2016 PROPOSED PLAN AND EXECUTIVE BUDGET SUMMARY

CITY OF MILWAUKEE

STATE OF WISCONSIN

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Mayor

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GUIDE TO BUDGET DOCUMENTS

PLAN AND BUDGET SUMMARY

A document containing a fiscal summary of the 2016 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.

To obtain copies of the: *Proposed Plan and Executive Budget Summary, Plan and Budget Summary,* and *Detailed Budget* 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 12*	Plans and Budget Requests Due
August 19	Mayor's Public Hearing on Plans and Budgets
July - September	Mayor's Executive Plan and Budget Review
September 22**	Plan and Budget Submitted to Common Council
October	Legislative Hearings
October 30	Finance and Personnel Committee Budget Amendment Days
November 3***	Common Council Action on Budget

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

ELECTED OFFICIALS

Mayor ..... Tom Barrett

City Attorney ..... Grant F. Langley

City Comptroller ..... Martin Matson

City Treasurer ..... Spencer Coggs

COMMON COUNCIL

President ..... Michael J. Murphy

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

MUNICIPAL JUDGES

Branch 1 ..... Valarie A. Hill

Branch 2 ..... Derek C. Mosley

Branch 3 ..... Philip M. Chavez

TABLE OF CONTENTS

The 2016 Proposed City Budget: Improved Sustainability Supports Investment 1

Budget Summary Tables

2016 Proposed Budget and Tax Rate Compared to Prior Year 9

Comparison by Budget Sections Between 2016 Proposed Budget Versus 2015 Adopted and 2016 Requested Budgets, Revenues, Tax Levies, and Resulting Changes 10

Property Tax Rate and Levy Comparison (Graphs) 12

General City Purposes Spending and Authorized Positions (Graphs) 13

Change in Positions 14

Estimated Full Time Equivalents O&M Funded 15

Estimated Full Time Equivalents Non-O&M Funded 16

Estimated Full Time Equivalents All Funding Sources 17

Comparison of 2016 Proposed Expenditures and Funding Sources with Prior Years 18

Summary of Borrowing Authorizations (Including School Purposes) 23

City of Milwaukee Organization Chart 24

City Budgets Under the Control of the Common Council 25

Property Tax Supplemented Funds

A. General City Purposes 27

B. Provision for Employes' Retirement Fund 168

C. Capital Improvements 180

D. City Debt 190

F. Common Council Contingent Fund 194

Special Revenue Funds

G. Parking Fund 196

H. Grant and Aid Fund 200

I. Economic Development Fund 202

J. Water Works 204

K. Sewer Maintenance Fund 209

M. County Delinquent Tax Fund 213

Borrowing Authorizations General Obligation Bonds or Short Term Notes 215

Clarification of Intent 216

Tax Levy to Rate Conversion Table 218

ALPHABETICAL LISTING

2016 Proposed Budget and Tax Rate Compared to Prior Year 9

Administration, Department of 29
Annuity Contribution, Employer's Share 168
Assessor's Office 39

Board of Zoning Appeals (Special Purpose Account) 155
Borrowing Authorizations (General Obligation Bonds or Short Term Notes) 215

Capital Improvements 180
Change in Positions 14
City Attorney 43
City Debt 190
City Treasurer 157
Clarification of Intent 216
Common Council City Clerk 54
Common Council Contingent Fund 194
Comparison of 2016 Proposed Expenditures and Funding Sources With Prior Years 18
Comparisons by Budget Sections Between 2016 Proposed Budgets Versus 2015 Adopted Budgets and 2016 Requested Budgets, Revenues, Tax Levies, and Resulting Changes 10
Comptroller 57
County Delinquent Tax Fund 213

Deferred Compensation Plan 175
Department of City Development 46

Economic Development Fund (Special Revenue Account) 202
Election Commission 60
Employee Health Care Benefits (Special Purpose Account) 152
Employee Relations, Department of 64
Employes' Retirement System 171
Estimated Full Time Equivalents O&M Funded 15
Estimated Full Time Equivalents Non-O&M Funded 16
Estimated Full Time Equivalents All Fund Sources 17

