accomplish the mission of providing a transparent and effective citizen complaint investigation process.

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

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

In 2010 the Commission partnered with the State Bar of Wisconsin to establish the Wills for Heroes program, a nationally sanctioned pro bono activity headquartered at the Milwaukee Safety Academy that provides free estate planning services for all fire, police, and emergency medical first responders. The Commission, cognizant of the numerous Fire and Police employees that are also current and former military members, was also instrumental in opening a free legal clinic for veterans and their families through a joint effort with Marquette Law School, the Veteran's Administration, and Milwaukee area private law firms.

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

Figure 4

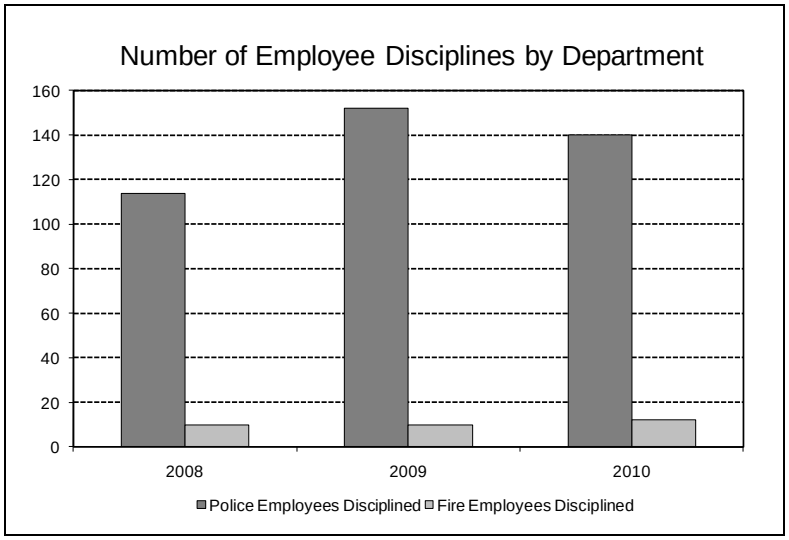
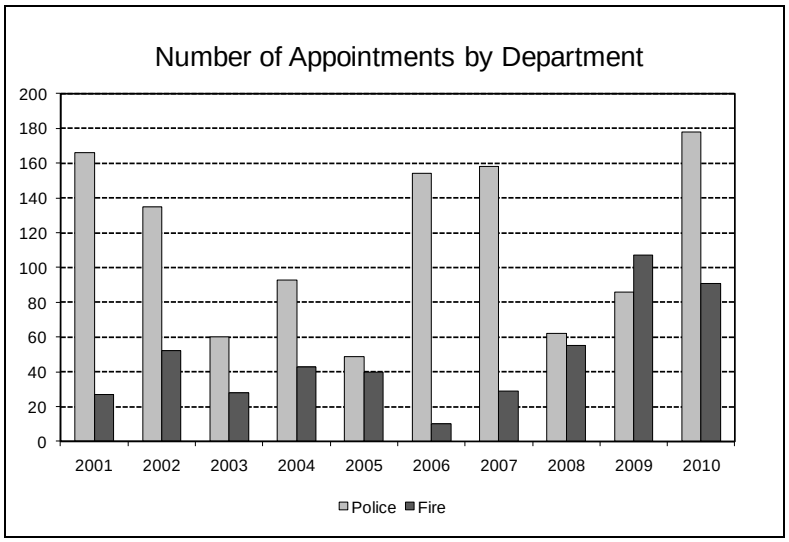


Figure 5



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

The Commission is responsible for developing and administering a variety of examinations, including written, physical ability and oral tests, background investigations, medical and psychological examinations, and drug screening. Applicants who pass all components are placed on an eligible list and hired according to their total score. Fire Fighters and Police Officers are hired at intervals for training classes while other entry level positions are filled as vacancies occur (see Figure 5). When the position of chief becomes vacant in either department, the Commission determines qualifications, solicits applications, and appoints a new chief. Department chiefs are hired for four year terms, renewable at the Commission's discretion.

In 2012, the Commission will launch a Fire Cadet pilot program similar to the Police Aide program. Fire Cadets will participate in an apprentice style program to prepare them for a career as a Fire Fighter. Those cadets that complete the established criteria required for the program will be considered for appointment to Fire Fighter. The first class in 2012 is expected to have 13 positions.

Emergency Management and Homeland Security: In 2010, the Office of Emergency Management and Homeland Security were transferred to the Fire and Police Commission to optimize staff and services for public safety functions. The mission of the Office of Emergency Management and Homeland Security is to create a multi-jurisdictional, multi-disciplinary network of government agencies and community stakeholders to prevent, prepare for, respond to and recover from major disruptive events. The agency also administers the Urban Areas Security Initiative (UASI) Homeland Security grant program for the five county Southeastern Wisconsin area.

Several new initiatives were undertaken in 2010 including the implementation of a new website, a public relations campaign to better communicate agency efforts, improvements to the five county interagency communications for disaster preparedness, and refinement of the city's disaster preparedness plan. In addition, lessons learned from the 2010 flood disaster declaration were applied to improve procedures for activation and operation of the Emergency Operations Center (EOC), increase training and interaction with state and federal agencies, and expand information dissemination to the public on disaster preparedness.

2012 Budget by Services (Funding in Millions)

Service	**Judicial Function**	
Activities:	Conduct investigations of complaints filed with the FPC and review complaints filed with the MPD and MFD. Conduct mediations and complaint hearings, review appeals from Fire and Police departments personnel, and conduct trials.	
		2012 Projection
Performance Measures:	Number of complaints filed.	300
	Number of complaints resolved informally.	200
	Timeliness of complaint resolution.	21 Day Avg
	Timeliness of appeal resolution.	120 Day Avg
	Number of investigations performed by the FPC.	100
Funding by Source:	Operating Funds	$0.3
	Totals	**$0.3**
Service	**Monitoring and Oversight**	
Activities:	Review departmental policies, practices, procedures and rules and make recommendations for change.	
		2012 Projection
Performance Measures:	Number of policy or procedures reviewed.	20
	Number of recommendations for revisions made.	10
	Number of department operating rules reviewed or revised.	10
	Number of MPD and MFD department investigations audited.	55
Funding by Source:	Operating Funds	$0.3
	Totals	**$0.3**
Service	**Community Relations**	
Activities:	Perform regular outreach and education with the community to build citizen confidence and satisfaction with the Fire and Police departments.	
		2012 Projection
Performance Measures:	Number of FPC meetings held in the community.	4
	Number of community meetings attended by FPC staff.	120
	Number of public surveys conducted.	75
	Number of partnerships formed with community organizations.	24
Funding by Source:	Operating Funds	$0.2
	Totals	**$0.2**

2012 Budget by Services (Funding in Millions)

Service	**Recruitment and Selection**	
Activities:	Develop and execute recruiting strategies and carryout selection processes for entry level and promotional positions including job analysis, application screening, examinations, certification of eligible applicants and pre-placement processes.	
		2012 Projection
Performance Measures:	Number of recruitment events held.	120
	Number of entry level examinations held.	5
	Number of promotional examinations held.	3
Funding by Source:	Operating Funds	$0.5
	Totals	**$0.5**

Service	**Emergency Management and Homeland Security**	
Activities:	Coordinate emergency planning, disaster preparedness, and response training for the city and its partners.	
		2012 Projection
Performance Measures:	Number of joint multi-discipline/multi-jurisdiction exercises.	2
	Number of joint planning and/or training sessions.	20
	Number of outreach and educational sessions.	5
Funding by Source:	Grants and Reimbursables	$0.1
	Totals	**$0.1**

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		Research Assistant	Position reclassified to better reflect duties.
1	1.00		Program Assistant II	
0	**0.00**	**0.00**	**Totals**	

FIRE DEPARTMENT

EXECUTIVE SUMMARY

MISSION: Build safe and healthy neighborhoods.

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

Maintain a 95% recovery rate from penetrating trauma.

Decrease vacant structure fires by 10% in 2012.

STRATEGIES: Maintain initiatives to increase the percentage of residential properties with working smoke detectors.

Maintain an average response time to fire suppression and Advanced Life Support calls that is within national standards.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	1,026.05	1,025.05	1,006.96	-18.09
FTEs - Other	7.50	7.50	6.84	-0.66
Total Positions Authorized	1,027	1,026	1,022	-4
EXPENDITURES				
Salaries and Wages	$70,052,793	$69,465,872	$68,238,570	$-1,227,302
Fringe Benefits	27,713,220	27,786,348	30,707,357	2,921,009
Operating Expenditures	4,949,211	5,398,852	5,567,165	168,313
Equipment	169,812	182,179	325,269	143,090
Special Funds	132,804	214,041	186,680	-27,361
TOTAL	$103,017,840	$103,047,292	$105,025,041	$1,977,749
REVENUES				
Charges for Services	$6,141,846	$6,400,200	$5,829,400	$-570,800
TOTAL	$6,141,846	$6,400,200	$5,829,400	$-570,800

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

The Fire Department serves the residents of Milwaukee and West Milwaukee through 36 firehouses that are structured into four organizational bureaus. In addition to fire suppression and emergency medical services, some bureaus contain the Dive Rescue, Hazardous Materials (HazMat), and the Heavy Urban Rescue Team (HURT) special teams.

Strategies and Milestones for 2012

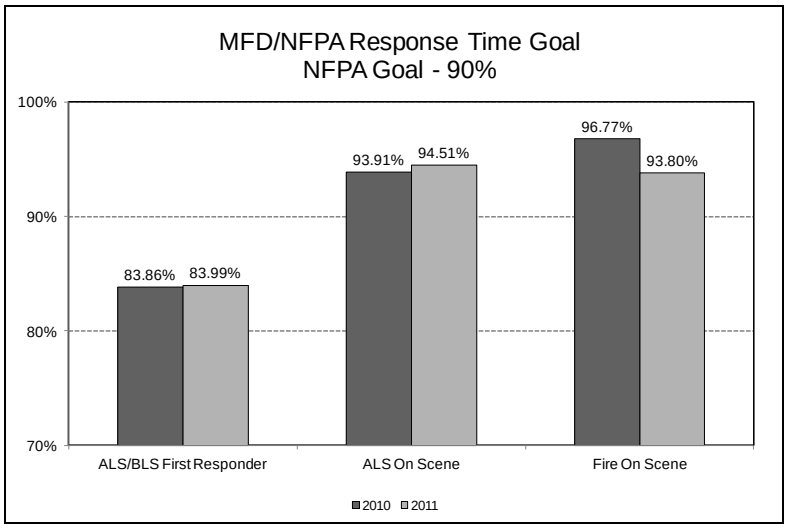
Objective: **Provide fire suppression and emergency medical services response that meets national standards consistently.**	
Strategies	**2012 Milestones**
Maintain initiatives to increase the percentage of residential properties with working smoke detectors.	Decrease the percentage of civilian fire fatalities occurring in residential properties with non-functioning smoke detectors to < 30%.
Maintain the average response time.	Respond to 90% of critical types of calls within five minutes of dispatch.

STRATEGY IMPLEMENTATION

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

Response Time: Timely response to events has a direct impact on the outcome of any emergency. The success of this strategy is measured by average response times to emergency calls. As Figure 1 indicates, the department is meeting its goal 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 remained below five minutes during 2010, as it has through the first half of 2011.

Figure 1



Indicators tracked through the AIM program show that the Advanced Life Support responses provided by the Milwaukee Fire Department have a positive impact on survival rates for penetrating trauma incidents. Through June of 2011, of the 170 stabbings incidents responders treated, 168 patients or 98.8% survived. Of the 96 gun shot wound related EMS responses, 89 or 92.7% of the victims survived.

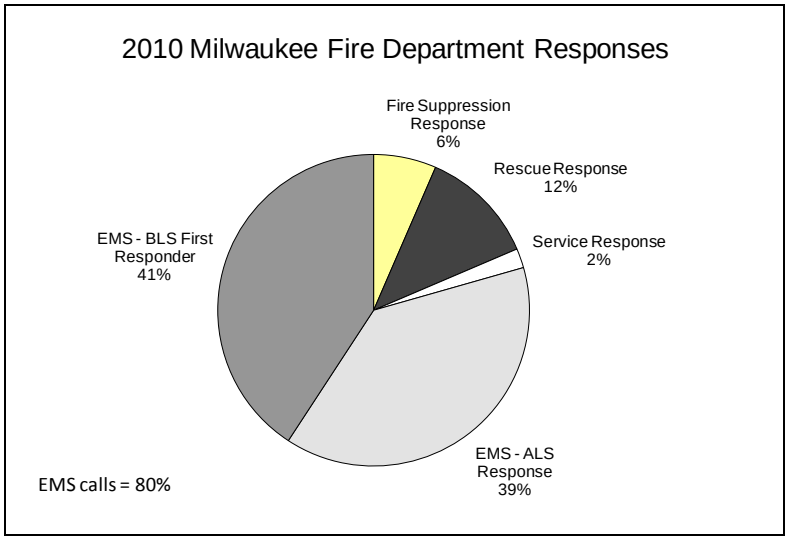
Fire Prevention and Safety: The department's community programs emphasize fire prevention because fewer fires create fewer situations where a fire death could occur. Fire Fighters Out Creating Urban Safety (FOCUS) involves Fire Fighters going door-to-door to install smoke detectors, replace batteries,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

In 2010, the department made 10,875 fire prevention contacts to residents in one and two family dwellings. Education programs include Sesame Street, Elder Safe, the Survive Alive House, and the Mobile Survive Alive Houses and have reached over 119,000 residents in 2010. 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.

OTHER SERVICE AND BUDGET CHANGES

Service Capacity Changes: The 2012 budget includes a staffing innovation designed to enhance the department's capacity to provide medical response, which comprise more than 80% of the calls for service (see Figure 2). One two-person squad will be located in a station in the center of the city's highest volume Emergency Medical Service (EMS) call areas. The squad will have the ability to transport patients, but its primary role will be in-service, responding to EMS calls. This innovation will support the continuation of the department's high survival rates in a cost effective manner.

Figure 2



The Fire Department will continue to deploy resources sufficient to achieve fire suppression and emergency medical response that are superior to national standards. On average, an additional fire service apparatus may be removed each day from service. The adopted budget included an amendment to restore one additional fire apparatus for five to six months during 2012. Additional in-service time may be achieved through additional salary savings. In 2011, the Fire Department continues to achieve additional salary savings through various special duty management controls including improved vacation scheduling, return to work and safety programs, and changes to training practices. The Budget and Management Division will work closely with the Fire Department to monitor accounts and update policymakers on resource availability.

CAPITAL PROJECTS

The 2012 capital budget supports the critical needs of the Fire Department in terms of major equipment and facilities maintenance. The budget includes $3,424,000 in capital funding that will be used for replacement of major fire suppression and EMS apparatus, building upgrades, and for generators to provide an auxiliary power supply.

2012 Budget by Services (Funding in Millions)

Service	**Emergency Operations**	
Activities:	Fire suppression, Emergency Medical Services, other emergency services (HURT, HAZMAT, Dive Rescue) and disaster preparedness.	
		2012 Projection
Performance Measures:	Percentage of responses within six minutes of call.	95.0%
	Percentage of fires held to room of origin.	40.0%
Funding by Source:	Operating Funds	$94.8
	Grants and Reimbursables	$0.3
	Capital Budget	$3.4
	Totals	**$98.5**

2012 Budget by Services (Funding in Millions)

Service	**Fire Education, Training, and Support Services**	
Activities:	Fire education, inspections, pre-incident planning, infrastructure support (shop, IT services, dispatch) training and administrative support.	
		2012 Projection
Performance Measures:	Number of residential fire prevention contacts.	14,000
	Smoke detectors found operational in one and two family residential units.	15,000
Funding by Source:	Operating Funds	$10.1
	Totals	**$10.1**

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		Assistant Fire Chief	Implement change to command staff approved in 2011 reorganization.
-1	-1.00		Fire Captain	Increase two additional units out-of-service.
-2	-2.00		Fire Lieutenant	
-3	-3.00		Heavy Equipment Operator	
-12			Fire Fighter	
12			Fire Fighter	Pilot two person Rescue Squad.
4			Fire Lieutenant	Increased capacity to manage Paramedic Program training costs.
-4			Fire Fighter	Decrease excess authority in this position.
-13			Fire Fighter	Implement new Fire Cadet Program.
13			Fire Cadet	
	-14.09		Various Positions	Special duty FTE adjustment.
		-0.66	Various Positions	Reduction to CDBG funding.
-4	**-18.09**	**-0.66**	**Totals**	

HEALTH DEPARTMENT

EXECUTIVE SUMMARY

MISSION: Ensure that services are available to enhance the health of individuals and families, promote healthy neighborhoods, and safeguard the health of the Milwaukee community.

OBJECTIVES: Reduce injuries, disabilities, and deaths due to violence.

Leverage existing resources and continually seek new funds to create safe and healthy homes for Milwaukee's children through abatement of lead based paint hazards in contaminated houses.

Improve child health by promoting healthy birth outcomes and early child development for infants and ensure that all Milwaukee children have adequate health coverage.

Improve child health and school readiness by increasing immunization compliance within MPS to 90% by 2013.

Maintain or reduce childhood obesity rates.

Improve child health by reducing the teen birth rate 46% by 2015.

Improve client reach through the Health Department STD/HIV clinic by increasing the number of clients seen, counseled, and treated at the clinic and in the community.

Increase food safety for consumers by increasing the number of annual inspections at high risk facilities and reducing the number of critical risk violations.

STRATEGIES: Develop a plan to prevent sexual violence and ensure that victims receive a seamless compassionate response.

Explore corporate and philanthropic resources to expand lead abatement funding and support innovation in other public health program areas.

Continue to offer high quality home visitation services and appropriate early childhood interventions to at-risk families.

Improve and enhance immunization interventions including record reconciliation, offsite clinics, and health promotion to improve student immunization rates.

Improve nutritional status and increase physical activity of Milwaukee's children.

Promote access to information and services to young adults to encourage responsible sexual health.

Enhance service delivery at the STD/HIV clinic to maximize the number of clients that can be seen, counseled and treated.

Conduct food inspections based on the complexity of food establishments and the prevalence of critical risk violations.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	135.24	142.00	144.21	2.21
FTEs - Other	96.47	115.80	114.10	-1.70
Total Positions Authorized	274	272	268	-4
EXPENDITURES				
Salaries and Wages	$7,900,588	$7,437,319	$7,415,181	$-22,138
Fringe Benefits	3,661,305	3,569,913	3,707,590	137,677
Operating Expenditures	1,892,243	1,704,783	1,682,716	-22,067
Equipment	16,189	5,000	5,000	0
Special Funds	186,952	181,000	351,000	170,000
TOTAL	$13,657,277	$12,898,015	$13,161,487	$263,472
REVENUES				
Charges for Services	$1,071,007	$984,600	$909,900	$-74,700
Licenses and Permits	2,381,149	2,748,300	2,618,900	-129,400
TOTAL	$3,452,156	$3,732,900	$3,528,800	$-204,100

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

The department focuses on public health assessment, policy development, service availability and accessibility to health related services. The department operates from three health centers. The 2012 budget maintains services to community members over the course of their life span and provides funding to ensure that city residents have access to health care and health care coverage. The budget also provides surveillance, monitoring and response capabilities for a wide range of communicable diseases, tuberculosis, sexually transmitted diseases, and bioterrorism. Lead abatement efforts are a priority as well as food inspections of restaurants and other necessary inspection practices. The department will continue recent initiatives to focus nursing resources on high risk cases, early childhood development, and to accelerate progress toward benchmarking children's immunization rates. The department will continue to develop additional partnerships with the state and federal government as well as regional and local organizations to increase reimbursements for certain services, thereby improving the city's fiscal capacity.

Strategies and Milestones for 2012

Objective: Reduce injuries, disabilities, and deaths due to violence.	
Strategies	**2012 Milestones**
Continue efforts to collaboratively develop, implement, and evaluate effective and sustainable approaches to preventing interpersonal and community violence.	Increase opportunities to engage multiple sectors in policy and programming activities through the development of a Center for Public Safety. Implement National Institute of Corrections Technical Assistance initiative through the Milwaukee Community Justice Council. Continue to assist Medical College of Wisconsin Youth Violence Initiative in the development of phase two youth violence prevention projects.
Develop a plan to prevent sexual violence and ensure that victims receive a seamless compassionate response.	Prepare initial draft of sexual assault response plan. Establish uniform standards for multi-disciplinary training in all agencies that provide direct services to victims and survivors of sexual assault/abuse. Design victim advocacy team in conjunction with community partners.
Increase safety for victims/children of domestic violence and sexual assault. Hold abusers accountable and work to prevent domestic and sexual violence.	Strengthen outreach to professionals and neighborhood residents to increase awareness and response to community and interpersonal violence.
Develop policy and practice in collaboration with public health, community and law enforcement, to reduce access to illegal guns and promote firearm safety.	Establish community educational campaign targeting gun safety at home, straw purchasing, concealed carry and trafficking of firearms. In conjunction with law enforcement and related professionals, develop and implement improvements to statutory workplace and other policy issues created by concealed carry.
Objective: Leverage existing resources and continually seek new funds to create safe and healthy homes for Milwaukee's children through abatement of lead based paint hazards in contaminated houses.	
Strategies	**2012 Milestones**
Continue to seek private and philanthropic funding resources to address and expand the Home Environmental Health program with the goal to increase lead safe homes in the city.	Using existing funding, abate 775 contaminated units in the target area.

Strategies and Milestones for 2012

Continue to work with the State of Wisconsin's Department of Health Services to explore incentives and regulatory compensation changes to promote screening among physicians.	Work closely with the state to identify health systems needing assistance with self-reporting. Coordinate communitywide inventory and strategic planning of parent groups to advocate doctors to increase screening rates. Support the addition of a lead module to the Wisconsin Immunization Registry.
Strengthen community participation and support for safe and habitable housing in Milwaukee through awareness and education to community based organizations.	Expand formal partnerships with community based organizations to increase eligibility for programmatic funding interventions.
Objective: Improve child health by promoting healthy birth outcomes for infants and ensuring that all Milwaukee children have adequate health coverage.	
Strategies	**2012 Milestones**
Increase enrollment in state funded health insurance plans.	Establish five new partnerships with community based organizations to increase access for eligible children. Establish three new locations through partnerships with community based organizations where staff can enroll clients and increase access for eligible populations.
Continue to offer high quality home visitation services and appropriate early childhood interventions to at-risk families.	Secure annual funding for intensive, long term home visiting programs. Collaborate with local and statewide home visitation efforts to encourage widespread implementation and access of evidence based home visiting strategies. Continue to build the project LAUNCH Milwaukee Well Child Connections initiative.
Objective: Improve child health and school readiness by increasing immunization compliance within MPS to 90% by 2013.	
Strategies	**2012 Milestones**
Enhance and improve immunization interventions including record reconciliation, offsite clinics, and health promotion to improve student immunization rates.	Complete the transformation of the Immunization Task Force to an immunization coalition with ten active member agencies that are focused on increasing childhood and adolescent immunization rates citywide. Develop a strategic plan for the immunization coalition that addresses both immunization intervention strategies and the financial sustainability of the coalition.

Strategies and Milestones for 2012

	Collaborate with MPS to identify strategies to overcome the reduction in school nursing support and the transition to a new electronic student record system
Objective: Improve child health by maintaining or reducing childhood obesity rates.	
Strategies	**2012 Milestones**
Improve nutritional status and increase physical activity of Milwaukee's children.	Ensure access to fruits and vegetables through WIC by educating clients and increasing their capacity to purchase these items. Promote farmer's market vouchers and collaborate with other programs to increase availability of these items to WIC clients. Promote breastfeeding by working with all pregnant women through the Breastfeeding Peer Counseling program, continue participation on the Milwaukee County Breastfeeding Coalition, and help businesses become breastfeeding friendly. Educate families and encourage the importance of decreasing sugar sweetened beverages for children.
Objective: Improve child health by reducing the teen birth rate 46% by 2015.	
Strategies	**2012 Milestones**
Promote access to information and services to young adults to encourage responsible sexual health.	Increase the number of clients enrolled in the Family Planning Waiver by an additional 15%. Continue involvement and leadership in essential community initiatives such as the Teen Pregnancy Prevention Initiative through the United Way.
Objective: Improve client reach through the Health Department STD/HIV clinic by increasing the number of clients seen, counseled, and treated at the clinic and in the community.	
Strategies	**2012 Milestones**
Enhance service delivery at the STD/HIV clinic to maximize the number of clients that can be seen, counseled and treated.	Continue to implement a flexible service delivery model for the clinic that efficiently utilizes staff resources and responds to client fluctuations. Implement expedited partner therapy within the STD/HIV program. Maintain a turn away rate of 20% or less at the STD clinic. Utilize Quality Improvement (QI) process to identify and develop strategies to enhance program processes and services.

Strategies and Milestones for 2012

Build program and community capacity, along with improved education and outreach efforts to reach a broader base of clients.	Evaluate current field delivered therapy protocol and implementation as related to community STD case identification and treatment. Collaborate with community organizations to enhance screening, testing and treatment of STDs within vulnerable populations who consistently perform high risk behaviors. Provide standardized protocols to community organizations for MHD laboratory specimen collection and diagnosis of clients for STDs.
Maximize billing reimbursement efforts through the STD/HIV clinic.	Implement necessary infrastructure (staff, equipment, protocols, training, etc.) to ensure all potential billing reimbursements are realized.
Objective: Increase food safety for consumers by increasing the number of annual inspections at high risk facilities and reducing the number of critical risk violations.	
Strategies	**2012 Milestones**
Conduct food inspections based on the complexity of food establishments and prevalence of critical risk violations.	Annually conduct two routine inspections for complex and moderate establishments and one routine inspection for simple establishments.
Develop a system to coordinate communication between License Division and Health Department for data transfer and food vendor information.	Develop a protocol for notification of Health Department inspection staff of new food vendor applications and data changes affecting existing food establishments. Work with the License Division and software consultants to develop a software program that provides a seamless transfer of licensing and inspection data between the Health Department's and License Division's databases. Develop a user document for Health Department staff describing roles and procedures for appending data in LIRA and Chili.

STRATEGY IMPLEMENTATION

Violence Prevention: Reducing violence is a top priority for the city. The Office of Violence Prevention works to promote healthy residents in the city by reducing and preventing the leading causes of intentional injury and death. This includes collaborating with and supporting professional and neighborhood based efforts to develop more effective approaches and policies for violence reduction; building capacity within Milwaukee for prevention activities; disseminating information that promotes understanding of violence and its causes; and studying violence reduction best practice models through research, training and program evaluation.

Lead Poisoning Prevention: The department focuses on health issues related to the home environment including lead poisoning prevention. Recognized as one of the most successful lead poisoning control programs in the

country, the Health Department's lead program has significantly reduced the rate of lead poisoning among Milwaukee's children. The program's success is due to aggressive treatment practices, which target city areas containing homes with the highest concentration of lead. The program also strives to abate hazardous conditions in homes before children are poisoned.

As Figure 1 indicates, the percentage of children aged 0 to 5 with high blood lead levels has declined from about 40% in 1995 to 3.4% in 2010. Approximately 766 units were made lead safe in 2009 and 780 units were made lead safe in 2010 (see Figure 2). The decrease in the number of units abated over the last three years is due to various economic circumstances such as older housing stock needing more maintenance, a decrease in owners' ability to meet the matching fund requirement, and increasing building and material costs.

Research shows a direct link between lead poisoning and IQ levels, performance in school, and propensity for violent crime. The city continues to maximize the success of the lead abatement program, which is largely dependent on fluctuating levels of grant funding. In 2012, the city plans to fund additional lead abatement efforts in approximately 775 properties.

Health Coverage: The city funds critical services to address health disparity issues in the community. Ensuring access to health care coverage for Milwaukee residents to obtain needed medical care and treatment will help improve overall health outcomes. Milwaukee continues to rank low in Wisconsin for health insurance coverage and has the state's largest population of uninsured individuals. The Health Department's Community Healthcare Access Program (formerly Medical Assistance Outreach), which identifies and assists with enrolling eligible city residents in health insurance, helps to bridge this gap.

Since 2003, the Community Healthcare Access Program has helped over 23,000 clients sign up for insurance. In 2010, the program saw

Figure 1

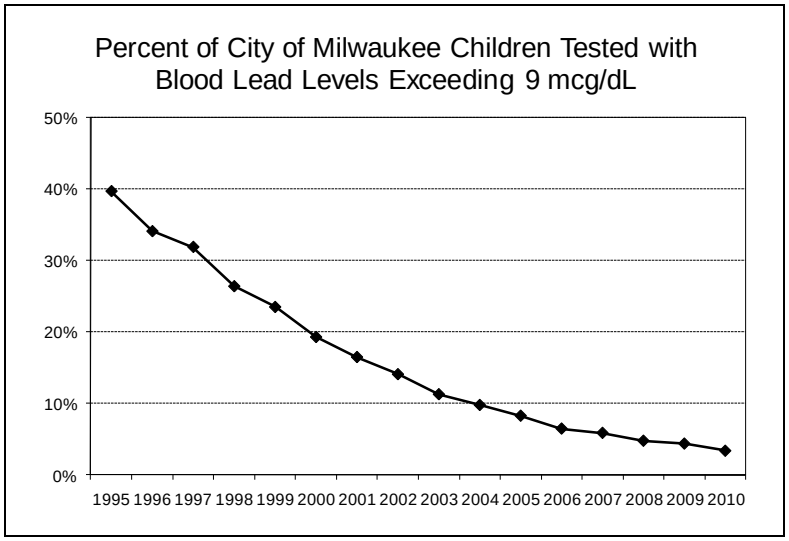


Figure 2

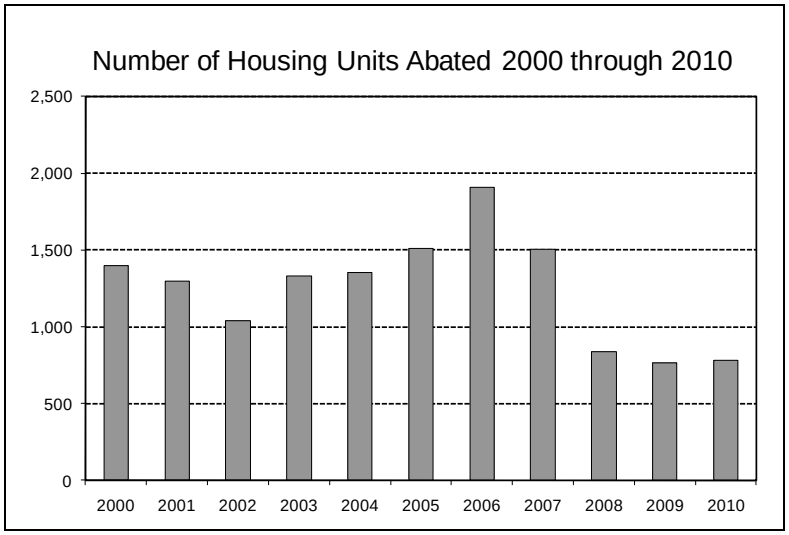
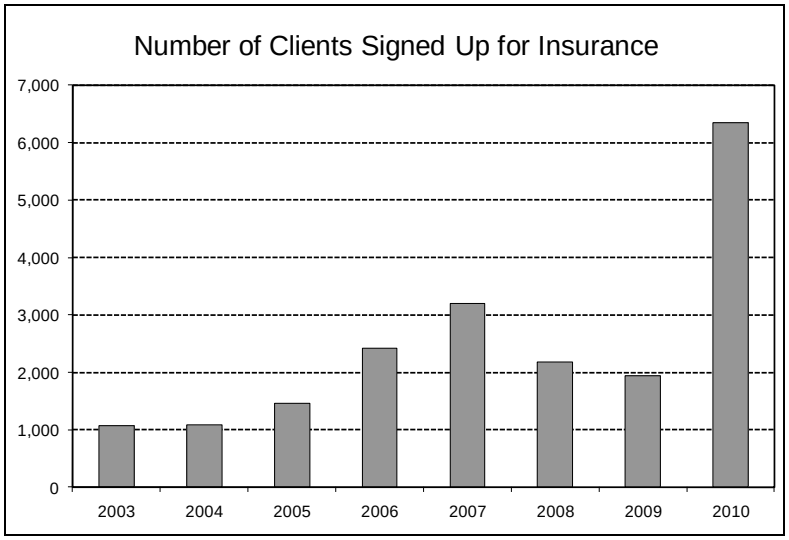
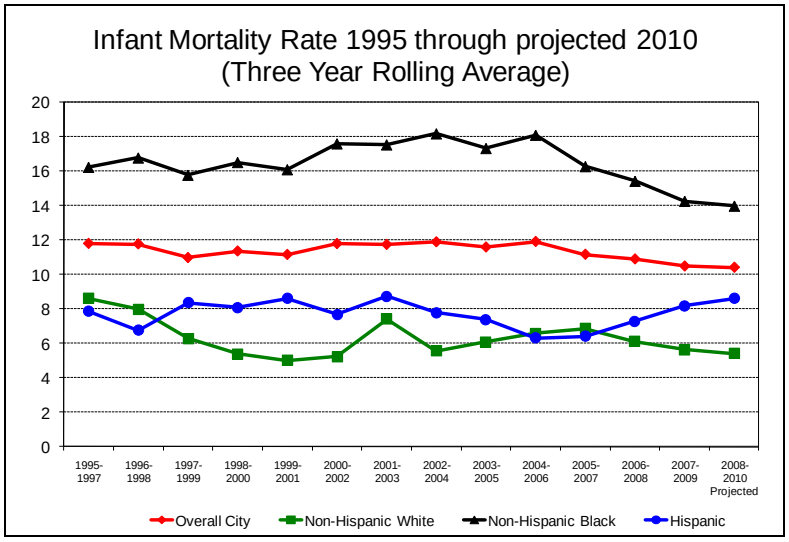


Figure 3



over 7,300 individuals and assisted approximately 6,350 clients in gaining access to insurance (see Figure 3). In 2010 and 2011, the department worked to forge new partnerships and establish additional locations with community based organizations where clients can enroll in state funded insurance programs. These efforts, along with an increase in program staff, substantially increased (227%) the number of clients signed up for insurance in 2010.

Figure 4



Intensive Home Visits: The infant mortality rate (the number of children who die before their first birthday out of every 1,000 live births) is an important indicator of a community's overall social and economic well being. Between 2008 and 2010, non-Hispanic African Americans in Milwaukee experienced a 13.99 per 1,000 infant mortality rate compared to an 8.61 rate for Hispanic residents and a 5.41 rate for non-Hispanic White residents. The rate for African Americans is 2.5 times higher than for Whites. This disparity has remained over time as shown in Figure 4.

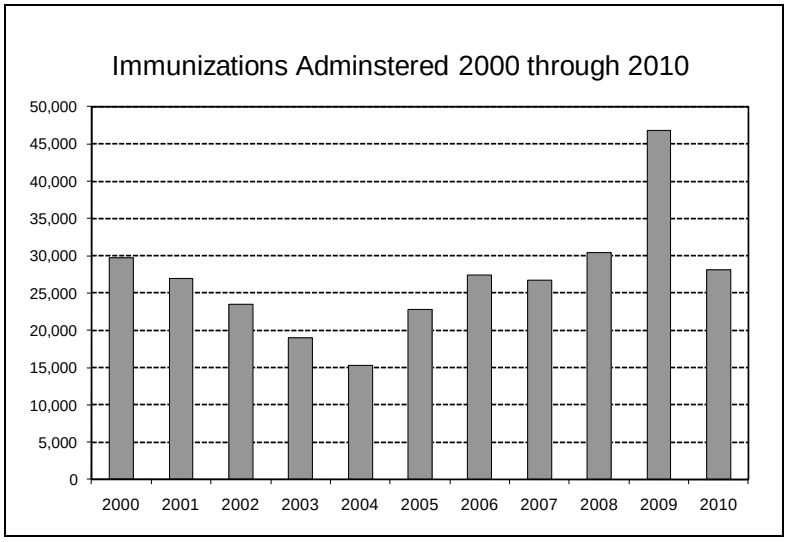
To address this gap, the department manages two intensive home visiting programs that emphasize healthy birth outcomes. The first program, Empowering Families of Milwaukee, targets high risk pregnant women in zip codes 53204, 53205, 53206, 53209, 53210, 53212, 53216, 53218, 53223, 53225 and 53233. The program follows a multi-disciplinary approach with a team of practitioners including nurses, social workers, and community health workers that provide long term, intensive home visitation services utilizing the evidence based model of Healthy Families America and the Parents as Teachers curriculum. Visits begin in early pregnancy and continue through the child's third birthday. The program's goals are to improve birth outcomes, support child health, safety and development, prevent child abuse and neglect, improve school readiness, and enhance family functioning. Since inception, the program has enrolled over 597 new clients and seen 559 infants. In 2011, 100% of the women involved in the program were receiving prenatal care and 56% of mothers initiated breastfeeding at birth. More than 76% of the infants born to program participants scored at or above benchmark developmental levels, indicating the program's potential to overcome high risk environmental circumstances.

A second program, the Nurse Family Partnership (NFP), aims to improve birth outcomes, improve the child's health and development and improve the families' self-sufficiency. The program provides intensive nurse home visitation services to low income, first time pregnant women in zip codes 53204, 53205, 53206, 53209, 53210, 53212, 53218, 53223, 53225, and 53233. This evidence based program follows strict adherence to the national model where case management is carried out through a team of nurses. Visits begin in early pregnancy and continue until the child's second birthday. Based on nationally conducted research at other NFP sites, 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.

By the end of the second quarter of 2011, the Nurse Family Partnership program had enrolled 245 families since program inception, and 70.5% of new mothers had initiated breastfeeding and 81% of the infants were current with recommended immunization schedules.

Figure 5



In order to better align nursing resources with current home visitation models and existing community needs, the department decided to discontinue its core team nursing model. The core team nurses followed traditional models of home visitation that began decades ago and focused primarily on post-natal visits. Current home visitation models have shifted to a prenatal focus which has the greatest impact on birth outcomes, infant mortality, and child development. Over the past few years, the number of individuals in the core nursing team has decreased and at the beginning of 2011 five nursing positions remained. The decision was made to discontinue the core team nursing model and the remaining positions will be shifted to the department's intensive home visitation programs.

The department is committed to working with the community to reduce infant mortality and hosted a Safe Sleep Summit in 2010 along with key community partners to strategize ways to promote safe sleep practices. The department also launched a safe sleep campaign in December of 2009, which included billboard, bus tails, and bus shelter advertisements as well as radio and TV ads promoting safe sleep. In addition, the department is an official "Cribs for Kids" site and through August 2011, has distributed nearly 2,000 cribs (Pack 'n Plays) to families who cannot afford to buy one. To further address infant mortality, the department held a Prematurity Summit in May 2011. Key strategies and outcomes from the Prematurity Summit include health care provider education about interventions that can help reduce prematurity as well as public education on the topic.

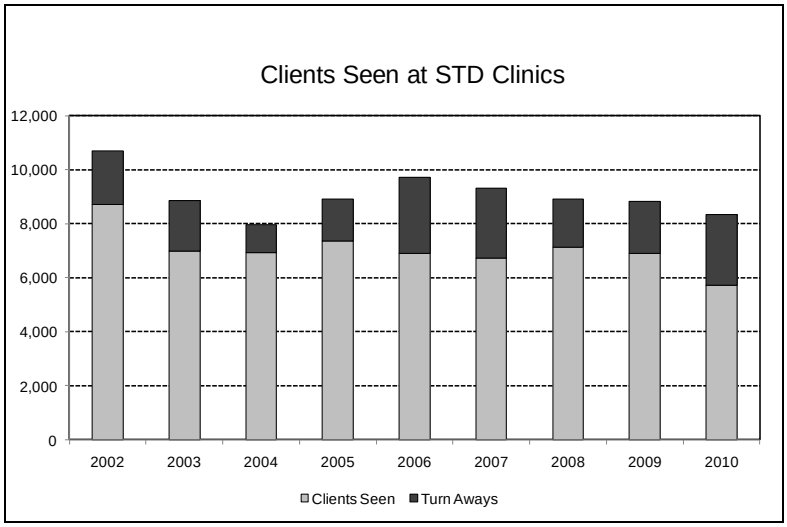
The city and United Way of Greater Milwaukee announced a new partnership in 2011 to fight infant mortality which includes building a communitywide coalition with public, private, and non-profit stakeholders. To kick off the partnership, United Way gave an initial grant of $200,000 to the city to add staff and resources to the Empowering Families of Milwaukee program.

Immunizations: The city has adopted the Department of Health and Human Services (DHHS) goal to have 90% of children complete the primary immunization series. The goal is considered an appropriate level of protection to prevent or minimize outbreaks of vaccine preventable diseases which have become more prevalent in the United States. Improving immunization rates remains a high priority for the Health Department and significant gains have been made over the last several years (see Figure 5). The department's School Readiness Immunization program, along with several key grants and the Milwaukee Immunization Task Force, have increased compliance rates 30% over the past five years to 83% for the 2010 - 2011 school year.

In order to further increase and sustain progress regarding immunizations, the department plays a key role in the Immunization Task Force. The task force is comprised of members from the Health Department, Milwaukee Public Schools, the Wisconsin State Division of Public Health, and the Milwaukee County District Attorney's Office. The task force has concentrated on improving MPS immunization compliance, increasing the effectiveness of school based immunization clinics and improving the transfer of immunization data from schools to the state. In 2011, the task force held an immunization symposium for schools and child care organizations to provide education on statutory laws pertaining to immunizations and reporting requirements with the goal of achieving greater immunization compliance from those institutions.

In 2012, the Immunization Task Force will transition into the Immunize Milwaukee Coalition and expand its mission to focus on improving citywide immunization rates instead of concentrating solely on Milwaukee Public Schools. The Coalition will increase its membership and capacity to target a broader range of immunization issues in the community. The Coalition will also formulate a plan to solidify its financial sustainability.

Figure 6



Child Obesity: Promoting healthy behaviors and access to health services in Milwaukee improves the health of residents. Poor health habits started in youth contribute to disease, disability, early death, and high health care costs. Rising rates of obesity and diabetes are becoming important public health concerns, underscoring the importance of exercise and nutrition. The department's Women, Infants, and Children (WIC) program is the largest in the state and currently serves around 8,100 clients each month. The program's "New WIC Way" promotes the purchase of fruits and vegetables in stores and at farmer's markets. The department will continue its efforts to educate clients and increase their capacity to buy these items. The department also received a grant to implement Fit Families starting October 1, 2011 through September 30, 2012. The program will recruit 100 SNAP ED eligible families with children two to four years of age. The overarching goal of this program strives to prevent childhood obesity by focusing on behavioral change. Three of the core messages are increasing physical activity, eating more fruits and vegetables, and reducing sugared beverages.

Sexually Transmitted Disease: Milwaukee currently has one of the highest rates of infection for gonorrhea and chlamydia in the country. Current data indicate the potential for a significant increase to Sexually Transmitted Disease (STD) in Milwaukee. The Health Department's STD and HIV programs offers services that include screening, treatment, counseling, and referral for Sexually Transmitted Diseases and HIV counseling as well as community outreach and education. The department's STD clinic sees an average of 6,500 clients each year and continues to maximize client outreach and services through newer programs and initiatives.

For example, the Dual Protection Partnership Initiative provides education to clients along with actively managed referrals of clients to medical providers. Field delivered testing and treatment shortens the amount of time between diagnosis and treatment to decrease the spread of disease. Initiatives like these allow the department to treat a larger number of cases in a timely manner in order to decrease both occurrence and reoccurrence of cases.

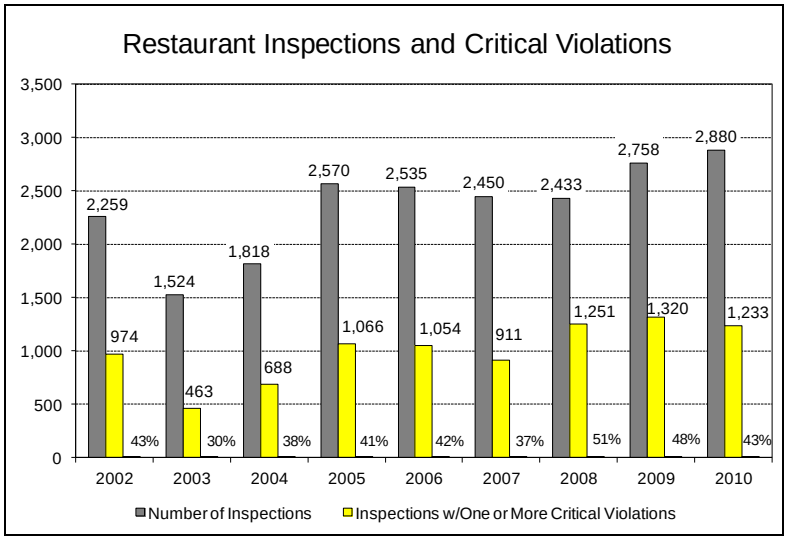
The department also focuses on process improvements that positively impact service outcomes at the Keenan STD clinic. The department has set a goal to provide service to at least 80% of the clinic's visitors on a regular basis (see Figure 6). In 2010, the department fell short of this goal and was able to see approximately 70% of the clients that came to the STD clinic. As a result, the department formed a special committee and launched a quality improvement process, as part of a department wide initiative, to identify problematic areas and improve program efficiency. This resulted in a significant increase in the number of clients seen at the clinic during 2011.

The department continues to partner with Diverse and Resilient, Inc. to help reach young African American men who have sex with men. The partnership targets the root causes associated with the rise of HIV disease in Milwaukee and collaborates with community agencies to maximize client reach and reduce disease transmission.

The 2012 budget includes a $75,000 special fund to enable targeted HIV prevention initiatives. The department will use its surveillance and community outreach expertise to tailor these initiatives to the most critical emerging patterns of HIV risk.

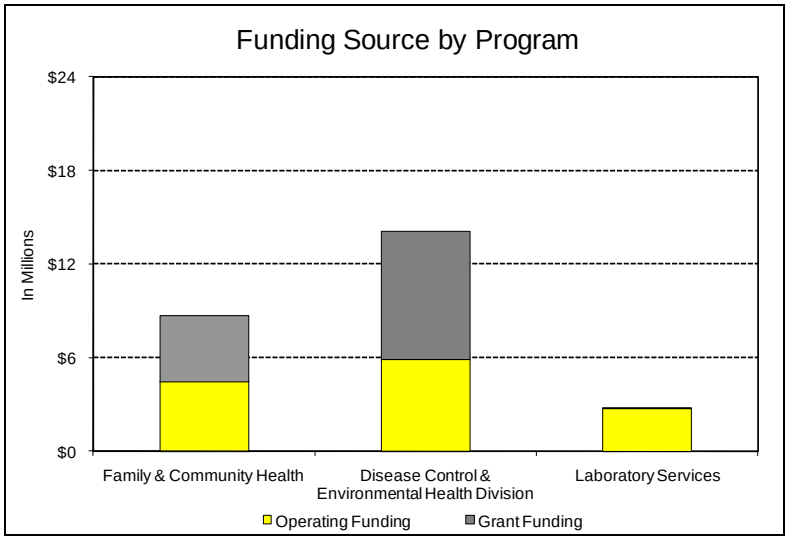
Consumer Environmental Health: The department's success in protecting consumer environmental health is measured in part by the percent of inspections with critical risk violations. The department has a goal to reduce critical risk violations for all inspections, including initial site visits and follow-up inspections. In 2010, 43% of all inspections resulted in the identification of one or more critical risk violations (see Figure 7). The most prevalent risks include improper holding, cross contamination, and personal hygiene. The Health Department continues to use the Hazard Analysis and Critical Control Point (HACCP) techniques in its inspections. These techniques allow Food Inspectors to identify hazards to food safety or products in relation to food preparation or processing and determine the critical control points required to prevent or control these hazards.

Figure 7



In 2009, the department revised the manner in which food inspections are carried out in order to increase the amount of routine inspections that are completed annually. Restaurants are inspected at an increased frequency based on the complexity of food service. The tiered model of delivery helps inspectors better target more complex establishments and concentrate on violations that pose the greatest health risk for consumers. In addition, the department issues placards to licensed food establishments after inspections are completed to provide details on the last date of inspection and provide information on how to access the department's web based inspection reporting system.

Figure 8



In 2011, food license issuance functions were transferred from the Health Department to the City Clerk's License Division in an effort to better streamline the process and consolidate licensing services to citizens. In 2012, the Health Department anticipates the transfer of weights and measures and tattoo license functions to the City Clerk to continue to leverage this system and efficiency in a single point of contact for industry. Both departments continue to work on the transition of these functions including developing and refining protocols for communication between the departments and improving gaps in data transmission between the food inspection and license software programs.

Homeland Security and Public Health Emergency Preparedness: The department is active in several interagency planning initiatives directed toward improving public health response to natural disasters and bioterrorism. The department actively participates on a number of regional hospital and local public health work groups and committees directed toward improving community readiness. In 2011, the department continued to refine plans around communitywide dispensing of medical countermeasures in the event of a bioterrorism event including conducting a functional exercise involving over 100 volunteers at the University of Wisconsin Milwaukee. The

Urban Areas Security Initiative (UASI), Department of Homeland Security Biowatch program, and the Cities Readiness Initiative (CRI) are all examples of collaborative regional approaches to emergency preparedness and response within the Milwaukee metropolitan area. The department has been asked to provide input on various federal emergency management policies involving biosurveillance and intelligence fusion centers funded through the Department of Homeland Security. In addition, the department provides public health representation on the Federal Emergency Management Agency's (FEMA) National Advisory Council (NAC) and in support of the agency's "Whole of Community" approach to disaster preparedness and response.

OTHER SERVICE AND BUDGET CHANGES

Budget Funding: The 2012 budget provides $13.1 million of local tax levy funding. Grant funding from state and federal governments and foundations is expected to total around $12.5 million. Overall, 2012 grant and operating funding of $25.6 million (see Figure 8) represents a 13% increase from the $22.7 million budgeted in 2011.

Capital Funding: Capital funding for the Health Department totals $450,000. This includes $75,000 for general maintenance and repairs at the various health centers and $375,000 for the initial phase of window replacement at the Southside Health Center.

School Readiness Immunization Initiative: The 2012 budget continues funding for the School Readiness Immunization Initiative to help the community improve immunization rates. The program supports the establishment of more reliable baseline immunization data for the city and provides guidance to schools, childcare organizations, and health care providers to bridge any gaps in immunization data with those organizations. The initiative also helps with special immunization clinics and outreach and educational efforts.

Community Healthcare Access Program: Funding in 2012 will continue to help the department identify eligible populations, inform clients of the programs available, help with the application process and participate in outreach activities. This emphasizes the city's commitment to decrease existing health disparities and ensures that all Milwaukeeans have access to health insurance.

UWM School of Public Health: A $40,000 departmental special fund is included to fulfill, over the course of five years, a $200,000 pledge to the UWM School of Public Health. The funds will be used to cover ongoing maintenance costs associated with the building and office space designated for the Health Department.

Voter ID/Birth Certificate Temporary Staff: Beginning in 2012, individuals will need a driver's license or state identification card to vote in an election, and residents may use a birth certificate to obtain one of these two forms of identification. The city is considering alternatives to enable the provision of birth certificates to adults for voting purposes in the month prior to each 2012 election. A $35,000 special fund is included for temporary staff at the Vital Statistics office to help with the anticipated increase in workload. The city is also seeking grant funds to cover the $15 cost that must be paid to the state for each free certificate that is issued.

Communication Change: In an effort to assist other departments with communications and graphic design needs, a Graphic Designer is being transferred from the Health Department to the Department of Administration. The position will continue to do work for the Health Department but will also be available to help other departments as well.

Beach Water Testing: A $40,000 departmental special fund is included to provide beach water sampling five to six days per week for three beaches. The fund also covers laboratory supplies and analysis and the design and placement of water quality advisories.

Staff Changes: The 2012 budget maintains all existing clinic services with modest reductions to personnel involved in direct service delivery See the *Detailed Listing of Position Changes* for more information.

2012 Budget by Services (Funding in Millions)

Service	**Disease Control and Environmental Health**	
Activities:	Communicable disease surveillance and control, immunizations, STD/HIV Aids prevention, tuberculosis prevention, emergency preparedness and response, environmental assessments, lead poisoning prevention and treatment, food safety regulation and education, weights and measures inspections, and sales ordinance investigations.	
		2012 Projection
Performance Measures:	Number of immunizations administered for the city and MPS.	22,000
	Number of clients seen at the STD clinic.	7,000
	Number of units made lead safe.	775
	Number of food inspections.	5,000
	Percent of all food inspections with one or more critical risk violations.	35.0%
Funding by Source:	Operating Funds	$5.9
	Grants and Reimbursables	$8.2
	Capital Budget	$0.2
	Totals	**$14.3**

Service	**Family and Community Health**	
Activities:	Prenatal and reproductive health, newborn screening, immunizations, health education, preschool health, infant mortality reduction, health care access, cancer screening and prevention, women's wellness, domestic violence and sexual assault, vitals statistics/epidemiology, men's health.	
		2012 Projection
Performance Measures:	Number of intensive nurse home visits.	7,000
	Number of clients signed up for insurance.	5,000
	Number of cribs distributed through Cribs for Kids.	1,000
Funding by Source:	Operating Funds	$4.5
	Grants and Reimbursables	$4.2
	Capital Budget	$0.2
	Totals	**$8.9**

Service	**Laboratory Services**	
Activities:	Disease surveillance, environmental health protection, food and water safety, specialized testing, emergency response, data interpretation and integration, and research.	
		2012 Projection
Performance Measures:	Number of tests for communicable disease.	7,500
	Number of tests for blood lead poisoning.	3,500
	Number of tests for lead in the environment.	15,000
	Number of tests for water quality including beach monitoring.	1,400
Funding by Source:	Operating Funds	$2.8
	Capital Budget	$0.1
	Totals	**$2.9**

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	-0.25		Health Communications Officer	Position reduced through an amendment to extend library hours.
-1	-1.00		Graphic Designer II	Position transferred to Department of Administration.
-1		-1.00	Ecocultural Family Interview Program Coordinator	Position reduced through Ecocultural Family Interview Assessment Grant.
-1	-1.00		Public Health Nurse Supervisor	Position transferred to another division in the department.
-1	-1.00		Public Health Nurse	Eliminate unfunded vacant position authority.
-1	-0.50		Clinic Assistant	Reduction due to fiscal constraints.
-1	-1.00		Health Access Interpreter	
2	1.00	1.00	Public Health Social Worker	Positions added through Empowering Families of Milwaukee Program.
1		1.00	Public Health Nurse	
1		0.80	Dietetic Technician	Position changes through WIC Grant.
-1		-1.00	Dietetic Technician Bilingual	
-1		-1.00	Health Project Coordinator ACHP	Position reduced through Maternal and Child Health Grant.
1		1.00	Office Assistant II	Positions added through Breast Cancer Awareness Grant.
1		1.00	Public Health Nurse	
-1		-1.00	Environmental Health Field Supervisor	Positions reduced through Childhood Lead Poisoning Prevention Grant.
-1		-1.00	Public Health Educator II	
-3		-3.00	Lead Risk Assessor II	
-1		-1.00	Program Assistant II	
-1		-1.00	Lead Program Information Specialist	
-1		-1.00	Office Assistant III	
-1		-1.00	Health Services Assistant II	
-1		-1.00	Public Health Nurse Supervisor	Positions reduced through the Lead Poisoning Control Grant.
-1		-1.00	Public Health Nurse	
1		1.00	Lead Program Information Specialist	

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1		-1.00	Lead Risk Assessor II	Position changes through the CDBG Lead Grant.
1		1.00	Program Assistant II	
1		1.00	Health Services Assistant II	
-1		-1.00	Office Assistant II	
1		1.00	Environmental Health Field Supervisor	Positions added through Lead Hazard Reduction Demonstration Grant.
4		4.00	Lead Risk Assessor II	
1		1.00	Environmental Hygienist	Position added through Lead Based Paint Hazard Control Grant.
-1	-1.00		Environmental Health Training and Policy Coordinator	Retitled to better reflect duties of position.
1	1.00		Environmental Specialist Supervisor	
1		1.00	Health Project Coordinator Public Health Surveillance	Position added in Bioterrorism CDC Public Health Preparedness Grant.
1	1.00		Public Health Nurse Supervisor	Position change in STD clinic due to departmental reorganization.
-1	-1.00		Communicable and Infectious Disease Program Supervisor	Position changes in Tuberculosis Program.
1		1.00	Public Health Nurse	
-1		-1.00	Nurse Practitioner	Position reduced through Dual Protection Partnership Initiative Grant.
1		1.00	Nurse Practitioner	Position added through HIV Risk Reduction Grant.
-1	-1.00		Laboratory Assistant II	Lab position reclassified and retitled to better reflect duties of position.
1	1.00		Medical Laboratory Technician	
	4.04		Various Positions	Adjustment for PCA change.
	1.10	-0.90	Various Positions	Adjustment for O&M and grant position funding changes.
		-0.80	Various Positions	Adjustment to reimbursable FTEs to reflect actual.
	0.82	0.20	Various Positions	Miscellaneous adjustments.
-4	**2.21**	**-1.70**	**Totals**	

LIBRARY

EXECUTIVE SUMMARY

MISSION: Provide a gateway to an expanding world of information; provide materials, services, and facilities for all citizens in order to meet present and future informational needs.

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

Increase access to technology and electronic resources.

Support access to employment opportunities.

Expose inner city youth to career environments.

Deliver services at an affordable cost to taxpayers.

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

Offer job and résumé labs and computer training classes.

Increase access to library cards for city students.

Expand early literacy initiative and enhance literacy services to adults.

Use RFID and facilities planning to improve efficiency in library operations.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	257.56	291.18	298.48	7.30
FTEs - Other	23.48	31.37	22.32	-9.05
Total Positions Authorized	368	378	377	-1
EXPENDITURES				
Salaries and Wages	$11,855,935	$12,094,690	$12,204,607	$109,917
Fringe Benefits	6,019,257	6,168,292	6,102,306	-65,986
Operating Expenditures	2,175,979	2,415,482	2,757,251	341,769
Equipment	1,624,161	1,587,279	1,635,810	48,531
Special Funds	598,837	0	0	0
TOTAL	$22,274,169	$22,265,743	$22,699,974	$434,231
REVENUES				
Charges for Services	$1,504,007	$1,384,800	$1,271,500	$-113,300
TOTAL	$1,504,007	$1,384,800	$1,271,500	$-113,300

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

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

The Library also focuses on developing adult literacy to address skills that can improve employability, job retention, and basic literacy. Four libraries are designated as literacy centers that provide tutoring programs and special materials to develop basic reading skills. One-on-one tutoring is also available at five libraries, with walk-in tutoring offered at Washington Park library. The Library also offers technology as part of its focus on 21st century literacy. Public computer classes are offered in partnership with private donors and the Federal stimulus program, and there is access to public computer workstations and the Internet at each library. Computer classes are offered throughout the year, and workstations are available during all library hours.

Children's services staff and librarians select and recommend appropriate materials for young children, provide guidance to parents and caregivers, and offer in-house, distance, and online reading programs. As children grow into young adults, the Library has various programs and services to support their educational needs including age appropriate summer reading programs and homework assistance during the school year. These services to children, childcare providers, and young adults have been merged into one department. With an emphasis on early literacy and lifelong learning, the coordinator provides a system wide standard for services and programs offered to youth and underserved populations.

Strategies and Milestones for 2012

Objective: Create a city of readers and improve Milwaukee's literacy rate	
Strategies	**2012 Milestones**
Increase to access to library services.	Hours increased by 55.5 per week.
Continuation of Library's Books2Go Early Literacy Initiative.	Private support secured. 40 outreach sites served. 1,100 children served; 110 childcare providers trained.
Increase services through Youth and Community Outreach Services Unit.	"Teacher in the Library" initiative operating at six branch libraries. Maintain the Summer Reading Outreach programs and childcare centers.

Strategies and Milestones for 2012

Enhance literacy services to adults with school age children.	Adult, computer, and financial literacy classes and resources offered.
Objective: Provide access to informational resources and services.	
Strategies	**2012 Milestones**
Purchase materials in demand by residents.	Increase in circulation of collection.
Reference service available at all library locations.	Service offered and questions answered.
Offer educational and cultural programs.	Programs offered and attended.
Objective: Increase access to technology and electronic resources.	
Strategies	**2012 Milestones**
Expand access to computer resources and wireless Internet.	Gather wireless usage statistics for baseline.
Make desktop and laptop computers available.	Increase documented hours of use by 5% compared to 2011.
Purchase e-resources.	Increase database hits by 2.5% and downloads of e-books and music by 10% compared to 2011.`
Objective: Increase access to employment opportunities.	
Strategies	**2012 Milestones**
Offer job and resume labs.	Hold 600 job labs with 3,000 attendees.
Offer computer training classes.	Hold 700 computer classes with 4,500 attendees.
Support installation of kiosks from the Milwaukee Area Workforce Investment Board.	Gather usage statistics for baseline.
Objective: Expose more inner city youth to career environments.	
Strategies	**2012 Milestones**
Ensure every city student has a library card.	80% of first grade students enrolled in MPS will have valid cards.

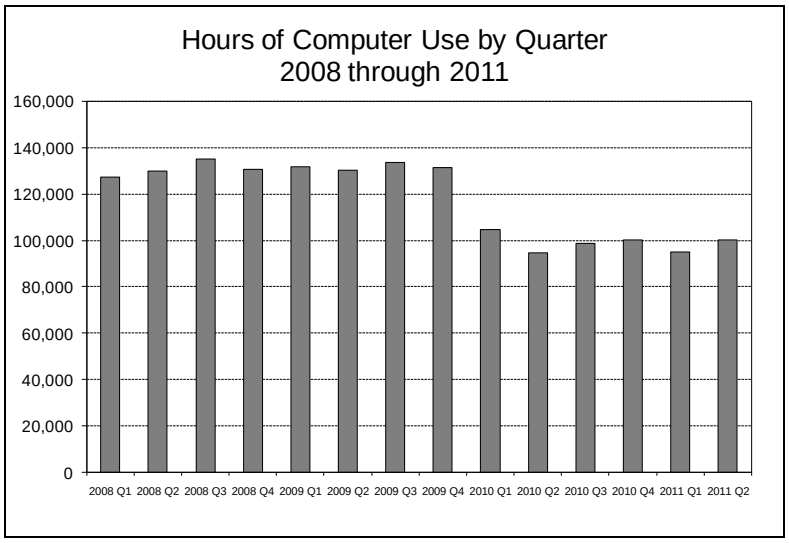
Strategies and Milestones for 2012

Objective: Deliver services at an affordable cost.	
Strategies	**2012 Milestones**
Use RFID and self-check technologies to improve and streamline circulation functions.	80% of all circulation completed at self-checkout.
Enhance libraries and library services through capital planning and development.	New Villard Square branch fully operational. New East Library development underway.

STRATEGY IMPLEMENTATION

Strategic Planning for 2012: The Library Board of Trustees will implement a strategic planning process in the first quarter of 2012. Key issues have been identified as sustainable funding, literacy, and technology. The Trustees will work with the Library Director, staff, and community members to develop a plan that addresses these issues and the services to be offered. The Vision and Mission statements will be examined and rewritten to reflect the future of library services and customer needs, keeping in mind the broad scope of the library's service population.

Figure 1



Broadband Technology Opportunities Program Grant: In October 2010, the Common Council and Mayor approved acceptance of the U.S. Department of Commerce Broadband Technology Opportunities Program grant, funded through the American Recovery and Reinvestment Act. Total grant funding is $2.5 million, with $1.5 million directed to the Milwaukee Public Library. The grant provides funding through October 2013 to connect Milwaukee communities by deploying new computers, upgrading broadband equipment and speeds, and providing skills training to city residents. The skills training will occur at several sites, including six neighborhood libraries; Atkinson, Center Street, Martin Luther King, Villard Avenue, Washington Park and Forest Home. The grant funds six Library Technology Specialist positions, which will manage the laptops, teach classes, and provide assistance to library customers. The grant also funded the purchase of 240 laptops for use at the libraries and an upgrade of the wireless infrastructure at the library facilities.

Job Drop-In Labs and Computer Training: The Library's information resources have expanded beyond traditional collections and reference to include increasing numbers of computer based information and technical skills development. In 2010, MPL offered 468 privately supported computer classes focusing on providing residents with basic computer skills. In 2010, 3,728 students attended these classes and 303 more classes were held with 1,984 attending in the first seven months of 2011. Another 298 drop-in labs were held in 2010 with 1,825 participants. Through July 2011, 133 sessions have been held with attendance of 1,004.

In addition to computer classes, customers continue to use library technology on library computers when buildings are open and remotely from their own computers at any time. As shown in Figure 1, overall usage of public computers dropped in 2010, due to decreased library hours. Hours were increased at four neighborhood libraries,

effective February 28, 2011. The hour increase has minimized any additional decline in computer use. Through June 2011, while overall computer use decreased by 2.1%, it increased by 8.8% at the four libraries with increased hours. Further increases in computer use are expected in 2012 because of increased library hours and the addition of the 240 stimulus funded laptops. The Library continues to focus on using technology to improve service to patrons, using tools such as Internet based databases, virtual reference, e-books and other services offered through the Library's web page.

Community Resource Kiosks: The Milwaukee Area Workforce Investment Board installed a Community Resource Kiosk at the Center Street branch library in 2009 and a second kiosk at the Mill Road branch in 2010. Using stimulus funds, additional kiosks have been added at Forest Home, Washington Park, Atkinson, and Villard Square branch libraries. These kiosks provide direct links to information about jobs, training benefits, and other resources.

Library Card Campaign: The Library's goal is to have every Milwaukee student using the public library with a valid library card. A first step toward reaching this goal is to concentrate on getting cards into the hands of first graders. These students can print their names and are learning to read, a perfect time to receive their first library card. The Library will work with all Milwaukee schools to reach this goal.

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

Outreach teachers visit childcare centers and enroll them in the program with a Books2Go library card, discuss early literacy development, promote programs offered at the Milwaukee Public Library, and invite teachers to attend free continuing education workshops. Ready to Read works with childcare centers to provide intensive services, including story times twice a month and book delivery. Teachers model methods for childcare providers to use and develop early literacy skills during story classes and in their day-to-day interactions with children. Strong emphasis is placed on brain development and incorporating fun, easy, and educational activities that will make a significant difference in the lives of children. Ready to Read also includes outreach to families and teaches parents about early literacy skills. This initiative is funded primarily through private foundations.

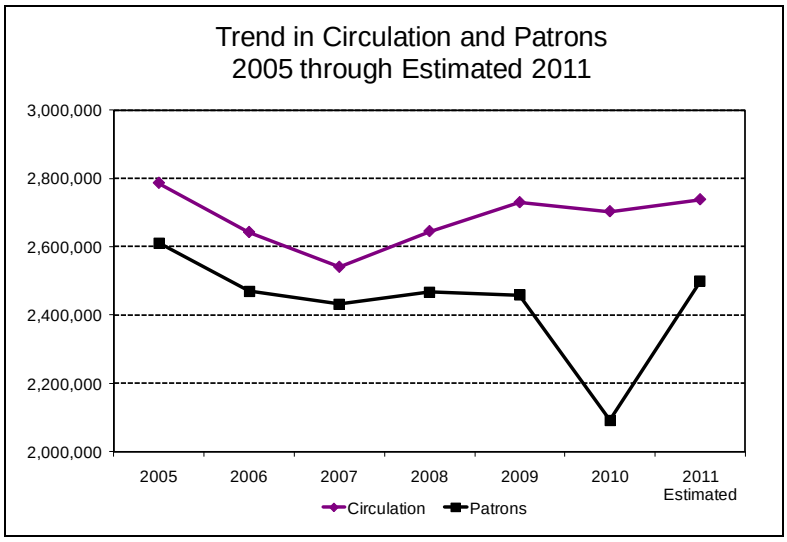
"Teacher in the Library": This initiative was started in 2011 and is based on the Chicago Public Library's successful program of the same name that brings certified teachers to the public library during after school hours. In the Milwaukee Public Library program, teachers help children complete homework assignments, assist students in becoming more focused on their studies, and assist librarians in promoting and developing reading as a lifelong skill and habit. The goal is to help the children improve their reading skills and their classroom performance. Teachers also provide support, counseling, and advocacy for the parents and caregivers of participating children. Parents may be unable to assist their children in completing homework because of limited English language and academic proficiencies. In order to ensure there is full community engagement, Milwaukee's program will provide bi-lingual (Spanish/English) teachers as the neighborhood's demographics and the needs of the student participants and their parents demand. This program is maintained and expanded in 2012 by funding a Library Education Outreach Specialist position and adding $90,000 in funding for teachers at six neighborhood libraries.

Expanded Outreach of the Summer Reading Program: Promoting reading and developing reading skills is a year round endeavor for the library. While the "Teacher in the Library" initiative promotes academic development during the school year, 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 for pleasure. In 2011, the program served nearly 21,000 youth including 6,100 youth served at 79 school age youth servicing agencies and approximately 3,000 pre-school children at 60 childcare centers.

The 2012 budget includes $13,500 to continue outreach for the Super Reader program. This will enable the Library to continue early literacy outreach to childcare classrooms that reach approximately 3,000 children age five and younger. Library educators made visits over the months of July and August and provide literature based classes to

develop literacy skills. This effort encourages parents in their roles as their child's first teacher, helping to develop reading skills in their children. Outreach educators visit each center three times over the summer and actively engage the children in the Super Reader program and literacy activities.

Figure 2



Expanding Neighborhood Library Hours: As shown in Figures 1 and 2, the hours of computer use and the number of patrons and items circulated significantly decreased in 2010 compared to 2009. These reductions correspond to the reduction in hours at neighborhood libraries that was implemented in 2010. Eight branch libraries had their hours reduced by 22% and three other branch libraries had their hours reduced by 37.5%. The 2011 budget increased hours at Bay View, East, Washington Park and Zablocki libraries from 35 hours to 45 hours per week. Increased hours have resulted in a 15% increase in circulation and a 5% increase in patrons at these libraries through June 2011. If these trends continue, total circulation and patrons in 2011 will exceed both 2010 and 2009 levels (see Figure 2). The 2012 budget includes a further increase in hours of 55.5 per week. Hours are increased at Central Library and all branch libraries except Center Street which maintains 50 service hours per week. This increase in hours is made possible by changes in pay practices and work rules, with an additional cost of approximately $5,500 for increased hours for security services.

RFID/Self-Check Project: This project began in 2009 with vendor selection and is near completion. Tagging of all library materials began in February 2010 and was completed in August. Installation of self-checkout stations and new security gates has been completed at all locations. Automated check-in and sorting equipment is fully operational at the Central Library drive-up and installation of 3-bin sorters at Capitol and Bay View libraries and a 15-bin sorter at Central Library is nearly complete. The new Villard Square branch library will include a 3-bin sorter. The Library's goal is to have 80% of all circulation transacted through the self-service stations.

Central Library Drive-Up: Renovation of the drive-up at Central Library began in August of 2010 and was completed in November of 2010. The project improved access to the drive-up service point and created a safer separation between pedestrians using the accessible entrance to Centennial Hall and vehicles. In addition, new energy efficient windows were installed as was a new RFID sorting system that has improved customer service and workflow efficiency. Digital signage promotes library hours and activities. A gift to the Milwaukee Public Library Foundation helped make this renovation possible.

Villard Library: Construction of the new Villard Square Development includes a new branch library, replacing the current library. Ground breaking took place on September 17, 2010 and the library opened on October 15, 2011. The 12,300 square foot library is designed to be flexible, customer friendly, and efficient. A moveable glass wall separates a meeting room from the reading room and can be opened to expand the reading and study area when not in use. The Library offers wireless Internet access and 40 laptop computers for public use in the building. Comfortable areas are available for adults; teens have their own room to study, read, and work in groups; and children have their own computers and collection arranged around a unique window seat. Two additional study rooms accommodate individual and small group use. The library takes advantage of self-service technology and implements a new proactive service model with staff roving throughout the library in rotating shifts.

OTHER SERVICE AND BUDGET CHANGES

Books and Materials: A total of $1.49 million is set aside to fund materials purchased for Central Library and all 12 neighborhood libraries. This represents an increase of $58,700 or 4.1% from the 2011 materials budget.

Center Street Library Moved to the Tax Levy: The Center Street Library has been funded through the Community Development Block Grant (CDBG) since 2003. As a result of significant funding cuts by the Federal Government to the CDBG program, the Center Street Library is moved to the tax levy budget in 2012. This involves moving ten positions from CDBG to the library's operating budget and a tax levy increase of approximately $477,400, excluding fringe benefits. Hours at Center Street are maintained at 50 hours per week. For more information on CDBG changes, refer to the *Grant and Aid Fund* section of the *2012 Plan and Budget Summary*.

Technical Services Reorganization: The 2012 budget includes a reorganization of the Technical Services operations. This reorganization will improve oversight and coordination of these operations, providing better management and control of acquisitions, serials, and serial functions. Included in these changes is the elimination of the Lead Bookbinder position. In the future, bindery work will be funded through a contract. The reorganization will generate approximately $39,000 in operating savings.

MCFLS Changes: The Milwaukee Public Library is a member of the Milwaukee County Federated Library System (MCFLS). The 2011-2013 State Budget decreased funding for library system aids by 10%. This reduction resulted in MCFLS revising its budget, including charging cataloging costs to member libraries, which will cost MPL approximately $32,000 in 2012. In addition, MCFLS has offered reduced funding for the Resource Library agreement with MPL, reducing the anticipated 2012 revenue from MCFLS by $15,840. MCFLS is also finalizing a new member agreement. The current member agreement expires at the end of 2011. The new two year agreement increases the percentage of state aid received by MCFLS that goes to net lending libraries through the reciprocal borrowing program, a change that will shift a larger percentage of MCFLS funding to suburban libraries.

Other Staffing Changes: The 2012 budget eliminates one Office Assistant II position. This position is no longer needed as result of contracting for overdue collection services. One Library Circulation Assistant I half time position is replaced by one Library Circulation Aide half time position. This change will result in salary savings to offset a decrease in Interlibrary Loan Services Grant funding. This reduction in funding is a result of the 2011-2013 State Budget decrease to library aids. The 2012 budget also includes a change in circulation staffing, with a Circulation Assistant II and Circulation Assistant I replaced by one half time Circulation Assistant I and a Circulation Assistant I.

CAPITAL PROJECTS

The 2012 budget provides $2.6 million for library capital improvements, including $1.25 million for changes to library facilities.

East Library Development: The 2011 budget included $2 million in borrowing authority for facility changes, with the intent of using this funding to develop a mixed-use facility for the East Library similar to the Villard Square project. An additional $1.25 million in funding is provided for the East Library Development project in 2012. This project allows the city to develop a valuable property and replace an aging library. A Request for Proposal was released in July 2011 inviting proposals to develop the East Library property as a mixed-use development. Three proposals were submitted and will be reviewed in 2011. The Library anticipates awarding the contract in early 2012.

Central Library Improvements: The capital budget also includes $1.3 million for improvements to Central Library. This includes ongoing projects to repair the building's historic mosaic tile and scagliola, masonry work on the building's exterior, replacement of one air handling unit, and upgrades to staff work areas.

2012 Budget by Services (Funding in Millions)

Service	**Public Service Central Library**	
Activities:	Reference, research and circulation services, collection development; duties related to designation as the Milwaukee County Federated Library System's Resource Library, Interlibrary Loan Services, Ready Reference, Virtual Reference, City Archives, computer and technology services, adult literacy, providing for a healthy environment, and providing opportunities of lifelong learning.	
		2012 Projection
Performance Measures:	Circulation.	677,130
	Visits.	605,400
	Patron contacts.	302,750
	Paging slips.	94,160
Funding by Source:	Operating Funds	$5.0
	Grants and Reimbursables	$1.0
	Totals	**$6.0**

Service	**Public Service Neighborhood Libraries**	
Activities:	Circulation services, reference, collection development, children's and teen librarians, computer and technology services, adult literacy, providing for a healthy environment, and providing opportunities for lifelong learning.	
		2012 Projection
Performance Measures:	Circulation.	1,888,000
	Visits.	1,519,800
	Patron contacts.	239,300
	Paging slips.	186,200
Funding by Source:	Operating Funds	$6.0
	Special Purpose Accounts	$0.1
	Totals	**$6.1**

Service	**Programming and Outreach Services**	
Activities:	Targeting materials and programs to specific populations whick includes Central Library's children's room programming and materials, outreach to childcare centers and related facilities through Books2Go, and adult programming, including job and computer skill classes. Preparing, presenting and staffing visits from authors, and other cultural events at library facilities.	
		2012 Projection
Performance Measures:	Total number of outreach sites served by Books2Go.	40
	Computer program attendance.	5,775
	Number of participants reached in Early Literacy programs.	30,500
	Number of participants reached in School Age programs.	55,125
	Number of children registered in Summer Reading programs.	24,750
	Number of adults participating in Adult Library programs.	10,681
Funding by Source:	Operating Funds	$1.0
	Totals	**$1.0**

2012 Budget by Services (Funding in Millions)

Service	**Administrative Services**	
Activities:	Leadership, Board of Trustee Activities, planning, implementation of Library Strategic Plan, development of community partnerships and marketing plan, budgeting, organizational development and human resource management.	
		2012 Projection
Performance Measures:	Average hours a week each library facility is open.	44.5
	Number of security incidents.	1,255
	Number of registered MPL cardholders.	377,200
	Number of valid MPL cardholders.	143,000
Funding by Source:	Operating Funds	$2.2
	Totals	**$2.2**

Service	**Technical Services and Collections**	
Activities:	Provides technology infrastructure, support, and materials for Central and neighborhood libraries. Selects, acquires, and processes library materials. Provides network administration, purchase, installation and maintenance of all library computers and software.	
		2012 Projection
Performance Measures:	Collection size.	2,600,000
	Items added to collection.	125,000
	Materials expenditure per capita.	$2.46
	Number of computers in library facilities.	1,150
	Hours of computer usage.	650,000
	Unique web visits.	3,404,900
Funding by Source:	Operating Funds	$4.4
	Grants and Reimbursables	$0.5
	Totals	**$4.9**

Service	**Facilities and Fleet Services**	
Activities:	Maintenance of structures, operating systems, equipment and grounds for Central Library and all neighborhood libraries, totaling 642,000 square feet. Delivery of equipment and supplies between buildings and maintenance of all MPL vehicles.	
		2012 Projection
Performance Measures:	Facilities cost per square foot.	$6.16
Funding by Source:	Operating Funds	$4.0
	Capital Budget	$2.6
	Totals	**$6.6**

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	-0.25		Marketing and Public Relations Officer	Provide savings to maintain Center Street hours.
-1	-1.00		Lead Bookbinder	Contract for bindery services.
-1	-1.00		Library Technician IV	Restructure Technical Services operations.
-1	-1.00		Mail Processor	
1	1.00		Administrative Specialist Senior	
1	1.00		Library Technician II	
-1	-1.00		Office Assistant II	Contract for overdue collection services.
1			Custodial Worker II /City Laborer	Provide additional Auxiliary position.
	1.00	-1.00	Library Branch Manager	Center Street Library moved from CDBG funding to operating budget.
	2.00	-2.00	Librarian III	
	1.00	-1.00	Neighborhood Library Services Assistant	
	2.00	-2.00	Library Circulation Assistant I	
	1.11	-1.11	Library Circulation Aide (0.56 FTE)	
	1.00	-1.00	Custodial Worker II/ City Laborer	
	1.00	-1.00	Library Reference Assistant	
1	1.00		Library Circulation Assistant I	Change in circulation staffing.
-1	-1.00		Library Circulation Assistant II	
-1	-1.00		Library Circulation Assistant I	
1	0.50		Library Circulation Assistant I (0.50 FTE)	
	1.00		Library Education Outreach Specialist	Expand youth reading and literacy programs.
-1		-0.50	Library Circulation Assistant I (0.50 FTE)	Reduction in Interlibrary Loan Services grant.
1		0.56	Library Circulation Aide (0.56 FTE)	
	-0.06		Various Positions	Experience adjustment.
-1	**7.30**	**-9.05**	**Totals**	

MAYOR'S OFFICE

EXECUTIVE SUMMARY

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

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

Build safe and healthy neighborhoods.

Increase investment and economic development throughout the city.

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

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

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

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

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

Aggressively address the foreclosure crisis in Milwaukee.

Continue increased investment in local streets and sewers.

Continue to secure federal and state funds to improve Milwaukee.

Promote energy efficiency and renewable energy on a regional basis.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	10.85	11.50	11.50	0.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	14	14	14	0
EXPENDITURES				
Salaries and Wages	$804,396	$783,852	$779,519	$-4,333
Fringe Benefits	370,484	376,249	389,760	13,511
Operating Expenditures	25,490	42,600	43,000	400
Equipment	3,191	0	3,000	3,000
TOTAL	$1,203,561	$1,202,701	$1,215,279	$12,578

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

STRATEGY IMPLEMENTATION

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

Create Job Opportunities for Milwaukee Workers: Nothing is more important to the economic vitality of Milwaukee than providing good, private sector jobs to hardworking residents. The Mayor has worked extensively with the private sector to retain existing jobs and create new employment opportunities. Successes include a growing list of employers including Palermo's, Ingeteam, Helios, Suzy's Cheesecakes, J.F. Ahern and others, that continue to start or expand their operations in the Menomonee Valley. In other locations such as Century City, the 30th Street Corridor, and the Reed Street Yards, the Mayor is setting the stage for new, job creating business opportunities. The Mayor is also supporting and encouraging efforts to build on Milwaukee's established strengths in areas such as power and automation controls, water technology, and food and beverage and continues to support neighborhood business development across the city.

Mayor Barrett has worked to make more resources available for summer youth employment opportunities through the establishment of the Mayor's Earn and Learn Fund, which resulted in over 1,000 community jobs with non-profit and faith based organizations. The new Milwaukee Job Corps Center, opened in the Fall of 2011 with an enrollment of 304 resident trainees. The Milwaukee Job Corps facility is unique in its recruitment of Milwaukee area youth, unlike other facilities in the U.S. that conduct their recruitment without regard to local trainee recruits. The Milwaukee facility targeted significant populations throughout the region, resulting in 46% (141) of total enrollment coming from Milwaukee and 56% (169) of its total enrollment coming from Milwaukee County.

Through Mayor Barrett's leadership, the Milwaukee Area Workforce Investment Board (MAWIB), provided coordinated workforce resources to nearly 9,000 Milwaukee area residents looking for employment services. Over 350 work ready participants transitioned to subsidized employment; nearly 800 were placed in industry jobs; and, more than 1,200 individuals completed training or earned educational, or industry credentials.

Build Safe and Healthy Neighborhoods: Mayor Barrett has developed a comprehensive set of policies, programs and community partnerships to address foreclosure prevention and stabilization of affected neighborhoods. The blueprint for Milwaukee's approach was drawn up by the Milwaukee Foreclosure Partnership Initiative (MFPI), appointed by the Mayor in September 2008. The Mayor charged MFPI to build on the work that was already underway in the community to develop a coordinated strategy to assist homeowners at risk of losing their homes to foreclosure, stabilize neighborhoods affected by growing numbers of vacant foreclosed homes, and prevent similar issues from developing in the future. MFPI's membership of more than 100 volunteers was selected to represent the expertise and experience required to find realistic and implementable strategies to address foreclosure issues.

The MFPI framework guides the expenditure of $39.8 million in federal grants captured by the City of Milwaukee to combat foreclosure. The plan prioritizes efforts to preserve and expand homeowner occupancy, by providing resources and mediation services to property owners facing foreclosure, and by promoting the purchase of foreclosed properties for homeownership.

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

City government resources are dedicated in 2012 to address growing numbers of foreclosed and vacant properties acquired by the city through property tax foreclosure. The Mayor will continue to create cross departmental coordination strategies and community partnerships to maximize the city's resources to stabilize and sustain its neighborhoods.

Youth and Education: Given substantial Community Development Block Grant reductions and tight levy limits imposed by state legislators, Mayor Barrett will continue to work diligently to maintain and expand youth services in 2012. The 2012 budget includes tax levy funding for programs that create job opportunities, safe places for youth, job training for older teens, maintaining critical health services and health education, and other alternatives that will engage young people in positive activities.

Property tax funding is provided for the Center Street Library, ensuring that an important resource for residents in one of the city's most stressed communities is maintained. The city also supports the Teacher in the Library program and other youth literacy development curriculums; after school, evening and weekend programs for youth leveraging public private funding; and a successful, nationally recognized teen pregnancy prevention program. Preventing teen violence, including sexual assault, domestic violence and gun crime is a priority for the Office of Violence Prevention.

The Mayor continues to work closely with community and business partners to leverage public support with private funding to maintain and increase funding for the city's youth employment program, the "I Have A Dream Milwaukee" effort at Clarke Street School. The Mayor also continues to champion and leverage activities and job training efforts at the Job Corps Center. The Mayor is working with the Greater Milwaukee Foundation to launch the Foundation's Milwaukee Succeeds Initiative which proposes to align educational goals for all Milwaukee students through a cradle to career strategy to improve public education.

Mayor Barrett continues to advocate for changes to offset the unfair tax burden created by the Milwaukee Parental Choice Program's (MPCP) funding formula. Mayor Barrett worked with the Milwaukee Public Schools administration to seek additional state funding to meet an $82 million budget shortfall.

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

Under Mayor Barrett's guidance, OES identifies energy related cost savings for city operations and has systematically moved over 170 buildings and facilities onto an online energy tracking software system. The numerous energy efficient projects implemented by city departments have decreased the city's energy bill by nearly $1 million from 2010. The city also continues to invest in community energy programs, including residential, commercial and industrial programs to help Milwaukeeans cut costs while decreasing their energy use. The Mayor and OES will report to the Mayor's Green throughout 2012 about the city's progress on Green Team recommendations and to develop a sustainability plan for the city. This will be a communitywide strategic planning endeavor that will align Milwaukee's environmental, economic and social interests under a single plan.

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

MUNICIPAL COURT

EXECUTIVE SUMMARY

MISSION: Adjudicate ordinance violation cases impartially to safeguard the legal rights of individuals and protect the public interest, enhance public safety, make court services accessible to the public, and enforce court judgments.

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.

Continue effective enforcement of court judgments through various collection methods.

Use alternative sentencing to increase respect for the law.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	31.54	40.38	36.38	-4.00
FTEs - Other	1.01	0.00	0.00	0.00
Total Positions Authorized	45	45	42	-3
EXPENDITURES				
Salaries and Wages	$1,910,584	$2,069,375	$1,943,496	$-125,879
Fringe Benefits	927,252	993,300	971,749	-21,551
Operating Expenditures	571,944	468,500	552,500	84,000
Equipment	2,569	3,000	3,000	0
Special Funds	43,962	35,000	35,000	0
TOTAL	$3,456,311	$3,569,175	$3,505,745	$-63,430
REVENUES				
Charges for Services	$1,862,967	$1,843,000	$1,849,000	$6,000
Forfeitures	5,422,461	5,255,000	5,304,000	49,000
TOTAL	$7,285,428	$7,098,000	$7,153,000	$55,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

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

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

Court staff prepare case files for hearings, provide clerk services to the Judges and Commissioners, receive and account for defendant payments, and perform other administrative functions. The staff is responsible for processing between 130,000 and 180,000 cases per year and accounting for $7.2 million in net revenues, largely from fines and forfeitures.

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

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

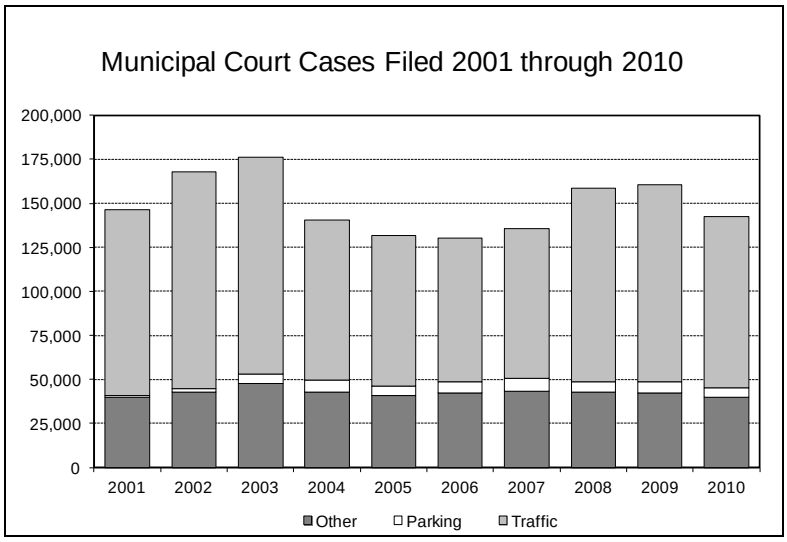
Strategies and Milestones for 2012

Objective: Build safe and healthy neighborhoods.	
Strategies	**2012 Milestones**
Promote justice through impartial adjudication of city ordinance violations submitted by departments.	Percentage of citations heard by intake within 45 days of offense. Court accessibility (community and evening session appearance rates).
Objective: Improve workforce development and connect more citizens to family supporting jobs.	
Strategies	**2012 Milestones**
Provide alternative sentences to increase respect for the law and compliance with sentences imposed.	Number of community service participants and hours.
Restore driver's license privileges to promote employability of offenders with suspended licenses.	Number of program clients who successfully obtain/regain driving privileges. Number of program clients who obtain employment after restoration of driving privileges.

STRATEGY IMPLEMENTATION

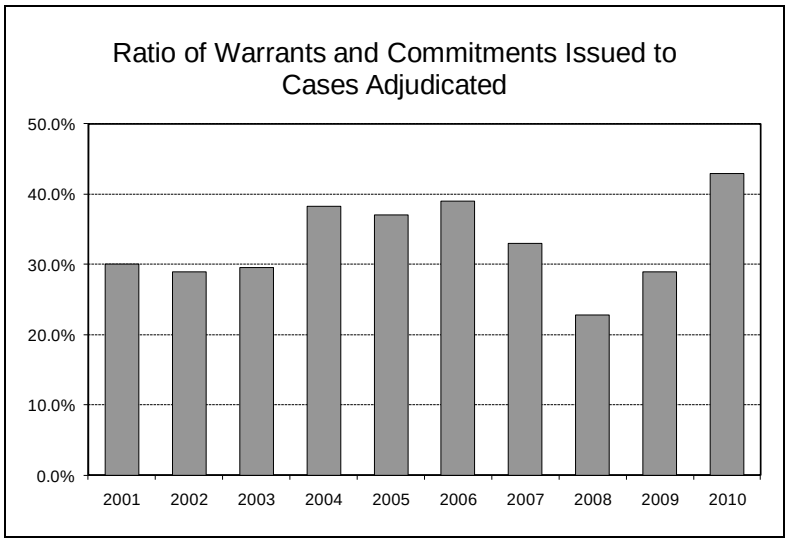
The Municipal Court's 2012 budget is based on an estimated 145,000 cases. Case volume decreased by 11% to 142,790 in 2010 from 160,462 in 2009 and 158,915 in 2008. Traffic cases are now 68% of total caseload, a 13% decrease below 2009 (see Figure 1). The ratio of warrants and commitments to cases adjudicated in 2010 was 43%, an increase from 29.8% in 2009 (see Figure 2). This measurement is dependent upon current judicial policies and varies with different strategies pursued for adjudicating cases.

Figure 1



Evening court sessions, begun in 2003, were offered on 12 dates in 2010. A total of 30 sessions were scheduled for 611 defendants on 856 cases in 2010, with 482 defendants or 79% appearing in court. Since evening court is more convenient, a high percentage of scheduled defendants actually appear for their hearings, improving court efficiency.

Figure 2



Drivers License Recovery and Employability Project: The 2012 budget includes $150,000 for the Drivers License Recovery and Employability Project, with $100,000 allocated in the CDBG funding allocation plan and $50,000 provided in a special purpose account.

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

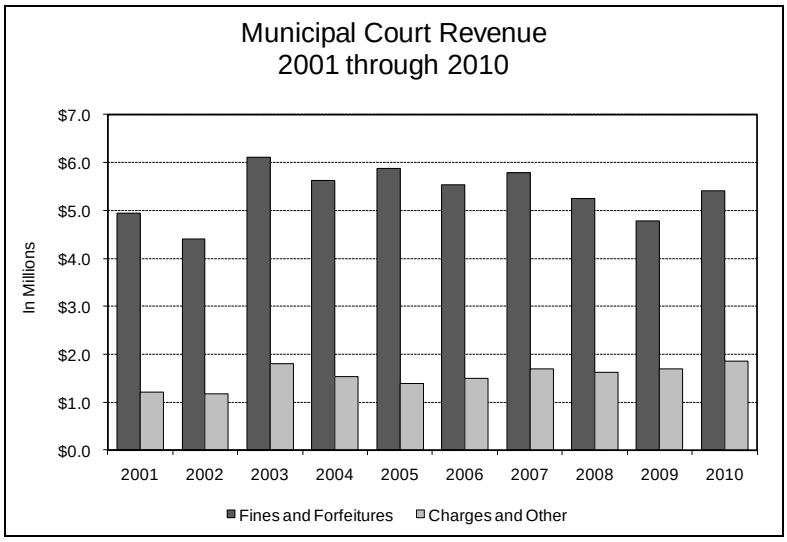
The lack of a valid driver's license creates a significant barrier to employment, particularly since there are many jobs located in the suburban and exurban areas outside of the City of Milwaukee and there is a lack of public transit to allow individuals without driver's licenses to access these jobs.

City funding was a catalyst to start this initiative. Foundations, corporations, and other entities have responded to the program's success by providing funding. Other entities provided 64% of the $562,000 expended by the project in 2010, are expected to contribute 65% of the $535,000 budget in 2011, and are expected to contribute 65% of the

$425,000 projected 2012 budget. For their 2012 budget, the Center projects 35% of its funding to come from the City of Milwaukee.

In 2010, the project served 1,067 clients, and actively managed 782 cases. Of 782 cases closed, 482 obtained licenses, for a license recovery rate of 62%, an improvement from the 56% rate in 2009. This is a high success rate for employment and training programs serving similar client bases. In 2011, the project is maintaining a high recovery rate of 58%, with 140 of the 243 clients whose cases were closed successfully obtaining driving privileges.

Figure 3



Total Court revenue in 2010 increased by $795,000 from 2009, a 12% increase. Most of this increase was in Fines and Forfeitures. Court revenue has fluctuated on an annual basis (see Figure 3) as a result of the number of cases, timeliness of adjudication, defendants' ability to pay, changes in forfeiture and fine amounts, and the effectiveness of collection efforts.

OTHER SERVICE AND BUDGET CHANGES

Improving Case Management: The Municipal Court continues to implement the Electronic Case File and Document Records Management Project. The Electronic Case File Project replaces paper case files and once fully implemented will allow for all documents associated with each case to be stored electronically in one location. For the 2011 budget, savings of approximately $50,000 were realized due to the elimination of paper case file jackets. In 2012, three positions are eliminated as a result of process improvements and other efficiencies, providing an estimated $152,909 in salary and fringe benefit savings. Position reductions include one Court Services Assistant III and two Court Services Assistant II. As the project continues to improve Court processes, additional staffing and other savings will be realized. Additional improvements planned for 2011 and 2012 include e-Filing integration and self-service kiosks.