Fire and Police Commission 70
Fire Department 75
Fringe Benefit Offset 160

General City Purposes Spending (Graphs) 13
Grant and Aid Fund (Special Revenue Account) 200

Health Department 79
Housing Authority of the City of Milwaukee (HACM) 52

ALPHABETICAL LISTING Continued

Library 89

Mayor's Office....98
Milwaukee Economic Development Corporation (MEDC)....53
Municipal Court 102

Neighborhood Improvement Development Corporation (NIDC) 53
Neighborhood Services, Department of 107

Organization Chart, City of Milwaukee....24

Police Annuity and Benefit Fund 168
Police Department....115
Port of Milwaukee 121
Positions Ordinance, Reference 217
Property Tax Rate and Levy Comparison (Graphs) 12
Property Tax Supplemented Funds Summary of Expenditures (Under Control of the Common Council)....25
Provision for Employes' Retirement Fund (Pensions)....168
Public Works, Department of
- Administrative Services Division 125
- Infrastructure Services Division....128
- Operations Division (Buildings and Fleet, Forestry, and Sanitation) 137
- Parking Fund (Special Revenue Account)....196
- Sewer Maintenance Fund (Special Revenue Account) 209
- Water Works (Special Revenue Account)....204

Redevelopment Authority of the City of Milwaukee (RACM) 52
Revenues, Detailed Listing....165

Salary Ordinance, Reference....217
Source of Funds for General City Purposes....161
Special Purpose Accounts Analysis 145
Special Purpose Accounts Summary 147
Special Revenue Funds Summary....195
Summary of Borrowing Authorizations (Including School Purposes) 23

Tax Levy to Rate Conversion Table 218
Tax Stabilization Fund Withdrawal....164
The 2016 Proposed City Budget: Improved Sustainability Supports Investment 1

Worker's Compensation (Special Purpose Account)....149

THE VALUE OF MILWAUKEE

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

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

OUR VISION FOR MILWAUKEE

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

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

MISSION

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

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

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

The 2016 Proposed City Budget: Improved Sustainability Supports Investment

"Budgetary oversight and control is strong. The city has demonstrated its willingness and ability to limit expenditures to maintain budget targets….the city has demonstrated its ability to adhere to budgets which maintain core policy levels of reserves, even under severe recessionary pressure."

Fitch Rating Report, September 16, 2014

Overview: The City's Four Year Budget Sustainability Strategy

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

Changes in State Shared Revenue policy and the growing costs of employee health care benefits have caused challenges to the city's structural budget balance dating to the mid-1990's. Recent events, most notably the need to reinitiate employer pension contributions in 2010 after a 15 year hiatus, have resulted in a persistent challenge to structural balance. The 2013 city budget initiated a four year budget plan to "Resize, Restructure, and Reinvest" as a means to provide for ongoing structural balance.

The 2016 proposed city budget reflects successful implementation of the "3 R" strategy. The strategy can be summarized as follows:

- **Resizing**: City government will need to operate on a smaller overall scale. Between 2008 and 2014, the city budget eliminated approximately 528 Full Time Equivalents (FTEs) positions for a reduction of ~ $45 million to the annual "budget base". Using personnel resources more efficiently can produce savings without sacrificing service levels. For example, since 2009 the Fire Department has modified special duty assignment practices and paramedic training protocols to generate almost $4 million in annual savings, without sacrificing emergency response capacity. The city has maintained the staffing capacity to continue priority service levels and will continue to do so in future years.

- **Restructuring:** Opportunities exist to increase productivity while reducing staffing levels through technology, automation, and functional consolidations. For example, investments in library circulation automation, Municipal Court electronic case processing, and worker's compensation administration have enabled annual operating cost reductions of $1.5 million. Substantial consolidation of information technology functions, combined with staff realignments within the Department of Administration saves about $700,000 annually.