Datacenter Air Conditioning Unit Replacement: The Court datacenter requires a dedicated air conditioning unit to ensure uninterrupted cooling. Maintaining the datacenter's function is critical to ensuring that Court operations are not jeopardized, particularly as the Court has transitioned to electronic case files and related information technology processes. The 2012 budget includes $54,000 in funding to replace the current datacenter air conditioning unit. The current unit is at the end of its useful life and ongoing operational problems have required major repairs and maintenance.

Legal Office Assistant Staffing Change: The Legal Office Assistant IV position functions as the secretary for the judges. The 2012 budget maintains the position but eliminates funding, for a savings of $40,589 in salaries. The secretary function will be provided on a part-time basis through temporary staff, requiring $20,000 in funding. This will provide a net savings in 2012. This strategy will be employed on a trial basis.

2012 Budget by Services (Funding in Millions)

Service	**Municipal Court Adjudication**	
Activities:	Impartially adjudicate ordinance violation cases and effectively enforce judgments.	
		2012 Projection
Performance Measures:	Percentage of non-priority cases that are tried within 90 days of intake date.	95.5%
	Ratio of warrants and commitments to cases adjudicated.	44.0%
Funding by Source:	Operating Funds	$3.5
	Special Purpose Accounts	$0.5
	Totals	**$4.0**

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	-1.00		Legal Office Assistant IV	Use part time temporary staffing services.
-1	-1.00		Court Services Assistant III	Efficiencies from Electronic Case File project.
-2	-2.00		Court Services Assistant II	
-3	**-4.00**	**0.00**	**Totals**	

NEIGHBORHOOD SERVICES

EXECUTIVE SUMMARY

MISSION: By protecting the value of investments in neighborhoods and properties, DNS supports the community goals of building safe and healthy neighborhoods and increasing investment and economic vitality throughout the city.

OBJECTIVES: Improve neighborhood appearance.

Reduce fire deaths and property loss.

STRATEGIES: Continue implementation of more proactive code enforcement strategies.

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

Improve community cleanliness.

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

Abate nuisance properties.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	156.93	169.00	182.50	13.50
FTEs - Other	27.88	44.50	39.00	-5.50
Total Positions Authorized	240	247	251	4
EXPENDITURES				
Salaries and Wages	$8,401,815	$8,608,633	$9,442,597	$833,964
Fringe Benefits	4,121,365	4,132,144	4,721,299	589,155
Operating Expenditures	879,582	965,685	1,019,272	53,587
Equipment	52,451	50,000	93,500	43,500
Special Funds	1,890,067	1,929,000	1,960,000	31,000
TOTAL	$15,345,280	$15,685,462	$17,236,668	$1,551,206
REVENUES				
Charges for Services	$10,760,322	$11,156,100	$12,019,600	$863,500
Licenses and Permits	5,721,651	5,152,800	5,486,500	333,700
Intergovernmental Aids	1,010,494	1,006,000	1,009,000	3,000
TOTAL	$17,492,467	$17,314,900	$18,515,100	$1,200,200

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Department of Neighborhood Services (DNS) enhances neighborhood appearance by improving city cleanliness, abating nuisance properties, and leveraging private investment in neighborhoods. DNS supports neighborhood improvements by enforcing standards for buildings, property, and land use. The department uses its enforcement, financial, and educational resources to encourage investment in housing and other buildings in

Milwaukee's neighborhoods. Various inspection and enforcement activities ensure compliance with building and property codes, which helps maintain an attractive investment environment and foster reinvestment into neighborhoods.

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

Two major DNS service goals tracked through the Mayor's Accountability in Management (AIM) are response time to complaints and closing of violations in a timely manner. Responding to complaints and resolving violations as quickly as possible enables DNS to achieve its objectives. The complaint response goal is to respond to all complaints within 14 days. Through July 2011, the average complaint response is 7.98 days. The violation goal is to close all violations within 45 days of the compliance date established by Inspectors. Through July 2011, an average of 60.1% of violations met this goal.

Strategies and Milestones for 2012

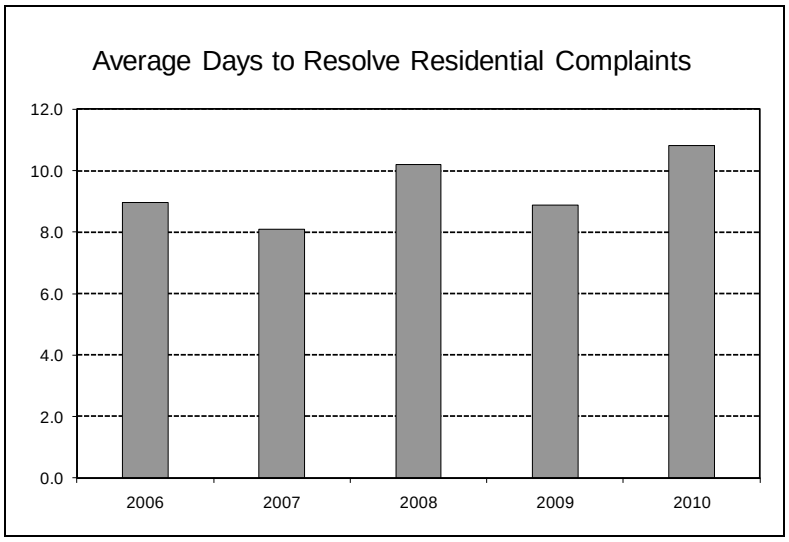
Objective: Improve neighborhood appearance.	
Strategies	**2012 Milestones**
Establish a more proactive code enforcement strategy.	Continue the residential rental unit inspection pilot program in Lindsey Heights and neighborhoods surrounding the UWM area. Aggressively monitor foreclosed properties and eliminate their blighting influences.
Improve community cleanliness.	Work with other departments to improve community cleanliness.
Nuisance property abatement.	Work with other departments to abate nuisance properties in a timely manner.
Reduce the impact of vacant, abandoned and foreclosed properties on the community.	Continue a vacant building registration and inspection program. Aggressively monitor vacant properties to eliminate their blighting influences.
Objective: Reduce fire deaths and property loss from fires.	
Strategies	**2012 Milestones**
Complete fire prevention inspections for properties.	Decrease in the fire incident rate for public structures.

STRATEGY IMPLEMENTATION

DNS has several code enforcement services that improve the appearance of neighborhoods by abating problems such as building code violations, graffiti, peeling paint, and structural building problems as quickly as possible. Timely abatement minimizes further deterioration while supporting reinvestment into properties. One measure of this service is the timeliness of resolving complaints, as measured by the average time to close out complaints. In 2010, complaint response time was on average in 7.6 days. Verified complaints result in orders to correct conditions

that violate city ordinances. Once orders are issued, the key measure is the timeliness of abating violations. In 2010, an average of 72.1% violations were abated within 45 days of the initial compliance date. In 2010, 62,757 violation orders were closed and 4,095 graffiti complaints were closed. The trend in average time to close out residential complaints is shown in Figure 1.

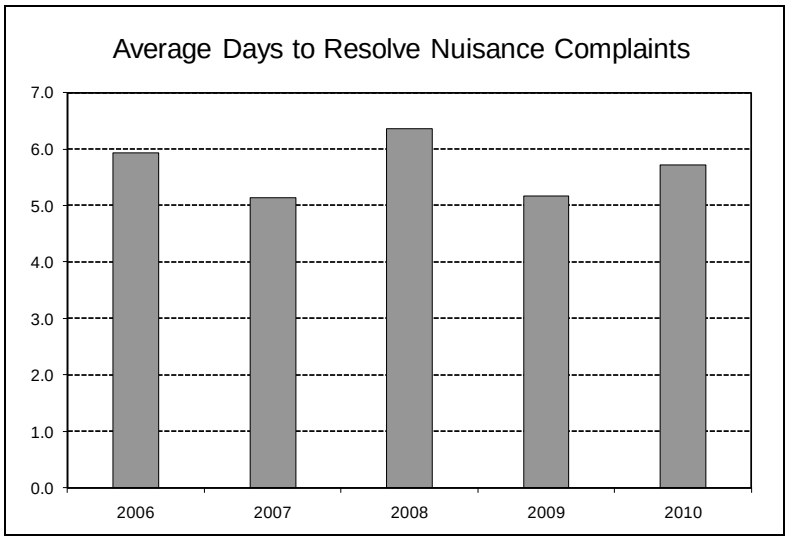
Figure 1



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

Responding to complaints quickly is essential to identifying code violations in a timely manner. In 2010, the Nuisance Section responded to complaints in approximately 5.7 days and through July 2011, the department is averaging a 5.7 day complaint response. The trend in average time to close out nuisance complaints is shown in Figure 2. Once violations are identified, the goal is to abate these as quickly as possible. In 2010, 83.9% of violation orders were completed on time and in 2011, the department is averaging 90.2%. In 2010, the Nuisance Control Service closed out 16,276 complaints and closed out 14,749 violation orders.

Figure 2



Vacant Building Registration Program: The Vacant Building Registration program was created in 2010. The program requires specific buildings that are vacant for more than 30 days to be registered with DNS. DNS conducts an interior and exterior inspection of the property to ensure that no critical code violations exist. If violations exist, DNS issues orders to correct the violations. Registration is valid for six months and must be renewed as long as the building remains vacant. The first registration period is exempt from fees. A $250 base renewal fee is charged and the fee increases if uncorrected code violations exist.

This program has provided more proactive and comprehensive inspection and monitoring of vacant properties. The housing market downturn increased the number of vacant properties, creating a greater risk to neighborhood conditions if these properties are not adequately maintained. Currently there are 2,808 vacant properties in the registration program and an estimated additional 800 will be added in 2012. If vacant properties are abandoned or not maintained they create blight in neighborhoods, require additional city resources to be expended, and threaten public health, safety, and welfare. The program's goal is to provide a deterrent to property owners not adequately maintaining vacant buildings. This should stabilize and improve neighborhood conditions while allowing for improved code enforcement, policing, and development strategies involving vacant properties. In 2012, six positions will support this program.

Residential Rental Inspection Pilot Program: A Residential Rental Inspection pilot program was created in 2010, with pilot areas in the Lindsey Heights neighborhood and the residential neighborhood surrounding the University of Wisconsin Milwaukee. The program provides proactive and comprehensive inspection and monitoring of rental properties in order to deter landlords from illegally and improperly maintaining rental units. This improves housing safety and minimizes the adverse impact of rental housing on the overall community. Systematic inspection of dwelling units helps ensure safe housing by reducing illegal occupancies and fire deaths.

The program requires each rental unit to obtain a residential rental certificate. After application for a certificate, DNS conducts an interior and exterior inspection to ensure compliance with the building maintenance code and zoning ordinances. Units with no critical violations are issued a four year certificate. Units with violations and that abate the violations are issued a one year certificate. The certificate fee is $85. If a unit with a certificate is identified to have critical violations, the certificate can be revoked, preventing the unit from being rented until the violations are corrected.

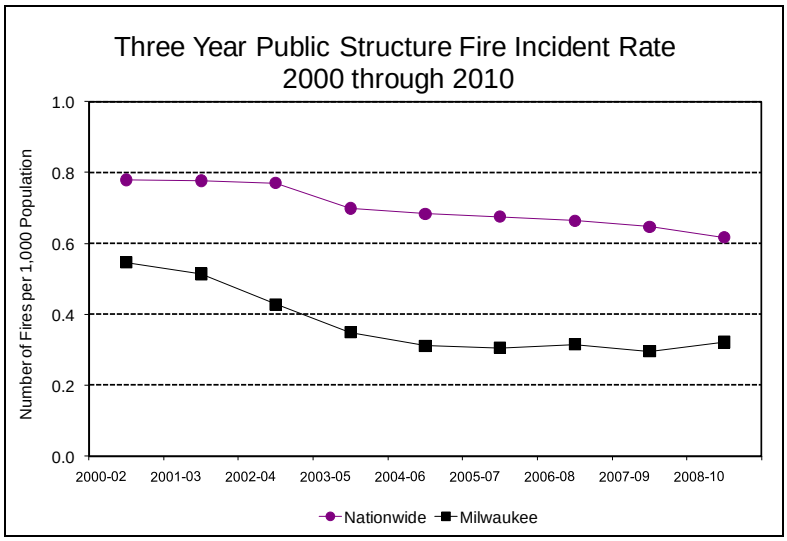
As of August 2011, 420 of the qualifying 556 structures have been inspected, resulting in 319 orders for 2,063 violations. It is anticipated that 15% of the 556 buildings will receive a four year certificate. In 2010, the first year of the program, 59% of the qualifying units received four year certificates. In 2012, two Code Enforcement Inspector II positions will support the program.

Fire Prevention: A key DNS objective is reducing fire deaths and property loss. DNS conducts fire inspections of commercial and residential properties, excluding one and two family properties. Inspections ensure compliance with building codes, including appropriate fire prevention and safety requirements. The Fire Department conducts inspections of government buildings. By completing 100% of the required inspections and ensuring timely correction of code violations, fire incidence is minimized. Reduced fire incidence should decrease the amount of deaths and property loss resulting from fires. The public fire incident rate, which measures the incidence of fires in buildings inspected by DNS, has declined significantly since 2000 (see Figure 3). The three year rate of 0.32 is significantly lower than the national rate of 0.62. Historically, Milwaukee has reduced the number of fires, resulting in a fire incident rate well below the national average. Between 2000 and 2010, the number of fires, on a three year rolling average basis, has decreased by 93 or 32.7%.

Foreclosures: Foreclosures represent a continuing challenge for the city. As of July 30, 2011, there are 6,074 open foreclosures in the city. If abandoned or not adequately maintained, foreclosed properties create blight in neighborhoods. DNS issue orders to banks and lenders who file foreclosure actions. These orders require the bank or lender to register the property with the city and to inspect the property every 30 days and, if found vacant, to secure and maintain the property. To enable DNS to effectively manage the increasing number of foreclosure registrations, an Office Assistant IV position is added in 2012.

Once foreclosure is completed and property ownership has passed to the bank or lender, it is essential to adequately maintain properties in order to minimize neighborhood blight. The city has strengthened property maintenance requirements by requiring owners of vacant and foreclosed properties to post signs on these properties identifying the owner, providing contact information, and prohibiting trespassing; imposing a fee if property owners fail to provide access to properties for scheduled DNS inspections; increasing penalties for failing to register or failing to secure and maintain vacant

Figure 3



buildings; allowing public safety services provided to unregistered, unsecured or non-maintained vacant buildings to be charged to the property owner; and, authorizing DNS to order additional doors and windows boarded on vacant properties.

The city has also been working with banks and lenders to ensure that they properly monitor and maintain properties they are foreclosing upon and those that they acquire through foreclosure. To improve the city's ability to work effectively with banks and lenders, the 2012 budget creates a Building Code Enforcement Supervisor position. This position will monitor bank foreclosure actions, investigate property transfers, research corporate entities, and analyze trends of bank actions to improve the department's ability to hold banks and lenders accountable for ensuring foreclosed properties do not become a blighting influence.

It is critical for DNS to monitor properties that are subject to a foreclosure action. If owners abandon these properties during the foreclosure process, the properties can deteriorate, create public safety hazards, and attract criminal activity. While the lending institutions are required to monitor the properties, some properties still become a problem. The 2012 budget funds three Code Enforcement Inspector II positions previously held vacant to enable DNS to improve monitoring of foreclosed properties and enforcement when these properties are not maintained.

Improving Court Enforcement: Timely enforcement of DNS orders through the Municipal Court is essential to maintaining a proactive and effective enforcement strategy. The number of cases DNS must take to court is increasing in size and complexity, primarily because of increased vacant, abandoned and foreclosed properties. The 2012 budget enables DNS to effectively manage court cases by adding two Special Enforcement Inspectors and filling a vacant Office Assistant II position in the Court Section. This will allow DNS to conduct required inspections and to serve summons and citations in a more timely manner.

Reduced CDBG Funding for Nuisance Property Abatement: In 2012, CDBG funding for neighborhood clean-ups will be decreased by $9,000. This is the result of decreased CDBG funding for the City of Milwaukee.

Reduced Graffiti Abatement: The 2012 budget reduces funding for Graffiti Abatement by $75,000. The Graffiti Abatement Special Purpose Account (SPA) decreases from $170,000 to $95,000, the amount of funding provided in 2009. In 2010 and 2011, DNS received $300,000 for graffiti abatement through the American Recovery and Reinvestment Act (ARRA). This increased funding allowed for an increase in graffiti abatement funding. DNS abatement staff previously funded through the tax levy budget were funded through the ARRA grant. This allowed additional tax levy resources to be allocated to the Graffiti Abatement SPA. ARRA funding ended in 2011, requiring the tax levy budget to fund the abatement staff previously funded through ARRA. In order to fund these staff, the Graffiti Abatement SPA is decreased. This reduction will decrease funding for matching abatement grants to the Business Improvement Districts. Funding will be reduced for maintenance of surveillance cameras, community outreach and youth intervention, and funding will be eliminated for proactive graffiti sweeps.

Receivership Program Moved to Tax Levy Budget: The 2012 budget moves the Receivership Program from CDBG to the tax levy supported DNS operating budget because of reduced CDBG funding to the City of Milwaukee.

CDBG Demolition Eliminated: DNS has historically received funding through CDBG to support demolition. Reduced CDBG funding to the city requires elimination of this funding. This is a reduction of $122,000 from the 2011 CDBG allocation for DNS demolition. This would fund approximately 12 demolitions. A special purpose account provides $1 million for demolition. DNS also has approximately $1.5 million in NSP grant funds for demolition purposes.

OTHER SERVICE AND BUDGET CHANGES

Neighborhood Stabilization Program (NSP): DNS received a total of $4,458,294 in NSP grants for demolishing abandoned and blighted properties. As of August 2011, 127 demolitions have occurred and 57 demolitions are obligated but not completed. The department expects to expend all NSP funds by May 2014. Total demolitions

through NSP are projected to be 266. As a result of decreased NSP funding, one-half of a Building Construction Inspector II is shifted from grant funding to the tax levy budget.

Reorganization of Inspection Staff: DNS plans to reorganize Code Enforcement and Nuisance Control staff in 2012. These positions would be reclassified into a new "hybrid" Property Maintenance Inspector position that will handle both duties in a proactive manner but in a smaller district. Forty enforcement districts would be established and this would eliminate multiple inspectors visiting a property to resolve issues. The Property Maintenance Inspectors would use a proactive approach utilizing baseline code enforcement methods. When problems cannot be easily resolved using these methods, the inspector would work with the Special Enforcement program to bring additional resources to bear.

This is a more systematic approach to neighborhood code enforcement than the current complaint based system. It provides more uniformity in applying ordinances and building codes. Problems are identified more quickly and stronger relationships are established between the inspector and the neighborhood. The goal is to have proactive inspectors operate similar to beat patrol police officers.

Special Enforcement Division: DNS has consolidated all Special Enforcement staff under one manager in a Special Enforcement Division. In 2012, this division will consist of 14 Special Enforcement staff previously spread throughout the department. The inspectors work primarily in geographic territories that align with police districts. The inspectors within a given police district function as a team. Each team fosters strong relationships with the corresponding MPD district community liaison officers, nuisance officers, community prosecutors, and police supervisors. These relationships enable each inspector to gain intimate knowledge of their district and its problems.

Special Enforcement Inspectors will proactively evaluate their districts to quantify problem properties and identify an enforcement approach and timeframes to resolve the problem. This enables these inspectors to be integrated with the larger city efforts to identify problem properties and eradicate their blighting influence on the community.

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

The current NSS tracks significant data from various DNS administrative and inspections programs but requires a significant amount of data entry. An inspector's field time is limited by time required for data entry to document each inspectional activity. The NSS system is deficient compared to available highly mobile technology products.

The new system will benefit DNS by reducing data entry time and the number of multiple data entries. The system will improve the ability to share data within DNS, with other city departments and with the public. The system will enhance communication between various departments and functions in the land development process, including DNS, Department of City Development, Department of Public Works and BOZA. The system will manage the flow of work to meet customer expectations and provide improved customer service. This will be accomplished by an automated notification of staff when tasks are in danger of falling behind schedule. Information will also be made available to customers so they can check on their service requests.

Position Reclassifications: The 2012 budget reflects several reclassifications that were approved by the Mayor and Common Council in 2011. These reclassifications are identified in the *Detailed Listing of Position and Full Time Equivalents' Changes* table.

2012 Budget by Services (Funding in Millions)

Service	**Residential Code Enforcement Services**	
Activities:	Residential code enforcement, code compliance program, court enforcement, and graffiti abatement.	
		2012 Projection
Performance Measures:	Average days to respond to complaints.	10.0
	Percent of orders abated at first inspection.	45.0%
	Number of violation orders closed out.	24,000
	Graffiti complaints closed out.	5,000
Funding by Source:	Operating Funds	$5.8
	Grants and Reimbursables	$3.6
	Special Purpose Accounts	$1.2
	Totals	**$10.6**
Service	**Commercial Code Enforcement Services**	
Activities:	Commercial code enforcement and fire prevention inspections.	
		2012 Projection
Performance Measures:	Three year average public fire incident rate per 1,000 residents.	0.30
	Percent of orders abated at first inspection.	55.0%
	Number of violation orders closed out.	6,100
	Fire inspections completed.	9,700
Funding by Source:	Operating Funds	$1.8
	Totals	**$1.8**
Service	**Trades Permits and Inspection Services**	
Activities:	Construction, electrical, boiler, elevator, and plumbing permits and inspections.	
		2012 Projection
Performance Measures:	Permits processed (closed).	32,160
	Value of work (in millions) for processed (closed) permits.	$569
	Number of complaints closed out.	1,712
	Number of violation orders closed out.	3,850
Funding by Source:	Operating Funds	$5.1
	Grants and Reimbursables	$0.8
	Totals	**$5.9**

2012 Budget by Services (Funding in Millions)

Service	**Nuisance Control Services**	
Activities:	Animal control, pest control, rodent control, chronic nuisance property, community prosecution, nuisance vehicles, environmental health, and payment to the Milwaukee Area Domestic Animal Control Commission.	
		2012 Projection
Performance Measures:	Voluntary compliance with nuisance litter orders.	65.0%
	Average days to confirm nuisance litter abatement.	15.0
	Average days to respond to complaints.	6.0
	Percent of orders abated at first inspection.	50.0%
	Number of violation orders closed out.	17,000
	Number of complaints closed out.	11,000
	Properties and sewers baited for rats.	3,000
Funding by Source:	Operating Funds	$4.4
	Grants and Reimbursables	$0.1
	Totals	**$4.5**

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		Building Codes Enforcement Supervisor	Positions added and filled to increase capacity to manage activities relating to vacant, abandoned and foreclosed properties.
1	1.00		Office Assistant IV	
	3.00		Code Enforcement Inspector II	
2	2.00		Special Enforcement Inspector	
	1.00		Office Assistant II	
	1.00	-1.00	Special Enforcement Inspector	Receivership program moved to the tax levy budget because of CDBG funding cut.
	2.00	-2.00	Code Enforcement Inspector II	Positions moved to the tax levy budget because of CDBG funding cut.
		-1.00	Special Enforcement Inspector	CDBG funding reduced for city services.
	0.50	-0.50	Building Construction Inspector II	NSP grant funding ending.
	1.00	-1.00	Customer Service Representative II	ARRA grant funding for graffiti abatement ending.
	1.00	-1.00	Special Enforcement Inspector	

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1			Office Supervisor II	Positions reclassified.
1			Administrative Services Supervisor	
-1			Program Assistant II	
1			Program Assistant III	
-1			Electrical Inspector	
1			Fire Protection Engineer III	
-1			Building Codes Enforcement Supervisor	
1			Special Enforcement Manager	
		1.00	Various Positions	Experience adjustment.
4	**13.50**	**-5.50**	**Totals**	

POLICE DEPARTMENT

EXECUTIVE SUMMARY

MISSION: Reduce crime, fear and disorder and enhance the quality of life in Milwaukee.

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

Maintain high clearance rates.

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

Increase neighborhood police presence and deployment effectiveness.

Increase confidence in neighborhood safety and police.

Optimize patrol capacity through innovative programs and technologies.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	2,638.55	2,680.51	2,674.73	-5.78
FTEs - Other	62.46	82.78	80.78	-2.00
Total Positions Authorized	2,904	2,904	2,904	0
EXPENDITURES				
Salaries and Wages	$161,895,849	$155,296,447	$155,251,802	$-44,645
Fringe Benefits	61,862,573	59,012,650	65,205,757	6,193,107
Operating Expenditures	12,381,903	13,300,225	13,797,205	496,980
Equipment	1,694,499	1,737,000	1,974,542	237,542
Special Funds	0	0	0	0
TOTAL	$237,834,824	$229,346,322	$236,229,306	$6,882,984
REVENUES				
Intergovernmental	$1,088,120	$824,500	$659,500	$-165,000
Charges for Services	107,501	104,700	87,200	-17,500
TOTAL	$1,195,621	$929,200	$746,700	$-182,500

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Milwaukee Police Department's (MPD) mission is in partnership with the community, to create and maintain neighborhoods capable of sustaining civil life. The MPD commits its available resources to reducing the levels of crime, fear, and disorder through community based, problem oriented, and data driven policing.

To support the MPD's mission, a set of core values have been developed:

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

Strategies and Milestones for 2012

Objective: Decrease crime by 10% annually to improve standing among cities of comparable size.	
Strategies	**2012 Milestones**
Increase neighborhood police presence and deployment effectiveness through the Neighborhood Task Force.	Reduction in index crimes, recognize impacts of Neighborhood Task Force statistics.
Continue to develop innovative strategies to prioritize calls for service and increase police presence where most needed.	Implement initiatives that are measurable and implement best practices across all districts.
Continue to increase confidence in police through community meetings and high profile activities in neighborhoods.	Continue with increased foot patrols, bicycle patrols, and park-and-walks. Reduce crime in targeted geographic areas and replicate successful initiatives throughout the city.
Objective: Help children succeed in school by reducing truancy.	
Strategies	**2012 Milestones**
Reduce school violence through a stronger partnership with MPS and a continuation of the School Resource Officer program.	Work with MPS to establish crime reduction goals and programs in target schools.

STRATEGY IMPLEMENTATION

Measuring the change in violent and property crime from year-to-year 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 2011, 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 City of Milwaukee's COMPASS Map, in the IBR format. OJA converts this IBR data to SBR values, as seen in

Table 1. IBR and SBR cannot be directly compared because IBR counts all the offenses that occurred in an incident and SBR counts the offense that is highest on the hierarchy list while the other offenses are ignored.

The City of Milwaukee has experienced substantial decreases in most crime categories when comparing the first six months of 2011 to the same time period of the previous four years. Since 2007, violent crime has decreased 33.5% and property crime has decreased 25%. Overall crime has decreased 26.5% when compared to 2007.

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

Table 1

City of Milwaukee Uniform Crime Statistics

Summary Crime Counts 2007-2011 Comparison of January through June

	2007 Total	2008 Total	2009 Total	2010 Total	2011 Total	2007-2011 Change	2008-2011 Change	2009-2011 Change	2010-2011 Change
Homicide	48	33	41	38	39	-18.8%	18.2%	-4.9%	2.6%
Rape	124	90	115	87	97	-21.8%	7.8%	-15.7%	11.5%
Robbery	1,608	1,394	1,380	1,234	1,212	-24.6%	-13.1%	-12.2%	-1.8%
Aggravated Assault	2,212	1,930	1,615	1,551	1,307	-40.9%	-32.3%	-19.1%	-15.7%
Total Violent Crime	**3,992**	**3,447**	**3,151**	**2,910**	**2,655**	**-33.5%**	**-23.0%**	**-15.7%**	**-8.8%**
Burglary	2,620	2,880	2,678	2,808	2,654	1.3%	-7.8%	-0.9%	-5.5%
Theft	11,539	11,558	11,030	10,862	8,718	-24.4%	-24.6%	-21.0%	-19.7%
Auto Theft	3,720	3,343	2,301	1,748	2,033	-45.3%	-39.2%	-11.6%	16.3%
Arson	152	137	146	106	119	-21.7%	-13.1%	-18.5%	12.3%
Total Property Crime	**18,031**	**17,918**	**16,155**	**15,524**	**13,524**	**-25.0%**	**-24.5%**	**-16.3%**	**-12.9%**
Grand Totals	**22,023**	**21,365**	**19,306**	**18,434**	**16,179**	**-26.5%**	**-24.3%**	**-16.2%**	**-12.2%**

OTHER SERVICE AND BUDGET CHANGES

Optimizing Patrol Capacity: The 2012 budgeted salary levels will require the continued optimization of patrol resources through a variety of means, including:

- Continuing the use of civilians and non-sworn personnel in administrative positions.
- Continuing to improve upon innovative programs like the Differential Police Response, which allows officers to provide high levels of customer service to residents with lower priority calls.
- Continuing to work with the District Attorney and courts in the Court Overtime Reduction Project to minimize the amount of officer time spent waiting in court for a case that is not going to proceed.
- Continuing to deploy the Neighborhood Task Force in "hotspot" areas to supplement patrol efforts to curb crime and raise the police profile in targeted neighborhoods.
- Continue to enhance the department's use of vehicle based technology, including Mobile Data Computers (MDC), Mobile Fingerprint Units (RapID) and Automated Citation Generators (TraCS) to allow officers to spend more time outside the district stations patrolling neighborhoods and engaging the community. Funded strength levels are essentially unchanged from 2011.

Intelligence Led Policing: 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. In the past, roll call information was passed on to all officers, but today, with the continuity provided by the IFC, officers on all shifts

receive real time crime information that has led to positive outcomes, including the capture of fugitives, recovery of stolen vehicles and arrest of criminals.

COPS Funded Police Officer Recruit Class: In 2009, the department was awarded a competitive Community Oriented Policing Services (COPS) grant from the United States Department of Justice. This grant provides three years of salary and benefits for 50 Police Officers. The grant funded an initial 45 Police Officers that graduated from the academy in 2010. The remaining five Police Officers will be filled from a class that will begin in October, 2011.

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 scrutiny.

Furlough Days: All sworn management and civilian employees of the department will take three furlough days in 2012. In order to minimize operational impacts and ensure adequate staffing, these furlough days will be spread throughout the year. All sworn non-management employees will not have furlough days in 2012.

CAPITAL PROJECTS

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

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

Floor-by-floor remodeling has been postponed until an analysis can be conducted regarding the feasibility of constructing a new facility. Based on this analysis the city will determine the future of the remodeling project and the building itself.

Evidence Storage Warehouse: Funding is provided to upgrade the elevator system to meet building code requirements.

District Station Renovation Program: Funding is provided in the 2012 budget to provide repairs at the Sixth District parking structure, replacement of overhead garage doors at two district stations, condition assessments at three district stations and security improvements at district stations.

Radio and Communication Upgrades: This is a continuing program that maintains and upgrades the police communication system. It includes funding for tower installation, replacement and maintenance, base station improvements, antennas, and other communication improvements.

2012 Budget by Services (Funding in Millions)

Service	**Investigations**	
Activities:	Homicide investigations, crimes against persons and property, sensitive crimes, child abuse neglect and custody, missing person investigations, non-criminal investigations, ATF investigations, and internal investigations.	
		2012 Projection
Performance Measures:	Percent of index crimes cleared by arrest.	17.5%
Funding by Source:	Operating Funds	$57.6
	Capital Budget	$0.4
	Grants and Reimbursables	$1.8
	Totals	**$59.8**
Service	**Patrol Operations**	
Activities:	Neighborhood Task Force, Weed and Seed Operations, Area Specific Patrol, Bicycle Patrol, Neighborhood Foot Patrol, Mounted Patrol, Harbor Patrol, Special Operations Patrol Support, and Tactical Enforcement.	
		2012 Projection
Performance Measures:	Percent change in reported crimes.	-10.0%
Funding by Source:	Operating Funds	$108.8
	Capital Budget	$0.6
	Grants and Reimbursables	$5.8
	Totals	**$115.2**
Service	**Administration and Operations Services**	
Activities:	General administration, budget and finance, personnel, payroll, building and vehicle services, records management, communications, data services, printing and stores.	
		2012 Projection
Funding by Source:	Operating Funds	$69.8
	Capital Budget	$0.4
	Totals	**$70.2**

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		Fleet Maintenance Supervisor	
1	1.00		Police Fleet Manager	
-1	-1.00		Police Buildings and Fleet Manager	
1	1.00		Police Facilities Manager	
-1	-1.00		Administrative Lieutenant of Police	
1	1.00		Health and Safety Officer	
1	1.00		Assistant Fleet Maintenance Mechanic II	Reclassifications.
-1	-1.00		Human Resources Analyst Senior	
1	1.00		Health and Safety Specialist	
-3	-3.00		Heating and Ventilating Mechanic II	
2	2.00		Building Maintenance Mechanic II	
-1	-1.00		Data Base Specialist/Analyst	
1	1.00		Program Assistant II	
2	2.00		Crime Analyst	To improve crime analysis capacity.
-3		-3.00	Police Officers	
1		1.00	Police Sergeant	
1		1.00	Detective	
1		1.00	Captain	To reflect changes in grant funding.
1		1.00	Police Officer	
-2		-2.00	Police Service Specialist Investigator	
-1		-1.00	Office Assistant	
	-7.78		Various Civilian Positions	Experience adjustment.
0	**-5.78**	**-2.00**	**Totals**	

PORT OF MILWAUKEE

EXECUTIVE SUMMARY

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

OBJECTIVES: Increase private investment.

Enhance intermodal options.

Foster development of agricultural and alternative markets.

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

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

Increase marketing for the ferry to Michigan.

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

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	21.00	20.00	21.00	1.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	37	35	37	2
EXPENDITURES				
Salaries and Wages	$1,165,737	$1,208,687	$1,298,335	$89,648
Fringe Benefits	571,007	580,170	649,168	68,998
Operating Expenditures	1,005,493	1,226,000	1,176,000	-50,000
Special Funds	1,813,561	1,882,300	1,895,000	12,700
TOTAL	$4,555,798	$4,897,157	$5,018,503	$121,346
REVENUES				
Charges for Services	$5,217,241	$4,897,157	$5,018,503	$121,346
TOTAL	$5,217,241	$4,897,157	$5,018,503	$121,346

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

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

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

The Port's major commodities are cement, coal, steel, and salt. These products are generally used regionally. The Port seeks to diversify 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.

Strategies and Milestones for 2012

Objective: Increase investment.	
Strategies	**2012 Milestones**
Create a balanced use of Port lands between the north and south harbor tracts.	Resolve all outstanding leasing issues on the north harbor tract. • Define easements of the Milwaukee Art Museum. • Finalize the legal description for Discovery World. • Create an easement for the Discovery World sculpture garden. • Prepare an agreement with Milwaukee County that clarifies government and public rights at areas near North Urban Park. • Widen North Harbor Drive through an agreement with Summerfest, the county, and Discovery World. Maximize public access for recreation and commerce to Port waterfront lands within confined security and safety requirements: • Complete a public access easement with the Milwaukee Art Museum at Art Museum Drive. • Create a new public access agreement with Discovery World at Urban Park. • Update Harbor Drive extended easement right of way to memorialize public access rights and responsibilities. Reduce remaining unleased properties or find suitable uses.

Strategies and Milestones for 2012

Diversify the Port's revenue sources.	Enter into long term lease agreements with businesses that are not tied to the Port's business cycle and with strong growth potential that are not currently operating at the Port. Lead efforts to activate and promote use of the Foreign Trade Zone.
Identify and capture industries that might benefit from the Port's cargo handling facility.	Actively engage target companies to increase Port tonnage by 5% and increase the use of intermodal transportation. Increase participation in regional Great Lakes marketing initiatives.
Objective: Enhance transit options.	
Strategies	**2012 Milestones**
Promote the use of the intermodal yard by strengthening the operational and marketing links between the railroads and the Port for both Far East and European services.	Increase intermodal traffic at the Port by 5%.
Develop a domestic rail container service.	Get a commitment from Class I railroads to set up a domestic intermodal service.
Identify tenants that are not currently at the Port but have strong growth potential.	Increase tonnage imports and exports by 5%.
Market the Port as a gateway for wind energy components.	Re-establish revenues from these businesses. Set aside and prepare ten acres of land for storage of wind energy units.
Market for the ferry to Michigan.	Increase ferry ridership by 7%.
Objective: Foster the development of agricultural markets.	
Export Dry Distillery Grains (DDG). Work with tenants to begin ethanol exports.	Identify regional areas where farmers use DDG's as cattle food. Rebuild Port's liquid cargo pier and pipe connections.

Strategies and Milestones for 2012

Objective: Improve surface water quality by 2018.	
Ensure that Port investments address the risk of regulatory changes affecting the Great Lakes.	Track state and federal regulatory changes that affect the Port and Great Lakes water quality. Inform policymakers and regulators on these issues. Evaluate the associated risks before making investments. Under the "Green Marine" program, begin measuring the Port's impact on dust, air emissions, and water runoff.
Maintain and expand dredging and other environmental cleanup activities.	Complete all scheduled dredging activities.

STRATEGY IMPLEMENTATION

Approximately 72% of the Port's 2010 revenues are derived from a combination of facility rentals and the lease of Maier Festival Park to Milwaukee World Festivals, Inc. Milwaukee World Festivals, Inc. annually holds Summerfest and a host of ethnic festivals on the 75 acre Maier Festival Grounds. This lease generated $1.4 million in 2010. The Port transfers any excess revenue to the city's General Fund to ease the property tax burden.

In 2010, the Port generated operating revenue of approximately $3.8 million. While Port revenues have remained flat over the past few years, 2010 was the tenth consecutive year that Port revenues exceeded expenses.

The Port's total tonnage declined by 20% in 2010. This downturn was the result of a large decline in commercial and ice control salt shipments and an equally dramatic reduction in coal throughput to the Valley Power Plant. These declines are temporary and both salt and coal will return to normal levels in 2011. Tonnage of economically sensitive products, like steel, cement and liquid bio-fuels, remained strong.

The Port's land use strategy is to ensure productive use of land parcels and to replace less productive activities with higher productivity activities to take full advantage of Port properties and services.

OTHER SERVICE AND BUDGET CHANGES

Staffing: The 2012 budget adds an International Trade Development Director position and upgrades a Market Analyst position to Trade Development Representative. These positions will be responsible for managing the Port's Foreign Trade Zone and pursuing foreign trade or marketing opportunities for the Port. In addition, the 2012 budget adds an Auxiliary Municipal Port Director position. This position is added as part of the Port's succession plan and will enable the Port to act quickly if the Port Director suddenly leaves.

The Port is constantly exploring new business and revenue opportunities. In 2012, 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.

The Port expects that these new revenue sources will increase annual tonnage by up to 50 tons over the next few years.

2012 Budget by Services (Funding in Millions)

Service	**Port Economic Development**	
Activities:	Market and promote Port facilities, seek changes in federal laws to promote regional trade and provide harbor equipment, vessel, and crane services.	
		2012 Projection
Performance Measures:	Tonnage growth.	5.0%
	Percent of total expenses covered by revenues.	100.0%
	Port related job growth.	20
Funding by Source:	Operating Funds	$5.0
	Totals	**$5.0**

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		Market Analyst	Position eliminated and replaced with new position.
1	1.00		Trade Development Representative	
1	1.00		International Trade Director (Y)	Manage foreign trade opportunities.
1			Municipal Port Director (Aux)	Succession planning.
2	**1.00**	**0.00**	**Totals**	

DEPARTMENT OF PUBLIC WORKS
ADMINISTRATIVE SERVICES DIVISION

EXECUTIVE SUMMARY

MISSION: Provide administrative support, guidance, and direction for DPW.

OBJECTIVES: Provide guidance and support services for DPW in the areas of finance and planning, payroll, employee safety, and contract management.

Administer and support technology related services for DPW and the city including server/desktop computing, application development, and telecommunications infrastructure.

Administer the Emerging Business Enterprise and Residential Preference programs to ensure opportunities for underutilized businesses and residents.

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

Sustain a stable and secure IT network environment with accountable contract management and project reporting.

Ensure the continuing support and maintenance of telecommunications services that allow for daily citywide communications that impact the health and safety of the public.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	51.69	51.94	45.94	-6.00
FTEs - Other	9.06	9.06	10.77	1.71
Total Positions Authorized	66	64	58	-6
EXPENDITURES				
Salaries and Wages	$2,817,819	$2,862,861	$2,669,386	$-193,475
Fringe Benefits	1,381,694	1,374,173	1,334,693	-39,480
Operating Expenditures	627,358	580,510	499,417	-81,093
Equipment	28,711	30,000	30,000	0
TOTAL	$4,855,582	$4,847,544	$4,533,496	$-314,048
REVENUES				
Charges for Services	$965,047	$1,520,500	$1,378,000	$-142,500
Licenses and Permits	1,410,626	1,447,900	1,328,500	-119,400
TOTAL	$2,375,673	$2,968,400	$2,706,500	$-261,900

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

Strategies and Milestones for 2012

Objective:	**Provide guidance and support services for DPW in the areas of finance and planning, payroll, employee safety, call center and contract management.**
Strategies	**2012 Milestones**
Move to a Risk Management Model to reduce workplace injuries and control worker's compensation costs.	Track and analyze injury data to better determine how and why injuries occur and pursue intervention strategies to increase safety. Evaluate departmental safety practices to determine effectiveness and revise and implement workplace practices that identify and minimize hazards before injuries occur. Reinstate the Injury Review Committee and create documentation regarding improvements or changes made as a result of this initiative. Execute regular reporting and follow-up through individual department AIM meetings. Work with DER to expedite return to work options for injured workers. Analyze the effectiveness of the light duty program and revise accordingly.
Objective:	**Administer and support technology related services for DPW and the city including server/desktop computing, application development, and telecommunications infrastructure.**
Strategies	**2012 Milestones**
Consolidate DPW IT positions under DPW Administration to improve staffing flexibility, IT contract management, and project reporting.	Provide regular status reports of major IT projects. Ensure DPW IT contracts have clear deliverables and milestones, including the Infrastructure Services Division ODB project.
Ensure the continuing support and maintenance of telecommunications services that allow for daily citywide communications that impact the health and safety of the public.	Maintain 24/7 network connections to citywide facilities.

Strategies and Milestones for 2012

Objective:	**Administer the Emerging Business Enterprise and Residential Preference programs to ensure opportunities for underutilized businesses and residents.**
Strategies	**2012 Milestones**
Work with community partners to identify qualified businesses and residents for city contracts.	Meet EBE and RPP participant goals.

STRATEGY IMPLEMENTATION

Safety: DPW's Safety Section works to minimize workplace injuries and allow for a safe and productive work environment. The section implements programs and procedures and acquires new safety devices that contribute to safer work practices. High rates of injuries still occur which contribute to lost work days and escalating worker's compensation costs. In 2012, the Safety Section will work closely with the Department of Employee Relations to improve injury data collection and analysis. Through this effort, DPW is able to identify high risk activities and more effectively target safety efforts.

Call Center: The 2012 budget moves DPW Administration Call Center staff to the new Unified Call Center organization unit. For more information, see the *Unified Call Center* section in the *2012 Plan and Budget Summary.*

Technological Support: DPW's Technology Support Services has three primary areas of focus:

- DPW server/desktop computing,
- Network support, and
- Citywide telecommunications infrastructure.

DPW Administration is implementing a multi-year database consolidation project.

Purchasing: A significant backlog has developed in DPW purchasing and contracting, resulting in delays and loss of best pricing for some projects. The 2012 budget eliminates the Inventory and Purchasing Coordinator position in DPW Administration and transfers that funding for a new Purchasing Agent in the Department of Administration Business Operations Division. This position will focus on DPW purchasing and contracts as outlined in a Service Level Agreement signed by the management of each organizational unit.

OTHER SERVICE AND BUDGET CHANGES

Capital Projects: The 2012 capital budget provides $500,000 for public safety communication needs. This funding will be utilized primarily to install new fiber routes as well as redundant connections for various city agencies, specifically for public safety purposes. Funding of $720,000 is provided for a full software upgrade to the City of Milwaukee phone system. This upgrade is needed to maintain phone system support agreements.

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		Customer Service Supervisor	Transferred to staff the Unified Call Center.
-1	-1.00		Communications Assistant IV	
-3	-3.00		Communications Assistant III	
-1	-1.00		Inventory and Purchasing Coordinator	Funding shifted to DOA Procurement to reduce baklog.
		1.71	Various Positions	Adjustments to various salary offsets.
-6	**-6.00**	**1.71**	**Total**	

DEPARTMENT OF PUBLIC WORKS
INFRASTRUCTURE SERVICES DIVISION

EXECUTIVE SUMMARY

MISSION: To promote the health, safety, mobility, and quality of life for all City of Milwaukee residents and visitors by providing safe, attractive, and efficient surface infrastructure systems.

OBJECTIVES: Enhance transportation options and existing infrastructure.

Reduce energy use in city operations by 15% by 2012.

STRATEGIES: Reduce local street replacement cycle to 65 years.

Increase capital maintenance of local streets.

Improve bicycle and pedestrian access citywide.

Complete installation of the LED traffic control signals and follow the development of LED street lights.

Retrofit buildings to increase energy efficiency.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	300.34	296.60	298.27	1.67
FTEs - Other	296.20	301.99	299.14	-2.85
Total Positions Authorized	807	804	803	-1
EXPENDITURES				
Salaries and Wages	$16,601,425	$16,089,222	$17,287,852	$1,198,630
Fringe Benefits	8,172,367	7,722,826	8,643,928	921,102
Operating Expenditures	13,353,561	12,921,029	13,312,824	391,795
Equipment	142,811	167,000	252,000	85,000
Special Funds	0	12,000	12,000	0
TOTAL	$38,270,164	$36,912,077	$39,508,604	$2,596,527
REVENUES				
Charges for Services	$3,929,782	$3,727,700	$3,750,500	$22,800
Miscellaneous	220,348	252,700	252,000	-700
TOTAL	$4,150,130	$3,980,400	$4,002,500	$22,100

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Infrastructures Service's 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.

The Infrastructure Services Division 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. This entails improving the functionality of existing facilities while identifying opportunities to divest from facilities that do not add value to city services. The division provides building services, such as design, construction, and maintenance for city facilities, excluding the Port of Milwaukee, Milwaukee Public Library, and Health Department clinics.

In 2012, the Infrastructure Services Division will use approximately $167.2 million to support its objectives, including $39.5 million in operating funds, $52.1 million in capital funds and $75.6 million in state and federal aid.

Grant and aid funds are used primarily for two capital programs: the Major Bridge program and the Major Street Improvements program. In the 2012 budget, grant funds constitute 92.3% of the Major Bridge program and 87.5% 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.

Strategies and Milestones for 2012

Objective: Enhance transportation options and existing infrastructure.	
Strategies	**2012 Milestones**
Reduce the local street replacement cycle to 65 years.	Adopt 2012 capital budget and 2012-2017 capital plan.
Improve bicycle and pedestrian access citywide.	Paint planned 86 miles of CMAQ funded bicycle pavement markings and the Kinnickinnic River Bicycle Trail. Complete pedestrian streetscaping projects.
Advance development of a downtown streetcar system.	Complete preliminary engineering and the environmental assessment and begin final design.
Objective: Reduce energy use in city operations by 15% by 2012 (from 2005 baseline).	
Strategies	**2012 Milestones**
Installation of LED traffic control signals.	Complete installations.
Follow development of LED street lights.	If technologically and financially feasible, test pilot a small area of the city.
Retrofit city owned buildings with energy efficient systems and fixtures.	Retrofit city owned buildings based on energy audit recommendations.