  Restructuring has also extended to financial matters, with an emphasis on stabilizing annual pension funding, reducing the employer share of employee health benefit costs, and decreasing the reliance on levy supported debt finance to support capital improvements. An actuarially approved modification to the employer pension contribution method has stabilized funding as a percentage of payroll over five years, avoiding potentially destabilizing annual volatility. In addition, accelerated payment of required plan year contributions is estimated to save approximately $4.3 million a year in avoided interest charges. Restructuring of the employee health benefit premium share, the decision to self-fund all health benefit costs, and return on investment in wellness have generated approximately $23.3 million in projected annual cost reduction in the 2016 proposed budget, compared to 2011 actual expenditures. Most of the Forestry capital program is now funded via cash from the Storm Water Charge, reducing levy supported debt by $3.2 million in 2016.

- **Reinvesting:** In many cases effective resizing and restructuring require investments in equipment, data applications, process improvements, and people. For example, investments in technology, training, and planning have stabilized the budget for workers' compensation expense. These investments have essentially

flattened out the program budget, saving at least $4 million annually compared to continuation of the 2011 baseline trend.

In addition, economic development investments will improve the city's capacity to grow and spread the cost of city services over a larger tax base. During 2014, the city added $290 million of real estate value to its tax base due to development, redevelopment, and other property based investments. This 1.11% increase in "net new construction" was the third highest percentage improvement in Milwaukee County and 3.7% higher than the change in Waukesha County as a whole. This performance is expected to continue in future years as a result of the city's investment in Tax Increment Finance projects such as the Brewery, Park East, Reed Street Yards, Northwestern Mutual Life, and Century City, among others. Over the last three years, the city has experienced approximately $890 million of equalized value property growth due to net new construction. This performance demonstrates the confidence that property owners and investors have in Milwaukee's future.

Fiscal Context and Financial Performance Measures

During 2013 the Department of Administration's Budget and Management Division (BMD) projected the need to achieve $65 million to $75 million of structural improvement in order to achieve ongoing budget sustainability by the end of 2016. The projection was based on the combined amount of revenue increases and expense reductions needed by 2016 for structural balance.

Since that time, a combination of budget reductions, revenue improvements, and re-estimated employer costs for pensions and health care benefits have reduced the remaining necessary structural improvement to approximately $10 million entering the 2016 proposed budget development process. This represents considerable improvement in the city's progress towards structural balance. Strong reserves and balance sheet liquidity also contribute to the city's ability to resolve this challenge.

2016 Year Four of the 2013 - 2016 Financial Strategy

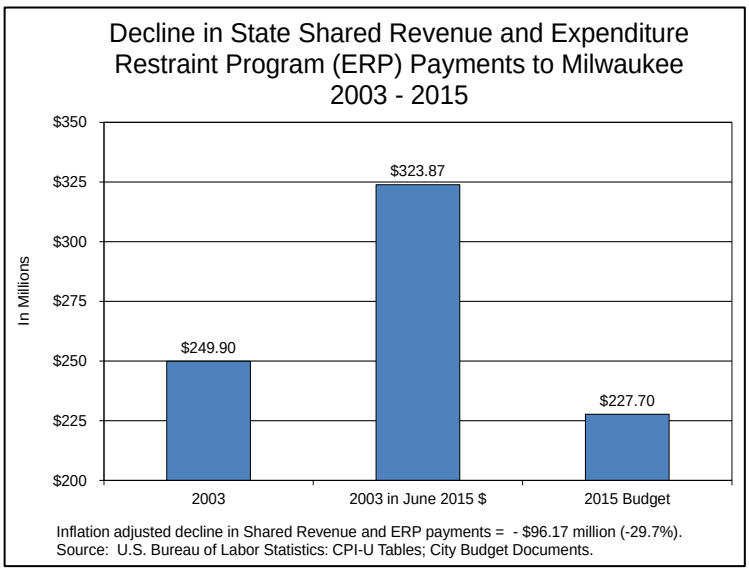
Effective financial planning begins with objectives and identifies factors that pose challenges and opportunities to structural budget balance. The Administration's two primary financial objectives are:

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

The Budget and Management Division has identified the following primary challenges to the city's ability to meet these objectives on an ongoing basis:

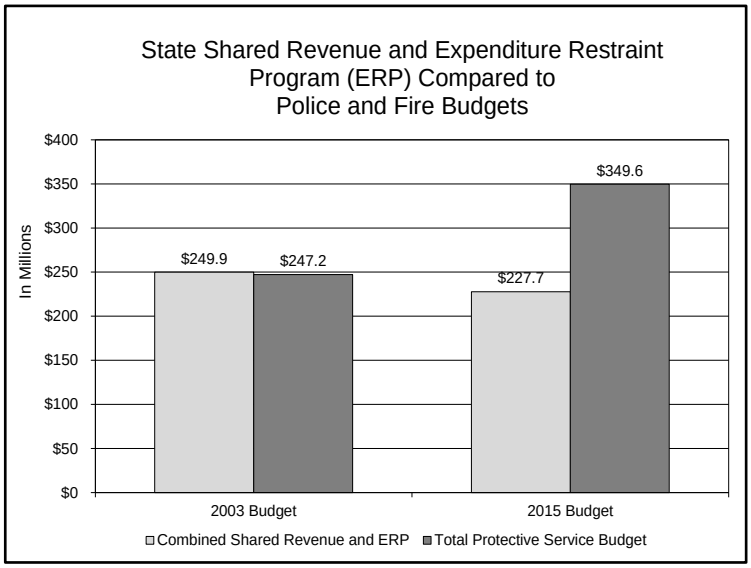
1. State funding reductions for shared revenue and transportation aids have reduced the city's fiscal capacity significantly. As Figure 1 illustrates, shared revenue (including Expenditure Restraint Program Aid) has declined $96.2 million in inflation adjusted terms since 2003 ($22.2 million in nominal terms). The decline in state revenues has

Figure 1



resulted in an increased proportion of the city's operating budget to be financed from local sources. Figure 2 demonstrates the practical impact of this change on city budgets. In 2003, state aids were essentially equal to the combined operating budgets of the Police and Fire departments. In 2015, these aids are $121.9 million less than the city's protective service budgets. The city's state aid reductions stand in stark contrast to the 45% increase ($4.89 billion) in state General Purpose Revenues (GPR) during this same period.

Figure 2



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

   Investment losses that occurred during the 2008 GFC resulted in a required employer contribution of $49 million for the 2010 budget. Improved funding status eliminated the employer contribution requirement for the 2011 and 2012 budgets. The city made voluntary contributions to the employer's reserve of $44.3 million during these two years. During 2013, an employer contribution of $59.3 million, plus $1.4 million from the Water Works, was required. Tax levy contributions equivalent to approximately 17.3% of covered payroll (approximately $60 million in 2016) are required under the recently adopted stable contribution policy and will continue at this level through the 2018 plan year.

3. State levy limits combined with a projected total of $121 million of 2016 payments for employer pension contributions and debt service place considerable pressure on the city's fiscal capacity.

4. The need to respond to the blighting influence of vacant and abandoned buildings and to manage an increasing inventory of city owned properties will require a growing amount of expenditures and will continue to stress the city's operating departments. The 2016 proposed budget includes $10.9 million of funding specifically targeted to Strong Neighborhood Plan capital budget investments and operating expenses.

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

1. A number of initiatives have improved significantly the current baseline for Employee Health Care Benefit (EHCB) expenditures, as well as projections for annual growth. Premium cost sharing changes, migrating insured member benefits to self-funding, utilization changes, and the initial return from investments in the city's Wellness Program have reduced 2016 projected expenditures $23.3 million lower than the 2011 actual expenditures. Annual increases going forward are projected to be 3% - 4%, compared to 9% prior to 2012.

2. The city's capital plan and debt management policies are expected to maintain manageable debt service levy increases of approximately 2% annually throughout the six year capital improvements program planning period. General obligation debt per capita has declined 15.5% since 2011.

3. The stable pension contribution policy, combined with the employer's reserve for pensions and the prepayment of annual required contributions, facilitate effective budget planning and will help avoid disruptive impacts to the annual budget. The plan's January 1, 2015 actuarial funded ratio of 97.2% is one of the best among major Public Employment Retirement Systems (PERS).