Table 1

Major Streets

Source of Funds	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2012-2017 Average
City Funding (1)	$9,776,200	$3,800,300	$6,722,400	$5,606,800	$7,011,900	$6,093,000	$6,501,767
Assessable (2)	$1,000	$125,000	$874,000	$370,000	$963,500	$465,000	$466,417
Grant and Aid	$68,556,800	$18,768,700	$24,417,600	$30,865,400	$24,016,600	$21,572,000	$31,366,183
Annual Totals	**$78,334,000**	**$22,694,000**	**$32,014,000**	**$36,842,200**	**$31,992,000**	**$28,130,000**	**$38,334,367**

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

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

STRATEGY IMPLEMENTATION

Many of the Infrastructure Services Division's activities improve the condition of the city's surface public ways, primarily streets, sidewalks, and alleys. Activities include resurfacing or reconstructing existing pavement, curb and gutter, and constructing new streets as part of residential, commercial, and industrial development. Maintaining the city's streets, alleys, and sidewalks assists in promoting economic development in Milwaukee by providing the infrastructure necessary to move people, goods, and services efficiently throughout the city. Currently over 5.4 million trips are made each day on Milwaukee's streets. This includes rides to work, school, church and hundreds of other activities. Without a well maintained infrastructure system this would not be possible.

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 Residential Street program that includes collectors. In addition to the Local Street program, state funds are allocated on a 50% match every even numbered year within the Major Street program to be used for residential streets.

Major Streets: The city's 286 miles of major and minor arterials are resurfaced and maintained as part of the city's Major Streets program. Arterials are part of the Federal Aid Transportation System and are eligible for county, state, and federal funding. Over the past five years, an average of $37.6 million per year has been dedicated to the preservation and reconstruction of these streets. This funding allows the city to reconstruct nearly seven miles of pavement each year, which provides a 46 year replacement cycle. The 2012 budget includes $78.3 million for the Major Streets program (see Table 1). There are 28 major street reconstruction projects scheduled for 2012 in addition to various bike trail projects, street lighting and traffic improvement in the central business district and various signal and safety improvement projects. The 2012 city match is $1.5 million higher than the 2011 adopted budget amount.

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

The 2012 budget provides $14.3 million for the Resurfacing and Reconstruction program and $2.1 million in state and city funding from the Local Roads Improvement program, which will resurface or reconstruct approximately 17.3 miles of local streets. Approximately $1.6 million of these funds will be used for capital maintenance. The city is committed to investing and improving its transportation infrastructure.

Table 2

Local Street Resurfacing/Reconstruction Funding 2012 - 2017 Plan

Source of Funds	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2012-2017 Average
City Funding (1)	$11,897,500	$14,200,000	$13,200,000	$15,500,000	$13,800,000	$16,200,000	$14,132,917
Assessable (2)	$100	$100	$700,000	$700,000	$700,000	$700,000	$466,700
LRIP (3) State Funding	$1,067,500	$0	$1,067,500	$0	$1,067,500	$0	$533,750
City Match	$1,067,500	$0	$1,067,500	$0	$1,067,500	$0	$533,750
Assessable Match/Carryover	$700,000	$700,000	$0	$0	$0	$0	$233,333
Annual Totals	**$14,732,600**	**$14,900,100**	**$16,035,000**	**$16,200,000**	**$16,635,000**	**$16,900,000**	**$15,900,450**
Cost Per Mile	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000	$850,000
Expected Miles Completed	17.33	17.53	18.86	19.06	19.57	19.88	18.71
Replacement Cycle (Years)	**57**	**56**	**52**	**52**	**50**	**50**	**53**

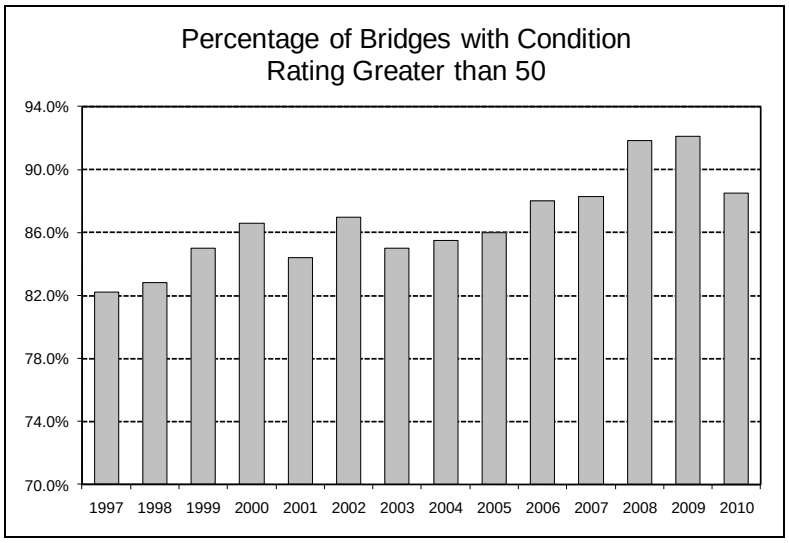
(1) City funds do not include funds for capital street maintenance.

(2) Does not include carryover assessable authority.

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

The six year capital plan for local streets enables the city to maintain its streets at a safe and drivable level (see Table 2). The plan allows the city to complete an average of 18.7 miles of resurfacing or reconstruction per year. In addition, Infrastructure Services will complete approximately 37 miles of street maintenance annually. The 2012 to 2017 funding plan will produce a 53 year replacement cycle.

Figure 1



Major Bridges: The Major Bridge program preserves and maintains a bridge system that ensures the safe and efficient movement of vehicles, people, and commodities. The 2012 budget provides total funding of $20.8 million, including $8.3 million in capital and $6 million in grant and aid funds.

Bridge conditions are measured using a sufficiency rating ranging from 0 to 100. Ratings are conducted every two years through physical bridge safety inspections. Bridges with a rating below 50 are inspected annually. In 2010, 88.5% of the rated bridges had a sufficiency rating above 50 (see Figure 1).

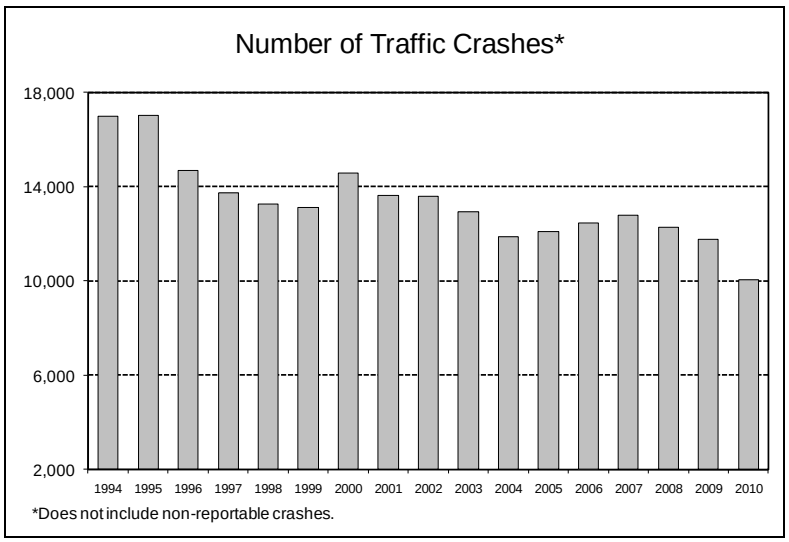
Alleys Reconstruction: The 2012 Alley Reconstruction program includes $3 million in capital funding for the replacement of aging alleys in the city. This level of funding provides for approximately 30 to 35 alley projects to be completed in 2012. In 2012, the recovery rate for assessable alley reconstruction improvements charged to adjacent properties is reduced by 50%, from 60% to 30% in order to reduce the rate at which residents reject alley projects.

Street Lighting: The 2012 Street Lighting program includes $17.8 million in capital, grant and operating funding. Approximately $4.3 million will be expended on paving related improvements. Infrastructure Services routinely performs electrical upgrades in conjunction with the paving program because it is the most cost effective manner to perform upgrades.

Approximately $2.2 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 and upgrading series circuits. The goal of the Series Circuitry Upgrade program is to reduce electrical maintenance costs and electrical outages. The ongoing upgrades make the city's electrical system more reliable and allow maintenance crews to be more responsive.

Figure 2



The 2012 budget includes $610,000 for upgrades to street lighting substations and street lighting control circuits. These projects allow for more efficient management of the street lighting system. Upon completion of the street lighting substations, potential problems will be diagnosed before they occur and crews will be more responsive to citizens. The control circuit project will improve the reliability of lighting cycles, will improve control of street lights, and will reduce response times to circuit outages.

Traffic Controls: The Traffic Control program designs and operates transportation systems that support the safe and efficient movement of people and goods. The program helps to reduce the number of traffic crashes, improve traffic flow and reduce pollution. The 2012 budget provides $5.6 million for this service including $3.3 million in operating funds and $2.3 million in capital funds. The Federal Highway Administration has eliminated many of the implementation deadlines set in the most recent Manual on Uniform Traffic Control Devices (MUTCD). The elimination of these deadlines allows the city to scale back the accelerated pace of the Traffic Control program. Funding is provided to replace the city's aging traffic signs, with $763,700 for non-paving related sign replacements, a $218,600 increase above the 2011 funded level. Elimination of the MUTCD deadlines allows effort to be focused on replacement of deteriorated signage. The Traffic Control program has contributed to a reduction in the number of reported traffic crashes by 30.9% since 1994 (see Figure 2).

Sidewalk Replacement: The 2012 budget provides $1.9 million for the replacement of defective sidewalks in the city. Approximately $600,000 is designated to reduce the backlog of scattered site sidewalks needing replacement. This level of funding will reduce the backlog of approximately four and a half years by half.

Bicycle and Pedestrian Facilities: The City of Milwaukee is ranked a bronze level bicycle friendly community by the League of American Bicyclists. According to the American Community Survey Journey to Work data, bicycle use is up 230% in Milwaukee over the last five years and at the same time the crash rate has gone down 75%. Since 2005, the number of miles of bike lanes in Milwaukee has increased from 13 to 54 and racks have been added to park more than 2,000 bikes in neighborhoods across the city.

OTHER SERVICE AND BUDGET CHANGES

Underground Conduit and Electrical Manholes: The Underground Conduit and Manhole program provides internal communication services. The system provides a secure and weatherproof means of connecting communication cables among various city departments, including the Fire Department, Police Department, Health Department, Milwaukee Public Library, Milwaukee Water Works, and the Department of Public Works. The conduit system also provides a secure and reliable route for traffic signals and street lighting cable circuits and systems. The 2012 budget provides approximately $1.6 million in funding for this program, including $147,000 in operating funds and $1.5 million in capital funds. The capital funding includes $1.2 million for conduit and

underground manhole work related to paving projects and $300,000 for replacement and repair of underground manholes.

FACILITIES CAPITAL PROJECTS

Environmental Remediation Program: The 2012 budget includes $150,000 for the city's Environmental Remediation program. This program funds lead and asbestos abatement in city facilities, soil and groundwater remediation, and fuel dispenser replacements.

ADA Compliance Program: The 2012 budget includes $261,000 to continue its ADA compliance program. This program funds various accessibility improvements including building entrances, office modifications, and rest rooms. In 2012, this program will also incorporate recreational facilities, which has been a separate program in the past.

Facilities Exterior Program: The 2012 budget includes $430,000 for projects to maintain watertight integrity, improve energy efficiency, and provide for safe conditions. Projects include re-roofing the Anderson Tower, overhead door replacements and emergency repairs at various sites.

City Hall Complex Remodeling: The 2012 budget includes $100,000 for remodeling in the City Hall complex.

Outlying Facilities Program: The 2012 budget includes $650,000 to fund improvements to outlying facilities. In 2012, projects include upgrades at the Northwest garage.

Facilities Systems Program: The 2012 budget includes $970,000 for facility systems improvements. This includes funding for emergency mechanical, electrical and security repairs, electrical distribution and code compliance work, and rebuilding of chillers at City Hall.

Space Planning, Alterations, and Engineering: The 2012 budget includes $205,000 to fund un-programmed engineering, facilities inspections, and office reorganizations.

MacArthur Square Plaza Remediation: The 2012 budget includes $251,000 to fund remediation efforts at the MacArthur Square Plaza. Recent engineering condition reports have identified the need for various remediation efforts. Prior year capital funding has been and will be used to fund these projects, with the 2012 and future budgets providing additional funds as needed.

Energy Efficiency and Renewable Energy Initiative Program: The 2012 budget includes $150,000 to fund lighting and sensor upgrades at various city facilities.

Municipal Services Building Relocation: The 2012 budget includes $75,000 to begin the relocation process for the services currently stationed at the Municipal Services Building. Relocation is being considered due to the age and required maintenance costs of the facility, as well as a potential economic benefit of the facility being converted into private use.

City Facilities Consolidation Phase I: The 2012 budget includes $60,000 to analyze the consolidation of all city facilities management functions in the Department of Public Works.

Hartung Park Landfill Closure: The 2012 budget includes $200,000 for work that is associated with closing a landfill and is required by the Wisconsin Department of Natural Resources.

2012 Budget by Services (Funding in Millions)

Service	**Streets, Alleys, and Sidewalks**	
Activities:	Street paving, street maintenance, alley resurfacing, reconstruction and maintenance, and sidewalk replacement.	
		2012 Projection
Performance Measures:	Percentage of projects heard by May 1st.	90.0%
	Local street replacement cycle.	57.0
Funding by Source:	Operating Funds	$11.6
	Capital Budget	$29.2
	Grants and Reimbursables	$68.6
	Totals	**$109.4**

Service	**Bridges**	
Activities:	Bridge reconstruction, bridge repair and maintenance, operation of movable and automated bridges.	
		2012 Projection
Performance Measures:	Percentage of bridges with a condition rating above 50.	88.5%
Funding by Source:	Operating Funds	$6.5
	Capital Budget	$8.3
	Grants and Reimbursables	$6.0
	Totals	**$20.8**

Service	**Lighting**	
Activities:	Lighting systems operations, street light repair, circuitry replacement, and capital improvements.	
		2012 Projection
Performance Measures:	Complaints responded to within 30 days.	80.0%
	Streets meeting IES standards.	95.0%
Funding by Source:	Operating Funds	$9.4
	Capital Budget	$8.2
	Grants and Reimbursables	$0.2
	Totals	**$17.8**

Service	**Traffic Control**	
Activities:	Install and replace traffic control signs, pavement markings and traffic signals, provide review and design for special events and street paving traffic control plans, and provide for the safe and uniform flow of traffic.	
		2012 Projection
Performance Measures:	Complaints responded to in less than 60 days.	75.0%
	Reduce the number of traffic accidents by 5.0%.	12,350
Funding by Source:	Operating Funds	$3.3
	Capital Budget	$2.3
	Totals	**$5.6**

2012 Budget by Services (Funding in Millions)

Service	**Underground Conduit and Manholes**	
Activities:	Install and replace underground communication conduits, maintain and replace electric manholes.	
		2012 Projection
Performance Measures:	Percentage of customers satisfied with communication services.	90.0%
Funding by Source:	Operating Funds	$0.1
	Capital Budget	$1.5
	Totals	**$1.6**

Service	**City Facility Maintenance and Development**	
Activities:	Architectural and mechanical design, construction management, building maintenance services, energy management, and facility systems controls.	
		2012 Projection
Performance Measures:	Percentage of DPW buildings with condition assessments.	100.0%
Funding by Source:	Operating Funds	$8.6
	Capital Budget	$3.5
	Grants and Reimbursables	$0.8
	Totals	**$12.9**

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		Custodial Worker II/City Laborer	Position eliminated.
	-2.06	-2.85	Various Positions	Experience adjustments.
	4.73		Various Positions	Decreased capital deduction.
-1	**1.67**	**-2.85**	**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 energy use in city operations.

Maintain a healthy urban forest.

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

Effective recycling program to reduce solid waste and tipping fees.

Timely street sweeping and leaf collection.

Timely snow and ice control operations.

Protect the urban forest from the Emerald Ash Borer and replace diseased trees.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	649.00	607.97	649.88	41.91
FTEs - Other	88.01	91.23	70.87	-20.36
Total Positions Authorized	1,464	1,447	1,438	-9
EXPENDITURES				
Salaries and Wages	$35,733,004	$30,633,092	$32,867,238	$2,234,146
Fringe Benefits	16,288,900	14,705,884	16,433,621	1,727,737
Operating Expenditures	23,015,071	24,870,715	27,301,540	2,430,825
Equipment	1,235,007	1,562,650	1,924,100	361,450
Special Funds	678,595	875,000	950,000	75,000
TOTAL	$76,950,577	$72,647,341	$79,476,499	$6,829,158
REVENUES				
Charges for Services	$63,240,067	$60,673,775	$64,385,700	$3,711,925
TOTAL	$63,240,067	$60,673,775	$64,385,700	$3,711,925

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

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

Sanitation Services operates an effective recycling program. The recycling program reduces the amount of material sent to landfills through the city's recycling program, brush collection and public education. A high performance recycling program generates revenue for recyclables and reduces garbage tipping fees. This is especially important because the State of Wisconsin increases tipping fees. The 2012 budget includes 3.5% increase for those fees. As a result, the city's tipping fees are expected to increase by another $400,000 in 2012. Environmental Services is also responsible for nuisance garbage and maintaining city owned vacant lots.

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

40 BY 2020

40% DIVERSION OF SOLID WASTE BY 2020

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

- Phase I (2011-2012)
  - Reduced allowance for outside of cart refuse.
  - Allowance of only one garbage cart per residence, additional garbage carts provided for additional fee.
  - Continue greater diversion of materials at self-help sites.
  - Begin single stream recycling.

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

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

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

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

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

One of responsibilities assigned to the Forestry Section is the enforcement of the "Tall Weed/Grass" ordinance. Enforcement is accomplished through scheduled systematic sweeps through the city. The Forestry Section has identified as areas of historically high service request volume. These areas are proactively swept once each week during the summer. This was a change from the historically complaint driven process. The change has increased the efficiency of the program and allows the city to more effectively maintain unresponsive/foreclosed properties. In a typical year there are an average 8,000 to 9,000 service requests, about half (4,000 to 5,000) of which were cited for being in violation of the ordinance. In 2011, service request volume was cut in half, however the number of properties cited for violations doubled.

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 operates and maintain DPW's centralized fleet of over 4,000 motor vehicles and related equipment. The Fleet Services Section provides equipment and vehicles for other city departments, DPW divisions and provides repair services for vehicles owned by the Library, Health Department, Police Department, Water Works, Sewer Maintenance Fund, and Parking Fund.

Strategies and Milestones for 2012

Objective: Improve neighborhood appearance.	
Strategies	**2012 Milestones**
Maintain timely, regular collection of solid waste.	Missed collection rate of 1% or less.
Vigorously abate nuisance garbage and litter.	Remediate most nuisance garbage referrals within four days and all referrals within seven days.
Solid waste reduction through an effective recycling program that increases resident participation and tonnage collected.	Increase resident participation through education and outreach. Monitor results of recycling setout initiative. Implement single stream recycling program. Increase tonnage of recyclables collected by 5%.
Continue periodic street sweeping based on neighborhood need.	Maintain street sweeping schedule over 90% of the time.
Provide timely Fall leaf collection.	Complete leaf collection prior to first snow plowing.

Strategies and Milestones for 2012

Maintain urban forest and boulevard system.	Prune 20% of city owned street trees. Survey the city's ash tree population. Inoculate one-third to one-half of city owned ash trees.
Objective: Enhance transportation options and existing infrastructure.	
Strategies	**2012 Milestones**
Conduct timely snow and ice control operations.	Mass transit routes, main streets, and arterials salted within 4 hours and plowed open within 6 to 12 hours from end of snowfall or before next rush hour. Residential streets open to through traffic with salting within 6 to 8 hours from start of operation and plowing by 18 to 24 hours from end of snowfall. Clearing of curb ramps and designated bus stops so that 75% of designated bus stops are clear within 72 to 96 hours after end of snowfall.
Objective: Reduce energy use in city operations by 15% by 2012 (from 2005 baseline).	
Strategies	**2012 Milestones**
Purchase more energy efficient vehicles.	Purchase cost effective hybrid or flexible fuel vehicles. Increase use of CNG vehicles and fuel.
Objective: Facilitate service provision to city residents.	
Strategies	**2012 Milestones**
Provide needed vehicles and equipment to support city services to residents.	Maintain police and light vehicle availability rate of 95% or more. Maintain truck and heavy vehicle availability rate of 90% or more.

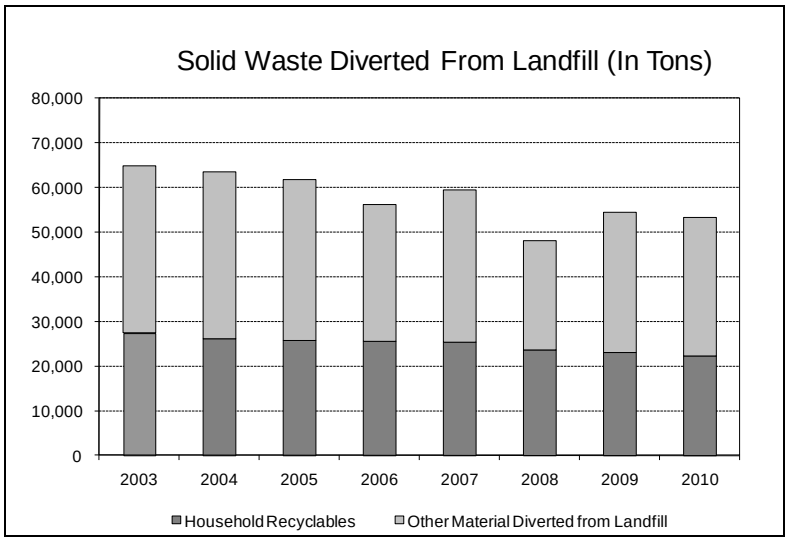
STRATEGY IMPLEMENTATION

The 2012 budget provides $79.5 million in operating funds, utilizes $3.2 million of grant and reimbursable funding and an additional $10.3 million of capital funds for DPW Operations Division's services to Milwaukee's residents and businesses.

Solid waste collection and other city cleanliness activities are supported through the Solid Waste Fee. The 2012 budget sets the fee at $32.5 million or an estimated $171.52 annually for a household with a single garbage cart. DPW collects waste weekly from about 213,000 households. In 2010, DPW collected over 312,000 tons of garbage from carts, dumpsters, self-help centers and other services. Approximately 20% of the collected waste was diverted from landfills.

Recycling and other solid waste reduction efforts benefit the city by reducing tipping fee expenditures and providing revenue through sale of recycled material. In 2010, DPW collected 22,317 tons of residential recyclables and 32,863 tons of compost and other materials, for a total of 55,180 or 21.4% of residential waste (see Figure 1).

Figure 1



The 2012 budget provides nearly $4.8 million in operating funds and $2.3 million in grant funds for recycling efforts. The state has reduced the recycling grant by $1.1 million.

The recycling program's mission is to recover an increasing amount of recyclables from the waste stream. DPW will explore a variety of methods to divert more from landfills. One of the primary options under review is the "Pay as You Throw" collection system. In this system, residents' Solid Waste Fee is partly based on the amount of garbage thrown away. This type of system encourages residents to recycle and has been successfully implemented in other large cities.

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

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

Snowfall over the past five years has averaged 60 inches per year, resulting in an average of five plowing operations and 42 ice control operations. The 2012 budget includes $7.9 million for snow and ice control operations. The budgeted amount represents 93% of the five year average cost for snow and ice control. The five year average is skewed upward by expenditures of $15.8 million in 2008.

The 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 has not been discovered in the City of Milwaukee, but has been discovered in Milwaukee County and neighboring counties. 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.

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 2010, Fleet Services exceeded its goal of preventative maintenance checks and ensured the following in service rates:

- Police vehicles - 96%
- Light weight vehicles - 94%
- Heavy equipment - 92%

SERVICE AND BUDGET CHANGES

The 2012 budget implements several major operational changes to the solid waste collection and recycling programs. These changes should reduce the amount of landfill waste produced by residents while increasing the amount of recycling. These changes will reduce landfill waste and increase recycling and revenue. Operational changes include:

- **Single Stream Recycling:** In 2012, dividers will be removed from recycling carts. This will make recycling easier for residents because they will not have to separate recyclables. This change will promote increased recycling and revenue.

  The 2012 budget includes $47,000 to promote single stream recycling. The budgeted funds will be used in conjunction with an additional $25,000 provided through the recycling processing contract to inform residents of the switch to single stream recycling and to promote increased recycling. Overall recycling is expected to increase 2%.

- **Cart Fee**: Currently 20% of city residents have two or more garbage carts. As part of the 2012 budget, city residents with two or more garbage carts will be assessed $10 quarterly for each garbage cart after the first cart. This policy will encourage residents to throw away less and recycle more. The fee applies only to garbage carts. Residents can request additional recycling carts at no charge.

These changes are major steps in the "40 by 2020" program and lay the groundwork for future changes in how the city manages waste disposal. Future changes will focus on increasing operational efficiency and recycling, while reducing landfill waste and operational costs.

Solid Waste Fee: The 2012 Solid Waste Fee will recover approximately 93% of the net costs associated with garbage collection and recycling. The fee will generate approximately $32.5 million. For those property owners who are provided with only one cart, their annual Solid Waste Fee will increase from $168.16 in 2011 to $171.52 in 2012.

Weekend Box Program: The 2012 budget provides funding for the popular Weekend Box program. In 2010, 401 boxes were placed and 629 tons of garbage collected. The 2012 funding level will allow DPW to place 257 boxes.

Snow and Ice Control Fee: The Snow and Ice Control Fee recovers a large portion of the city's cost for snow and ice operations. The 2012 budget includes a Snow and Ice Fee of $7.9 million or an average of $33.23 per typical property with 40 feet of street frontage. This represents 93% of actual average costs over the past five years. The fee is charged based on the estimated street frontage for all properties. The 2012 fee will recover 100% of the estimated costs related to snow and ice control costs.

CAPITAL PROJECTS

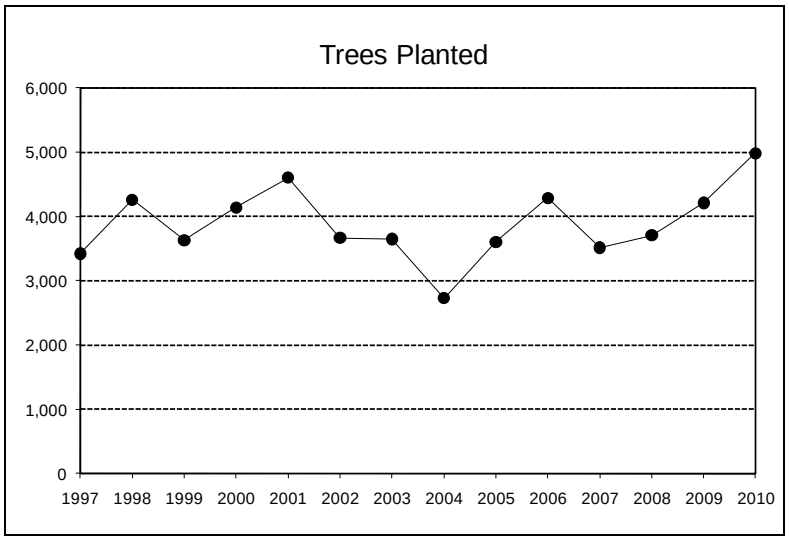
Environmental Facility Modification: The 2012 budget provides $550,000 for the completion of the upgrade and modification to the Environmental Services facility on 35th and Hayes. These funds will be used in conjunction with funding from previous budgets to upgrade mechanical systems and to return the structure to a sound condition. The entire project cost is approximately $1 million.

Tree Planting and Production: The 2012 budget provides $1.6 million for the Tree Planting and Production program. The program will fund nursery staff time devoted to tree production and the replacement of 4,619 street trees, as part of the Mayor's commitment to improve Milwaukee's environment. Figure 2 demonstrates the city's commitment to improve the urban tree canopy.

Concealed Irrigation and Landscaping: The 2012 budget provides $447,000 in capital funding for boulevard irrigation system replacements. The replacement irrigation systems provide water for plant beds. Funding will support the replacement of 86 bed only taps on four different boulevard segments.

Tree Stump Removal: The 2012 budget includes $240,000 for stump removal contracting. This one time program will eliminate the backlog of stumps remaining after diseased or dead trees were removed. The stump removal program will also facilitate faster replacement of trees.

Figure 2



Emerald Ash Borer (EAB): The 2012 capital budget includes $930,000 for an Emerald Ash Borer Readiness and Response program. Treatable ash trees will be injected with a pesticide to protect against the Ash Borer. The EAB program requires that half of the city's 33,000 ash trees be injected each year. Trees injected in the initial year of the program will be lab tested to verify that injections are effective in combating the ash borer. The ash borer beetle has not been found in the City of Milwaukee, however the beetle has been discovered in nearby communities.

Major Capital Equipment: The 2012 budget includes $6 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 9% increase over the 2011 funding level. The 2012 program includes replacing street sweepers, aerial trucks, heavy dump trucks, and garbage and recycling packers.

Two-Way Radio Replacement and AVL/GPS Initiative: The 2012 budget includes $495,000 in capital funding for this program. This represents the final major outlay for the purchase and replacement of radios in DPW vehicles. DPW will use the Global Positioning System (GPS) capabilities of these radios to improve staff and fleet management.

2012 Budget by Services (Funding in Millions)

Service	**City Cleanliness and Solid Waste Collection**	
Activities:	Weekly residential garbage collection, bulky garbage collection, operation of two self-help centers, neighborhood "Clean and Green" programs, street and alley sweeping, and weed enforcement.	
		2012 Projection
Performance Measures:	Percent of nuisance litter removals completed in four days or less.	90.0%
	Special collection of bulky garbage.	7,000
	Calls for missed garbage collection as percent of total collections.	0.10%
Funding by Source:	Operating Funds	$30.6
	Capital Budget	$0.6
	Totals	**$31.2**

2012 Budget by Services (Funding in Millions)

Service	**Recycling and Solid Waste Reduction**	
Activities:	Curbside recycling collection, fall leaf, brush, and yard waste collection and composting, recycling and waste reduction education, and Self-Help Center Recycling programs.	
		2012 Projection
Performance Measures:	Tons diverted from landfill.	60,000
	Tons of recyclables from curbside collections.	25,500
Funding by Source:	Operating Funds	$4.8
	Grants and Reimbursables	$2.3
	Totals	**$7.1**

Service	**Snow and Ice Control**	
Activities:	Snow plowing operations, salting operations, and special snow cleanup.	
		2012 Projection
Performance Measures:	Inches of snow.	39.0
	Number of snow and ice operations.	27
Funding by Source:	Operating Funds	$7.9
	Totals	**$7.9**

Service	**Urban Forest Maintenance and Boulevard Beautification**	
Activities:	Tree planting, tree production at the city nursery, pruning and maintenance of trees, removal of hazardous and damaged trees and stumps, developing strategies to control emerging pests, turf maintenance, irrigation systems repair, and flowerbed maintenance.	
		2012 Projection
Performance Measures:	Calls for service for broken branches on street trees.	1,200
	Trees planted.	4,300
	Trees removed.	3,600
	Number of citizen complaints regarding the condition of boulevards.	50
Funding by Source:	Operating Funds	$12.3
	Capital Budget	$3.2
	Grants and Reimbursables	$0.3
	Totals	**$15.8**

Service	**Fleet Services and Fleet Support to Other Divisions**	
Activities:	Preventive maintenance and repair of vehicles and equipment, provide vehicles, and equipment operators.	
		2012 Projection
Performance Measures:	Total unscheduled work orders completed on DPW equipment.	29,000
	Preventative maintenance conducted.	7,000
	Fleet availability percentage.	95.0%
Funding by Source:	Operating Funds	$23.9
	Capital Budget	$6.5
	Grants and Reimbursables	$0.6
	Totals	**$31.0**

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
			Administration	
	0.17	-0.16	Various Positions	Increased deduction.
			Fleet Services	
-1	-1.00		Auto Machinist	Position vacant funding eliminated.
	4.00		Vehicle Service Tech (Heavy)	Vacant position funded.
	4.50		Vehicle Service Tech	
			Fleet Operations	
	1.08		Various Positions	Miscellaneous adjustment.
			Sanitation	
	1.50		Sanitation Inspector	Increased funding for vacant positions.
	19.86	-20.46	Operations Driver Worker	Recycling grant reduced.
-2			Sanitation Crew Leader (Snow)	Positions eliminated.
-6			Sanitation Supervisor (Winter Relief)	
			Forestry	
	2.00	-2.00	Urban Forestry Inspector	Funding changed to O&M.
	8.69	2.26	Urban Forestry Specialist	
	0.50	-0.50	Urban Forestry Crew Leader	
	0.61	0.50	Various Positions	Miscellaneous adjustment.
-9	**41.91**	**-20.36**	**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 numerous 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 2012 budget provides funding of $33.8 million for Miscellaneous Special Purpose Accounts and total funding of $163.7 million for all Special Purpose Accounts. Highlights of the 2012 Miscellaneous Special Purpose Accounts (SPAs) include:

New Accounts

Compensation and Fringe Benefit Reserve: The 2012 budget creates a new Compensation and Fringe Benefit Reserve special purpose account funded at $8.2 million. This account is intended to provide funding needed for the employee pension contributions if it is determined that the city is legally obligated to continue to pay the entire member contribution. On the other hand, if it is determined that the city does not have to make the contribution on behalf of the employee, this fund can be used for compensation and benefit changes for general city employees. More information on this issue is included in the *Provision for Employes' Retirement Fund* section of the *2012 Plan and Budget Summary*.

Villard Square Rent Payment: The 2012 budget creates a new Villard Square Rent Payment special purpose account funded at $13,182. As part of the new Villard Square library, the city entered into an agreement with RACM to rent the space for the Villard Square library. This agreement was approved in Common Council File 110084. This agreement includes an annual rent payment for the Villard Library space. The plan is for an annual rent payment to be budgeted for seven years, at which time the city will purchase the library space at Villard Square from RACM. At this point, there will no longer be a rent payment.

Other Significant Changes

Audit Fund: The 2012 budget increases the Audit Fund by $22,100, a 5% increase. Total funding of $465,000 will pay for the cost of contracting for a private audit of the city's Comprehensive Annual Financial Report, among other audit activities.

Care of Prisoners Fund: This account provides funding to pay for billings by Milwaukee County for the care of city prisoners boarded at the House of Correction. Prisoners convicted of city violations are housed in the House of Corrections in accordance with Wisconsin State Statutes. This account has no funding in 2012, a decrease of $71,600. No funding is provided because there is an ongoing dispute between Milwaukee County and the city involving billings for city prisoners at the County House of Corrections that has not been resolved. The city maintains that the county's per diem rates exceed allowable legal charges.

City Attorney Collection Contract: Funding for this account has been decreased by $40,000 in the 2012 budget to $960,000. This account funds contracts with private collection companies for the collection of outstanding city receivables and overdue Municipal Court judgments.

Damages and Claims Fund: This account provides funding for the payment of city legal obligations, including payment of claims, settlements of lawsuits, and payment of judgments. Funding for this account has been decreased by $100,000 in the 2012 budget to $1,275,000.

Flexible Spending Account: This account funds a program that allows employees to set aside pre-tax dollars for certain medical care and dependent care expenses. The city has a contract with a Flexible Spending Plan Administrator (*eflexgroup*). The account is increased by $45,000 to $95,000 in 2012 to cover an expected increase in administration fees. It is anticipated that there will be both higher enrollment in and increased use of flexible spending by city employees in response to the changes in employee health care plans that will be implemented in 2012. This will increase flexible spending account administration fees.

Graffiti Abatement Fund: In 2010, the Graffiti Abatement Fund was increased by $75,000, from $95,000 to $170,000. This increase was possible because the American Recovery and Investment Act (ARRA) provided $150,000 in funding for graffiti abatement. Inspections costs for graffiti abatement were moved from the DNS operating budget to ARRA, and the operating funds were used to increase the Graffiti Abatement Fund. ARRA funding was also available in 2011, so the higher funding amount for the Graffiti Abatement Fund was maintained. In 2012, there is no more ARRA funding available for graffiti abatement. The end of ARRA funding requires two positions and salaries of approximately $98,000 to be moved into the DNS operating budget. To offset the increased operating costs, the Graffiti Abatement Fund is reduced by $75,000, from $170,000 to $95,000. This returns the fund to the 2009 funding amount. Funding in 2012 will support matching abatement grants to Business Improvement Districts, DNS abatement, the We-TIP program, surveillance equipment, youth intervention programs, and community outreach. More information on this project is included in the *Department of Neighborhood Services* section of the *2012 Plan and Budget Summary*.

Group Life Insurance Premium: This account funds the city's obligations with respect to life insurance benefits for city employees. The account is increased by $284,000 to $3.1 million in 2012. The current Group Life agreement expires in December 2012 and $35,000 of the additional funding will support a Request for Proposal process for a new life insurance contract to commence in 2013.

Land Management: This account supports the maintenance and marketing of RACM and city owned improved property, with the goal of expanding low and moderate income housing. The properties are 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 $350,000 to $650,000 in 2012, reflecting an increased inventory of properties the city is responsible to maintain.

Long Term Disability Insurance: This account funds a negotiated benefit that provides income continuation to employees who are unable to work because of a disabling injury or illness. The account is increased by $65,000 to $865,000 in 2012, reflecting the inclusion of members of the Association of Law Enforcement Allied Services Personnel in this insurance program.

Wages Supplement Fund: This account funds anticipated wage and fringe benefit increases resulting from collective bargaining agreements. The account is increased to $7.85 million in 2012. Expected agreements with the Police and Fire unions will require funding to cover compensation increases resulting from these agreements.

SPECIAL PURPOSE ACCOUNTS SUMMARY

LINE DESCRIPTION	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Special Purpose Accounts Miscellaneous				
Alternative Transportation for City Employees	$103,579	$115,000	$115,000	$0
Annual Payment to Department of Natural Resources	7,034	7,100	7,100	0
Audit Fund	354,000	442,900	465,000	22,100
Board of Ethics	8,278	0	0	0
Boards and Commissions Reimbursement Expense	15,604	20,000	16,000	-4,000
Care of Prisoners Fund	0	71,600	0	-71,600
City Attorney Collection Contract	895,544	1,000,000	960,000	-40,000
City Memberships	120,998	100,500	94,000	-6,500
Clerk of Court Witness Fees Fund	9,257	9,000	9,700	700
Compensation and Fringe Benefit Reserve	0	0	8,200,000	8,200,000
Complete Count	48,552	0	0	0
Contribution Fund General	0	2,400,000	2,800,000	400,000
Damages and Claims Fund	1,136,690	1,375,000	1,275,000	-100,000
Drivers License Recovery and Employability Program	50,000	50,000	50,000	0
eCivis Grants Locator	26,741	26,741	28,079	1,338
Economic Development Committee Fund	110,151	25,000	25,000	0
E-Government Payment Systems	40,969	60,000	60,000	0
Employee Training Fund	28,103	20,000	20,000	0
Firemen's Relief Fund	130,165	130,000	135,000	5,000
Flexible Spending Account	56,500	50,000	95,000	45,000
Graffiti Abatement Fund	166,310	170,000	95,000	-75,000
Group Life Insurance Premium	2,556,202	2,779,000	3,063,000	284,000
Illegal Dumping Tip Hotline	0	25,000	25,000	0
Insurance Fund	253,223	450,000	450,000	0
Land Management	209,271	300,000	650,000	350,000
Long Term Disability Insurance	789,678	800,000	865,000	65,000
Low Interest Mortgage Loan Program	16	0	0	0
Maintenance of Essential Utility Services	48,926	65,000	65,000	0
Milwaukee Arts Board Projects	159,480	160,000	160,000	0
Milwaukee Fourth of July Commission	90,222	95,000	95,000	0
MMSD User Charge	0	53,868,718	48,164,351	-5,704,367
Less Recover MMSD User Charge	0	-53,868,717	-48,164,350	5,704,367
Municipal Court Intervention Program	425,316	425,320	425,320	0
Nuisance Abatement Fund	4,832	25,000	25,000	0
Outside Council/Expert Witness Fund	419,659	430,000	430,000	0
Razing and Vacant Building Protection Fund	788,127	1,019,000	1,019,000	0
Receivership Fund	46,346	0	0	0
Reimbursable Services Advance Fund	0	50,000,001	50,000,001	0
Less Recover Reimbursable Services Advance Fund	0	-50,000,000	-50,000,000	0
Remission of Taxes Fund	749,784	750,000	750,000	0
Reserve for 27th Payroll	0	1,500,000	1,500,000	0
Retirees Benefit Adjustment Fund	168,987	166,000	169,000	3,000
Tuition Reimbursement Fund	651,505	750,000	750,000	0

LINE DESCRIPTION	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Unemployment Compensation Fund	1,068,980	1,065,000	1,065,000	0
Vacant Lot Maintenance	32,254	0	0	0
Villard Square Rent Payment	0	0	13,182	13,182
Wages Supplement Fund	0	0	7,850,000	7,850,000
Total Miscellaneous SPAs	$11,771,283	$16,877,163	$33,819,383	$16,942,220
Board of Zoning Appeals	$263,452	$304,519	$306,131	$1,612
Workers' Compensation Fund	$12,444,769	$13,034,000	$13,334,000	$300,000
Employee Health Care Benefits				
Administration Expenses	$4,001,463	$5,200,000	$7,800,000	$2,600,000
Claims	19,027,049	21,982,330	16,700,000	-5,282,330
Dental Insurance	1,988,500	2,200,000	2,200,000	0
HMOs	101,860,613	115,400,000	89,500,000	-25,900,000
Total Employee Health Care Benefits	$126,877,625	$144,782,330	$116,200,000	$-28,582,330
Grand Total Special Purpose Accounts	$151,357,129	$174,998,012	$163,659,514	$-11,338,498

SPECIAL PURPOSE ACCOUNT
WORKER'S COMPENSATION

SUMMARY OF EXPENDITURES

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Worker's Compensation	$12,444,769	$13,034,000	$13,334,000	$300,000
TOTAL	$12,444,769	$13,034,000	$13,334,000	$300,000

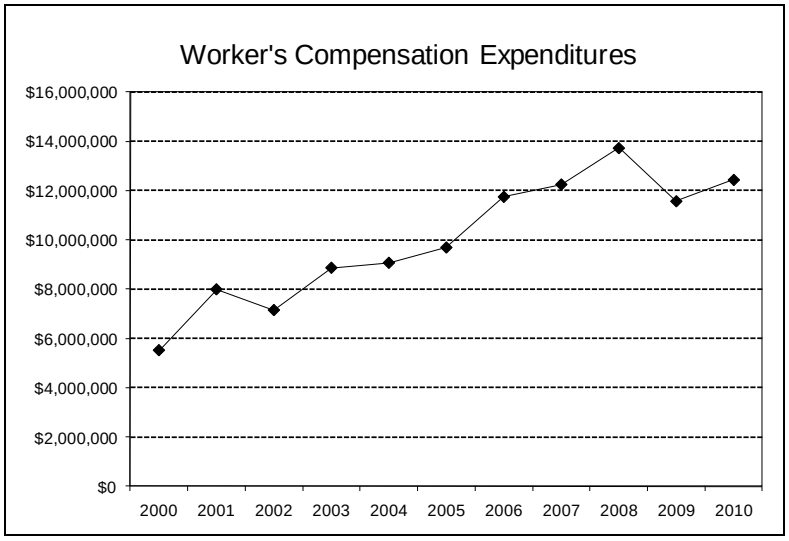
The Worker's Compensation Special Purpose Account, administered by the Employee Benefits Division of the Department of Employee Relations (DER), funds the city's financial obligations under the state's Worker's Compensation Act. The city's Worker's Compensation program is self-funded and self-administered.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

The 2012 budget for the Worker's Compensation account totals approximately $13.3 million, an increase of 2.3% from the 2011 budget. Worker's Compensation expenditures for 2011 are projected to be $12.8 million and remaining funds will be carried over into 2012 to cover estimated expenditures of $13.8 million.

Annual increases in worker's compensation expenditures are caused by rising medical costs, annual increases in wage rates, and sustained injury rates (see Figure 1). DER utilizes medical bill review and re-pricing options to adjust medical charges stemming from work related injuries. Bill review and re-pricing generate savings from state fee schedules and negotiated provider discounts. In 2010, medical and hospital discounts resulted in net savings of $3.4 million. Through July 2011, the city has achieved over $1.8 million in savings.

In an effort to stem increasing worker's compensation costs resulting from workplace injuries, DER and the Budget and Management Division (BMD) worked with city departments to design and implement a Risk Management Model (RMM) in 2009. The implementation of this model has helped mitigate a large disconnect between workplace safety at the department level and the impact of departmental injuries on worker's compensation costs. The RMM uses prevention strategies that require shared responsibility at every level of the organization including accountability for safety and injury reduction within each department. The RMM builds an accountability structure for safety and injury prevention, targets injuries before they occur, and minimizes work loss following an injury.

Figure 1



Through the RMM, supervisory and safety personnel receive data and corresponding reports documenting the nature, frequency, and severity of injury claims along with associated financial data. Departments then analyze how injuries are occurring, investigate workplace accidents, evaluate current safety practices, determine effectiveness, and establish benchmarks for improvements while working to minimize job hazards and prevent injuries from occurring. Safety plans document and highlight these efforts along

with key safety rules and regulations and training initiatives. Since the inception of the RMM, the Department of Public Works, the Milwaukee Police Department, and the Milwaukee Fire Department have placed greater emphasis on the following:

- Establishing data analysis protocols that allow increased understanding of how injuries are occurring;
- Strengthening the role of managers and supervisors in investigating accidents, preventing reoccurrences, and identifying hazards in the workplace before accidents occur; and
- Implementing or expanding return to work options for injured workers.

Two new initiatives are planned that will enhance the city's commitment to workplace safety and injury prevention. On October 1, 2011 the City Civil Service Commission (CSC) will be required, though Wisconsin Act 10, to implement a Workplace Safety Grievance Procedure. The grievance procedure will allow employees to identify, document and report safety related concerns that present a threat of injury or illness and allow managers, supervisors, and/or safety officers to address those concerns in a timely and expeditious manner. The grievance procedure will be administered by the Department of Employee Relations and the resulting data will be analyzed along with other safety data to deepen the city's understanding of work related injuries, increase prevention efforts and improve cost containment.

In addition, the RMM will be expanded in 2012 to include other departments such as the Library, Neighborhood Services, the Health Department and the Department of City Development.

DER and the BMD track a number of citywide indicators pertaining to worker's compensation claims and injuries including the number of claims filed each year, the number of recordable cases, the incidence rate, the number of lost workdays as well as injury hours and pay (see table on the next page). From 2008 to 2010, the city experienced significant decreases in claims, recordable cases, and incidence rate. For example, claims declined more than 17% and work days lost due to injury declined 34.3%. Additional metrics for worker's compensation are being developed to provide consistent and meaningful data in order to better gauge the impact of the RMM and the various safety initiatives that have been implemented.