4. Cost recovery policies, combined with sustainable transfers from the Sewer Maintenance Fund, offset levy needs for approximately $74.7 million of important Department of Public Works services. This financing strategy improves the ongoing sustainability of Police, Fire, Infrastructure, Library, and Health Department programs that rely significantly on tax levy support.

2016 Proposed Budget Bottom Line

The 2016 proposed budget includes a tax levy freeze. Despite modest expenditure growth of 8.8% since 2009, state aid decreases and losses of assessed valuation for budget purposes have generated a 32% rise in the city tax rate. Under the proposed levy freeze, the owner of an average-valued residential property will experience an estimated city government tax levy decrease of $4.92, compared with 2015. The city tax rate will fall 1.1%, to $10.59 per $1,000 of assessed value. The proposed levy freeze, combined with major economic development initiatives and continued investment in the Strong Neighborhoods Plan, will improve the city's financial environment for redevelopment.

The 2016 proposed municipal service fees will increase by $7.10 for the typical residential owner. On a combined basis, the 2016 levy and municipal service charge combined changes result in an estimated increased cost of approximately $2.17 to the typical residential property owner with one garbage cart, compared with 2015. This essentially flat cost for the typical homeowner is well below the parameters of the Administration's objective and also is less than the projected 2015 inflation rate.

The 2016 Proposed Budget and Strategic Objectives: Reinvesting in Milwaukee

The city's budget is more than an exercise in bookkeeping. Since 2008, the city has made substantial progress toward restoring structural balance through the "3 R" strategy of resizing, restructuring, and reinvesting. As a result, the 2016 proposed budget emphasizes the reinvesting component of the strategy, in order to resolve important community needs and to enable city departments to deliver their missions effectively.

The 2016 proposed budget applies its financial resources to making Milwaukee an attractive place to live, work, and invest. The Mayor's budget priorities and operational strategies are based on five objectives that are linked to mission delivery. These five objectives are:

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

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

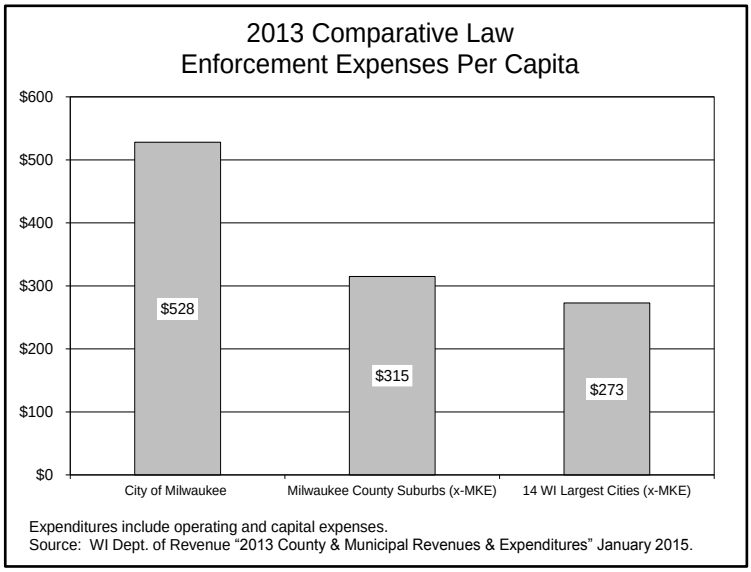
2016 Proposed Budget Highlights and Initiatives

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

location and investment decisions. Infrastructure supports the entire local and regional economy by enabling movement of people, products, and information.

The 2016 proposed budget reflects an understanding of this interdependence. The budget focuses resources in a manner that will improve the city's competitiveness, support the regional economy, and foster investment. Here are some of the highlights:

Figure 3



Safe Neighborhoods

The most significant competitive disadvantage for the city is crime. Crime destabilizes neighborhoods, hinders investment, and threatens the human development of our children. Preventing crime requires multiple strategies. However, an effective Police Department represents city government's most direct potential means to build and sustain safe neighborhoods. As Figure 3 illustrates, law enforcement costs represent a huge financial commitment, and are proportionally much larger in Milwaukee than in other Wisconsin communities.