Worker's Compensation Indicators

	2005	2006	2007	2008	2009	2010
City Wide Data						
Claims	3,043	3,097	2,806	2,689	2,345	2,225
Recordable Cases	1,171	1,140	1,221	1,073	927	872
Incidence Rate	16.87	17.75	18.31	16.01	14.22	13.82
Lost Workdays	24,456	21,279	19,488	24,817	15,441	16,295
Injury Hours	232,006	197,972	206,227	217,584	152,596	165,083
Injury Pay	$4,081,803	$3,618,117	$3,751,695	$4,094,115	$3,033,942	$3,238,752
MFD						
Claims	856	973	725	627	566	614
Recordable Cases	360	346	364	294	270	298
Incidence Rate	28.36	29.36	29.83	24.55	22.49	26.99
Lost Workdays	9,178	8,821	4,684	10,136	3,625	5,755
Injury Hours	97,308	98,590	92,937	107,094	72,401	86,670
Injury Pay	$1,628,876	$1,721,210	$1,646,649	$1,954,261	$1,424,686	$1,685,883
MPD						
Claims	877	920	891	865	775	663
Recordable Cases	316	300	280	251	244	177
Incidence Rate	13.51	13.55	12.00	10.69	10.78	7.88
Lost Workdays	5,106	4,017	2,316	3,441	3,885	2,833
Injury Hours	50,190	34,252	26,238	35,116	32,241	29,201
Injury Pay	$1,064,451	$764,525	$589,227	$823,732	$774,799	$695,562
DPW All Divisions						
Claims	1,163	1,069	1,043	1,075	887	862
Recordable Cases	444	443	509	474	374	359
Incidence Rate	23.84	25.74	28.74	26.01	21.25	20.99
Lost Workdays	9,393	8,032	11,852	10,341	7,567	6,935
Injury Hours	79,548	61,355	76,834	66,553	47,064	44,198
Injury Pay	$1,306,303	$1,062,630	$1,335,152	$1,164,474	$814,767	$773,363

SPECIAL PURPOSE ACCOUNT
EMPLOYEE HEALTH CARE BENEFITS

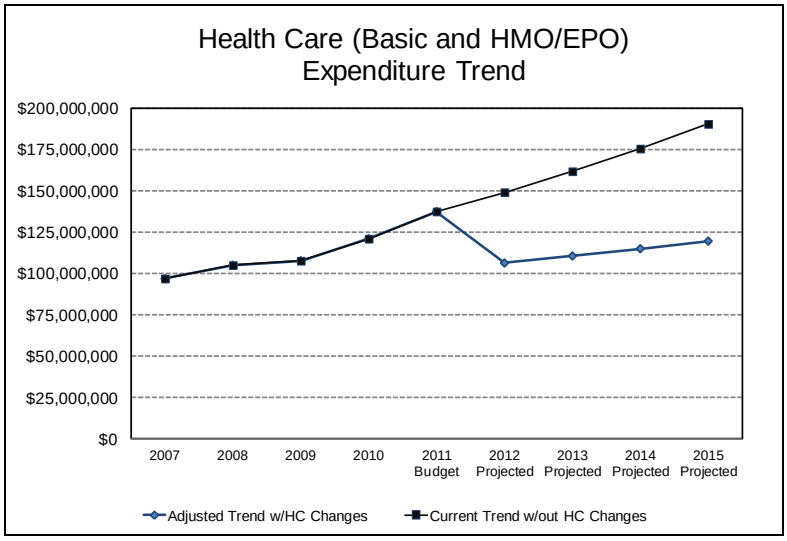
SUMMARY OF EXPENDITURES

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
UHC Choice Plus (formerly Claims)	$19,027,049	$21,982,330	$16,700,000	$-5,282,330
UHC Choice "EPO" (formerly HMO)	101,860,613	115,400,000	89,500,000	-25,900,000
Dental Insurance	1,988,500	2,200,000	2,200,000	0
Administrative Expense	4,001,463	5,200,000	7,800,000	2,600,000
TOTAL	$126,877,625	$144,782,330	$116,200,000	$-28,582,330

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

Over the last five years health care expenditure increases for the city have averaged approximately 9% annually. At the current rate, health care expenditures for the city are projected to reach around $190 million by 2015. Given the ongoing financial challenges faced by the city, a more sustainable health care plan is needed.

Figure 1



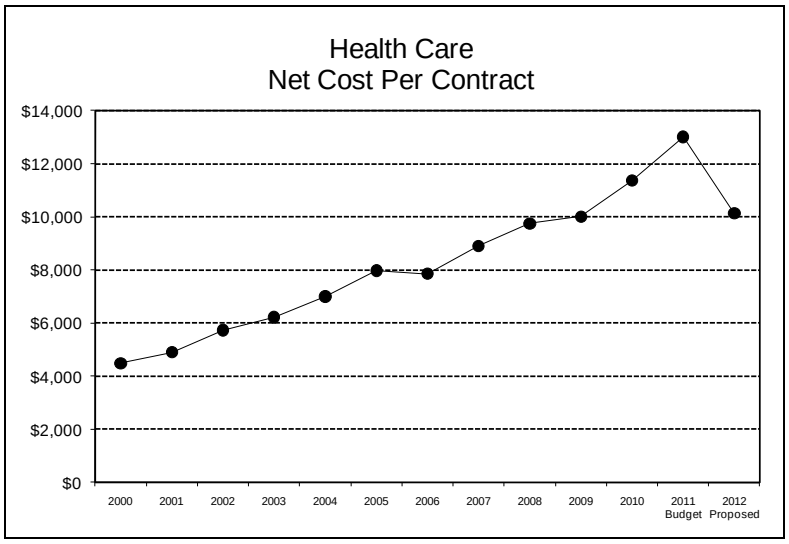
The city's health care plan for 2012 includes significant changes to the current Basic and HMO plans for all employees in order to reduce the total cost of those plans. Specific plan design changes were chosen that will lower the total premium for both employees and the city, decrease large trend increases over the long run, and encourage more appropriate utilization. As a result, the 2012 employee health care budget is $116.2 million, a decrease of 20% from the 2011 budgeted amount (see Figure 1).

Beginning in 2012 all employees are expected to have a 12% monthly premium payment based on a four tier rate structure. The number of tiers for single and family coverage is being expanded from two to four to evenly distribute the premium cost according to the number of people enrolled. The four tier structure includes the following tiers: single, employee plus dependents, employee plus spouse, and family (two adults with dependents).

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

In 2012, the Choice Plus plan (formerly the Basic Plan) will be administrated by United Health Care and prescription drugs will be administered by Medco. As a result of the aforementioned employee premium contributions and benefit design changes, the Choice Plus Plan cost per contract is expected to decrease 24% from the amount budgeted for 2011. This decrease along with modest projected enrollment changes allows a total funding decrease of approximately $5.3 million from 2011.

Figure 2



For 2012, the decision was made to switch from an insured HMO to a self-funded EPO program due to significant projected cost savings of $6 million. United Health Care will also be the administrator for the Choice EPO plan and prescription drugs in this plan will be administered by Medco. Employee premium contributions and benefit design changes along with anticipated trend experience will decrease the EPO cost per contract by 22% from 2011 to 2012 and lead to a budget decrease of $25.9 million.

The revised benefit structure will cause the overall cost per health care contract to decrease substantially in 2012 for the first time in over 20 years (see Figure 2). When comparing the cost per contract for active and retirees, the city has experienced consistent growth in health care costs between the 1999 and 2011. The cost per contract has historically increased by approximately $2,000 every three years and in recent years that increase has become more dramatic. On a percentage basis, costs from 2006 to 2008 increased 24% while costs from 2009 to 2011 grew over 28%. In 2012 the cost per contract will decrease over 22% from 2011 budgeted amounts.

City of Milwaukee "Wellness, Your Choice Milwaukee": In 2010 the city initiated a 12 person "Wellness and Prevention" Labor Management Committee to assist the city in identifying key issues in the development, implementation and promotion of a comprehensive wellness and prevention program aimed at improving the overall well being of employees and assisting individuals in addressing chronic diseases. The committee developed an RFP for a Wellness and Prevention Program and chose Froedtert Health Workforce Health to administer the "Wellness, Your Choice Milwaukee" program.

The program was implemented in the fall of 2010 and employees who chose to participate completed a three step process including an online health questionnaire, lab work, and meeting with a health professional. Employees who did not participate and employees who used tobacco paid a health assessment fee above the monthly health care premium. The city had excellent participation the first year with 87% of eligible people completing all three steps of the wellness initiative. This number surpassed both the city and Froedtert's estimates for participation and the city hopes to meet or exceed this number in 2012.

Once the initial phase of the program was completed, Froedtert Health Workforce Health provided a report summarizing aggregate data and trends so that disease management and prevention programs could be specifically tailored to the health needs of city employees.

Phase two of the wellness initiative is currently underway and all employees will again have the opportunity to participate in the city's wellness initiative for 2012 and avoid an additional health care assessment fee for non-participation and tobacco usage. Those individuals who decide to participate in the program will receive a monthly rebate of $10 in 2012.

SPECIAL PURPOSE ACCOUNT
BOARD OF ZONING APPEALS

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	3.00	4.00	3.00	-1.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	11	11	11	0
EXPENDITURES				
Salaries and Wages	$207,936	$196,830	$197,574	$744
Fringe Benefits	22,423	60,033	60,901	868
Operating Expenditures	33,093	47,656	47,656	0
Equipment	0	0	0	0
TOTAL	$263,452	$304,519	$306,131	$1,612
REVENUES				
Licenses and Permits	$291,501	$281,500	$274,000	$-7,500
TOTAL	$291,501	$281,500	$274,000	$-7,500

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

STRATEGY IMPLEMENTATION

The Board of Zoning Appeals plays an important role in the city's economic development. The city encourages developers to invest in Milwaukee by making the zoning appeals process simple and consistent. The Board ensures that development proposals do not harm the urban setting. 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 2012, BOZA will continue to improve communication with customers and citizens to reduce waiting times for hearings. BOZA hears approximately 700 cases per year, and met its goal to hear and decide routine appeals within 4 to 6 weeks and complex appeals within 12 to 24 weeks for 2011. BOZA plans to continue to hear cases within this timeframe for 2012.

2012 Budget by Services (Funding in Millions)

Service	**Zoning Appeals**	
Activities:	Board action on appeals, BOZA hearings, appeals processing and inquiries on appeals.	
		2012 Projection
Performance Measures:	Routine appeals (weeks to complete).	4 - 6 weeks
	Complex appeals (weeks to complete).	12 - 24 weeks
Funding by Source:	Operating Funds	$0.3
	Totals	**$0.3**

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, as set forth in Wisconsin State Statutes, the City of Milwaukee Charter and Code of Ordinances, and Common Council resolutions.

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

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	26.37	30.80	29.37	-1.43
FTEs - Other	0.44	0.60	0.00	-0.60
Total Positions Authorized	59	60	60	0
EXPENDITURES				
Salaries and Wages	$1,598,647	$1,675,652	$1,466,846	$-208,806
Fringe Benefits	737,797	804,312	733,423	-70,889
Operating Expenditures	714,620	720,650	820,670	100,020
Equipment	940	4,050	0	-4,050
Special Funds	34,248	36,750	42,440	5,690
TOTAL	$3,086,252	$3,241,414	$3,063,379	$-178,035
REVENUES				
Charges for Services	$173,450	$114,500	$116,700	$2,200
Licenses and Permits	61,695	118,700	61,600	-57,100
Miscellaneous	501,764	800,000	670,000	-130,000
TOTAL	$736,909	$1,033,200	$848,300	$-184,900

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 2012 operating budget totals $3.1 million, a 5.5% decrease from its 2011 adopted budget.

Strategies and Milestones for 2012

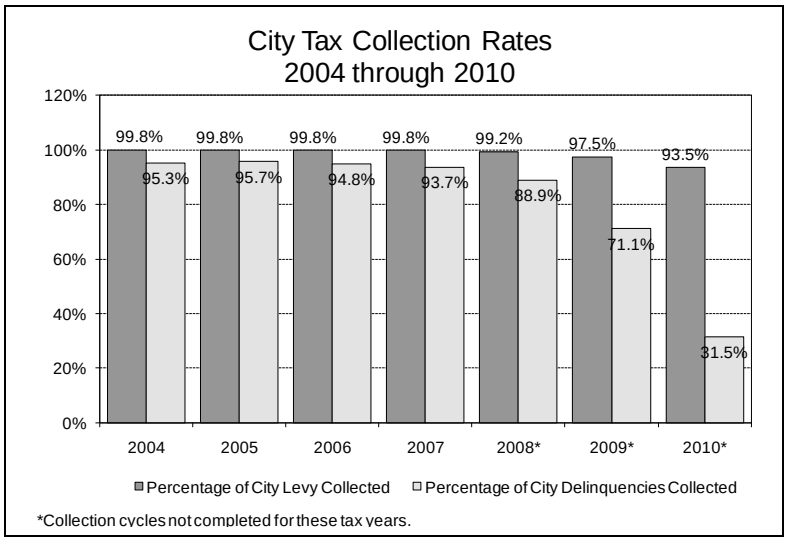
Objective: Effective investment of city monies.	
Strategies	**2012 Milestones**
Invest city monies in a manner that maximizes investment earning revenues while ensuring the safety and liquidity of invested funds.	Rate of return on city investments. City rate of return compared to benchmark.
Objective: Collect taxes and delinquent taxes in a timely and cost effective manner.	
Strategies	**2012 Milestones**
Aggressive efforts to collect delinquent property taxes.	Cost of property tax collection. Percentage of delinquent city property taxes collected.

STRATEGY IMPLEMENTATION

The 2012 budget includes a change in the city's approach to investing available fund balances, sometimes referred to as "idle cash". Currently, the City Treasurer provides this function, pursuant to statutory limitations under s. 66.0603. The current interest rate environment, combined with the emphasis on liquidity and safety, have resulted in the General Fund portion of investment income declining from $8.8 million in 2006 to a projected level of less than $1 million for 2011.

The 2012 budget implements an opportunity to increase investment income, while remaining in compliance with statutory limitations and the need to ensure adequate liquidity to serve the city's cash flow requirements. The Common Council, via File 070880, authorized the Public Debt Commission to issue up to $150 million of commercial paper, as part of an overall city borrowing program which may include the issuance of commercial paper for cash flow management and improved investment return. In 2012, the Comptroller, is provided with the authority to invest available fund balances, with the additional provision to use private investment management where it is feasible and cost effective. This change capitalizes on the existing commercial paper facility to ensure adequate liquidity and available private money management expertise to increase the city's non-property tax revenue potential.

Figure 1



The commercial paper facility allows managing the city's pooled cash investments actively while ensuring the liquidity necessary for city operations. This establishes an enhanced performance allocation of pooled cash of at least $100 million, allowing private

fund managers to provide superior yield on this "core" portion. Funds will be invested in accordance with State Statue 66.0603. Through the designation of the "core" Pooled Cash, fund managers will generate additional yield by extending the duration of investments to one to three years, with the possibility of a portion of the funds being invested in instruments of three to seven years. In the event remaining Pooled Cash should fall below the necessary threshold, the city will issue short term commercial paper to provide additional funds on a temporary basis.

This revised approach is estimated to result in additional investment return of approximately 150 basis points annually.

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

While this policy has been successful, the downturn in the housing market and the overall economy has contributed to increased foreclosure filings and tax delinquent parcels acquired. Between 2007 and 2010, foreclosure filings increased by 594 or 154% and parcels acquired increased by 325 or 210%. Filings and acquisitions are expected to remain at this level in 2012.

OTHER SERVICE AND BUDGET CHANGES

Expedited *In Rem* Foreclosure: In 2009, the Mayor and Common Council adopted Common Council File Number 091517. This resolution modified the internal protocol for initiating *In Rem* foreclosure actions. The resolution provides for expedited *In Rem* foreclosure action against tax delinquent vacant or abandoned residential properties. Expedited foreclosure is intended to prevent the deterioration of the properties, minimize blight on the neighborhood, and redevelop and return the properties to occupancy at the earliest possible time.

The 2012 budget maintains funding for an expedited *In Rem* foreclosure process. The budget funds four regular foreclosure filings and projects that 1,200 parcels will enter the foreclosure process initiated by the Treasurer. This includes the capacity for 100 to 200 filings against properties that the Council and city departments identify as the most critical for blight prevention and redevelopment objectives.

The expedited *In Rem* foreclosure process provides for four foreclosure filings over the course of the year, instead of one large batch filing. This allows for vacant properties identified by the Council or city departments as a blight on a neighborhood to be included in a foreclosure file within three months of its identification instead of waiting for the next year's file. Expedited *In Rem* foreclosure also ensures that accounts coming out of bankruptcy are included into one of the multiple filings, in order to avoid waiting an additional year to proceed. Furthermore, with fewer parcels included in each file, the work is more manageable for the Treasurer's staff.

Loss of Grant Funding: The Treasurer's Office will not receive grant funding from the Neighborhood Stabilization Program 2 (NSP 2) grant in 2012. In 2011, the Treasurer's Office received approximately $18,000 from NSP 2. In 2012, the city will use operating and maintenance funds to cover the loss of this grant funding.

Investment of City Funds: The change to the way in which city funds are invested reduces the Treasurer's Financial Services Division by one position, an Investment and Financial Services Specialist. The elimination of this position and other salary adjustments related to this initiative save the Treasurer's Office approximately $90,000 in salary expenditures in 2012 and about $45,000 in fringe benefit costs.

Position Eliminated and Reduction of Salary Grades: Effective at the beginning of the new City Treasurer's term in April of 2012, the position of Special Deputy City Treasurer will be eliminated. Also effective at the beginning of the new term, funding for the City Treasurer will be reduced from salary grade 17 to the midpoint of salary grade 16, the Deputy City Treasurer will be reduced from salary grade 15 to salary grade 14, and the Investments and Financial Services Manager will be reduced from salary grade 12 to salary grade 11.

2012 Budget by Services (Funding in Millions)

Service	**City Financial Management**	
Activities:	Receive and account for all monies paid to the city, make disbursements that have been vouchered for payment by the Comptroller, invest city funds not needed immediately to meet current expenditures, and collect property taxes and delinquent taxes for all six levies within the city.	
		2012 Projection
Performance Measures:	Rate of return on investments.	0.25%
	State of Wisconsin Local Government Investment Pool (LGIP) rate of return (benchmark).	TBD
	Cost of tax collection as a percentage of total taxes collected.	0.25%
	Total percentage of delinquent city property taxes collected after two years at the close of the levy.	90.0%
Funding by Source:	Operating Funds	$3.0
	Grants and Reimbursables	$0.1
	Totals	**$3.1**

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	-1.00		Investments and Financial Services Specialist	Responsibilities for investment of idle city cash transferred to the Comptroller's Office, Treasurer's Office retains authority for this position.
	-0.65		Special Deputy City Treasurer	Position eliminated.
	-0.38		Various Positions	Anticipated vacancies.
	0.60	-0.60	Various Positions	Loss of NSP 2 grant funding.
0	**-1.43**	**-0.60**	**Totals**	

UNIFIED CALL CENTER

EXECUTIVE SUMMARY

MISSION: Provide residents with 24/7 access to city information and non-emergency services through a single phone number, provide elected officials and the public with transparent city service delivery, and improve the productivity of the city workforce.

OBJECTIVES: After full implementation, accurately answer 70% of residents' calls for information without transferring the callers to other departments.

Provide policymakers, the public, and departmental management with more transparency about the volume, type, and geographic distribution of customer calls for services, and departmental response to those calls.

Reduce city IT, call intake, and service delivery costs.

Provide improved quality assurance for customer call intake and resolution.

STRATEGIES: Consolidate service delivery call centers in a single organization to reduce call transfers, create economies of scale among call takers, and improve supervision of call taker performance.

Implement a robust Citizen Relationship Management (CRM) IT solution.

Include the Call Center Director as a regular participant in AIM meetings to identify opportunities for improved customer services and provide the status of departmental migration to the new system.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	0.00	1.00	18.00	17.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	0	1	21	20
EXPENDITURES				
Salaries and Wages	$0	$77,000	$273,390	$196,390
Fringe Benefits	0	36,960	136,695	99,735
Operating Expenditures	0	15,000	97,000	82,000
Equipment	0	0	7,000	7,000
TOTAL	$0	$128,960	$514,085	$385,125

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The City of Milwaukee has a strong tradition of providing quality services to customers. The Unified Call Center is intended to improve citizen access to these services by:

- Giving citizens a single phone number to call to access non-emergency city services.
- Allowing citizens to connect to an operator 24 hours a day, 7 days a week.
- Answering citizen questions and logging their service requests without having to transfer the customer to a different department. This "first call resolution" should approach 70% within three years of implementation.
- Reducing "wait" times and abandonment rates in city call centers.
- Providing the Mayor, Common Council, departmental managers, and the public with regular reporting on the volume, type, and geographic distribution of customer calls for services, and departmental response to those calls.
- Providing the Mayor and Common Council with data on the volumes and types of information questions.
- Improving customer satisfaction by centralizing call takers and the associated quality assurance program.
- Providing citizens with clear expectations on service delivery response times.
- Improving information transfer to citizens during health pandemics or crisis management scenarios.

The Unified Call Center will use the existing *286-CITY* phone number in 2012. The Administration and Common Council may revisit the possibility of using the *311* phone number in later years once the Unified Call Center itself is fully implemented.

The Unified Call Center will use technology to resolve the shortcomings of existing systems. The linchpin of the call center organization is a robust Citizen Relationship Management (CRM) IT solution. The CRM will be integrated with the city's telephone system and have five key functions:

- **Electronic Knowledge Base:** The electronic knowledge base will be a searchable repository of information on city services and processes. City departments will be required to document their processes and frequently asked questions so that call takers can quickly find answers to citizen questions without having to transfer the citizen.
- **Call Scripting:** The system will provide call takers with a script to answer citizen questions and triage their requests for service so that they are consistently logged into the system. Department managers will work with the Unified Call Center management to tailor these scripts so that the call taker gets all the information a department needs to efficiently service the request.
- **Service Request Intake:** The CRM will allow call takers to take service requests for multiple departments, allowing them to route requests to the departments, rather than routing the customer. Modern CRM systems can relate duplicate service requests to a single work order which will reduce wasted time for field crews, improve communication to customers about the status of their calls, and more accurately define the volume of services provided by city crews.
- **Case Management:** The CRM will provide case management functionality to help departments manage the service requests. Case management functionality allows the department to create a process "map" that clearly shows how service requests go from initial intake to assignment to a manager to assignment to a work crew and work inspection.
- **Business Analytics:** The CRM will provide the Administration and the Common Council with a full suite of management reports, data dashboards, and report writing capability that will clearly show departmental service delivery and help identify opportunities for service improvements. Modern CRM systems can automatically notify managers and elected officials about service requests that have not been resolved within agreed upon time frames.

The Unified Call Center will reduce city operating costs three different ways. First, the Unified Call Center will create economies of scale among the staff associated with various existing city call centers. Second, the Unified Call Center will reduce IT costs by providing a single IT platform from which to provide many departmental services. While there is a significant capital cost associated with this project, it must be viewed in the context of existing and future city IT costs that would have been required to maintain the current decentralized IT environment.

Perhaps the biggest opportunity for cost savings will come in the form of productivity improvements for departmental service delivery. This will come in the form of reduced data entry for service requests and reduced duplicative work orders. Managers will also spend less time developing reports and spend more time analyzing data to improve operations. These opportunities may be identified when existing city processes are mapped for inclusion in the CRM.

Implementing a Unified Call Center will bring Milwaukee up to current best practices among large cities. Other cities with Unified Call Centers include Austin, Baltimore, Buffalo, Chicago, Columbus, Dallas, Denver, Detroit, Fort Wayne, Houston, Indianapolis, Kansas City, Las Vegas, Los Angeles, Louisville, Miami, Minneapolis, New York City, Philadelphia, Pittsburgh, Sacramento, San Antonio, San Jose, and Washington, DC.

Strategies and Milestones for 2012

Objective:	**After full implementation, accurately answer 70% of residents' calls for information without transferring the callers to other departments.** **Provide policymakers, the public and departmental management with more transparency about the volume, type, and geographic distribution of customer calls for services, and departmental response to those calls.** **Reduce city IT, call intake, and service delivery costs.** **Provide improved quality assurance of the customer call intake and resolution.**
Strategies	**2012 Milestones**
Fully implement Phase I of a new Customer Relationship Management (CRM) IT solution.	Successfully transition Parking Information Desk call operators by January 1, 2012. Complete call scripting and knowledge base development for high volume information requests. Maintain the business analytics component of the CRM for timely reporting on city service effectiveness level. Incorporate City Hall Operator into automated call distribution group to take overflow *286-CITY* calls during business hours.

STRATEGY IMPLEMENTATION

In 2011 the city hired a Call Center Director to coordinate project management with the vendor, the Chief Information Officer, and Phase One service departments. The Unified Call Center anticipates consolidating the following existing city call centers in phases:

- Department of Public Works Administration *286-CITY* Call Center (2012)
- Parking Enforcement Call Center (2012)
- City Hall Operator (2012)
- Department of Neighborhood Services Code Enforcement (2012-2013)
- Water Works Control Center - field service problems, not customer billing (2013)

2012 Budget by Services (Funding in Millions)

Service	**Customer Service**	
Activities:	Call intake, answer citizen information questions, enter service requests, integrate departmental services onto enterprise work order system.	
		2012 Projection
Performance Measures:	Number of customer calls per month.	30,000
	Average abandonment rate.	5.0%
	First call resolution (year one).	50.0%
Funding by Source:	Operating Funds	$0.5
	Totals	**$0.5**

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		Communications Services Manager	Positions transferred from the Department of Public Works and Parking Fund to the centralized Unified Call Center.
1	1.00		Communications Specialist	
1	1.00		Communications Assistant IV	
17	14.00		Communications Assistant III	
20	**17.00**	**0.00**	**Totals**	

FRINGE BENEFIT OFFSET

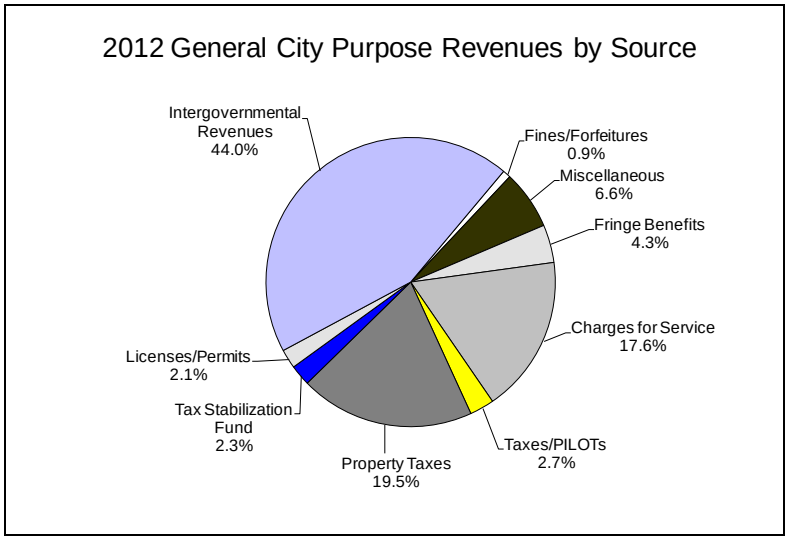
	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Fringe Benefit Offset	$-145,155,953	$-140,130,048	$-153,339,677	$-13,209,629
TOTAL	$-145,155,953	$-140,130,048	$-153,339,677	$-13,209,629

Employee fringe benefit costs are appropriated in various special purpose accounts. In addition, department operating budgets include an estimated employee fringe benefit factor in order to reflect the total cost of department operations. In prior years, this second appropriation, or "double" budget, was offset by a "paper" revenue to avoid levying twice for employee benefits. The 2012 budget offsets this "double" budget with a budget offset, as opposed to a revenue offset. This approach avoids overstating the total city budget by the fringe benefit factor, which in 2012 amounts to approximately $153.3 million.

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

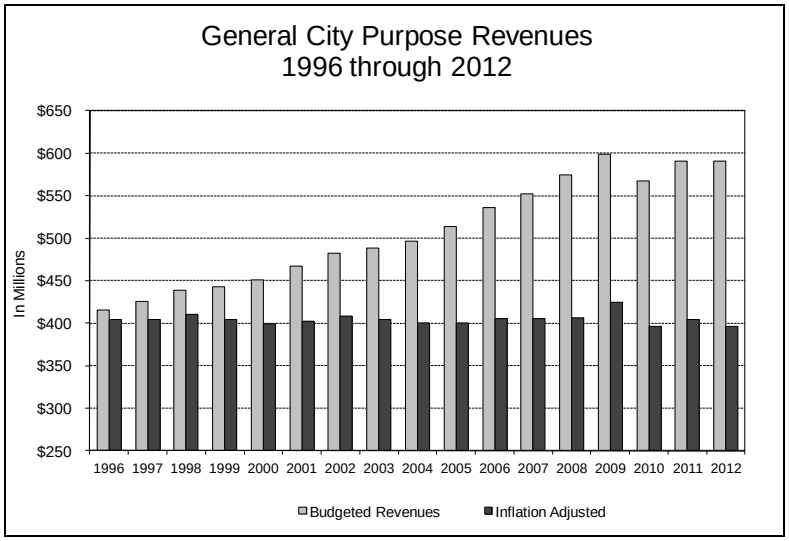
State law requires the city to balance its annually budgeted expenditures with its anticipated revenues. Each year, the Comptroller's Office develops revenue estimates for the upcoming budget year. Once these estimates are finalized, the city determines the needed property tax levy and reserve fund withdrawals to offset budgeted expenditures. In 2012, the city anticipates it will generate approximately $590.4 million in revenue for general city purposes. Figure 1 provides a breakdown of these revenues by major category.

Figure 1



Revenue diversification and enhancement provides the city with the means to retain existing service levels. Property tax increases have been limited by state legislation and state aids have continued to decrease, placing pressure on other revenue sources or requiring service reductions. State restrictions on the type of charges for service that are available to municipalities further erode the city's ability to diversify its revenues.

Figure 2



The overall general city purpose revenues have grown less than the rate of inflation (see Figure 2). Revenues in 1996 adjusted for inflation equaled $404 million which is $8 million higher than the inflation adjusted revenue for 2012 of $396 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 2012 budget. A noticeable shift in intergovernmental, property taxes, and charges for service is evident over the time period. As shown in Figure 3, the city received proportionately more intergovernmental aid in 1995 when it accounted for 63.7% of total revenues versus 44.0% in 2012.

Over the same time period, the city's reliance on property taxes increased from 10.6% to 19.5% although it only slightly increased in terms of real dollars. The city has increased its efforts to diversify revenues by increasing charges for service as a percentage of revenue from 4.3% to 17.6%.

Intergovernmental revenues have decreased from 1997 to 2012. From 2003 to 2012, intergovernmental revenues decreased from $284.6 million to $259.5 million. This is shown in Figure 4 along with the inflation adjusted amounts.

The 2012 property tax levy of $115.2 million for general city purposes is part of the total property tax levy of $248.0 million.

Figure 5 illustrates the increased city reliance on user based fees. In the past several years, charges for service revenues increased from $19.4 million in 1995 to $103.9 million in 2012. This trend is also evident in Figure 3, where charges for service revenues increased from 4.3% of revenues to 17.6% in the same time period. 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.

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 2012 budget, intergovernmental revenues total $259.5 million. The city anticipates an overall decrease in state aids of $12.5 million from 2011 to 2012.

The largest amount of state aids received by the city comes in the form of State Shared Revenue. In 2012, the city expects to receive $218.5 million of shared revenue. This is a decrease of $9.9 million from the amount expected to be received in 2011.

Figure 3

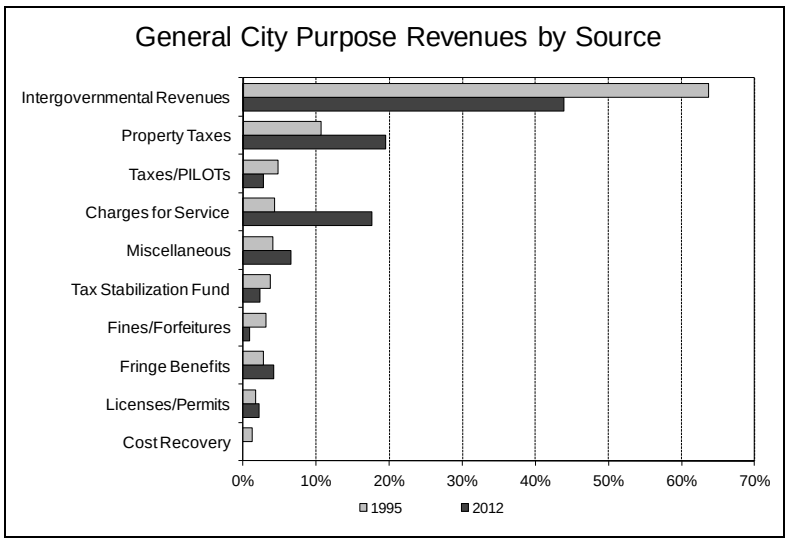
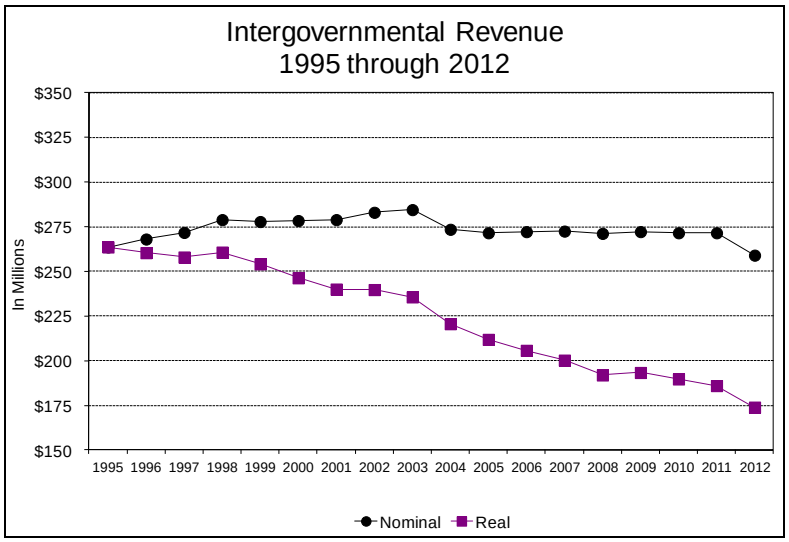


Figure 4



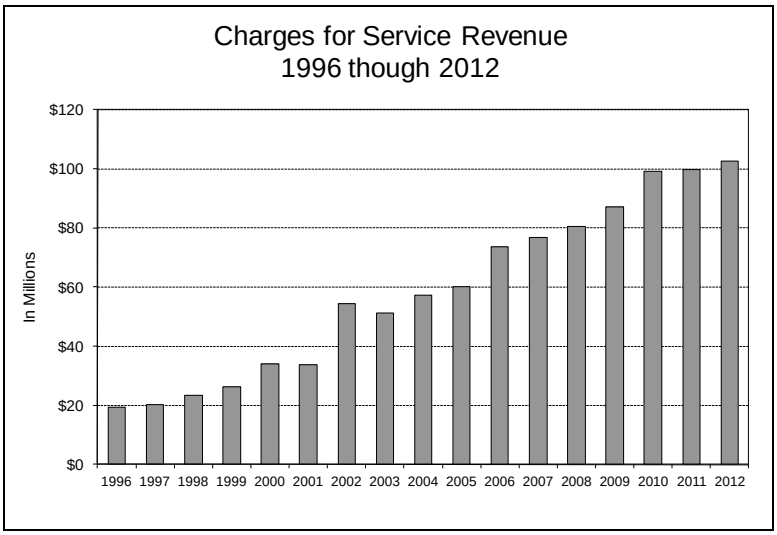
Since the state fixed the allocation for shared revenue in 1995 and later fixed the amount municipalities received, the city was unable to rely on shared revenue to assist in addressing its structural budget issues. Each increase of 1% in the payment would generate an additional $2.3 million in revenues to the city. The city has turned to other sources of funds or service cuts to offset the lack of growth in shared revenue. The city will experience a nearly $89.4 million decrease in "real" intergovernmental aids since 1995 as shown in Figure 4.

The state transportation aids are determined by the amount that is spent in specific transportation related accounts and the funds made available in the state budget for this purpose. This program is in direct opposition to expenditure control initiatives that are in other parts of the state budget because higher expenses result in more revenue received. These aids total $25.5 million in 2012 which is $2.4 million below the 2011 amount.

Another of the larger state aids is the Expenditure Restraint Payment. The intent of this program is to reward communities who 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. The problem is in the distribution of the program funds. They 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 2012 is $8.3 million which is $0.3 million lower than 2011.

Figure 5



Property Taxes: The property tax levy will provide $115.2 million in revenue for the general city purposes budget in 2012. The total city tax levy will be $248.0 million in 2012 or an increase from 2011 of $1.3 million or 0.53%.

Taxes and Payments in Lieu of Taxes: The 2012 budget includes an estimated $16.1 million in revenue attributable to Taxes and Payments in Lieu of Taxes (PILOTs), a decrease of $0.4 million from 2011. 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 for city services.

Charges for Services: The 2012 budget includes $103.9 million in revenue from charges for services, an increase of $4.1 million. This category of funding encompasses revenue received for services provided by city operating departments. Charges for services revenue has steadily increased since 1995 (see Figure 5).

The Solid Waste Fee is a charge that mainly recovers a portion of the cost of weekly garbage collection. Other service costs for related solid waste services like recycling, and special collections are also recovered through the fee. The fee recovers nearly 100% of solid waste operating costs.

Charges reduce reliance on variable and uncertain revenues such as intergovernmental aids. They can also make a local government's cost structure more competitive. An additional charge will be made to residences that have more than one garbage cart per household. The fee will be $40 per garbage cart above one cart per household. This will increase the fee on an additional cart by $20 from the 2010 level. There will be no charge for additional recycling carts. The Solid Waste Fee will rise to $171.52 per year for residential units from $168.16 per year that is charged in 2011 and will generate $33.9 million when combined with the extra garbage cart fee.

The Snow and Ice Fee will continue at its current annual rate of $0.8407 per foot of property frontage. The fee will generate a total of $7.9 million in 2012.

Leaf pickup and street sweeping costs will continue to be recovered through the Sewer Maintenance Fee. The budget reflects the addition of the tree pruning costs being charged to the Sewer Maintenance Fee. This is done in the form of a $12.1 million transfer from the Sewer Fund to the General Fund.

Miscellaneous Revenues: Miscellaneous revenues include the transfer from the Parking Fund, interest on investments, funds from the sale of surplus property, real estate property sales, several spending offset accounts, and other revenues not included in any other category. For 2012, these revenues are expected to total $38.9 million.

The increase of $3.6 million in miscellaneous revenues is primarily due to the shift of vehicle registration fee revenues of $3.2 million from debt service to the General Fund.

Fines and Forfeitures: Revenue of $5.3 million related to fines and forfeitures is included in the 2012 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 2012 is estimated at $12.6 million, an increase of $0.2 million from 2011. 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 $25 million in 2012.

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 $15.3 million lapsed into the fund at the end of 2010 bringing the balance in the fund (as of April 15, 2011) to $29.2 million.

The 2012 withdrawal will be $13.8 million which is slightly below 50% of the fund balance. After the 2012 withdrawal and anticipated regeneration at the end of 2011, the Tax Stabilization Fund should have a fund balance of approximately $25.7 million.

2. SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	2009 ACTUAL EXPENDITURES	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Taxes and Payments in Lieu of Taxes					
Housing Authority	$691,327	$768,356	$650,000	$768,400	$118,400
Parking	1,251,653	1,297,123	1,300,000	1,300,000	0
Water Services Division	9,439,899	10,153,957	10,600,000	10,600,000	0
Trailer Park Taxes	105,066	111,325	105,000	110,000	5,000
Payment in Lieu of Taxes Other	346,408	347,599	325,000	320,000	-5,000
Interest/Penalties on Taxes	2,675,748	2,702,920	2,648,000	2,693,900	45,900
TID Excess Revenue	0	912,971	400,000	0	-400,000
Other Taxes	-314,810	253,342	506,500	355,000	-151,500
Total Taxes	$14,195,291	$16,547,593	$16,534,500	$16,147,300	$-387,200
Licenses and Permits					
Licenses					
Amusement Dance/Music	$606,069	$549,549	$518,000	$552,000	$34,000
Dog and Cat	118,468	61,695	118,700	61,600	-57,100
Food Health Department	1,793,534	1,999,198	2,215,000	2,215,000	0
Health Department Non-Food	40,024	33,451	57,600	38,400	-19,200
Liquor and Malt	1,090,292	1,151,605	1,085,000	1,149,000	64,000
Scales	419,633	348,500	475,700	365,500	-110,200
Miscellaneous City Clerk	443,663	597,261	521,000	520,000	-1,000
Miscellaneous Neighborhood Services	390,813	462,365	394,700	413,200	18,500
Miscellaneous Department Public Works Administration	18,376	13,203	15,300	13,000	-2,300
Permits					
Board of Zoning Appeals	$282,415	$291,501	$281,500	$274,000	$-7,500
Zoning Change Fees	55,262	46,825	65,000	50,000	-15,000
Building	1,989,949	2,304,853	1,907,900	2,095,000	187,100
Building Code Compliance	356,900	269,880	320,000	275,000	-45,000
Curb Space Special Privilege	33,340	111,350	36,000	112,000	76,000
Electrical	723,313	812,410	772,000	870,000	98,000
Elevator	91,245	125,783	84,000	120,000	36,000
Occupancy	308,762	310,681	328,000	300,000	-28,000
Plumbing	546,845	752,281	700,000	720,000	20,000
Miscellaneous Neighborhood Services	69,623	126,914	76,200	134,300	58,100
Sign and Billboard	99,642	100,504	100,000	99,000	-1,000
Special Events	208,895	224,024	200,000	200,000	0
Miscellaneous Department of Public Works	313,747	302,096	328,600	311,500	-17,100
Special Privilege Miscellaneous City Clerk	6,125	1,915	0	0	0
Special Privilege Miscellaneous Neighborhood Services	395,729	367,222	390,000	370,000	-20,000
Sprinkler Inspection	64,214	88,758	80,000	90,000	10,000
Use of Streets Excavating	1,160,812	871,303	904,000	804,000	-100,000
Plan Exam Department of City Development	558,360	622,904	454,000	495,100	41,100
Total Licenses and Permits	$12,186,050	$12,948,031	$12,428,200	$12,647,600	$219,400
Intergovernmental Revenue					
Fire Insurance Premium	$1,009,822	$1,010,494	$1,006,000	$1,009,000	$3,000
Local Street Aids	27,167,329	27,397,633	27,850,000	25,470,000	-2,380,000
Payment for Municipal Services	2,079,003	1,913,895	1,750,000	1,650,000	-100,000
State Payments Police	747,994	1,088,120	824,500	659,500	-165,000
State Shared Revenue (General)	230,302,105	228,374,482	228,345,000	218,490,000	-9,855,000
Other State Payments	7,034	7,034	7,000	7,000	0
Expenditure Restraint Aid	7,621,483	7,869,529	8,613,000	8,316,000	-297,000
Computer Exemption Aid	3,402,087	3,277,644	3,200,000	3,900,000	700,000
Total Intergovernmental Revenue	$272,336,857	$270,938,831	$271,595,500	$259,501,500	$-12,094,000

	2009 ACTUAL EXPENDITURES	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Charges for Services - General Government					
City Attorney	$709,826	$784,282	$888,000	$781,000	$-107,000
Department of Employee Relations	172,016	169,937	180,000	170,000	-10,000
City Treasurer	176,712	173,450	114,500	116,700	2,200
Common Council City Clerk	150,880	126,754	150,100	143,400	-6,700
Cable Franchise Fee	4,439,046	4,864,034	4,800,000	5,000,000	200,000
Comptroller	396,838	536,971	275,000	375,000	100,000
Election Commission	0	0	1,000	0	-1,000
Municipal Court	1,696,106	1,862,967	1,843,000	1,849,000	6,000
Assessor	306,282	388,241	305,500	300,000	-5,500
Department of City Development	283,758	303,267	308,200	417,300	109,100
Department of Administration	105,570	216,745	103,000	117,900	14,900
Fire Department	7,020,506	6,141,846	6,400,200	5,829,400	-570,800
Police Department	396,675	107,501	104,700	87,200	-17,500
Department of Neighborhood Services	7,782,062	8,517,608	8,508,100	9,558,600	1,050,500
Building Razing	806,245	490,554	900,000	700,000	-200,000
Fire Prevention Inspections	1,420,254	1,682,210	1,670,000	1,686,000	16,000
Essential Services	80,899	69,950	78,000	75,000	-3,000
Department of Public Works Operations Buildings and Fleet	4,790,687	5,015,453	3,964,000	4,125,000	161,000
Department of Public Works Infrastructure Division	4,192,031	3,929,782	3,727,700	3,750,500	22,800
Department of Public Works Operations Division Forestry	260,184	136,468	178,300	130,000	-48,300
Harbor Commission	5,217,241	5,217,241	4,897,157	5,018,503	121,346
Department of Public Works Administrative Services	1,578,332	965,047	1,520,500	1,378,000	-142,500
Department of Public Works Operations Division Sanitation	3,306,531	4,156,273	2,494,400	2,766,800	272,400
Solid Waste Fee	28,753,794	32,566,579	31,845,900	32,481,900	636,000
Extra Garbage Cart Fee	0	0	667,000	1,467,000	800,000
Snow and Ice Control Fee	7,640,592	6,569,347	6,500,000	7,900,000	1,400,000
Street Sweeping and Leaf Collection	10,097,930	12,190,000	12,734,075	12,140,000	-594,075
Apartment Garbage Pickup	1,505,376	1,551,459	1,540,100	1,600,000	59,900
Health Department	1,078,345	1,071,007	984,600	909,900	-74,700
Public Library	535,647	688,330	584,700	480,200	-104,500
County Federated System	945,909	815,677	800,100	791,300	-8,800
Recycling Contract	427,132	1,054,488	750,000	1,775,000	1,025,000
Total Charges for Services	$96,273,406	$102,363,468	$99,817,832	$103,920,603	$4,102,771
Fines and Forfeitures					
Municipal Court	$4,802,074	$5,422,461	$5,255,000	$5,304,000	$49,000
Total Fines and Forfeitures	$4,802,074	$5,422,461	$5,255,000	$5,304,000	$49,000
Miscellaneous Revenue					
Transfer from Other Funds	$18,132,150	$22,287,000	$20,787,000	$20,410,157	$-376,843
Interest on Investment	500,487	501,764	800,000	670,000	-130,000
Contributions	2,675,263	3,221,751	2,400,000	2,800,000	400,000
Department of Administration Property Sales	342,428	307,991	328,000	320,300	-7,700
Department of City Development Property Sales	102,591	310,428	150,000	250,000	100,000
Department of Public Works Operations Division Rent	262,781	0	0		0
Department of Public Works Infrastructure Division Rent	0	220,348	252,700	252,000	-700
Comptroller Rent	376,316	167,942	161,200	169,200	8,000
Department of City Development Rent	1,950	5,200	0	0	0

	2009 ACTUAL EXPENDITURES	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Other Miscellaneous	223,837	1,152,338	234,000	682,800	448,800
Insurance Recovery	560,313	74,720	302,000	150,000	-152,000
Potawatomi	5,547,541	5,246,524	5,240,000	5,500,000	260,000
Midtown/LIMP Revenues	-18,861	-4,698	0	0	0
Harbor Commission Transfer	1,210,000	1,400,000	1,337,000	1,350,600	13,600
New Berlin Contract	1,500,000	0	0	0	0
Vehicle Registration Fee	2,839,616	3,188,733	3,300,000	6,300,000	3,000,000
Water Works Surplus Transfer	0	3,000,000	0	0	0
Total Miscellaneous Revenue	$34,256,412	$41,080,041	$35,291,900	$38,855,057	$3,563,157
Fringe Benefits					
Fringe Benefit Offset	$23,534,619	$27,827,185	$24,000,000	$25,000,000	$1,000,000
Total Fringe Benefits	$23,534,619	$27,827,185	$24,000,000	$25,000,000	$1,000,000
Total General Fund Revenue	$457,584,709	$477,127,610	$464,922,932	$461,376,060	$-3,546,872
Amount to be Raised Pursuant to 18-02-6	$146,119,257	$99,257,127	$126,174,808	$128,997,737	$2,822,929
Less:					
Tax Stabilization Fund Withdrawal (Sustainable)	$22,378,500	$13,070,000	$14,600,000	$13,767,000	$-833,000
Property Tax Levy	$123,740,757	$86,187,127	$111,574,808	$115,230,737	$3,655,929
Total Sources of Fund for General City Purposes	$603,703,966	$576,384,737	$591,097,740	$590,373,797	$-723,943

B. PROVISION FOR EMPLOYES' RETIREMENT FUND

EXECUTIVE SUMMARY

OBJECTIVES: Provide the means by which the city can track and monitor retirement related expenditures and resources. Maintain the health of the retirement related funds in an era of increasing costs and variable earnings.

SERVICES: Retirement system.

SUMMARY OF EXPENDITURES

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Firemen's Pension Fund				
Employer's Pension Contribution	$49,109	$71,000	$45,000	$-26,000
Lump Sum Supplement Contribution	145,584	125,000	115,000	-10,000
Subtotal	$194,693	$196,000	$160,000	$-36,000
Policemen's Pension Fund				
Employer's Pension Contribution	$329,672	$268,667	$209,000	$-59,667
Lump Sum Supplement Contribution	0	0	30,000	30,000
Subtotal	$329,672	$268,667	$239,000	$-29,667
Employees' Retirement Fund				
Employer's Pension Contribution	$49,034,656	$0	$0	$0
Administration	19,089,917	28,755,539	26,823,322	-1,932,217
Annuity Contribution Tax Levy	17,415,288	24,971,165	15,904,000	-9,067,165
Annuity Contribution Employers' Reserve Fund	7,000,000	17,350,000	25,000,000	7,650,000
Subtotal	$92,539,861	$71,076,704	$67,727,322	$-3,349,382
Social Security Tax	$18,235,854	$18,522,164	$18,007,000	$-515,164
Former Town of Lake Employees' Fund				
Employer's Pension Contribution	$7,273	$7,300	$7,300	$0
Subtotal	$7,273	$7,300	$7,300	$0
Deferred Compensation Plan	$1,239,952	$1,481,961	$1,425,439	$-56,522
Total	$112,547,305	$91,552,796	$87,566,061	$-3,986,735
Revenues				
Fringe Benefits Pensions	$1,081,015	$1,187,000	$1,251,774	$64,774
Charges for Service Employees' Retirement System	18,826,314	28,461,539	26,442,698	-2,018,841
Charges to Other Governmental Units	790,616	328,633	350,000	21,367
Charges for Service Deferred Compensation	1,239,952	1,481,961	1,425,439	-56,522
Property Tax Levy	81,844,193	60,012,663	58,016,150	-1,996,513
Employers' Reserve Fund	7,000,000	0	0	0
Miscellaneous Employees' Retirement System	74,032	81,000	80,000	-1,000
Total	$110,856,122	$91,552,796	$87,566,061	$-3,986,735

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Employes' Retirement Fund includes provisions for employee pensions, the Policemen's Annuity and Benefit Fund, the Firemen's Pension Fund, Social Security contributions, and the city's Deferred Compensation Plan.

The Employes' Retirement System (ERS) is responsible for administering the city's defined benefit pension plan for city employees and other members of the system. The system operates under the direction of the Annuity and Pension Board, a body of eight members (three elected by active system members, one by city retirees, three appointed by the President of the Common Council, and the City Comptroller, ex-officio). Retirement contributions for employees of the Milwaukee Metropolitan Sewerage District, the Wisconsin Center District, the Water Works, Milwaukee Public School Board (excluding teachers), and the Milwaukee Area Technical College are borne by those respective governmental units and are not included in these appropriations. There were 26,973 members in the system as of December 31, 2010.

The Policemen's Annuity and Benefit Fund (PABF) administers pensions for city Police Officers employed prior to 1947. There were 81 members as of January 2011.

Funds in the Firemen's Pension Fund are provided for retired Fire Fighters who were employed prior to 1947. This fund had 63 members as of January 2011.

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.

SERVICES

Annuity Contribution/Employee's Share: The 2012 budget provides $15.9 million for the city's share of employees' annuity contributions to be consistent with the 2011 Wisconsin Act 10 which only requires the employer to pay the 7% Police Officer and Fire Fighter employee annuity contribution. This is a decrease of $9.1 million over 2011, which is largely due to the $8.2 million in eliminated payments of 5.5% for general city employees and 7% for elected officials.

State legislation also requires newly hired police and fire sworn positions to pay the employee share. This went into effect on October 3, 2011 and is expected to produce $200,000 in savings in the 2012 budget.

Currently, only general city employees that were hired on or after January 1, 2010 pay the member contribution and the previously mentioned new police and fire personnel. Under this provision, estimated member contributions from general city employees are estimated to be $8.2 million higher than under existing Chapter 36 provisions.

This proposal requires a change to Chapter 36 under the city's home rule authority to govern the Employes' Retirement System (ERS). This provision would result in consistency between Chapter 36 and the state fiscal policy enacted through 2011 Wisconsin Act 10 that prohibits the employer from paying the employee's share of required pension contributions, except as otherwise provided in a collective bargaining agreement.

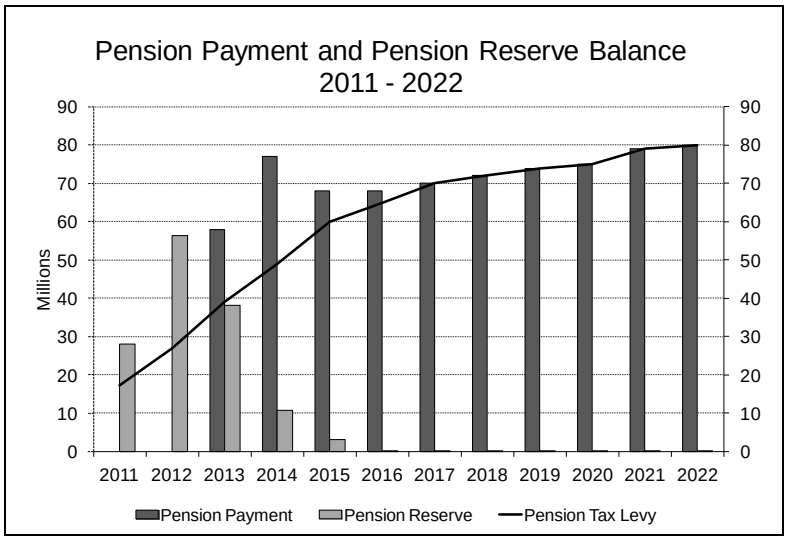
The City Attorney has issued an opinion that concludes that Chapter 36 cannot allow for payment of the member contribution by general city employees hired prior to January 1, 2010, because such a provision would constitute an unconstitutional impairment of contract rights and an unconstitutional violation of due process rights.

Therefore, a conflict exists between a state statutory provision regarding fiscal policy and the City Attorney's conclusion that this statutory provision is unconstitutional and cannot be enforced. The State Attorney General has not issued an opinion regarding whether the statutory provision in question is legal. On August 17, 2011, the Legal

Counsel to the Governor wrote the Mayor indicating that they disagreed with the City Attorney but offered no evidence and thought it appropriate to remain out of the situation. No court of law is in the process of resolving this question. As a result, the budget has been developed under circumstances of legal uncertainty regarding the appropriate method of budgeting for member contributions.

The budget includes $8.2 million in a special purpose account titled "Compensation and Fringe Benefit Reserve". If consistent with the City Attorney's opinion, it is determined that the city as "employer" is legally obligated to continue to pay the entire member contribution for all general city employees that were hired prior to January 1, 2010, the budget includes adequate funding to fulfill this obligation.

Figure 1



On the other hand, if the state fiscal policy that mandates payment of the member contribution by general city employees, except as otherwise provided for in a collective bargaining agreement, is determined to be legal and enforceable, the Mayor proposes that the funding in the "Compensation and Fringe Benefit Reserves" account be used to provide for compensation and benefit adjustments to general city employees as allowed under Section 111.70 (4) (mb) of the statutes. This account could also be used to provide additional funds in departmental wage and salary accounts sufficient to reduce or eliminate the unpaid mandatory furlough days currently mandated for city employees.

Social Security Payments: In the 2012 budget, $18 million is provided for Social Security payments.

Administration: In the 2012 budget, ERS administrative costs are $26.8 million.

Employer's Reserve Fund: An expected balance of approximately $27 million will remain in the Employer's Reserve Fund at the end of 2011. The 2012 budget includes a contribution of $27 million to the Reserve Fund which brings the estimated balance to approximately $56 million at year end 2012. Two million of the reserve payment will be directly from the Parking Fund and is not reflected in the pension budget. The Reserve Fund will be used to smooth the property tax levy impact of employer pension contribution of $57 million expected in the 2013 budget. As shown in Figure 1, the 2013 payment is estimated to be $40 million from the tax levy and $17 million from the Reserve Fund. Future year estimates are also provided in Figure 1.

Employer's Pension Contribution (ERS): Duty disability payments for non-consenters of the Global Pension Settlement are fully funded. No additional funding is included in the 2012 budget.

Employer's Pension Contribution (PABF): The 2012 budget includes a $209,000 contribution for the former PABF.

Lump Sum Contribution for Firemen's Annuity and Benefit Fund (FABF): A total of $115,000 is provided in the 2012 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 2011.

Lump Sum Contribution for Policemen's Annuity and Benefit Fund (PABF): There is $30,000 provided in the 2012 budget to provide a pension supplement in the equivalent of $1 per day to the remaining members in the fund.

EMPLOYES' RETIREMENT SYSTEM

EXECUTIVE SUMMARY

MISSION: Administer the payment of retirement and other benefits to eligible persons as provided under the City Charter and protect the funds of the Employes' Retirement System (ERS) by investing in a prudent manner.

OBJECTIVES: Safeguard the funds of the Employes' Retirement System by investing them in a fiscally responsible and prudent manner.

STRATEGIES: Monitor and analyze all investment activities and provide oversight of the investment portfolio to maximize returns while minimizing the variability of the Fund's asset value.

Maintain and update the Milwaukee Employee Retirement Information Technology Solutions (MERITS) system to provide effective and efficient pension administrative services.

Improve member communication through the ERS website, pre-retirement counseling seminars, brochures, and newsletters.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	41.50	41.50	41.50	0.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	52	52	52	0
EXPENDITURES				
Salaries and Wages	$2,313,251	$2,473,539	$2,503,548	$30,009
Fringe Benefits	1,081,015	1,187,000	1,251,774	64,774
Operating Expenditures	15,147,570	24,960,000	22,912,000	-2,048,000
Equipment	51,791	135,000	156,000	21,000
Special Funds	496,290	0	0	0
TOTAL	$19,089,917	$28,755,539	$26,823,322	$-1,932,217
REVENUES				
Charges for Services	$18,826,314	$28,461,539	$26,431,150	$-2,030,389
Miscellaneous	74,032	81,000	80,000	-1,000
TOTAL	$18,900,346	$28,542,539	$26,511,150	$-2,031,389

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Employes' Retirement System (ERS) contributes to the city's fiscal stability and capacity by effectively managing the pension funds under its control. Effective management of these funds minimizes the amount of tax levy funding needed to support ERS and the pensions it manages. It also ensures that the city's long-term financial obligations to retirees are adequately funded to provide retirement related benefits for members and their beneficiaries. ERS also administers the city's contribution of Social Security, the Group Life Insurance program, and health care for city retirees, including COBRA health and dental plans. As of December 2010, there were 26,973 members in the ERS system, with 43% of that number being retirees (see Figure 1).

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

Strategies and Milestones for 2012

Objective:	**Safeguard the funds of the Employes' Retirement System by investing them in a fiscally responsible and prudent manner.**
Strategies	**2012 Milestones**
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.	Funded ratio of assets to pension liabilities increases, possibly reducing amount of needed pension contribution for 2012. Rate of return exceeding blended benchmark index.

STRATEGY IMPLEMENTATION

The city's actuarial accrued liabilities on behalf of ERS members are currently $4.4 billion, and these liabilities will exceed $5.9 billion by 2017. The city's ability to maintain a funded retirement system was complicated by market volatility in recent years. Stabilizing markets and returns in 2009 and 2010 helped the value of assets managed by ERS to increase to $4.3 billion in 2010 (see Figure 2). In 2010, the Fund experienced a return of 14.2%. Despite recent fluctuations, the Fund has stayed in the top 10% of funded public plans. In order to maintain pension payments in future years, keep an adequate funded ratio of assets to liabilities, and comply with the requirements in the City Charter, a voluntary contribution of $25 million is included in the 2012 budget to the Employee Pension Reserve Fund. This contribution will smooth forecasted pension payments that are expected to begin in 2013.

To measure the Fund's performance, ERS compares the investment return of the retirement fund against a blended benchmark index consisting of the following indices: Russell 3000 Stock Index, the Lehman Brothers Aggregate Bond Index, the Morgan Stanley Capital International EAFE (Europe, Australiasia, and Far East) Stock Index, and the NCREIF Property Index. The blended benchmark is weighted according to the asset allocation strategy adopted by the Annuity and Pension Board, and is designed to take

Figure 1

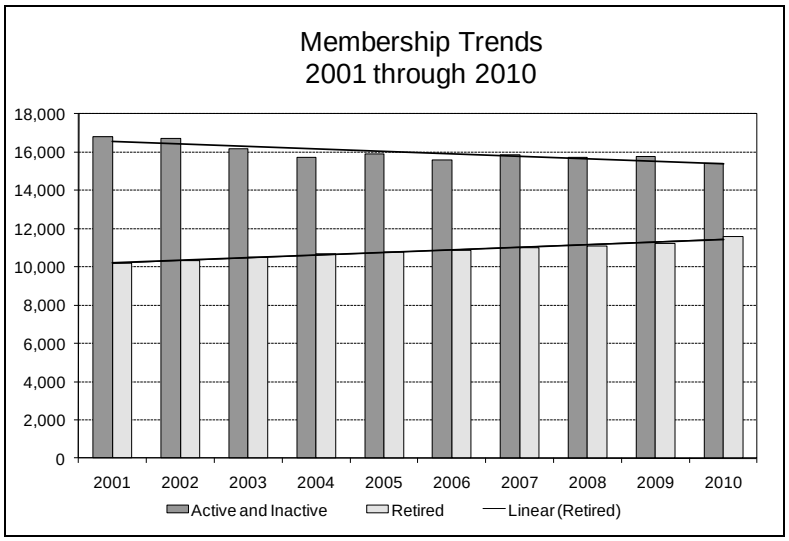
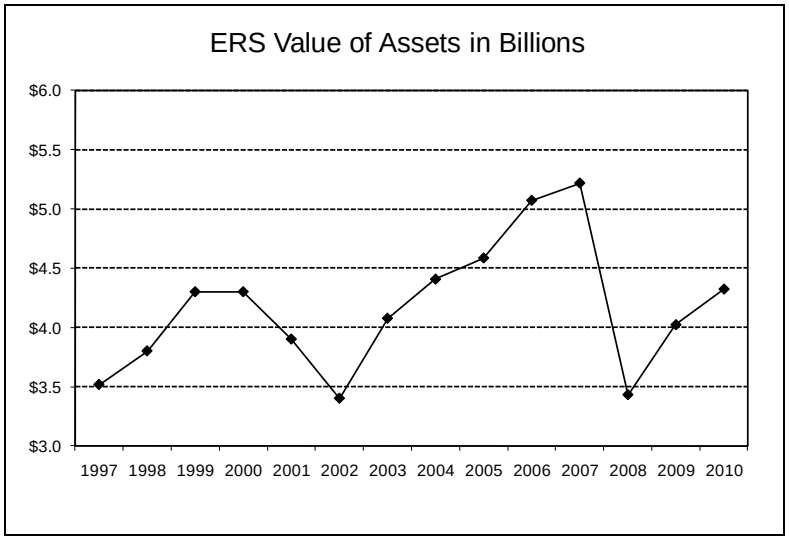
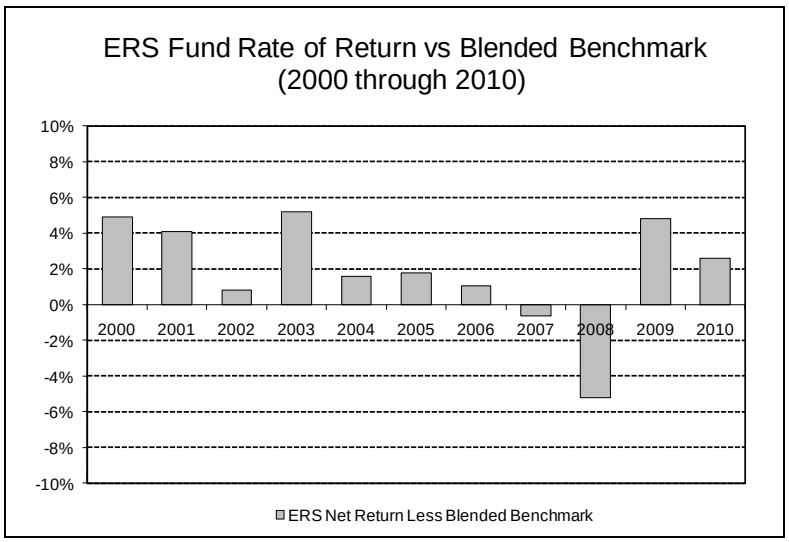


Figure 2



advantage of long term investment and market trends that occur over the life of an investment cycle. Over the long term, ERS' objective is for the Fund to outperform this blended benchmark by 0.5%.

Figure 3



As seen in Figure 3, the Fund's rate of return after fees has recovered from the 2008 market downturn, exceeding the benchmark by 2.6% in 2010. The 2010 rate of return for the ERS fund was 14.2%.

Customer Service: ERS provides enhanced customer service through a series of public awareness projects. A monthly retiree newsletter keeps members informed on a variety of issues, including the fund performance, tax issues, and health insurance issues. Letters inform individuals of their rights, options, and answers to their questions. ERS conducts community presentations and pre-retirement seminars for its members on a regular basis. ERS member handbooks, brochures, website, and its telephone system also work to improve customer service delivery.

Customer service is evaluated using reception cards relating to the timely servicing of walk-ins and appointments. ERS also uses exit surveys to measure the quality of its counseling services. The goal is to exceed a 95% satisfaction level in all areas, and ERS reached this goal in 2010, with customer satisfaction approaching 100% for retirement counseling and pre-retirement seminars.

2012 Budget by Services (Funding in Millions)

Service	**Investment Management**	
Activities:	Cash flow analysis, negotiate investment manager contracts, monitor investment performance, and compliance monitoring of investment managers.	
		2012 Projection
Performance Measures:	Exceed the gross rate of return of the blended benchmark index.	0.5%
Funding by Source:	Operating Funds	$16.0
	Totals	**$16.0**
Service	**Customer Service**	
Activities:	Prepare pension estimates, counsel members on benefits, calculate pension allowances and adjustments, process retirement applications, enroll new members, pay benefits, and review disability cases.	
		2012 Projection
Performance Measures:	Exceed 95.0% favorable rating on customer satisfaction surveys.	95.0%
Funding by Source:	Operating Funds	$5.7
	Totals	**$5.7**

2012 Budget by Services (Funding in Millions)

Service	**System Operations Support/Information Technology**	
Activities:	Maintain and enhance electronic information systems supporting the administration of the trust, assist and support existing operations by providing software and systems expertise, continue to perform critical operations, and establish and implement policies and procedures necessary to safeguard data.	
		2012 Projection
Funding by Source:	Operating Funds	$5.1
	Totals	**$5.1**

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 Financial Officer	Positions reclassified.
1	1.00		ERS Chief Financial Officer	
-1	-1.00		Network Coordinator Senior	
1	1.00		Network Administrator	
-1	-1.00		Membership Services Manager	
1	1.00		Retirement Plan Manager	
-1	-1.00		Systems Analyst Senior	
1	1.00		Systems Analyst Project Lead	
-1	-1.00		Paralegal	
1	1.00		Program Assistant II	
0	**0.00**	**0.00**	**Totals**	

C. CAPITAL IMPROVEMENTS

EXECUTIVE SUMMARY

MISSION: To maintain and enhance the city's infrastructure in a cost efficient and effective way to ensure that the city remains economically competitive.

OBJECTIVES: Identify long range capital needs and prioritize within available funding levels.

Develop investment strategies to ensure favorable rates of return on city capital investments and avoid accelerated depreciation.

STRATEGIES: Match capital borrowing to debt retirements in order to manage the debt levy and enhance the city's financial flexibility.

Utilize capital maintenance and relining to extend life of streets and sewers.

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The 2012 capital improvements budget represents the initial year of a six year capital improvements plan. The budget and plan identify the city's capital funding needs and provide funding sources to support these identified needs. In general, capital improvements include projects to reconstruct, rehabilitate, or otherwise restore an existing system or facility to full functionality or provide a significant extension of their useful life. They may also include projects to construct a new or more expansive facility to meet increased demands or to enhance economic development through job creation, business formation, and housing production.

HIGHLIGHTS

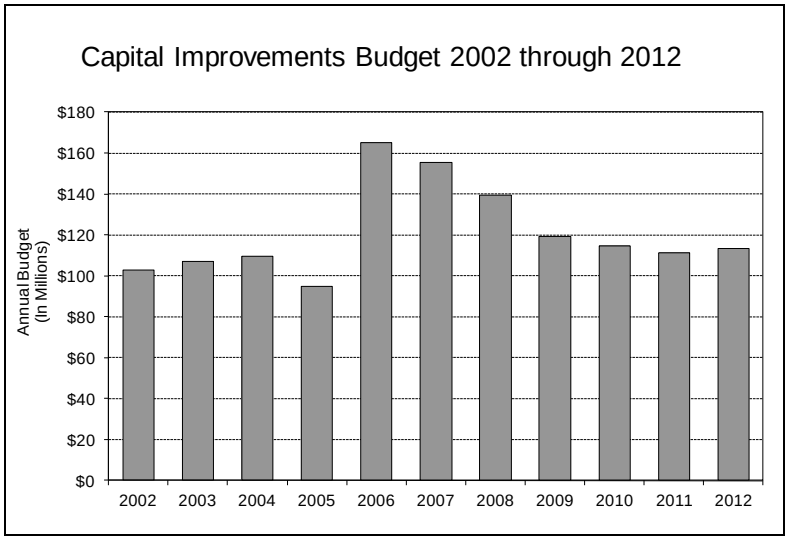
Past capital improvement borrowing levels translated into a destabilizing debt service tax levy. Problems with cost overruns on several larger capital improvement projects led to a need for improved monitoring. Although it is important to fix these problems, one side effect is a capital improvement budget that is difficult to compare to previous capital improvement budgets. To address the debt tax levy, the 2012-2017 Capital Improvements Plan will set borrowing levels to a point where the amount of borrowing will provide adequate funding of city needs while minimizing its impact on future tax levies.

The 2012 general city capital improvements budget totals $113.5 million, a decrease of $4.5 million, or 3.8% from the 2011 budget of $117.9 million. The tax levy supported portion of the capital budget, which includes tax levy cash resources as well as tax levy supported general obligation debt, totals $75.3 million. Tax levy cash resources will increase $118,000 from $907,000 in 2011 to $1,025,000 in 2012; however this does not include cash revenue from the Sewer Maintenance Fund for Forestry programs supported by the Stormwater Management Fee. It is represented as cash revenue in the line-item budget and has no borrowing or debt service payments.

The city's long term goal is to provide tax levy supported borrowing authorizations that relate to tax levy debt retirements in order to control future increases in the debt service tax levy. Control of new levy supported debt will be accomplished through a combination of prioritizing capital programs and projects through the annual budget process and converting some currently levy supported programs to other revenue sources. For example, the 2012 capital budget continues suspension of levy supported borrowing for Milwaukee Public Schools, which was $4 million in 2007. The city has also utilized lease payments from the Sewer Fund and Water Works for the jointly occupied Tower Facility to pay General Obligation (GO) debt service.

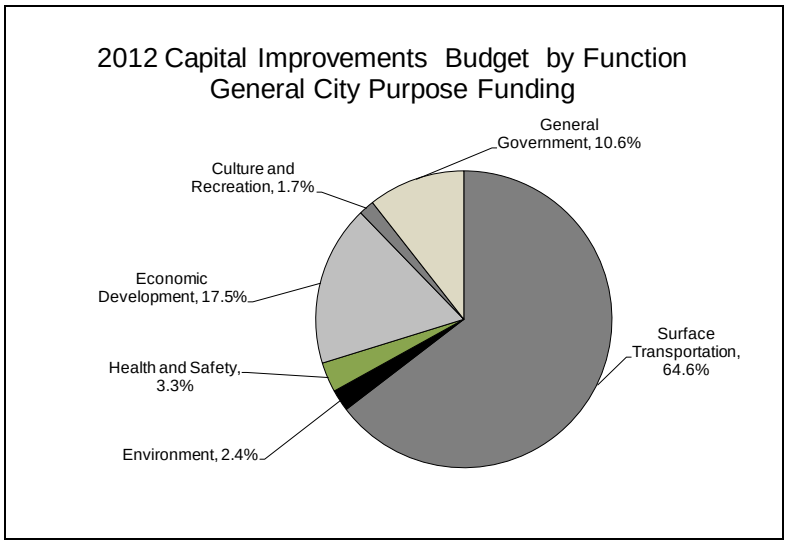
Figure 1 shows capital improvement budgets from 2002 to 2012. From 2002 to 2004, the capital improvements budget stabilized between $102.8 million and $109.6 million. In 2005, the capital improvements budget was reduced to $94.9 million, a level that was considered sustainable in the long term. The 2006 capital budget increased to $164.9 million; however this is the result of two large one time projects ($41.7 million) and a large increase in TID funding ($38.7 million). The 2012 capital budget is also impacted by the continuing policy of full, upfront TID funding that began in 2006. Levy supported GO borrowing is about $74.3 million for city purposes, up from $73.5 million in 2011.

Figure 1



Functional Categories: Projects included in the 2012 general city funded capital improvements budget are categorized in six functional categories including Surface Transportation, Environment, Health and Public Safety, Economic Development, Culture and Recreation, and General Government. Figure 2 illustrates the portion of the capital budget allocated to each functional area (Water, Parking, Sewer Relief and Relay, and Grant and Aids are excluded).

Figure 2



Surface Transportation projects constitute the largest functional category, which is 64.6% of the general city funded capital budget or $106.3 million. This area experiences a continuing significant increase of city funding for streets, bridges, and street lighting projects.

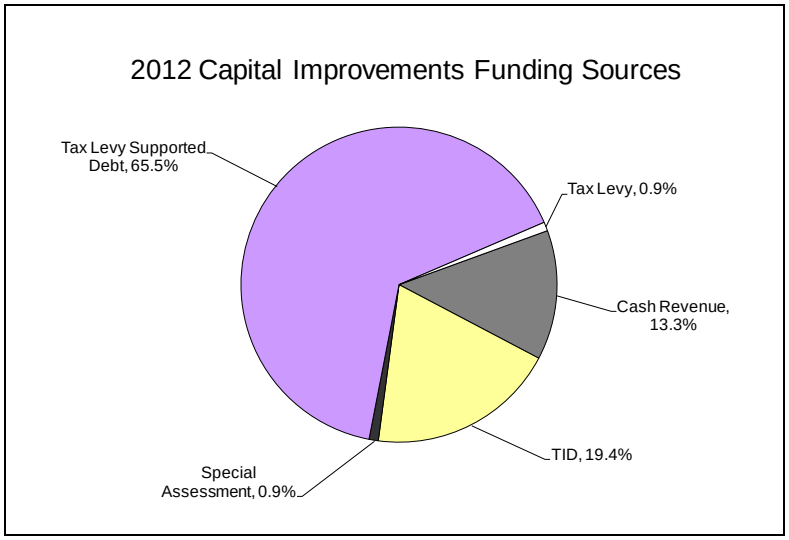
Economic Development projects is the second largest capital functional area at 17.5% of the general city funded capital budget. Tax Incremental Districts (TIDs) comprise the majority of funding for economic development projects.

The General Government project category constitutes the third largest functional area, with $17.4 million, or 10.6% provided for this purpose. This is a slight decrease from 2011 and includes funding of $2.5 million for an Enterprise Land Management System.

The Health and Safety projects and Environment projects functional categories comprise a total of about 5.7% of the 2012 general city funded capital budget. Environment programs include the expansion of sewer capacity and infiltration and inflow reduction programs, included in the Sewer Maintenance Fund since 2008. Culture and Recreation projects are the smallest functional category with $2.9 million, or 1.7% of the city funded capital budget. Within this category, central and neighborhood libraries capital projects funding totals $2.5 million.

Funding Sources: The 2012 capital budget is financed through several funding sources including the property tax levy, tax levy supported debt, Tax Incremental Districts, special assessments, cash revenues, and grants and aids. Figure 3 shows funding sources for the 2012 city funded capital budget (excluding grant and aids).

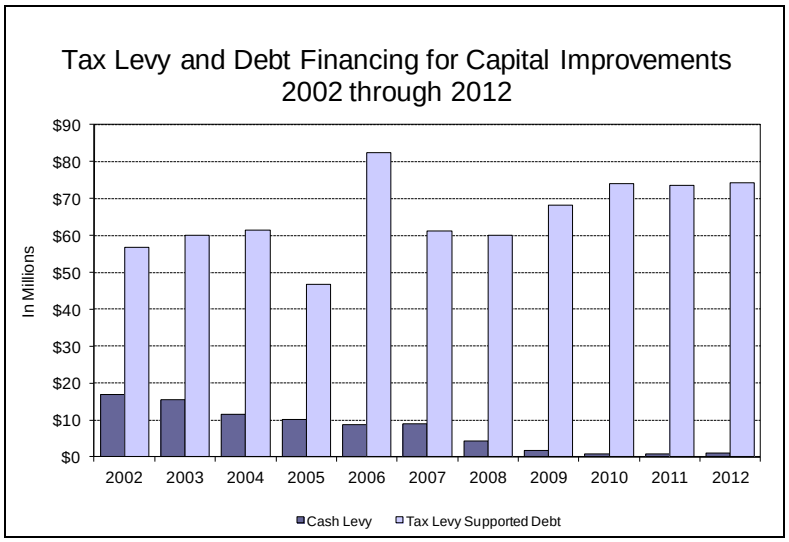
Figure 3



For 2012, the largest funding source is tax levy supported debt financing, which is approximately $74.3 million or 65.5% of total funding. This is an increase from 2012. Given the life expectancy of the facilities to be constructed or equipment to be purchased, borrowing is an appropriate funding mechanism.

The second largest source of funding for capital projects is Tax Incremental District borrowing, with $22 million, or 19.4%, 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. The significantly larger TID funding amounts started in 2006 will continue due to the policy change to fully fund all approved TIDs upfront rather than on an expenditure cash flow basis. While this policy has not changed how TIDs are analyzed, approved, or expended, it produces a major change to capital budget funding.

Figure 4



In addition to TID financing, other self supporting funding sources include $15 million of cash revenues, which is 13% of the total, and $1,065,600 of special assessments, which represent 0.9% of the total. Not included in Figure 3 are capital grant and aids, which are anticipated to be $74.6 million in 2012.

In addition to tax levy supported debt, cash tax levy is the other non-self supporting funding source for capital. In 2012, cash supported capital totals $1,025,000 or 0.9% of all funding sources. Figure 4 shows cash and debt financing trends for capital improvements from 2002 to 2012. As shown, tax levy cash financing, while it has fluctuated somewhat, has generally declined from the peak of $17 million in 2002 to $907,000 in 2011, with a slight increase for 2012.

Debt Levy Control: The 2006 capital budget suspended the Infrastructure Cash Conversion (ICC) policy goal to institute a change in overall philosophy to managing capital and debt levy impacts. The focus has changed from the basic ICC goal of funding an increasing amount of cash for a defined set of projects considered recurring infrastructure to the larger issue of controlling all capital debt. Through the years, even while the cash percentage for the defined ICC projects increased, overall capital borrowing also increased at an unsustainable rate. This

created a situation of significant annual increases to the debt service levy, impacting the city's ability to fund other programs. The capital budget will continue to move in the direction of limiting debt issuance to debt retirements to better stabilize the debt service levy.

Note: For purposes of the 2003 and earlier budgets, the Public Debt Amortization Fund (PDAF) withdrawal was reflected in the capital improvements budget by shifting cash funded improvements to debt funded improvements. Fund assets were used to purchase the additional debt. The additional debt was then immediately canceled, thus avoiding future debt service costs. Beginning in 2004, the PDAF draw was applied to reduce the city debt tax levy rather than the capital improvements tax levy. For 2012 the draw is $4.5 million. At the end of 2011, fund assets will be used to prepay a portion of the principal and interest on city debt due in 2012, which will result in a reduction in the debt levy portion of the 2012 city debt budget.

2012 HIGHLIGHTS AND CHANGES

Major Capital Equipment: Instituted in 2002, Major Capital Equipment Accounts in the Fire Department and Department of Public Works' budgets will continue to fund the purchase of durable equipment with an original unit cost of $50,000 or more through the capital budget. In 2012, the Fire Department will use $2.8 million and the DPW Operations Division will use $6 million to replace major fleet equipment.

Sewer Maintenance Fund Transfer to Support the Various Forestry Programs: Through a Common Council Amendment to the 2009 proposed budget, funding for maintaining the city's tree canopy and brush collection was moved from the tax levy to the Stormwater Management Fee. This was done as a transfer payment from the Sewer Maintenance Fund to the General Fund. This policy was expanded in 2010 and 2011 and continues in 2012 by having a $2 million transfer payment made to capital improvements to support the Emerald Ash Borer Readiness and Response, and the Tree Planting and Production Programs, as well as a small component of the Hartung Park Landfill project and a one year Stump Removal Project. This transfer is represented as cash revenue in the line-item budget. For information on these projects, see the Department of Public Works Operations Division section of the *2012 Plan and Budget Summary.*

Tax Increment Financing Districts: The 2012 capital budget includes $26.3 million of funding ($22 million self-supported borrowing and $4.3 million cash revenues) to promote economic development and job growth through tax increment financing.

Large Scale Project Budget Reporting: In response to the Comptroller's audit of the Canal Street construction project, Common Council File 061597 defines a large scale project as a capital project whose components total at least $2 million in total funding, grantor and city share. The following table identifies these large scale projects to be funded in 2012 by all funding sources associated with the projects, including grant and enterprise funds.

Other capital projects included in the 2012 capital budget are described in more detail in the departmental operating budget sections of the *2012 Plan and Budget Summary*. Please refer to these sections for more detail on these projects.

2012 LARGE SCALE PROJECTS FUNDING BY SOURCE

	CITY FUNDED CONSTRUCTION	CONSTRUCTION GRANT FUNDS	STREET LIGHTING	CONDUIT/ MANHOLES	TRAFFIC CONTROLS	PROJECT TOTAL
MAJOR BRIDGE PROGRAM						
W Granville Road over Little Menomonee River	$85,000	$340,000	$10,000	$0	$0	$435,000
S Whitnall Avenue over Union Pacific Railroad	$290,000	$1,160,000	$10,000	$0	$0	$1,460,000
W Capital Drive over Menomonee River	$25,000	$2,035,000	$20,000	$500,000	$0	$2,580,000
MAJOR STREETS						
S 35th Street W Burnham Avenue to W Greenfield Avenue	$1,225,000	$1,088,000	$50,000	$0	$120,000	$2,483,000
W Lloyd Street, N 47th to W Lisbon Avenue	$3,350,000	$2,842,000	$0	$100,000	$180,000	$6,472,000
W Hampton Ave, Green Bay Avenue to N Teutonia Avenue	$4,000,000	$3,296,000	$0	$50,000	$120,000	$7,466,000
CONNECTING HIGHWAYS						
N 27th Street, W St Paul Avenue to West Highland Blvd	$2,500,000	$2,465,000	$0	$120,000	$340,000	$5,425,000
S 27th Street, W Howard Avenue to KK River Pkwy	$5,000,000	$4,650,000	$0	$60,000	$250,000	$9,960,000
W Capital Drive, West City limits to N 84th Street	$8,095,000	$7,650,000	$0	$175,000	$250,000	$16,170,000
STATE TRUNK HIGHWAYS						
Appleton Avenue (Hwy 41) W Capitol Drive to USH 45	$10,600,000	$9,925,000	$0	$0	$0	$20,525,000
US 41 (Stadium Freeway) IH 94 to Lisbon Avenue	$1,200,000	$11,995,000	$0	$0	$0	$13,195,000
Mayfair Road (STH 100) Burleigh to Silver Spring Drive	$6,872,000	$6,761,500	$0	$5,000	$0	$13,638,500

SUMMARY OF DEPARTMENTAL APPROPRIATIONS
OVERVIEW OF 2012 ADOPTED CAPITAL BUDGET
GENERAL CITY PURPOSES

	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
City Funded			
Special Projects	$15,135,000	$11,022,000	$-4,113,000
Administration, Department of	2,035,000	600,000	-1,435,000
City Attorney's Office	0	0	0
City Development, Department of	30,661,257	29,176,000	-1,485,257
Common Council City Clerk	0	40,000	40,000
Fire Department	3,064,000	3,424,000	360,000
Health Department	110,000	450,000	340,000
Library	2,526,000	2,577,000	51,000
Municipal Court	0	0	0
Neighborhood Services	0	0	0
Police Department	4,987,931	1,502,000	-3,485,931
Port of Milwaukee	0	225,000	225,000
Public Works, Department of	59,443,409	64,440,700	4,997,291
Subtotal City Funded	$117,962,597	$113,456,700	$-4,505,897
Grants and Aids Funding			
Port of Milwaukee	$0	$0	$0
Public Works, Department of	74,621,230	74,591,800	-29,430
Subtotal Grants and Aids Funding	$74,621,230	$74,591,800	$-29,430
Enterprise Funds			
Parking	$1,175,000	$790,000	$-385,000
Sewer Maintenance	39,833,000	43,950,000	4,117,000
Water	20,645,000	9,320,000	-11,325,000
Subtotal Enterprise Funds	$61,653,000	$54,060,000	$-7,593,000
Total Capital Plan	$254,236,827	$242,108,500	$-12,128,327

2012 CAPITAL IMPROVEMENTS FINANCED BY CATEGORY

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
SPECIAL CAPITAL PROJECTS								
Grant and Aid								
Budget	$0	$0	$0	$0	$8,000,000	$8,000,000	$0	$8,000,000
Carryover	(0)	(600,000)	(0)	(0)	(0)	(600,000)	(0)	(600,000)
Municipal Art Fund								
Budget	25,000	0	0	0	0	25,000	0	25,000
Housing Trust Fund								
Budget	0	400,000	0	0	0	400,000	0	400,000
Carryover	(0)	(400,000)	(0)	(0)	(0)	(400,000)	(0)	(400,000)
Energy Challenge Fund								
Carryover	(0)	(468,917)	(0)	(0)	(0)	(468,917)	(0)	(468,917)
Unified Call Center CRM								
Carryover	(0)	(450,211)	(0)	(0)	(0)	(450,211)	(0)	(450,211)
Capital Improvements Committee								
Budget	85,000	0	0	0	0	85,000	0	85,000
Land Management System								
Budget	0	2,512,000	0	0	0	2,512,000	0	2,512,000
TOTAL SPECIAL CAPITAL PROJECTS								
Budget	**$110,000**	**$2,912,000**	**$0**	**$0**	**$8,000,000**	**$11,022,000**	**$0**	**$11,022,000**
Carryover	**($0)**	**($1,919,128)**	**($0)**	**($0)**	**($0)**	**($1,919,128)**	**($0)**	**($1,919,128)**
DEPARTMENT OF ADMINISTRATION								
FMIS Upgrade								
Carryover	($0)	($335,567)	($0)	($0)	($0)	($335,567)	($0)	($335,567)
HRMS Upgrade								
Carryover	(0)	(1,364,714)	(0)	(0)	(0)	(1,364,714)	(0)	(1,364,714)
Cluster Corporate Database Server								
Carryover	(0)	(24)	(0)	(0)	(0)	(24)	(0)	(24)
E-Benefits								
Carryover	(0)	(52,995)	(0)	(0)	(0)	(52,995)	(0)	(52,995)
E-Server Tape Subsystem								
Carryover	(0)	(891)	(0)	(0)	(0)	(891)	(0)	(891)
E-Server Replacement								
Carryover	(0)	(87,000)	(0)	(0)	(0)	(87,000)	(0)	(87,000)
Backup System Replacement								
Carryover	(0)	(180)	(0)	(0)	(0)	(180)	(0)	(180)
Record Center Work Environment Project								
Carryover	(0)	(177,430)	(0)	(0)	(0)	(177,430)	(0)	(177,430)
IT Upgrades								
Budget	325,000	0	0	0	0	325,000	0	325,000
Exchange Server Replacement								
Budget	125,000	150,000	0	0	0	275,000	0	275,000
TOTAL DEPARTMENT OF ADMINISTRATION								
Budget	**$450,000**	**$150,000**	**$0**	**$0**	**$0**	**$600,000**	**$0**	**$600,000**
Carryover	**($0)**	**($2,018,801)**	**($0)**	**($0)**	**($0)**	**($2,018,801)**	**($0)**	**($2,018,801)**
DEPARTMENT OF CITY DEVELOPMENT								
Advance Planning								
Budget	$175,000	$0	$0	$0	$0	$175,000	$0	$175,000
Neighborhood Commercial District Street Improvement Fund								
Budget	0	500,000	0	0	0	500,000	0	500,000
Carryover	(0)	(1,127,810)	(0)	(0)	(0)	(1,127,810)	(0)	(1,127,810)
Tax Increment Financed Urban Renewal Projects (Including Grant Funded Projects)								
Budget	0	0	22,000,000	0	4,251,000	26,251,000	0	26,251,000
Carryover	(0)	(0)	(137,942,604)	(0)	(0)	(137,942,604)	(0)	(137,942,604)
Development Fund								
Carryover	(0)	(4,005,500)	(0)	(0)	(0)	(4,005,500)	(0)	(4,005,500)
Business Improvement Districts								
Budget	0	250,000	0	0	0	250,000	0	250,000
Carryover	(0)	(2,486,250)	(0)	(0)	(0)	(2,486,250)	(0)	(2,486,250)
809 Building Remodeling								
Carryover	(0)	(788)	(0)	(0)	(0)	(788)	(0)	(788)
Façade Program								
Budget	0	500,000	0	0	0	500,000	0	500,000
Healthy Neighborhoods Initiative								
Budget	100,000	100,000	0	0	0	200,000	0	200,000
ADA Riverwalk Construction								
Carryover	(0)	(2,797,171)	(0)	(0)	(0)	(2,797,171)	(0)	(2,797,171)

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
Housing Infrastructure Preservation Fund								
Budget	0	800,000	0	0	0	800,000	0	800,000
Carryover	(0)	(699,430)	(0)	(0)	(0)	(699,430)	(0)	(699,430)
Brownfield Program								
Budget	0	500,000	0	0	0	500,000	0	500,000
TOTAL DEPARTMENT OF CITY DEVELOPMENT								
Budget	**$275,000**	**$2,650,000**	**$22,000,000**	**$0**	**$4,251,000**	**$29,176,000**	**$0**	**$29,176,000**
Carryover	**($0)**	**($11,116,949)**	**($137,942,604)**	**($0)**	**($0)**	**($149,059,553)**	**($0)**	**($149,059,553)**
COMMON COUNCIL CITY CLERK								
SAN STORAGE								
Budget	$40,000	$0	$0	$0	$0	$40,000	$0	$40,000
License Division Remodeling								
Carryover	(0)	(6,021)	(0)	(0)	(0)	(6,021)	(0)	(6,021)
TOTAL COMMON COUNCIL CITY CLERK								
Budget	**$40,000**	**$0**	**$0**	**$0**	**$0**	**$40,000**	**$0**	**$40,000**
Carryover	**($0)**	**($6,021)**	**($0)**	**($0)**	**($0)**	**$6,021**	**($0)**	**($6,021)**
ELECTION COMMISSION								
Office Remodeling								
Carryover	($0)	($2,340)	($0)	($0)	($0)	($2,340)	($0)	($2,340)
TOTAL ELECTION COMMISSION								
Carryover	**($0)**	**($2,340)**	**($0)**	**($0)**	**($0)**	**($2,340)**	**($0)**	**($2,340)**
DEPARTMENT OF EMPLOYEE RELATIONS								
Worker's Compensation Computer System								
Carryover	($0)	($8,157)	($0)	($0)	($0)	($8,157)	($0)	($8,157)
TOTAL DEPARTMENT OF EMPLOYEE RELATIONS								
Carryover	**($0)**	**($8,157)**	**($0)**	**($0)**	**($0)**	**($8,157)**	**($0)**	**($8,157)**
FIRE AND POLICE COMMISSION								
Fire and Police Commission Office Remodeling								
Carryover	($0)	($148,891)	($0)	($0)	($0)	($148,891)	($0)	($148,891)
TOTAL FIRE AND POLICE COMMISSION								
Carryover	**($0)**	**($148,891)**	**($0)**	**($0)**	**($0)**	**($148,891)**	**($0)**	**($148,891)**
FIRE DEPARTMENT								
Fire Repair Shop Design and Construction								
Carryover	($0)	($250,000)	($0)	($0)	($0)	($250,000)	($0)	($250,000)
Mechanical Systems Maintenance								
Carryover	(0)	(60,000)	(0)	(0)	(0)	(60,000)	(0)	(60,000)
Fire Facilities Maintenance Program								
Budget	0	500,000	0	0	0	500,000	0	500,000
Carryover	(0)	(1,176,232)	(0)	(0)	(0)	(1,176,232)	(0)	(1,176,232)
Major Capital Equipment								
Budget	0	2,814,000	0	0	0	2,814,000	0	2,814,000
Carryover	(0)	(2,964,726)	(0)	(0)	(0)	(2,964,726)	(0)	(2,964,726)
Auxiliary Power Supply								
Budget	0	110,000	0	0	0	110,000	0	110,000
Carryover	(0)	(277,551)	(0)	(0)	(0)	(277,551)	(0)	(277,551)
TOTAL FIRE DEPARTMENT								
Budget	**$0**	**$3,424,000**	**$0**	**$0**	**$0**	**$3,424,000**	**$0**	**$3,424,000**
Carryover	**($0)**	**($4,728,509)**	**($0)**	**($0)**	**($0)**	**($4,728,509)**	**($0)**	**($4,728,509)**
HEALTH DEPARTMENT								
Mechanical Systems Maintenance Program								
Carryover	($0)	($63,588)	($0)	($0)	($0)	($63,588)	($0)	($63,588)
Exterior Building Maintenance Program								
Carryover	(0)	(517,182)	(0)	(0)	(0)	(517,182)	(0)	(517,182)
Interior Building Maintenance Program								
Carryover	(0)	(310,501)	(0)	(0)	(0)	(310,501)	(0)	(310,501)
Health Facilities Capital Projects								
Budget	0	450,000	0	0	0	450,000	0	450,000
Carryover	(0)	(137,558)	(0)	(0)	(0)	(137,558)	(0)	(137,558)
TOTAL HEALTH DEPARTMENT								
Budget	**$0**	**$450,000**	**$0**	**$0**	**$0**	**$450,000**	**$0**	**$450,000**
Carryover	**($0)**	**($1,028,829)**	**($0)**	**($0)**	**($0)**	**($1,028,829)**	**($0)**	**($1,028,829)**
LIBRARY								
CENTRAL LIBRARY								
RFID System								
Carryover	($0)	($433,326)	($0)	($0)	($0)	($433,326)	($0)	($433,326)
Central Library Improvements Fund								
Budget	0	1,327,000	0	0	0	1,327,000	0	1,327,000
Carryover	(0)	(565,158)	(0)	(0)	(0)	(565,158)	(0)	(565,158)

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
Central Library Improvements Fund Mechanical Systems								
Carryover	(0)	(132,241)	(0)	(0)	(0)	(132,241)	(0)	(132,241)
Central Library Improvements Fund Exterior								
Carryover	(0)	(44,074)	(0)	(0)	(0)	(44,074)	(0)	(44,074)
NEIGHBORHOOD LIBRARIES								
Neighborhood Library Improvement Fund Interior								
Carryover	($0)	($287,439)	($0)	($0)	($0)	($287,439)	($0)	($287,439)
Library Facility Initiatives								
Budget	0	1,250,000	0	0	0	1,250,000	0	1,250,000
Carryover	(0)	(2,000,000)	(0)	(0)	(0)	(2,000,000)	(0)	(2,000,000)
TOTAL LIBRARY								
Budget	**$0**	**$2,577,000**	**$0**	**$0**	**$0**	**$2,577,000**	**$0**	**$2,577,000**
Carryover	**($0)**	**($3,462,238)**	**($0)**	**($0)**	**($0)**	**($3,462,238)**	**($0)**	**($3,462,238)**
NEIGHBORHOOD SERVICES								
Security Upgrades - Anderson Building								
Carryover	($0)	($58,416)	($0)	($0)	($0)	($58,416)	($0)	($58,416)
TOTAL NEIGHBORHOOD SERVICES								
Carryover	**($0)**	**($58,416)**	**($0)**	**($0)**	**($0)**	**($58,416)**	**($0)**	**($58,416)**
MUNICIPAL COURT								
Court Case Management System								
Carryover	($0)	($102,367)	($0)	($0)	($0)	($102,367)	($0)	($102,367)
TOTAL MUNICIPAL COURT								
Carryover	**($0)**	**($102,367)**	**($0)**	**($0)**	**($0)**	**($102,367)**	**($0)**	**($102,367)**
POLICE DEPARTMENT								
Evidence Storage Warehouse								
Budget	$0	$760,000	$0	$0	$0	$760,000	$0	$760,000
Carryover	(0)	(807,800)	(0)	(0)	(0)	(807,800)	(0)	(807,800)
Remodel Administration Building Offices								
Carryover	(0)	(5,992,103)	(0)	(0)	(0)	(5,992,103)	(0)	(5,992,103)
Trunked Radio Communications								
Carryover	(0)	(952,000)	(0)	(0)	(0)	(952,000)	(0)	(952,000)
Video Image Systems								
Carryover	(0)	(275,000)	(0)	(0)	(0)	(275,000)	(0)	(275,000)
District Station Repairs								
Budget	0	465,000	0	0	0	465,000	0	465,000
Carryover	(0)	(1,803)	(0)	(0)	(0)	(1,803)	(0)	(1,803)
4715 West Vliet Street Renovation								
Carryover	(0)	(597)	(0)	(0)	(0)	(597)	(0)	(597)
Surveillance Camera Program								
Carryover	(0)	(67,333)	(0)	(0)	(0)	(67,333)	(0)	(67,333)
District Renovation Program								
Carryover	(0)	(300,000)	(0)	(0)	(0)	(300,000)	(0)	(300,000)
911 System Replacement								
Carryover	(0)	(2,001,123)	(0)	(0)	(0)	(2,001,123)	(0)	(2,001,123)
Radio and Communications Upgrades								
Budget	0	277,000	0	0	0	277,000	0	277,000
Automated Fingerprint Identification System								
Carryover	(0)	(1,416,000)	(0)	(0)	(0)	(1,416,000)	(0)	(1,416,000)
Tiburon RMS VMP Upgrade								
Carryover	(0)	(354,000)	(0)	(0)	(0)	(354,000)	(0)	(354,000)
TOTAL POLICE DEPARTMENT								
Budget	**$0**	**$1,502,000**	**$0**	**$0**	**$0**	**$1,502,000**	**$0**	**$1,502,000**
Carryover	**($0)**	**($12,167,759)**	**($0)**	**($0)**	**($0)**	**($12,167,759)**	**($0)**	**($12,167,759)**
PORT OF MILWAUKEE								
Confined Disposal Facility Expansion								
Budget	$0	$75,000	$0	$0	$0	$75,000	$0	$75,000
Cargo Handling Equipment								
Carryover	(0)	(283,017)	(0)	(0)	(0)	(283,017)	(0)	(283,017)
Dockwall Rehabilitation								
Budget	0	150,000	0	0	0	150,000	0	150,000
Carryover	(0)	(24,568)	(0)	(0)	(0)	(24,568)	(0)	(24,568)
South Harbor Tract Electrical Service Rehabilitation								
Carryover	(0)	(79,695)	(0)	(0)	(0)	(79,695)	(0)	(79,695)
Pier Berth and Channel Improvements								
Carryover	(0)	(300,000)	(0)	(0)	(0)	(300,000)	(0)	(300,000)
Port Security								
Carryover	(0)	(400,000)	(0)	(0)	(0)	(400,000)	(0)	(400,000)

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
Harbor Maintenance Dredging								
Carryover	(0)	(100,000)	(0)	(0)	(0)	(100,000)	(0)	(100,000)
Terminal Resurfacing								
Carryover	(0)	(340,140)	(0)	(0)	(0)	(340,140)	(0)	(340,140)
Port Facility Systems								
Carryover	(0)	(100,000)	(0)	(0)	(0)	(100,000)	(0)	(100,000)
TOTAL PORT OF MILWAUKEE								
Budget	**$0**	**$225,000**	**$0**	**$0**	**$0**	**$225,000**	**$0**	**$225,000**
Carryover	**($0)**	**($1,627,420)**	**($0)**	**($0)**	**($0)**	**($1,627,420)**	**($0)**	**($1,627,420)**
DPW ADMINISTRATION								
Public Safety Communications								
Budget	$0	$500,000	$0	$0	$0	$500,000	$0	$500,000
Carryover	(0)	(544,642)	(0)	(0)	(0)	(544,642)	(0)	(544,642)
Municipal Phone System Upgrade								
Budget	0	720,000	0	0	0	720,000	0	720,000
CSWAN/COMMON Upgrade								
Carryover	(0)	(33,278)	(0)	(0)	(0)	(33,278)	(0)	(33,278)
TOTAL DPW ADMINISTRATION								
Budget	**$0**	**$1,220,000**	**$0**	**$0**	**$0**	**$1,220,000**	**$0**	**$1,220,000**
Carryover	**($0)**	**($577,920)**	**($0)**	**($0)**	**($0)**	**($577,920)**	**($0)**	**($577,920)**
DPW INFRASTRUCTURE SERVICES								
BRIDGE CONSTRUCTION								
Bridge State and Federal Funded								
Budget	$0	$500,000	$0	$0	$0	$500,000	$6,035,000	$6,535,000
Carryover	(0)	(4,139,965)	(0)	(0)	(0)	(4,139,965)	(0)	(4,139,965)
Bridge Reconstruction Local								
Budget	0	7,782,000	0	0	0	7,782,000	0	7,782,000
Carryover	(0)	(11,900,000)	(0)	(0)	(0)	(11,900,000)	(0)	(11,900,000)
TOTAL BRIDGE CONSTRUCTION								
Budget	**$0**	**$8,282,000**	**$0**	**$0**	**$0**	**$8,282,000**	**$6,035,000**	**$14,317,000**
Carryover	**($0)**	**($16,039,965)**	**($0)**	**($0)**	**($0)**	**($16,039,965)**	**($0)**	**($16,039,965)**
STREET/PAVING CONSTRUCTION								
Street Reconstruction City Contribution to State and Federally Aided Projects								
Budget	$0	$9,776,200	$0	$1,000	$0	$9,777,200	$68,556,800	$78,334,000
Carryover	(0)	(13,044,100)	(0)	(0)	(0)	(13,044,100)	(0)	(13,044,100)
Street Reconstruction or Resurfacing Regular City Program								
Budget	0	14,297,500	0	100	0	14,297,600	0	14,297,600
Carryover	(0)	(14,291,600)	(0)	(735,315)	(0)	(15,026,915)	(0)	(15,026,915)
Alley Reconstruction Program								
Budget	0	2,400,000	0	600,000	0	3,000,000	0	3,000,000
Carryover	(0)	(1,600,000)	(0)	(445,819)	(0)	(2,045,819)	(0)	(2,045,819)
New Street Construction Program								
Budget	0	200,000	0	0	0	200,000	0	200,000
Carryover	(0)	(568,174)	(0)	(0)	(0)	(568,174)	(0)	(568,174)
TOTAL STREET/PAVING CONSTRUCTION								
Budget	**$0**	**$26,673,700**	**$0**	**$601,100**	**$0**	**$27,274,800**	**$68,556,800**	**$95,831,600**
Carryover	**($0)**	**($29,503,874)**	**($0)**	**($1,181,134)**	**($0)**	**($30,685,008)**	**($0)**	**($30,685,008)**
Street Improvements Sidewalk Driveway and Gutter Replacement								
Budget	$0	$1,478,000	$0	$464,500	$0	$1,942,500	$0	$1,942,500
Carryover	(0)	(1,500,000)	(0)	(730,185)	(0)	(2,230,185)	(0)	(2,230,185)
Street Improvements Street Lighting								
Budget	0	8,220,000	0	0	0	8,220,000	0	8,220,000
Carryover	(0)	(6,554,590)	(0)		(0)	(6,554,590)	(0)	(6,554,590)
Street Improvements Traffic Control Facilities								
Budget	0	2,303,000	0	0	0	2,303,000	0	2,303,000
Carryover	(0)	(1,271,638)	(0)	(0)	(0)	(1,271,638)	(0)	(1,271,638)
Street Improvements Underground Conduit and Manholes								
Budget	0	1,156,500	0	0	0	1,156,500	0	1,156,500
Carryover	(0)	(1,979,317)	(0)	(0)	(0)	(1,979,317)	(0)	(1,979,317)
Underground Electrical Manhole Reconstruction								
Budget	0	300,000	0	0	0	300,000	0	300,000
Carryover	(0)	(239,854)	(0)	(0)	(0)	(239,854)	(0)	(239,854)
TOTAL SEWER, BRIDGE, STREET/PAVING								
Budget	**$0**	**$13,457,500**	**$0**	**$464,500**	**$0**	**$13,922,000**	**$0**	**$13,922,000**
Carryover	**($0)**	**($11,545,399)**	**($0)**	**($730,185)**	**($0)**	**($12,275,584)**	**($0)**	**($12,275,584)**

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
BUILDINGS PROJECTS								
City Hall Complex Remodeling								
Budget	$0	$100,000	$0	$0	$0	$100,000	$0	$100,000
Carryover	(0)	(41,078)	(0)	(0)	(0)	(41,078)	(0)	(41,078)
Space Planning Facilities								
Budget	150,000	55,000	0	0	0	205,000	0	205,000
Carryover	(0)	(114,193)	(0)	(0)	(0)	(114,193)	(0)	(114,193)
Recreational Facilities Citywide								
Carryover	(0)	(283,191)	(0)	(0)	(0)	(283,191)	(0)	(283,191)
Facility Systems Program								
Budget	0	970,000	0	0	0	970,000	0	970,000
Carryover	(0)	(926,119)	(0)	(0)	(0)	(926,119)	(0)	(926,119)
Environmental Remediation Program								
Budget	0	150,000	0	0	0	150,000	0	150,000
Carryover	(0)	(107,717)	(0)	(0)	(0)	(107,717)	(0)	(107,717)
ADA Compliance Program								
Budget	0	261,900	0	0	0	261,900	0	261,900
Carryover	(0)	(190,000)	(0)	(0)	(0)	(190,000)	(0)	(190,000)
Facilities Exterior Upgrades Program								
Budget	0	430,000	0	0	0	430,000	0	430,000
Carryover	(0)	(2,353,246)	(0)	(0)	(0)	(2,353,246)	(0)	(2,353,246)
City Hall Restoration Program								
Carryover	(0)	(39,302)	(0)	(0)	(0)	(39,302)	(0)	(39,302)
City Hall Foundation and Hollow Walk								
Carryover	(0)	(7,660,000)	(0)	(0)	(0)	(7,660,000)	(0)	(7,660,000)
Municipal Garages/Outlying Facilities Remodeling								
Budget	0	650,000	0	0	0	650,000	0	650,000
Carryover	(0)	(472,960)	(0)	(0)	(0)	(472,960)	(0)	(472,960)
MacArthur Square Plaza Restoration								
Budget	0	251,000	0	0	0	251,000	0	251,000
Carryover	(0)	(1,001,653)	(0)	(0)	(0)	(1,001,653)	(0)	(1,001,653)
ZMB Lower Parking Floor Restoration								
Carryover	(0)	(1,584,441)	(0)	(0)	(0)	(1,584,441)	(0)	(1,584,441)
Energy Efficiency and Renewable Energy								
Budget	0	150,000	0	0	0	150,000	0	150,000
Carryover	(0)	(150,000)	(0)	(0)	(0)	(150,000)	(0)	(150,000)
Building Exterior Façade Restoration								
Carryover	(0)	(385,400)	(0)	(0)	(0)	(385,400)	(0)	(385,400)
Municipal Service Building Canal Street								
Budget	0	75,000	0	0	0	75,000	0	75,000
City Facilities Consolidation								
Budget	0	60,000	0	0	0	60,000	0	60,000
Hartung Park Landfill Closure								
Budget	0	140,000	0	0	60,000	200,000	0	200,000
TOTAL BUILDINGS PROJECTS								
Budget	**$150,000**	**$3,292,900**	**$0**	**$0**	**$60,000**	**$3,502,900**	**$0**	**$3,502,900**
Carryover	**($0)**	**($15,309,300)**	**($0)**	**($0)**	**($0)**	**($15,309,300)**	**($0)**	**($15,309,300)**
TOTAL DPW INFRASTRUCTURE SERVICES								
Budget	**$150,000**	**$51,706,100**	**$0**	**$1,065,600**	**$60,000**	**$52,981,700**	**$74,591,800**	**$127,573,500**
Carryover	**($0)**	**($72,398,538)**	**($0)**	**($1,911,319)**	**($0)**	**($74,309,857)**	**($0)**	**($74,309,857)**
DPW OPERATIONS DIVISION								
SANITATION SECTION								
Sanitation Headquarters Modifications (Various Sites)								
Budget	$0	$550,000	$0	$0	$0	$550,000	$0	$550,000
Carryover	(0)	(691,263)	(0)	(0)	(0)	(691,263)	(0)	(691,263)
TOTAL SANITATION SECTION								
Budget	**$0**	**$550,000**	**$0**	**$0**	**$0**	**$550,000**	**$0**	**$550,000**
Carryover	**($0)**	**($691,263)**	**($0)**	**($0)**	**($0)**	**($691,263)**	**($0)**	**($691,263)**
FORESTRY SECTION								
Concealed Irrigation and General Landscaping								
Budget	$0	$447,000	$0	$0	$0	$447,000	$0	$447,000
Carryover	(0)	(460,000)	(0)	(0)	(0)	(460,000)	(0)	(460,000)
Production and Planting Program								
Budget	0	0	0	0	1,584,000	1,584,000	0	1,584,000
Stump Removal								
Budget	0	0	0	0	240,000	240,000	0	240,000

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT TOTAL
Emerald Ash Borer Readiness and Response								
Budget	0	0	0	0	923,000	923,000	0	923,000
TOTAL FORESTRY SECTION								
Budget	**$0**	**$447,000**	**$0**	**$0**	**$2,747,000**	**$3,194,000**	**$0**	**$3,194,000**
Carryover	**($0)**	**($460,000)**	**($0)**	**($0)**	**($0)**	**($460,000)**	**($0)**	**($460,000)**
FLEET SECTION								
Two Way Radio Replacement								
Budget	$0	$495,000	$0	$0	$0	$495,000	$0	$495,000
Carryover	(0)	(329,827)	(0)	(0)	(0)	(329,827)	(0)	(329,827)
Major Capital Equipment								
Budget	0	6,000,000	0	0	0	6,000,000	0	6,000,000
Carryover	(0)	(5,614,613)	(0)	(0)	(0)	(5,614,613)	(0)	(5,614,613)
TOTAL FLEET SECTION								
Budget	**$0**	**$6,495,000**	**$0**	**$0**	**$0**	**$6,495,000**	**$0**	**$6,495,000**
Carryover	**($0)**	**($5,944,440)**	**($0)**	**($0)**	**($0)**	**($5,944,440)**	**($0)**	**($5,944,440)**
TOTAL DPW OPERATIONS DIVISION								
Budget	**$0**	**$7,492,000**	**$0**	**$0**	**$2,747,000**	**$10,239,000**	**$0**	**$10,239,000**
Carryover	**($0)**	**($7,095,703)**	**($0)**	**($0)**	**($0)**	**($7,095,703)**	**($0)**	**($7,095,703)**
TOTAL DEPARTMENT OF PUBLIC WORKS								
Budget	**$150,000**	**$60,418,100**	**$0**	**$1,065,600**	**$2,807,000**	**$64,440,700**	**$74,591,800**	**$139,032,500**
Carryover	**($0)**	**($80,072,161)**	**($0)**	**($1,911,319)**	**($0)**	**($81,983,480)**	**($0)**	**($81,983,480)**
TOTAL PROJECTS								
Budget	**$1,025,000**	**$74,308,100**	**$22,000,000**	**$1,065,600**	**$15,058,000**	**$113,456,700**	**$74,591,800**	**$188,048,500**
Carryover	**($0)**	**($118,467,986)**	**($137,942,604)**	**($1,911,319)**	**($0)**	**($258,321,909)**	**($0)**	**($258,321,909)**

D. CITY DEBT

EXECUTIVE SUMMARY

MISSION: Manage and control outstanding debt through equitable financing of capital improvements.

OBJECTIVES: Debt management, including monitoring city debt levels and the overlapping debt burden imposed on city residents by other local governments.

STRATEGIES: Stabilize the debt service property tax levy by developing a comprehensive debt policy for debt capacity and capital financing to reduce the amount of debt issued annually.

Ensure compliance with debt policy by developing a working debt forecast model that analyzes the impact of debt financing in future years.

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

One of the city's goals is to deliver services at a competitive cost and improve fiscal capacity. Effective management that stabilizes debt service costs and controls outstanding debt is a key component supporting this goal.

Milwaukee faces many of the issues that affect older Midwestern cities including 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 levels of debt. Overall, the city's capacity to meet its financial obligations remains strong.

The current mix of strengths and negatives results in the city having a high bond rating for general obligation debt. Recently, Fitch Ratings assigned an AA+ rating to city bonds, Moody's Investors Services rated them Aa2, and Standard & Poor's rated them AA Stable. Table 1 details the city's performance on several commonly used debt indicators.

OVERVIEW

The 2012 debt expenditure needs total $294.7 million, a decrease of $29.1 million from 2011. There is a decrease of $28.7 million for Revenue Anticipation Notes (RAN). The remaining debt increased by $0.4 million to reflect recent borrowings and revenue changes. Table 2 shows expenditures for self-supporting and tax levy supported city debt while Table 3 illustrates the distribution of their funding sources. Highlights of the major changes in city debt expenditures and funding sources follow.

Table 1

City Debt Indicators Relationship to Standard & Poor's Debt Benchmarks

Debt Indicators		S & P Rating
Economic		
Income as Percent of 2000 National Average	76.0%	Low
Market Value Per Capita	$46,996	Moderate
Taxpayer Concentration (Top Ten Taxpayers)	3.9%	Diverse
Financial		
Unreserved Debt Reserve Balance	11.4%	N/A
Unreserved General Fund Balance	4.4%	Near 5% Goal
Debt		
Direct Debt Per Capita	$1,354	Moderate
Direct Debt Percent of Market Value	2.9%	Moderate
Debt Maturing Within Ten Years	84.0%	Standard is 50.0%

Table 2

CITY DEBT EXPENDITURES

	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Self Supporting Debt			
Brewer MEDC Loan	$1,063,339	$1,063,339	$0
Delinquent Tax Financing	27,673,793	30,565,632	2,891,839
MPS Loans, ADA and Information System	4,883,167	6,659,602	1,776,435
Parking	2,250,755	1,658,156	-592,599
Sewer Maintenance Fund	8,630,562	8,223,910	-406,652
Special Assessments	1,677,907	1,424,430	-253,477
Tax Increment Districts	16,818,171	20,050,861	3,232,690
Water Works	3,699,610	4,380,033	680,423
Subtotal	$66,697,304	$74,025,963	$7,328,659
Tax Levy Debt			
General City	$83,919,949	$76,215,252	$-7,704,697
RANs City and MPS	166,225,000	137,562,500	-28,662,500
Schools	12,197,420	10,836,861	-1,360,559
Subtotal	$262,342,369	$224,614,613	$-37,727,756
Total Debt Needs	$329,039,673	$298,640,576	$-30,399,097
Fees and Issuance Costs	$1,400,000	$2,025,000	$625,000
Deduction for PDAF Prepayment	-4,900,000	-4,500,000	400,000
Deduction for Segregated S.A.	-1,677,907	-1,424,430	253,477
Total	$323,861,766	$294,741,146	$-29,120,620

Table 3

CITY DEBT SOURCE OF FUNDS

	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Self Supporting Debt			
Brewer MEDC Loan	$1,063,339	$1,063,339	$0
Delinquent Tax Financing	27,673,793	30,565,632	2,891,839
MPS Loans, ADA and Information System	4,883,167	6,659,602	1,776,435
Parking	2,250,755	1,658,156	-592,599
Sewer Maintenance Fund	9,530,562	9,023,910	-506,652
Tax Increment Districts	25,834,453	24,336,886	-1,497,567
Water Works	4,999,610	5,680,033	680,423
Subtotal	$76,235,679	$78,987,558	$2,751,879
General Obligation Debt Financing			
Fees and Issuance Costs	$1,400,000	$0	$-1,400,000
Other Revenues	177,017,280	147,017,018	-30,000,262
Tax Levy	69,208,807	68,736,570	-472,237
Subtotal	$247,626,087	$215,753,588	$-31,872,499
Total Debt Needs	$323,861,766	$294,741,146	$-29,120,620

CITY DEBT EXPENDITURES AND SOURCES OF FUNDS

General City (Excluding Schools and Revenue Anticipation Notes): Debt service associated with city borrowing for capital improvement projects, not including RAN borrowing, $76.2 million in 2012, a decrease of $7.7 million from 2011. The property tax levy for debt service is $68.7 million, a decrease of $0.4 million from 2011.

Milwaukee Public Schools (MPS): The tax levy debt cost for school borrowing will be $10.8 million in 2012, a decrease of $1.4 million from 2011. Since 1989, the city has provided MPS with $182.3 million in borrowing authority for school improvements.

Tax Incremental Districts (TIDs): The incremental property taxes collected on the value increment portion of the property retire the debt incurred for city funded district improvements. In the 2012 budget, debt service for TIDs is $20 million while revenues are $24.3 million.

Delinquent Taxes: The 2012 budget includes $30.6 million to finance delinquent tax borrowing which is $2.9 million greater than 2011. Estimates of sources of funds from the collection of delinquent taxes and interest penalties are $30.6 million in 2012, an increase of $2.9 million from 2011.

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 2012 debt budget, the Parking Fund provides $1.7 million to finance debt service costs associated with parking capital projects.

Special Assessments: The abutting property owners pay for a portion of the project's infrastructure cost through an assessment charge. When taxpayers choose a six year payment option, the city borrows money to finance the project. The 2012 debt budget includes approximately $1.4 million to finance debt service costs associated with special assessment borrowing.

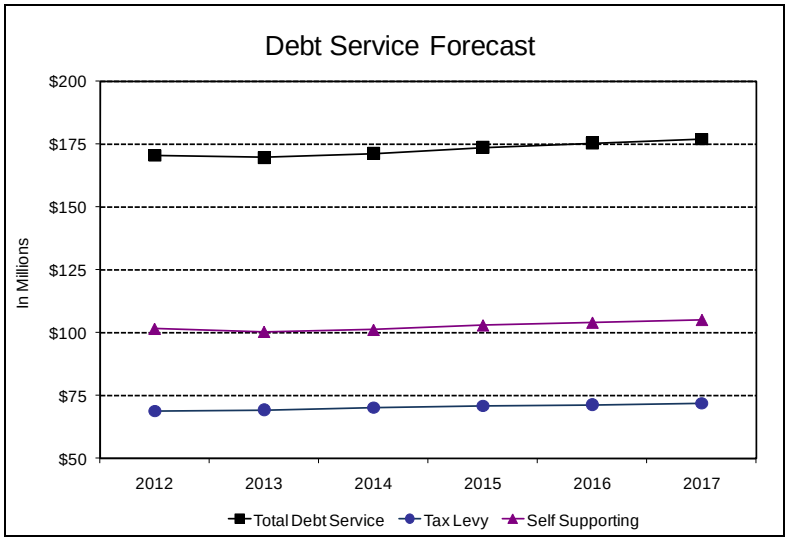
Water Works: The 2012 debt budget includes $4.4 million for Water Works' debt service costs. The Water Works' uses annual earnings to pay water related debt service costs.

Sewer Maintenance: Approximately $8.2 million in debt service for 2012 relates to sewer capital projects. Beginning in 2009, the Sewer Maintenance Fund paid the general obligation debt service related to sewer projects.

Miller Park Project: The 2012 budget includes $1.1 million in revenue to offset debt service costs related to the Miller Park Stadium Project. This amount reflects an agreement with the Milwaukee Economic Development Corporation (MEDC) and the Southeastern Wisconsin Professional Baseball Park District.

Field Operations Facility Lease Payment: The city has constructed a new facility for the Sewer Maintenance Fund and Water Works at the Tower Automotive site. An annual rental payment from the Sewer Maintenance Fund and Water Works will fund this project. In 2012, the rental payment is $2.2 million.

Figure 1



Vehicle Registration Revenue: Vehicle Registration Fees will no longer retire street related debt. Beginning in 2012, it will fund street maintenance in the general fund.

DEBT TAX LEVY STABILITY

The city has structural budget problems created by limited revenue sources and substantial wage and health care benefits growth, and instability with the debt budget due to past borrowing practices.

A debt stability plan requires a solid capital improvements plan. Limits on the level of borrowing directly influence future debt payments. Annual borrowing must equal the level of annual debt retirements to stabilize the debt tax levy. The city currently retires approximately $55 million in property tax levy supported debt annually.

As shown in Figure 1, the tax levy for debt service levels off in 2012 at roughly $68.8 million and will grow by approximately $0.5 million annually through 2017. Total debt service will continue to grow at a relatively slow rate to a total of $177.1 million by 2017.

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.

Figure 2

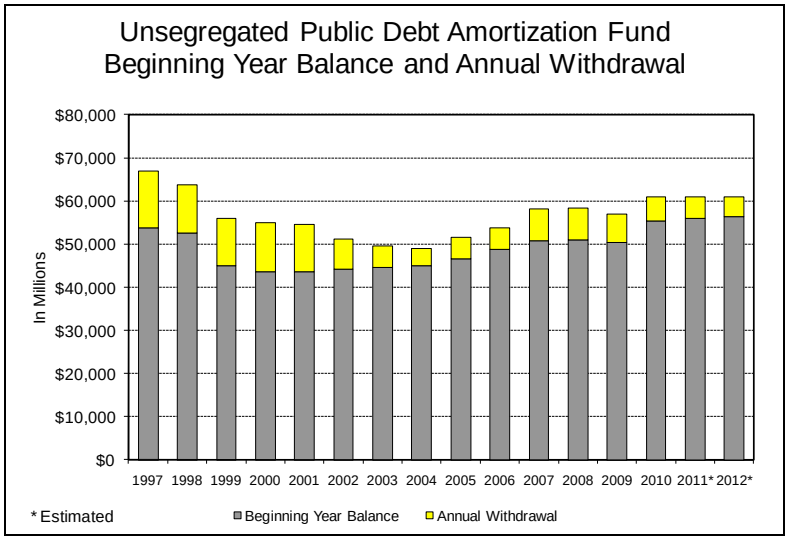
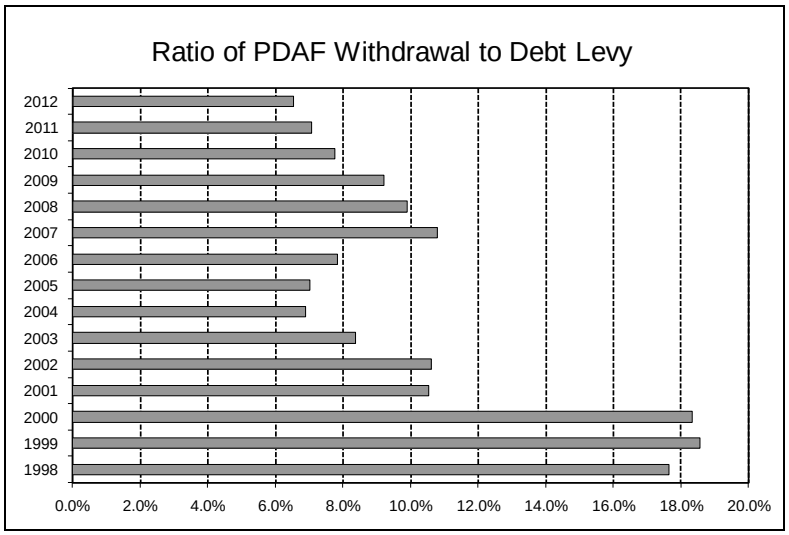


Figure 3



The PDAF withdrawal for the 2012 budget is $4.5 million. The 2010 fund balance is $55.5 million or $5 million more than the 2009 balance of $50.5 million. The annual withdrawal balances the competing goals of reducing the tax levy for debt service versus maintaining a sufficient reserve balance. Figure 2 illustrates how the unsegregated balance of the PDAF dipped to approximately $43.5 million in 2000. Since 2001, the fund balance has grown from a low of $43.5 million to the current balance of $55.5 million, despite a low interest rate environment.

The 2012 PDAF withdrawal reflects the need to use the fund to control the debt service property tax levy. Figure 3 shows the ratio of the PDAF withdrawal to the debt tax levy. A reasonable 6.5% ratio will exist for 2012 purposes. This level is the lowest over this period.

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

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Common Council Contingent Fund	[$4,098,228]	$5,000,000	$5,000,000	$0
TOTAL	[$4,098,228]	$5,000,000	$5,000,000	$0

SOURCE OF FUNDS

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Property Tax Levy	$5,000,000	$5,000,000	$5,000,000	$0
TOTAL	$5,000,000	$5,000,000	$5,000,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Common Council Contingent Fund provides funding for emergency situations that require expenditures above budget authorizations. Requests must be approved by three-quarters of the Common Council before funds can be used and should meet one of the following criteria:

- Emergency circumstances;
- Obligatory circumstances; or
- Fiscal advantage and/or compliance with fiscal management principles.

Additional established guidelines and standards must be met relative to the Finance and Personnel Committee's review of Contingent Fund requests. The guidelines and standards focus on:

- Timelines and process requirements; and
- Information that must be provided to the Finance and Personnel Committee upon request, including:
  - Statement of action requested, including the account where the Contingent Fund appropriation is needed;
  - Purpose of action, including the impact on program service or activity and program objectives; and
  - A description of the emergency that prompts the request.

Limiting Contingent Fund requests to these criteria forces departments to manage within their allocated budgets and discourages use of the Fund for initiating new projects or programs.

SPECIAL REVENUE FUNDS

This section of the budget includes funds supported by revenues other than the city property tax levy. Revenues other than the city property tax offset the appropriations in this section. Any property tax levies related to these special revenue funds are provided in other sections of the city's budget.

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
G. Parking Fund	$50,374,362	$54,603,800	$55,829,554	$1,225,754
H. Grant and Aid Project Fund	72,012,434	72,446,206	63,846,247	-8,599,959
I. Economic Development Fund	8,954,507	8,839,558	7,703,639	-1,135,919
J. Water Works	110,550,035	114,474,906	97,315,968	-17,158,938
K. Sewer Maintenance Fund	85,166,641	88,663,496	94,685,124	6,021,628
M. Delinquent County Taxes Fund	11,716,384	12,300,000	12,300,000	0
TOTAL	$338,774,364	$351,327,966	$331,680,532	$-19,647,434

G. PARKING FUND

EXECUTIVE SUMMARY

MISSION: To provide clean and safe on- and off-street parking in a manner which integrates parking policies and economic development goals and maintains the financial solvency of the Parking Fund and independence from city tax levy funding.

OBJECTIVES: Maintain asset condition in a manner that avoids premature depreciation.

Grow operating surplus (pre-transfer).

STRATEGIES: Continue services that maintain and enhance the financial stability of the Parking Fund including a diverse array of revenue streams.

Explore new technology to improve the efficiency of parking operations.

Enhance citation processing and tow management.

Enhance citation collection and adjudication.

Respond to opportunities that accompany development and redevelopment projects.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	122.50	128.75	119.75	-9.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	130	131	122	-9
EXPENDITURES				
Salaries and Wages	$4,907,195	$5,274,521	$4,844,132	$-430,389
Fringe Benefits	2,817,018	2,637,261	2,640,905	3,644
Operating Expenditures	14,160,512	14,242,000	14,894,556	652,556
Equipment	96,783	257,500	247,000	-10,500
Special Funds	4,246,478	5,230,518	5,002,804	-227,714
Transfer to General Fund	22,287,000	20,787,000	20,410,157	-376,843
Transfer to Pension Reserve Fund	0	0	2,000,000	2,000,000
TOTAL OPERATING	$48,514,986	$48,428,800	$50,039,554	$1,610,754
Capital Projects	$1,859,376	$6,175,000	$5,790,000	$-385,000
TOTAL BUDGET	$50,374,362	$54,603,800	$55,829,554	$1,225,754

STATEMENT OF REVENUES

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
OPERATING REVENUES				
Structures	$7,420,586	$7,271,000	$7,343,000	$72,000
Meters	5,112,303	4,951,400	5,118,000	166,600
Permits	3,927,789	3,762,000	3,912,000	150,000
Towing	3,783,053	4,020,000	3,700,000	-320,000
Lots	28,635	24,000	24,000	0
Parking Citation Revenue	25,094,491	22,000,000	23,000,000	1,000,000
Miscellaneous	817,189	495,000	800,000	305,000
Vehicle Disposal	1,483,048	1,330,000	1,550,000	220,000
Sale of Real Property	0	0	0	0
Withdrawal From Reserves	847,892	4,575,400	4,592,554	17,154
TOTAL OPERATING	$48,514,986	$48,428,800	$50,039,554	$1,610,754
CAPITAL EXPENDITURES				
Structures	$1,859,376	$1,175,000	$790,000	$-385,000
TOTAL EXPENDITURES	$1,859,376	$1,175,000	$790,000	$-385,000
CAPITAL FINANCING				
Proceeds from Borrowing	$1,859,376	$1,175,000	$790,000	$-385,000
Retained Earnings	0	5,000,000	5,000,000	0
Carryover Borrowing (Informational Purposes Only)	(0)	(3,759,764)	(0)	(-3,759,764)
TOTAL FINANCING	$1,859,376	$6,175,000	$5,790,000	$-385,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Parking Fund is an Enterprise Fund administered by the Department of Public Works (DPW), and finances the city's on- and off-street parking expenses through revenues received from these services. The Parking Fund's responsibilities include managing city owned parking structures and lots; towing, storing and disposing of vehicles; managing parking enforcement; information desk operations, and the citation processing contract. Operating the Parking Fund as an Enterprise Fund allows the city to use its excess revenues to transfer money to the city's General Fund, reducing the city's overall property tax levy.

The Parking Fund oversees five city owned parking structures; operates and maintains approximately 6,500 parking spaces; manages approximately 50 parking lots; issues nearly 825,000 parking citations each year; annually tows approximately 27,000 illegally parked and abandoned vehicles to the city's tow lot; and works with the Police Department to issue approximately 146,000 night parking permits each year. These activities provide convenient, efficient, and cost effective on- and off-street parking for Milwaukee's residents, businesses, and visitors.

The Parking Fund has used technology improvements to assume increased responsibility for tasks like issuing citations and night parking permits, allowing the Milwaukee Police Department to reallocate staff efforts to more critical service areas. Parking Enforcement Officers in DPW now assume most citation issuance duties and often take the first steps in determining whether a parked vehicle is properly registered.

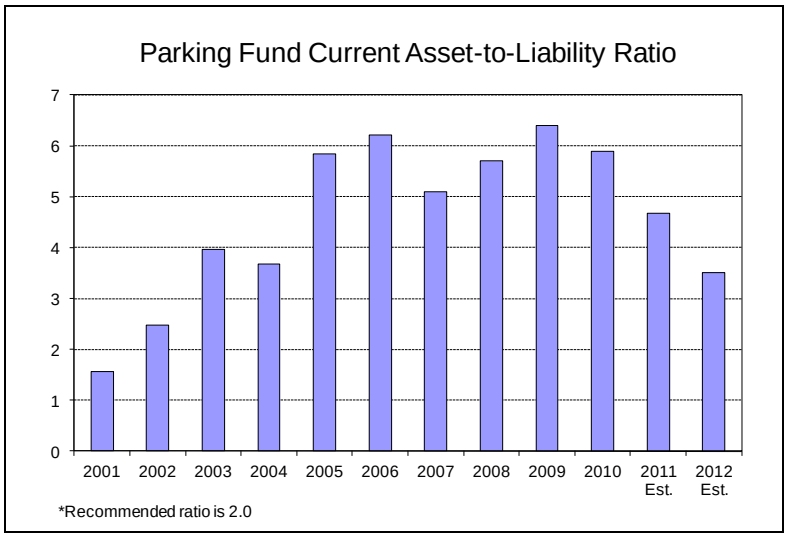
Strategies and Milestones for 2012

Objective:	**Effective regulation of both on- and off-street parking activities, including parking structures and lots, towing, storing and disposing of vehicles, parking information desk operations, and the citation processing contract.**
Strategies	**2012 Milestones**
Maintain and enhance the financial stability of the Parking Fund including a diverse array of revenue streams.	Maintain, at minimum, a 2:1 ratio of assets to liabilities.
Explore new technology to improve the efficiency of parking operations.	Pilot program for credit card payments at single space meters.
Continue efforts to improve parking services and collections.	Encourage residents to purchase night parking permits online to avoid time spent in line to buy permits.
Use transfer to General Fund to improve city's financial status, maintain services, and reduce the city's property tax levy.	Parking revenues are forecast to grow minimally. Parking transfer to General Fund is decreased to $20.4 million.
Respond to opportunities that accompany development and redevelopment projects.	Discuss merits of lease agreements of city owned parking structures to maximize utilization and revenues.

STRATEGY IMPLEMENTATION

To remain financially viable, the Parking Fund's goal is to maintain at least a 2:1 ratio of current assets to liabilities. At the end of 2010, the Fund exceeded this level, at a 5.9:1 ratio, and is projected to be at 3.5:1 at the end of 2012 (see Figure 1). General obligation debt payable has been cut considerably since 2004, from $3.7 million to $1.5 million, and other current liabilities have remained relatively constant over the last six years. As of December 31, 2010 the Parking Fund had $58 million in total assets and $14.7 million in total liabilities.

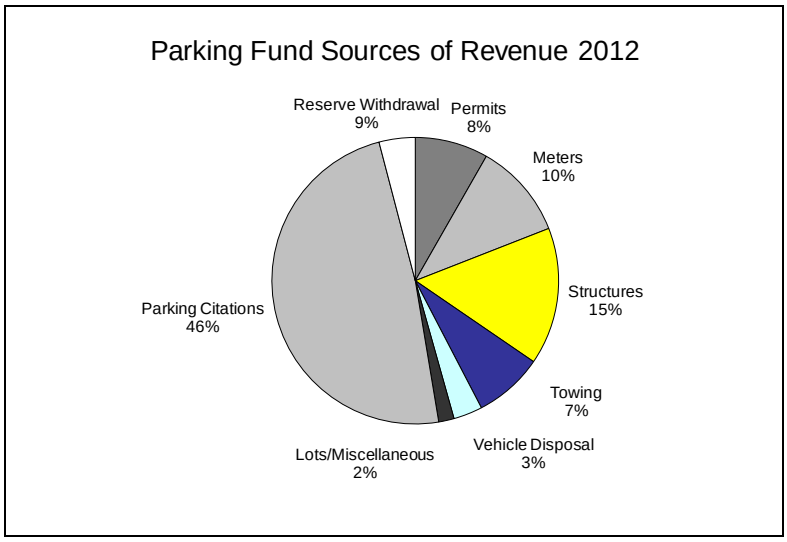
Figure 1



The Fund's strength results from its diverse revenue streams (see Figure 2). This diversity provides financial stability because if one type of revenue underperforms in any given year, it is not as damaging to the Fund. The largest source of parking revenue is citations, which generated about $25 million in 2010 and will generate $23 million in 2012.

Technology Enhancements: The Parking Fund pursues technological enhancements that automate parking functions and creates more efficient and effective parking services. Technology improvements are intended to be user friendly, increase customer payment options, and improve overall customer service.

Figure 2



The multi-space meter project began in 2007, and the first phase of the project included the purchase and installation of 103 electronic multi-space meters to replace approximately 1,100 single space meters in the downtown central business district. Multi-space meters currently cover over 2,500 parking spaces in the downtown area. Each meter controls multiple parking spaces and accepts coins, credit and debit card payments. The meters use wireless communications to provide real time information for adjudication, financial management, auditing, monitoring meter uptime and cashbox capacity, malfunctions, and frequency of coin collection.

Customer service kiosks that sell and dispense night parking permits and accept payments for parking citations are installed at six District Police Stations. In 2010, an online option was added, and through mid-year 2011, 18% of permit holders purchased online, up from 11% in 2010. This self-serve technology has significantly reduced Police Department staff workload related to processing parking permits, freeing officers and support staff for crime fighting duties. Total permit sales have decreased in 2010, as the city reduced the number of permit periods from four to three, and increased the discount for annual permits.

Outstanding Parking Revenue Collection Strategies: DPW takes a proactive approach to increase the collection of unpaid parking citations and outstanding towing and storage fees. Various initiatives have increased the collection of outstanding fees.

- **New Citation Management Contract:** In 2009, DPW Parking entered into a new citation processing and management agreement with Duncan Solutions. Among the enhancements of this new contract is reduced citation processing fees by nearly 20% and approximately 4.7% reduction in payments made by the city to collect citations older than 80 days. Citation revenue increased to $25 million for 2010.

- **Tax Revenue Intercept Program (TRIP):** The city began participating in the TRIP program in 2002. Beginning in 2009, all persons with vehicles registered in Wisconsin who have unpaid parking citation balances exceeding $40 are registered with the Wisconsin Department of Revenue (DOR). Since inception in the TRIP program, over $35 million in outstanding parking debt has been collected by the City of Milwaukee.

- **Citation Payment Plans**: As part of the 2009 citation processing contract, payment plans were required to allow persons seeing the Citation Review Manager to be able to pay their citations over a period up to one year without having to schedule a hearing in Municipal Court. Not only does this provide immediate relief for the citizen who can get their registration suspension lifted and their tow eligibility removed (if applicable), but it also expedites appointments with the Citation Review Manager and decreases workload for the Municipal Court. Through mid-year 2011, over 2,900 citation recipients have paid their citations via payment plans.

- **Towing or Booting Legally/Illegally Parked Vehicles:** Under current law, if a vehicle with outstanding citations is legally parked, the city cannot tow or boot the vehicle for unpaid citations. Proposed legislation attempts to encourage violators to adjudicate or pay outstanding parking citations in a timely manner, by allowing municipalities to ticket and tow or boot any legally parked vehicle with three or more outstanding parking citations, requiring the citations to be paid or scheduled to be adjudicated prior to releasing the vehicle. The booting bill did not pass in the last legislative session, but DPW will work for its reintroduction in the upcoming legislative session.

- **Time Limitations for Citation Adjudication:** DPW will pursue state legislation in the current legislative session that encourages timely payment of outstanding parking citations by allowing a parking citation to be paid, adjudicated, or arranged to be adjudicated within 180 days after issuance. For a violator who does not do any of these things, the legislation would allow the Municipal Court to enter a default judgment without requiring signed acceptance or responsibility by the vehicle owner or violator.

Parking Structure Lease Agreements: In December 2009, the city leased its vacant retail space in the Fourth and Highland parking garage after more than a year of vacancy. Now known as "CenterCourt", the new restaurant and bar owners are working to attract new business to the area. They have enhanced the food menu and updated the interior to make it more welcoming to new patrons. Restaurant related revenue is expected to grow by over 40% in 2012.

OTHER SERVICE AND BUDGET CHANGES

Transfer to Other Funds: The adopted 2012 budget includes a $22.4 million in total transfers to other city funds, an increase of $1.6 million from the 2011 adopted budget. The Council amended the proposed budget to include a onetime transfer of $2 million to the city's Pension Reserve Fund in 2012. The Parking Fund's regular transfer to the General Fund is $20.4 million, a decrease of $377,000 from the 2011 adopted budget. The Council increased the transfer from the proposed level by $610,000 to fund the elimination of one employee furlough day in 2012. The Parking Fund plans a $4.6 withdrawal from reserves in 2012.

Capital Projects: Funding of $540,000 is provided for maintenance at the Second and Plankinton parking structure. The parking structure will have the waterproof membranes replaced and ramps sealed. Miscellaneous improvements to electrical and mechanical systems totaling $250,000 are also funded in the 2012 capital budget. Parking capital is reduced in 2012 due to lower use of fund reserves and limited growth in the revenue forecast.

2012 Budget by Services (Funding in Millions)

Service	**Parking Regulation**	
Activities:	Parking meter operation and maintenance, parking structure operation and capital management, parking lot management, parking ordinance enforcement, citation processing and collection, and parking permit administration.	
		2012 Projection
Performance Measures:	Number of multi-space meters in service.	320
	Number of multi-space meter transactions.	1,700,000
	Number of citations issued.	820,000
Funding by Source:	Operating Funds	$21.2
	Totals	**$21.2**

2012 Budget by Services (Funding in Millions)

Service	**Towing Operations**	
Activities:	Towing and tow lot management, citation processing and release of vehicles.	
		2012 Projection
Performance Measures:	Number of vehicles towed.	27,000
	Percentage of towed vehicles returned to owners.	88.0%
	Average number of days vehicle stored before returned to owner.	2.3
Funding by Source:	Operating Funds	$5.1
	Totals	**$5.1**

Service	**Parking Fund Finance and Administration**	
Activities:	Parking structure operation and capital management, parking lot management.	
		2012 Projection
Performance Measures:	Revenue from city owned parking structures.	$7.3
	Transfer of excess funds from Parking Fund to other city funds.	$22.4
	Asset-to-liability ratio.	3.5
Funding by Source:	Operating Funds	$23.7
	Capital Budget*	$0.8
	Totals	**$24.5**

* Note: Program funding does not include capital improvements funded from the Permanent Reserve Fund.

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
-8	-8.00		Communication Assistant III	Positions moved to Unified Call Center.
-1	-1.00		Parking Enforcement Supervisor	
-9	**-9.00**	**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. These expenditures are to be 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) funding and potential changes in the allowable uses of CDBG funding.

Manage funding and reporting through the Housing and Economic Recovery Act and the American Recovery and Reinvestment Act.

Identify and obtain new grant funding sources.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Grantor Share (Non-City)	$72,012,434	$72,446,206	$63,846,247	$-8,599,959
TOTAL	$72,012,434	$72,446,206	$63,846,247	$-8,599,959

The Grant and Aid Fund is a "parent" account that accumulates grant funds prior to allocation on a project-by-project basis during the fiscal year. In order to expend funds, a Common Council resolution is adopted to authorize a specific project, create a sub-account, and allocate specific funding from the "parent" account. The fund provides expenditure authority for both planned and potential or unanticipated grants.

OTHER SERVICE AND BUDGET CHANGES

The 2012 grant and aid budget of $63.8 million includes a $6.6 million (12.6%) decrease in anticipated grant funding and a $2 million (10%) decrease in unanticipated grant funding (see Table 1). Anticipated grant funding decreases because of less available grant funding. The unanticipated amount decreases because large one-time grants, including the American Recovery and Reinvestment Act (ARRA), are ending and overall grant funding available to the City of Milwaukee is decreasing.

Table 1

Comparison of Projected Grant Activity (Grantor Share)

Department	2011	2012	Difference
Administration	$27,167,122	$22,503,589	$-4,663,533
City Clerk	10,000	0	-10,000
City Development	1,235,000	1,235,000	0
Fire	907,688	391,929	-515,759
Fire & Police Commission	207,992	207,992	0
Health	8,198,100	8,122,872	-75,228
Library	1,086,100	1,048,200	-37,900
Police	10,080,549	9,905,847	-174,702
Public Works	3,553,655	2,430,818	-1,122,837
Unanticipated	20,000,000	18,000,000	-2,000,000
Totals	$72,446,206	$63,846,247	$-8,599,959

Community Development Grants Administration (CDGA): The Community Development Grants Administration anticipates receiving approximately $21.3 million in grant funds. This is a decrease of $5.9 million or 21.7% from the 2011 budget. The majority of this

decrease is in the Community Development Block Grant (CDBG) program. CDGA anticipates $13.25 million in CDBG funding in 2012, a decrease of $4.95 million (27.2%) from the anticipated 2011 amount of $18.2 million. The federal government significantly reduced CDBG funding in 2011, resulting in an actual 2011 funding award of $15.3 million. A further funding reduction is expected in 2012. CDBG funds support a range of services that target neighborhood priorities and needs. Reduced funding will require significant funding reductions for community organizations and city departments in 2012, reducing services to neighborhoods. In order to maintain services, several activities formerly funded through CDBG are moved to the tax levy supported budget in 2012, including the Center Street Library, vacant lot maintenance, Weekend Box program, Receivership program, COMPASS, and legal services.

Other grant changes include an $800,000 decrease (11.8%) in the HOME program grant and no Weed and Seed Grant funding, a decrease of $157,000 from the anticipated 2011 grant amount.

The Department of Administration Information and Technology Management Division anticipates $1.2 million in grant funding for the Connecting Milwaukee Communities grant. This grant funds computer literacy classes and trainings, internet service, network support, and staff that assist users in computer and Internet use at the Milwaukee Public Library, Housing Authority, and United Community Center.

The City Clerk's Office does not anticipate receiving any grant funding in 2012. The 2011 grant funding was from the Historic Preservation grant.

Department of City Development grant funding stays constant at $1,235,000. The 2012 budget includes the same grants and funding amounts as in the 2011 budget, including funding for brownfields and economic development.

Fire Department grant funding decreases by $516,000 (57%) to $391,929. The department anticipates funding decreases for the Urban Areas Security Initiative (UASI) grant, the Project Staying Alive grant, and the Metropolitan Medical Response System grant. The majority of the reduction is the result of no anticipated UASI funding in 2012.

The Fire and Police Commission anticipates grant funding to remain at $207,992 through the UASI grant.

Health Department grant funding decreases by $75,300 (0.9%) to $8.1 million. While some grant funding has ended, including the Early Detection and Intervention of Pregnancy, Immunization, CHIMC Save Lives Immunize, and Plain Talk Initiative grants, the department has already secured or anticipates receiving additional grants, including Blood Center Flu grant ($20,000), Infant Mortality United Way grant ($100,000), New Born Hearing Screening grant ($63,000), and University of Wisconsin STD grant ($385,000). There are additional changes to other Health Department grants.

Library grant funding decreases by $37,900 (3.5%) to $1.05 million, the result of decreases in both the Interlibrary Loan Services and Talking Book and Braille Library grants.

Police Department grant funding decreases by $175,000 (1.7%) to $9.9 million. Most of this change is the result of a $570,000 reduction in anticipated overtime grants and a $265,102 decrease in the Homicide Review Project. These reductions are partially offset by funding increases in other grants, including various Homeland Security grants and the Human Trafficking Task Force grant. There are additional changes to other Police Department grants.

Department of Public Works grant funding decreases by $1.1 million (31.6%) to $2.4 million. This reflects a $1.1 million reduction in the State of Wisconsin Recycling grant.

Unanticipated grant funding is $18 million.

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 *2012 Plan and Budget Summary*.

The Community Development Block Grant Program projects and amounts for each project approved (by the Common Council under resolution) for 2012 are as follows:

2012 Community Development Contract Awards

(Total award amounts listed alphabetically by organization)

Organization Name	Source of Funds				Total Awards
	CDBG	HOME	SHELTER	HOPWA	
Agape Community Center	$30,000				**$30,000**
AIDS Resource Center of Wisconsin				471,432	**471,432**
ASHA Family Services	48,041				**48,041**
Boys and Girls Club of Greater Milwaukee	225,000				**225,000**
Burleigh Street Community Development Corporation	50,000				**50,000**
Career Youth Development	82,500				**82,500**
Cathedral Center			24,583		**24,583**
Center for Self-Sufficiency	30,000				**30,000**
COA Youth and Family Centers	60,000				**60,000**
Community Advocates	375,648		226,747		**602,395**
Community Development Grants Administration	885,000	485,000	25,000	15,000	**1,410,000**
Comptroller's Office	544,625	94,000			**638,625**
Daystar Inc	23,187		27,704		**50,891**
Department of Administration	275,000				**275,000**
Department of City Development	930,101	679,000			**1,609,101**
Department of Neighborhood Services	2,042,375				**2,042,375**
Dominican Center for Women Inc	33,134	122,500			**155,634**
Fair Housing Consultant	5,000				**5,000**
Gibraltar Development Corporation	72,894	269,500			**342,394**
Growing Power	30,000				**30,000**
Guest House of Milwaukee	63,796		94,354		**158,150**
Harambee Ombudsman Project	45,000				**45,000**
Havenwoods Economic Development Corporation	45,000				**45,000**
Health Department	1,357,993				**1,357,993**
Heartlove Place	25,000				**25,000**
Hispanic Chamber of Commerce of Wisconsin	50,000				**50,000**
Hmong/American Friendship Association	67,500				**67,500**
Hmong Wisconsin Chamber of Commerce	50,000				**50,000**
Hope House of Milwaukee	170,694		84,033		**254,727**
Housing Resources	120,257	98,000			**218,257**
LaCausa	24,060		29,075		**53,135**
Lao Family Community	50,000				**50,000**
Latino Community Center	30,000				**30,000**
Layton Boulevard West Neighbors	50,000	210,000			**260,000**
Legacy Redevelopment Corporation	105,000				**105,000**
Legal Aid Society of Milwaukee	37,356				**37,356**
Lincoln Neighborhood Redevelopment Corporation	50,000				**50,000**
Lincoln Park Community Center	75,000				**75,000**
Lisbon Avenue Neighborhood Development	45,000				**45,000**
Martin Luther King Economic Development Corporation		350,000			**350,000**
Merrill Park Neighborhood Association	45,000				**45,000**
Metro Milwaukee Fair Housing Council	100,144				**100,144**
Milwaukee Careers Cooperative	60,000				**60,000**
Milwaukee Christian Center	60,000				**60,000**
Milwaukee Christian Center NIP	488,649	1,823,000			**2,311,649**

Organization Name	Source of Funds				Total Awards
	CDBG	HOME	SHELTER	HOPWA	
Milwaukee Community Service Corporation		$50,000			**$50,000**
Milwaukee Fire Department	165,000				**165,000**
Milwaukee LGBT Community Center	30,000				**30,000**
Milwaukee Urban League	25,000				**25,000**
Neighborhood House of Milwaukee	30,000				**30,000**
Non-Profit Center of Milwaukee Inc	75,000				**75,000**
Northcott Neighborhood House	217,202	275,000			**492,202**
Northwest Side Community Development Corporation	45,000				**45,000**
Pathfinders Milwaukee	22,580		19,860		**42,440**
Pearls for Teen Girls	30,000				**30,000**
Project RESPECT	45,000				**45,000**
RACM	1,274,906				**1,274,906**
Rebuilding Together Greater Milwaukee	18,750				**18,750**
Richard's Place				90,000	**90,000**
Riverworks Development Corporation	25,000				**25,000**
Safe and Sound	623,687				**623,687**
Salvation Army			93,754		**93,754**
Select Milwaukee	63,750	60,000			**123,750**
Sherman Park Community Association	71,507	98,000			**169,507**
Social Development Commission	119,279	441,000			**560,279**
Sojourner Family Peace Center	217,916		51,176		**269,092**
Southside Organizing Committee	199,090				**199,090**
United Community Center	82,500				**82,500**
Walker's Point Center for the Arts	30,000				**30,000**
Walker's Point Youth and Family Center	64,845		22,332		**87,177**
Walnut Way Conservation Corporation		210,000			**210,000**
Wisconsin Community Service	150,000				**150,000**
Wisconsin Regional Training Partnership/Big Step	30,000				**30,000**
Wisconsin Women's Business Initiative Corporation	75,000				**75,000**
Wiscraft	25,000				**25,000**
Woodland Pattern	30,000				**30,000**
Word of Hope Ministries	50,000				**50,000**
YMCA of Metro Milwaukee Community Development Corp	333,801	735,000			**1,068,801**
YMCA of Metro Milwaukee Northside	30,000				**30,000**
YMCA of Metro Milwaukee Parklawn	45,000				**45,000**
YWCA of Greater Milwaukee	47,233		41,539		**88,772**
Total All Sources of Funds	**$13,250,000**	**$6,000,000**	**$740,157**	**$576,432**	**$20,566,589**

I. ECONOMIC DEVELOPMENT FUND

EXECUTIVE SUMMARY

MISSION: The Economic Development Fund provides expenditure authority for economic development purposes, including the Business Improvement District program.

OBJECTIVES: Promote development in commercial areas.

STRATEGIES: Provide owner financed development.

Work cooperatively with local businesses to improve the appearance of business districts.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Business Improvement Districts	$7,149,319	$7,341,558	$7,703,639	$362,081
Excess TID Revenue	1,805,188	1,498,000	0	-1,498,000
TOTAL	$8,954,507	$8,839,558	$7,703,639	$-1,135,919

STRATEGY IMPLEMENTATION

The Economic Development Fund supports the goal of increasing investment and economic vitality throughout the city. The 2012 budget for the Economic Development Fund is $7.7 million. There is no tax levy impact in this fund. Revenue of $7.7 million will be received from BID assessments and from 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.

SERVICES

There are 35 active BIDs throughout Milwaukee; each is governed by a local board. Collectively, these BIDs annually raise over $7.7 million for activities ranging from economic development and administration to streetscaping and public safety. The following is a list of active BIDs for 2012 and their corresponding budgets as well as budget authority for new potential BIDS:

NID #1 (Brewery) $31,265

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

BID #3 (RiverWalk) $0

BID #4 (Greater Mitchell Street) $142,076

BID #5 (Westown) $107,454

BID #8 (Historic King Drive) $213,892

BID #9 (735 North Water RiverWalk) $0

BID #10 (Avenues West) $138,716

BID #11 (Brady Street Business Area) $162,572

BID #13 (Oakland Avenue) $52,500

BID #15 (RiverWalk) $410,786

BID #16 (West North Avenue) $166,163

BID #17 (North 76th and Brown Deer) $42,000

BID #19 (Villard Avenue) $119,700

BID #20 (East North Avenue) $231,914

BID #21 (Downtown Management District) $3,167,824

BID #25 (Riverworks) $222,765

BID #26 (Menomonee Valley) $121,877

BID #27 (Burleigh) $66,907

BID #28 (North Avenue Gateway District) $47,250

BID #29 (Teutonia, Capitol, Atkinson) $120,753

BID #31 (Havenwoods) $178,500

BID #32 (North Avenue Market Place) $97,563

BID #35 (Becher/Kinnickinnic) $8,638

BID #36 (Riverworks II) $49,450

BID #37 (30th Street Industrial Corridor) $174,652

BID #38 (Ceasar Chavez) $28,350

BID #39 (Center Street Market Place) $72,753

BID #40 (Airport Gateway) $347,550

BID #41 (Downer) $59,850

BID#42 (Schlitz Park) $118,650

BID #43 (South 27th Street) $125,390

BID #44 (Kinnickinnic) $48,209

BID #45 (Silver Lane) $91,445

BID #46 (Basilica Square) $11,641

BID #47 (Lincoln Village) $18,900

Potential New NIDs $100,000

J. WATER WORKS

EXECUTIVE SUMMARY

MISSION: Provide a safe, reliable, and aesthetically pleasing supply of water at a competitive price.

OBJECTIVES: Provide a reliable supply of water to customers.

Achieve 100% compliance with Safe Drinking Water Act standards.

Leverage the Water Works as an asset to the community to attract business.

STRATEGIES: Improve the utility's rate of return while maintaining a strong competitive position in the regional water market.

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

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

Continue implementation of "Use Water Wisely" campaign.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	355.43	358.72	346.70	-12.02
FTEs - Other	12.65	11.44	5.46	-5.98
Total Positions Authorized	404	382	367	-15
EXPENDITURES				
Salaries and Wages	$17,004,969	$19,850,287	$18,752,146	$-1,098,141
Fringe Benefits	9,913,349	9,197,119	9,323,442	126,323
Operating Expenditures	39,935,555	40,393,000	42,535,380	2,142,380
Equipment	1,875,858	1,204,500	1,355,000	150,500
Special Funds	8,163,074	6,985,000	6,840,000	-145,000
TOTAL	$76,892,805	$77,629,906	$78,805,968	$1,176,062

CAPITAL BUDGET SUMMARY

CAPITAL BUDGET				
Main Program	$9,728,663	$15,800,000	$630,000	$-15,170,000
Plants and Other	7,097,018	4,845,000	8,690,000	3,845,000
TOTAL CAPITAL BUDGET	$16,825,681	$20,645,000	$9,320,000	$-11,325,000
CAPITAL FINANCING				
Retained Earnings/Cash	$16,831,549	$16,200,000	$500,000	$-15,700,000
Bond Issue	0	4,045,000	8,690,000	4,645,000
Assessments	541	100,000	30,000	-70,000
Developer Financed	-6,409	300,000	100,000	-200,000
TOTAL CAPITAL FINANCING	$16,825,681	$20,645,000	$9,320,000	$-11,325,000

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
REVENUES				
Operating	$68,497,180	$86,454,000	$77,727,000	$-8,727,000
Non-Operating	6,004,788	0	7,000,000	7,000,000
Developer Capital and Assessments	-5,868	400,000	130,000	-270,000
Bond Issue	0	4,045,000	8,690,000	4,645,000
Withdrawal From Retained Earnings	19,222,386	7,375,906	-5,421,032	-12,796,938
TOTAL REVENUES	$93,718,486	$98,274,906	$88,125,968	$-10,148,938
EXPENDITURE AUTHORIZATIONS				
Operating	$76,892,805	$77,629,906	$78,805,968	$1,176,062
Capital Funding	16,825,681	20,645,000	9,320,000	-11,325,000
Deposit To Retained Earnings	0	0	0	0
TOTAL AUTHORIZATIONS AND DEPOSITS	$93,718,486	$98,274,906	$88,125,968	$-10,148,938

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

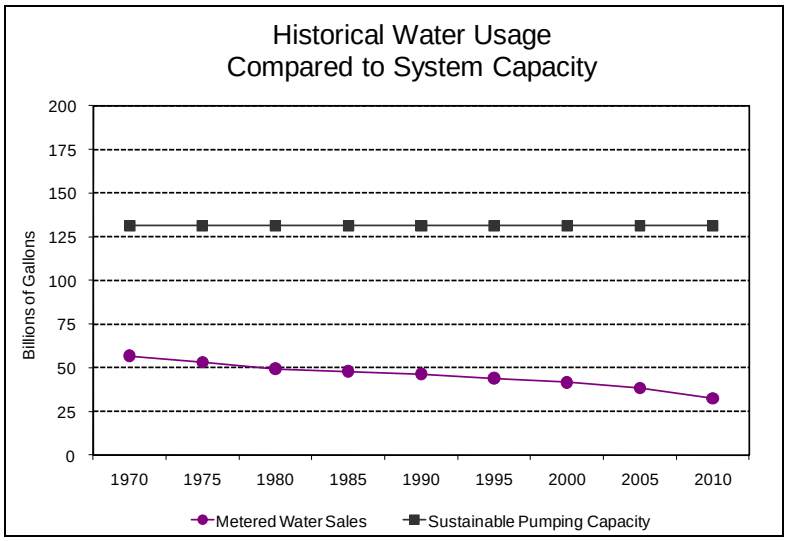
A safe, reliable supply of water is critical to public health and economic development. By greatly reducing the risk of contaminants, a safe supply of drinking water may be the single most important factor in protecting the public's health. Milwaukee's advanced multi-barrier treatment process, which 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 gives businesses confidence that they can locate here and continue to operate for decades to come.

The Milwaukee Water Works 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, Water Works pumps and treats water from Lake Michigan with 32.4 billion gallons in metered sales in 2010. It delivers this water through 1,955 miles of mains to approximately 868,000 retail customers in the City of Milwaukee and five suburbs. Water Works also provides wholesale water services to Milwaukee County institutions and ten suburbs.

Water sales continued to decline in 2010, dropping 2.7% from 2009. Since 2000, metered water sales have declined 22%. Figure 1 shows that the Water Works' two treatment plants are now operating significantly below their designed capacity.

Despite decreases in consumption, the Water Works' cost for electricity, chemicals, and construction and maintenance of the water distribution system continues to increase. Since 2009, the cost of treatment chemicals has more than doubled. In 2010, the Water Works began a mandated multi-year plan to replace the water meters and batteries in residences in the retail service area, costing $6.2 million in 2012 and $25 million over the next five years.

Figure 1



From 2009 through 2011, electricity costs for the utility have increased by 9%. Pension obligations for Water Works employees will cost $432,000 in 2012.

The utility's cost structure directly affects water rates. Rates are based on a Rate of Return allowed by the PSC, and are set to allow the utility to recover operating costs and make investments in the upkeep of the treatment and distribution system. The consumption decrease limits water revenue growth, requiring rate increases to finance Water Works operation and maintenance.

In 2009, the Water Works received Common Council approval to pursue a two part plan to increase revenue. Council File 090142 authorized the Water Works to petition the Public Service Commission for a simplified rate increase of 3.8%, which was granted and went into effect in September, 2009. Council File 090239 authorized the Water Works to apply for a conventional rate case to be effective no earlier than December 15, 2009. After a lengthy deliberation, the Public Service Commission approved the second rate increase at a lower level than requested, and it went into effect in February, 2011. The extensive delay in implementing the new rates reduced 2010 revenue and prompted cost containment action at the Water Works.

Due to these lower than anticipated revenues, 2011 spending and 2012 budgets were significantly reduced, since the utility relies solely on revenues to finance its operations and capital program. The 2012 budget reduces staffing by 18 positions, or 5%, and paid overtime by 20%. Despite significant increases in spending for the AMR project, the total Water Works operating budget only increases $1.1 million in 2012. Additionally, the capital budget for 2012 is significantly reduced, from $20.6 million in 2011 to $9.3 million in 2012.

All of these reductions help the Water Works operate within its revenue constraints, and will have a marginal impact on quality of service for Water Works' customers.

Strategies and Milestones for 2012

Objective: Provide a reliable supply of water to customers.	
Strategies	**2012 Milestones**
Upgrade system pumping stations. Continue preventative maintenance program for water mains, hydrants, and meters.	Complete improvements to southwest pressure district. Repair main breaks within 24 hours 95% of the time. Implement phase one of a multi-year AMR meter replacement project.
Objective: Achieve 100% compliance with Safe Drinking Water Act standards (days in compliance total days in reporting period).	
Strategies	**2012 Milestones**
Continue to invest in treatment plants and pumps to maintain reliable operation of the multiple barrier treatment process.	Complete construction of the Riverside backup power generator. Achieve 730 days in compliance for the two treatment plants.

Strategies and Milestones for 2012

Objective: Leverage the Water Works as an asset to the community to attract business.	
Strategies	**2012 Milestones**
Improve the utility's rate of return while maintaining a strong competitive position in the regional water market.	Implement a PSC approved rate case with a differential rate of return for wholesale and retail customers.
Market Milwaukee water to surrounding communities and nationally, consistent with the Great Lakes Compact.	Initiate large scale interstate marketing effort to attract water intensive businesses to Milwaukee.

STRATEGY IMPLEMENTATION

In 2010, Water Works repaired 93% of main breaks within 24 hours and the average time that customers were without water was 4.5 hours. Water mains are replaced primarily according to the frequency of main breaks. In 2010, Water Works installed 9.9 miles of water mains, and will replace another 2.3 miles in 2011 and 2012.

In 2010, Water Works achieved its goal of providing safe, high quality drinking water. The utility was in full compliance with the Safe Drinking Water Act 365 days last year. The utility substantiated no water quality complaints that were attributable to Water Works' activities. Typically, plumbing issues within a customer's building explain most water quality complaints.

OTHER SERVICE AND BUDGET CHANGES

Automatic Meter Reading (AMR) Project: In 2012, the Water Works will continue a multi-year program to replace water meters in about 160,000 residences in the retail service area. Through July 2011, 14,000 meters had been replaced. New meters will have 20 year batteries, and allow the utility to continue reading meters via wireless transmission. The 2012 budget for this project is $6.2 million, including ongoing funding for 32 AMR positions.

Distribution Crews: The Water Works continues to reap operating savings from the consolidation of its two field facilities into the DPW Field Headquarters on North 35th Street. The utility is reviewing other options to streamline staffing through consolidation of position titles and scheduling throughout its operations.

Water Marketing: The Water Business Marketing program is a sponsor of a new Food and Beverage Development Plan in the region, led by the M7 economic development team. The plan is to retain and attract food and beverage production companies that use large amounts of water. The recent rate case approved by the PSC also included the introduction of a unique "economic development" rate that reduces operating costs for businesses which expand or relocate to Milwaukee and create new jobs.

Monthly Meter Reading: To identify leakage throughout the system and improve service quality, the Water Works will pilot a program to read meters on a monthly basis for quarterly water bills. Increased readings will allow the utility to detect leaks more quickly and be more responsive in addressing leaks and other service issues. The 2012 budget includes $385,000 for ongoing and start-up expenses related to monthly reading.

Debt Service: To help stabilize the utility's finances, the 2012 budget includes $8.7 million in debt financing of capital projects at its treatment plants and pumping stations. The utility continues to cash finance its annual capital program for water mains.

Furlough and Pay Freeze: The 2012 budget includes a three day furlough for all Water Works staff, saving approximately $182,000 in salaries. No salary or wage increases are included in the 2012 budget.

CAPITAL PROJECTS

The 2012 Water Works capital budget totals $9.3 million.

Water Main Replacement Program: In 2012, the Water Main Replacement program decreases to accommodate needed facility work during a period of limited financing. The total mains budget for 2012 is $630,000, replacing 0.5 miles of mains. The Water Works will also utilize spending authority from prior years in 2012 to work on and close out existing and planned mains projects.

Linnwood Plant Building and Treatment Improvements: The 2012 budget allocates $900,000 for roof replacements at the Linnwood Treatment Plan and $140,000 for ceiling replacements in the filter building. Other projects include $100,000 in design work for ozone bypass valves, $200,000 for a study of residual handling, and $100,000 in improvements to the washwater system.

Howard Plant Building and Treatment Improvements: The 2012 budget allocates $200,000 to for a new roof on the filter building, and $50,000 for design work on future upgrades to the flocculator system.

Pump Facility Improvements: The 2012 budget includes $2.25 million for a DNR mandated inspection of the gravity tunnel between Linnwood and Riverside pumping stations, and miscellaneous valve and pump improvements to the Lincoln, Adler, Texas, Grange, and Oklahoma pump stations.

Storage Facility Improvements: Funding of $200,000 is included to accomplish design work for painting the water storage tanks on Lincoln Avenue. The budget also includes design work on clearwell roofs at the Linnwood plant.

Meter Shop: Funding of $50,000 is included to construct a new bulk water filling station.

Backup Power Generation: Design for backup power at the Linnwood Treatment Plant is in progress, and work will begin in late 2012. The capital budget includes $4.5 million for the backup power project.

2012 Budget by Services (Funding in Millions)

Service	**Water Distribution and Customer Service**	
Activities:	Distribution main design, operation, maintenance and repairs, meter reading, customer accounts, cross connection inspections, and administration.	
		2012 Projection
Performance Measures:	Percentage of main breaks in service within 24 hours.	95.0%
	Miles of mains installed or replaced.	1.8
	Rank of residential water rate in Southeastern Wisconsin (of 76).	11
Funding by Source:	Capital Budget	$0.6
	Operating Funds	$49.4
	Totals	**$50.0**

2012 Budget by Services (Funding in Millions)

Service	**Drinking Water Supply and Treatment**	
Activities:	Water pumping, water treatment, water quality monitoring, plant operation and maintenance.	
		2012 Projection
Performance Measures:	Percent compliance with Safe Drinking Water Act standards.	100.0%
	Substantiated water quality complaints.	0
Funding by Source:	Capital Budget	$8.7
	Operating Budget	$29.4
	Totals	**$38.1**

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
	5.98	-5.98	Various Positions	Funding shifted to O&M from capital.
-1			Water Chemist II	Non-funded position eliminated.
1	1.00		Customer Service Representative III (Aux)	New position added.
1	1.00		Water Meter Reader	Monthly meter reading pilot.
1	1.00		Program Assistant I	
1	1.00		Office Assistant III	
-1	-1.00		Water Distribution Field Supervisor	Eliminated due to efficiency.
-1	-1.00		Office Assistant II	
-2	-2.00		Water Distribution Chief Repair Worker	
-4	-4.00		Water Distribution Repair Worker II	
-1	-1.00		Water Distribution Tapping Specialist	
-1	-1.00		Equipment Mechanic III	
-2	-2.00		Water Distribution Repair Worker I	
	-1.00		Customer Service Representative III	Funding eliminated.
	-3.00		Water Treatment Plant Operator	
	-1.00		Civil Engineer	

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	-0.50		Community Outreach Liaison	Positions eliminated.
-1	-1.00		Office Assistant III	
-1	-1.00		Utility Service Liaison	
-2	-2.00		Customer Service Representative III	
-1	-1.00		Meter Shop Utility Worker	
-4	-4.00		Water Meter Investigator	Positions reclassified.
-3	-3.00		Meter Reader Commercial	
7	7.00		Water Meter Reader	
-6	-6.00		Water System Operator In Charge	
6	6.00		Water System Operator	
	0.50		Various Positions	Experience adjustment.
-15	**-12.02**	**-5.98**	**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 while reducing the risk of property damage due to flooding and basement backups.

STRATEGIES: Reduce stormwater Infiltration and Inflow (I&I) into sanitary sewer basins that the State of Wisconsin and Milwaukee Metropolitan Sewerage District have stipulated for correction.

Conduct and monitor demonstration projects for private lateral rehabilitation on private property to assess its effectiveness at reducing Infiltration and Inflow into the sanitary system and reduce the risk of basement backups.

Develop and implement a Capacity, Management, Operations, and Maintenance (CMOM) program to govern operations.

BUDGET SUMMARY

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	95.04	104.02	108.05	4.03
FTEs - Other	22.17	28.99	24.95	-4.04
Total Positions Authorized	164	164	164	0
EXPENDITURES				
Salaries and Wages	$5,195,310	$4,905,082	$5,029,748	$124,666
Fringe Benefits	2,761,923	2,729,439	2,514,876	-214,563
Operating Expenditures	6,768,250	5,888,000	6,383,000	495,000
Equipment	132,717	97,400	270,500	173,100
Special Funds	29,135,720	35,210,575	36,537,000	1,326,425
O&M TOTAL	$43,993,920	$48,830,496	$50,735,124	$1,904,628
Capital Projects	$41,172,721	$39,833,000	$43,950,000	$4,117,000
Deposit to Retained Earnings	6,838,294	0	0	0
TOTAL	$92,004,935	$88,663,496	$94,685,124	$6,021,628
REVENUES				
Sewer Maintenance Fee	$27,611,980	$26,949,000	$27,589,039	$640,039
Stormwater Maintenance Fee	22,602,412	22,681,075	23,815,129	1,134,054
Charges for Services	1,821,279	1,351,000	1,391,530	40,530
Interest Revenue	17,355	200,000	17,000	-183,000
Miscellaneous Revenue	70,153	349,421	349,421	0
Proceeds from Borrowing	37,929,849	33,933,000	37,510,000	3,577,000
ARRA Forgivable Capital Loans	0	0	0	0
Grant and Aid	1,940,893	2,800,000	2,640,000	-160,000
Assessable	11,014	400,000	0	-400,000
Withdrawal from Retained Earnings	0	0	1,373,005	1,373,005
TOTAL	$92,004,935	$88,663,496	$94,685,124	$6,021,628

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The regional sewer system is a critical contributor to the Administration's key goal to sustain, enhance, and promote Milwaukee's natural environmental assets. The City of Milwaukee maintains a sewer system that transports sanitary sewage to Milwaukee Metropolitan Sewerage District (MMSD) facilities for treatment. By treating our wastewater before returning it to our rivers and Lake Michigan, our sewerage system reduces the risk of waterborne illnesses and protects water quality. The sewer system also plays a key role in protecting property by managing flooding in the city.

Strategies and Milestones for 2012

Objective: Improve surface water quality by eliminating sanitary sewer overflows while reducing the risk of property damage due to flooding and basement backups.	
Strategies	**2012 Milestones**
Reduce stormwater infiltration into sanitary sewer basins stipulated for correction by the State of Wisconsin and the Milwaukee Metropolitan Sewerage District.	Inspect 4,500 manholes for leaks and rehabilitate manholes as required by stipulation.
Implement a private property I&I reduction program.	Disconnect footing drains and rehabilitate sewer laterals in about 350 homes.
Continue to develop and implement a Capacity, Management, Operations, and Maintenance (CMOM) program to govern operations.	Regularly report on key performance measures for both capital improvements and maintenance activities.

STRATEGY IMPLEMENTATION

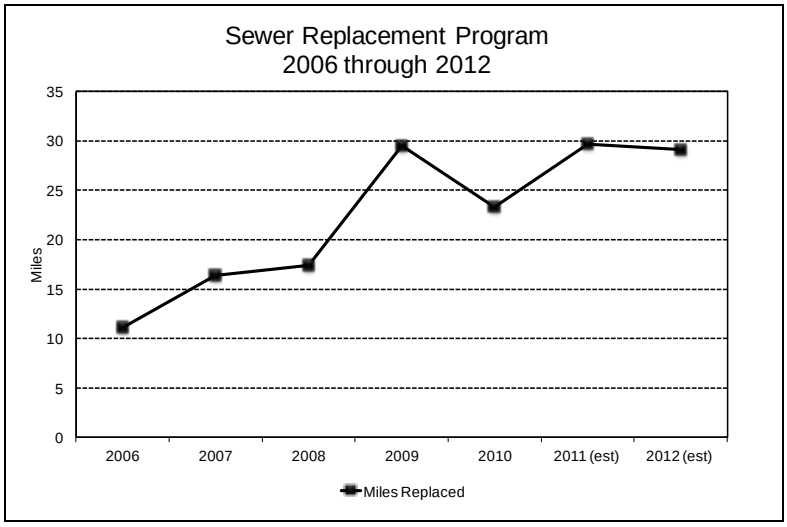
The City of Milwaukee maintains 2,450 miles of public sewers, which connect to hundreds of miles of privately owned sewer laterals, and the Milwaukee Metropolitan Sewerage District system. The integrated nature of the region's systems requires coordinated management strategies across the various stakeholders. Milwaukee's regional sewer system operates much more effectively than other major Great Lakes cities' as measured by the number of annual sewer overflows. However, severe weather over the past several years is presenting new challenges to the regional sewer system.

The core purpose of a traditional sewer system is to deliver all sanitary sewer flows to treatment plants, eliminate surface flooding, and reduce the risk of basement backups in homes. However, no sewer system, including Milwaukee's, has unlimited capacity. Leaky sewers and private laterals throughout the region, coupled with the increasing frequency of large storms, present enormous challenges. 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. In 2005, the Milwaukee County Circuit Court stipulated a variety of actions that 28 regional communities, including Milwaukee, must take to eliminate SSOs. The city continues to inspect each sanitary manhole every five years and has fulfilled all other responsibilities under the stipulation agreement.

In general, the estimated useful life of a sewer is 90 years. 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. The 2012 capital budget includes $31.7 million for sewer replacement. In 2012, the city will replace approximately 15 miles of sewers. The budget also includes an additional $10.85 million for "Infiltration and Inflow Reduction Projects", which includes lining of sewer mains, inspecting manholes, and sealing manholes where necessary. DPW will target this investment to the sewer sheds with the highest levels of Infiltration and Inflow and the greatest risk

of basement backups. In 2012, these funds will line 14 miles of sewer, inspect 4,500 manholes, and seal 450 manholes. As Figure 1 shows, since 2006 the city has increased its efforts to replace and line sewers. A useful sewer life cycle of 90 years requires a replacement rate of approximately 27 miles. In 2012, 29 miles of sewer are scheduled for replacement or lining.

Figure 1



The city's Flooding Study Task Force found that private property sources account for between 60% and 80% of the clear water that is entering and inundating sanitary sewer systems. In 2011, the city began a demonstration project to address private property Infiltration and Inflow. The project includes inspecting lateral connections, lateral cleaning or rehabilitation using cured-in-place liner. In addition, the project may also disconnect the home's foundation drain, and install a sump pump to discharge the flow from the foundation drain to the outside. Once completed, monitoring the flows in the area's sewers will determine how effective the private property work is in reducing clear water flows from the sanitary sewers. In 2012, the city will continue conducting I&I reduction projects on homes in a target area using data from this project. The 2012 Sewer Maintenance Fund I&I capital budget includes an estimated $2.64 million in grants from MMSD for work on private property.

The city maintains an objective of zero annual sanitary sewer overflows. However, as DPW and MMSD phase in larger system improvements over time, 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 2012 capital budget includes $1.0 million for rehabilitation of 14 bypass pumps. With the severity of storms increasing, bypass pumps play a critical role in reducing the risk of basement backups.

OTHER SERVICES AND BUDGET CHANCES

Channel Restoration: The city is the riparian owner of various channels and drainage ditches that carry stormwater to local waterways. These channels have the capacity of a 25 year storm. Over time, channels can lose their capacity due to the buildup of sediment and growth of vegetation. In 2012, the city will fund $400,000 to restore the capacity of the channel located near Hastings and 91st street.

Financial Planning Model: In 2010 and 2011, the city contracted with Springsted Incorporated to perform a user rate analysis for the Sewer Maintenance Fund. The analysis included a review of the past fund performance, a determination of the adequacy of revenues in the Fund, and recommendations for future sewer and stormwater rates that reflect recent cost experience and anticipated future operating and capital improvement costs. The model allows staff to forecast future budgets and illustrates the long term impacts of rate and program changes.

Stormwater Management Fee: In 2012, the Stormwater Management Fee per quarter per Equivalent Residential Unit (ERU) will increase 5.0% to $14.94. All one to four unit residential properties are charged one ERU per quarter. Other properties are charged based on their impervious surface (one ERU is equivalent to 1,610 square feet of impervious surface). Regular rate increases will be necessary in 2013 and beyond, particularly if the city further increases its investment to work on private property.

Local Sewerage Charge: In 2012, the rate will increase 5.0% to $1.23 per one hundred cubic feet of water (CCF). The typical residential user will pay $82.82 a year for local service. Like the Stormwater Management fee, regular increases in 2013 and beyond are expected.

Capital Financing: In recent years, the Sewer Fund has successfully used the State of Wisconsin's Clean Water Fund to finance some debt. Clean Water Fund loans, issued as revenue bonds, provide below market interest rates to communities to finance replacement and lining of sanitary and combined sewer projects. General Obligation (GO) debt or Revenue Bonds (RB) finance sewer capital projects that do not qualify for the Clean Water Fund. General Obligation 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 General Obligation debt limit, which is 5% of the city's equalized value. However, bondholders require that revenue bonds normally include a 10% debt service reserve. Practice has been to withhold the reserve from the budgeted borrowing authority to allow the city to use either type of borrowing. The issuance of GO or RB debt is determined by market conditions at the time of issuance. The 2012 capital budget adds a reserve to each project requiring borrowing authority to allow for the proper reserves, while also fully funding the capital improvement. This reserve added to the budget is not be expended on capital improvements.

In 2012, the city will cash finance $3.8 million in sewer capital to improve fund sustainability. This cash financing will cover the pump replacement projects, salary and fringe benefits associated with the design and project management of sewer capital projects, and manhole inspection projects.

Debt Fund Transfer: The 2012 budget includes an $8.3 million transfer from the Sewer Maintenance Fund to the Debt Fund for sewer related GO debt service.

Payment to the General Fund: The Sewer Fund makes an annual payment to the General Fund to finance street sweeping and leaf collection services, provided by the Department of Public Works Operations Division. In 2009, the Common Council voted to fund tree pruning and brush collection from the Sewer Maintenance Fund. The 2012 budget will transfer $12.1 million from the Sewer Maintenance Fund to the General Fund to pay for all levy supported tree care costs from the Sewer Maintenance Fund 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 transfer of $2.8 million to the capital fund will support the tree planting and stump removal capital program, the emerald ash borer prevention program, and the Hartung landfill closure.

2012 Budget by Services (Funding in Millions)

Service	**Sewer System Services**	
Activities:	Sewer examinations, sewer cleaning, structure cleaning, structure repair, main repair, booster pump operation and maintenance, engineering and design, permit administration, and street sweeping.	
		2012 Projection
Performance Measures:	Total sewerage system miles.	2,450
	Miles replacement sewers installed or lined.	29.1
	Sanitary sewer overflows.	0
	Miles of sanitary and combined sewers cleaned.	557
Funding by Source:	Sewer Maintenance Fund	$50.7
	Capital Budget (includes $2.6 million in capital grants)	$44.0
	Totals	**$94.7**

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
	4.03	-4.04	Various Positions	Reflects elimination of Capital Improvement deduction in underground unit and miscellaneous changes.
0	**4.03**	**-4.04**	**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

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
Purchase of Delinquent County Taxes	$11,716,384	$12,300,000	$12,300,000	$0
TOTAL	$11,716,384	$12,300,000	$12,300,000	$0

SOURCE OF FUNDS

	2010 ACTUAL EXPENDITURES	2011 ADOPTED BUDGET	2012 ADOPTED BUDGET	CHANGE 2012 ADOPTED VERSUS 2011 ADOPTED
County Delinquent Taxes Collected	$11,716,384	$12,300,000	$12,300,000	$0
TOTAL	$11,716,384	$12,300,000	$12,300,000	$0

In accordance with Sec. 74.83 Wis. Stats., the City of Milwaukee is authorized to enter into an agreement with Milwaukee County to purchase county delinquent personal property taxes and real estate tax certificates. The initial agreement was executed in December 1987.

The authority to collect county delinquent property taxes enables the City Treasurer to consolidate the collection of delinquent taxes. Consolidation of the delinquent taxes provides a more efficient and effective tax collection administration by eliminating the burden of duplicate collections by the city and county.

The city purchases the county's delinquent personal property and real estate taxes at the close of the current tax collection period each February. In addition, the city also purchases the county's real estate taxes that become delinquent during the installment collection cycle each month. The city acquires an asset, delinquent county property taxes receivable, and generates revenue by keeping the interest and penalty charges collected on the delinquent taxes outstanding.

This account is the city's mechanism to purchase the county's delinquent property taxes. It is related to other delinquent tax collection efforts in the city debt budget.

II. BORROWING AUTHORIZATIONS

General Obligation Bonds or Short Term Notes

		Reauthorization of 2011 Authority (1) (2)	New 2012 Authority	Total
A.	**Grants and Aids Projects** Specific purposes not contemplated at the time the budget was adopted			
1.	For public improvements authorized under section 62.11(5) for any of the purposes enumerated in section 67.05(5)(b).			
2.	For harbor improvements authorized under section 30.30.			
3.	For library improvements authorized under section 229.11 and 229.17.			
4.	For convention complex and exposition center improvements authorized under section 229.26.			
5.	For blight elimination, slum clearance, redevelopment, community development and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335, 66.1337 and 66.1105.			
6.	For developing sites for industry and commerce to expand the tax base as authorized under section 66.1101 and 66.1103.			
	Subtotal Grants and Aids Projects (Lines 1 to 6) (3).	$600,000	$0	$600,000
7.	Low interest mortgage loans under section 62.237.			
8.	For blight elimination, slum clearance, redevelopment, community development and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335, 66.1337 and 66.1105.			
9.	Parking lots or other parking facilities.			
10.	Housing public purpose under section 67.12(12).			
	Subtotal Grants and Aids Projects (Lines 7 to 10) (3).			
B.	**Renewal and Development Projects**			
1.	For providing financial assistance to blight elimination, slum clearance, redevelopment and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335, 66.1337 and 66.1105.			
	MEDC Loan Program.			
	Subtotal Renewal and Development Projects.	$10,388,351	$2,550,000	$12,938,351
C.	**Public Improvements**			
1.	Public buildings for housing machinery and equipment.	$25,988,828	$14,169,900	$40,158,728
2.	Harbor improvements.	1,627,420	225,000	1,852,420
3.	Parking facility improvements.	2,984,764	790,000	3,774,764
4.	Purchase of sites for and construction of engine houses, fire stations reconstruction, remodeling, planning, design and site acquisition.	4,728,509	3,424,000	8,152,509
5.	Police Department facility construction.	12,167,759	1,502,000	13,669,759
6.	Bridge and viaduct.	16,039,965	8,282,000	24,321,965
7.	Sewage disposal, sewer improvement and construction.	0	0	0
8.	Street improvements and construction.	42,721,725	41,131,200	83,852,925
9.	Parks and public grounds.	743,191	447,000	1,190,191
10.	Library improvements authorized under section 229.11 and 229.17.	3,462,238	2,577,000	6,039,238
	Subtotal General Obligation Bonds or Short Term Notes (Sections A through C).	$121,452,750	$75,098,100	$196,550,850
D.	**Contingent Borrowing**			
	Borrowing for a public purpose not contemplated at the time the budget was adopted.			
	Contingent borrowing.	$0	$200,000,000	$200,000,000
	Subtotal General Obligation Bonds or Short Term Notes.	$0	$200,000,000	$200,000,000
E.	**School Board Borrowing**			
1.	School purposes (A).	$6,000,000	$2,000,000	$8,000,000
2.	For school purposes authorized under section 119.498 and/or 66.1333.	0	0	0
	Subtotal General Obligation Bonds or Short Term Notes.	$6,000,000	$2,000,000	$8,000,000
F.	**Borrowing for Special Assessments**			
1.	To finance public improvements in anticipation of special assessments levied against property.			
2.	General city.	$1,911,319	$1,065,600	$2,976,919
	Subtotal General Obligation Bonds or Local Improvements Bonds.	$1,911,319	$1,065,600	$2,976,919
G.	**Tax Incremental Districts**			
1.	For paying project costs in accordance with project plans for Tax Incremental Districts.	$0	$0	$0
2.	For providing financial assistance to urban renewal projects authorized under section 67.05(5)(b).	137,942,604	$22,000,000	159,942,604
	Subtotal General Obligation Bonds, Short Term Notes or Revenue Bonds.	$137,942,604	$22,000,000	$159,942,604

		Reauthorization of 2011 Authority (1) (2)	New 2012 Authority	Total
H.	**Borrowing for Delinquent Taxes**			
	To finance general city purposes for anticipated delinquent taxes.	$0	$37,000,000	$37,000,000
	Subtotal General Obligation Bonds or Short Term Notes.	$0	$37,000,000	$37,000,000
I.	**Revenue Anticipation Borrowing**			
	To borrow in anticipation of revenue in accordance with section 67.12 of the Wisconsin State Statutes.	$0	$400,000,000	$400,000,000
	Subtotal General Obligation Bonds or Short Term Notes.	$0	$400,000,000	$400,000,000
J.	**Water Works Borrowing**			
	Water Works mortgage revenue bonds or general obligation bonds.	$4,020,000	$8,690,000	$12,710,000
	Subtotal Revenue Bonds or General Obligation Bonds.	$4,020,000	$8,690,000	$12,710,000
K.	**Sewer Maintenance Fund Borrowing**			
	Sewer Maintenance Fund revenue bonds or general obligation bonds including prior years.	$52,998,573	$37,510,000	$90,508,573
	Subtotal Revenue Bonds or General Obligation Bonds.	$52,998,573	$37,510,000	$90,508,573
	Total General Obligation Bonds or Short Term Notes	$324,325,246	$783,363,700	$1,107,688,946

(1) Reauthorization of Prior Unused Borrowing Authority:

It is the intent of such reauthorization to expressly authorize the issuance and sale of such obligations (either bonds or notes) as set forth in this borrowing section of the budget, for the purposes and amounts enumerated herein. Such carryover borrowing (reauthorization of prior unused borrowing authority) is also reflected in the capital budget for informational purposes but such amounts are excluded from the capital budget totals to avoid duplication.

(2) Bond authorizations included and approved by the Common Council in the preceding municipal budget and further approved by the adoption of a resolution of intent are herein continued and are deemed to be with the same force and effect as though they had been specifically enumerated, both as to purpose and amount in this municipal budget.

(3) The purpose of this borrowing is to provide funds in connection with projects undertaken by the city with federal or other financial assistance. Expenditures shall be made only after adoption of a Common Council resolution adopted in accordance with Common Council Resolution File 66-1893 as amended.

(A) Design plans for any alteration to building exteriors and interiors shall be reviewed and approved by the city.

III. CLARIFICATION OF INTENT

Employee Fringe Benefits

Employee fringe benefit costs are allocated to operating and capital budgets on an estimated basis for informational purposes only. Such estimated expenditures are 100% appropriation offset for operating budgets and 100% revenue offset for the capital budget to avoid any impact on the city's tax levy. Actual fringe benefit costs, such as health care benefits, life insurance, and pensions, are budgeted separately in non-departmental accounts, which are funded from the property tax levy.

The amount included in each departmental (or budgetary control unit) operating budget on the line entitled "Estimated Employee Fringe Benefits" is subject to adjustment by unilateral action of the City Comptroller, during the budget year, if the actual rate charged against salaries paid is at variance with the estimated rate used in calculating the budgeted amount.

Departmental Salary Appropriations

Department net salary and wage appropriations reflect current wage rates and expenditures and are limited to these amounts. Funding of future salary increases from the Wages Supplement Fund will be restricted to wage settlements only. These transfers must be pre-approved by the Budget and Management Director.

Footnotes

Section 18-06-12 of the Milwaukee City Charter states that the adoption of the budget shall be the authority for the expenditure by a department for the purposes therein provided and of the amounts assigned to the department thereby and no further action by the Common Council shall be necessary to authorize any department to make such expenditures. The City Attorney has advised that footnotes contained in the line item budget are informational only and not controlling over expenditures unless a corresponding resolution specifying the footnote's intent is also adopted by the Common Council.

POSITIONS ORDINANCE AND SALARY ORDINANCE

The Positions Ordinance and the Salary Ordinance for the city may be obtained from the City Clerk's Office upon request. They therefore have not been included in this publication.

TAX LEVY TO RATE CONVERSION TABLE

Assessed Value Used in Conversion Calculation as of December 1, 2011: $26,823,951,183

Tax Rate Per $1,000 of Assessed Valuation	Levy Change	Levy Change	Tax Rate Per $1,000 of Assessed Valuation
$0.01	$268,240	$5,000	$0.00
$0.05	$1,341,198	$10,000	$0.00
$0.10	$2,682,395	$50,000	$0.00
$0.25	$6,705,988	$100,000	$0.00
$0.50	$13,411,976	$500,000	$0.02
$1.00	$26,823,951	$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