The 2016 proposed budget provides a variety of resources to enable the Police Department's effectiveness. Department operations are 24/7, so staffing remains an essential component of a sound strategy. The proposed budget funds a sworn strength of 1,880, which maintains the 2015 budgeted level, at an annual cost of $2.9 million. This includes funds for hiring 100 new officers. Thirty-five officers will be hired at the end of 2015 and available for community policing activities by late spring. A second class of 65 will begin in the third quarter of 2016 and be available for community policing activities by early 2017.

Ensuring the safety of the public and of Police Officers is of upmost importance. Studies have shown a significant decrease in incidents of using force and citizen complaints when officers are wearing body worn cameras. The 2015 budget included $100,000 to begin the process of selecting a body worn camera solution and an initial implementation. During 2015 the city selected a preferred vendor and negotiated the most cost effective solution to deploy body worn cameras to all field personnel. The 2016 proposed budget includes $880,000 to phase in the deployment of body worn cameras. The deployment will occur in phases, ranging from 200 to 400 cameras at a time, with a total of 1,200 being deployed by the end of 2016. A standard operating procedure is being developed by the department to ensure proper usage and video storage. It is anticipated that this procedure will be reviewed by the Fire and Police Commission by the end of 2015.

The proposed budget also continues the commitment to improved police deployment and safety strategies via $9.1 million of capital budget investments in building improvements, communication upgrades, mobile data computers, and the new Records Management System (RMS). A reliable and effective records management system is a critical component of data driven policing. The current system is not meeting the department's needs. A new system will be more efficient and reliable. During 2015 the vendor was selected and negotiations are expected to be completed by the fall. The 2016 proposed budget includes $1,100,000 to begin implementation of the selected system. An additional $3.2 million remains available for RMS implementation due to prior appropriations.

The proposed budget also incorporates elements of a public health approach to violence prevention. This approach starts with data collection that identifies the "who, what, where, when, and how" of violent incidents. Risk factors for violence are established, and prevention strategies that address risk are developed and tested. Ultimately successful strategies are disseminated and implemented on a broad scale.

The proposed budget includes $150,000 to construct the infrastructure necessary for a public health approach to violence prevention, especially focused on young people. The approach is modeled on promising results from other cities, including Minneapolis. For example, the 2008 Minneapolis Blueprint for Action to Prevent Youth Violence has contributed to decreases in violent crime among youth of 57%, a decrease of incidents with guns among youth of 67%, a decrease of youth homicides of 60%, and youth gun related assault injuries decreased 62%, all from a 2006 baseline. The Health Department's Office of Violence prevention (OVP) will work with community partners to reduce risk factors for youth violence through the development of a comprehensive, community informed youth development and violence prevention plan. The plan will build on the strong foundation in place, will increase local capacity, and develop new approaches to fill gaps. In addition, the plan will be shaped and informed by persons of all ages, cultures, neighborhoods, and professions, by data and evidenced based practices and will require accountability and a process to measure outcomes.

The 2016 proposed budget continues strategies to address the needs of crime victims, including $180,000 to support response capacity in the form of trauma intervention and crisis care. These resources, targeted in Police District 7, will provide emotional aid and practical support to victims of traumatic events and their families in the first few hours following a tragedy. Emphasis is being placed on children aged 5 through 17. Trauma informed care is an evidence based approach that increases coping skills and protective factors, and is especially vital to children who have been victims of, or witnesses to, violence or abuse. The Health and Police departments have entered into an agreement with Milwaukee County to implement this initiative beginning in the summer of 2015.

The Police Department will continue to collaborate with other city departments such as Neighborhood Services and the City Attorney to resolve neighborhood conditions that lead to crime and harbor criminals. Such grass roots efforts remove nuisances that make life difficult for law abiding people. For example, in September, 2015 an apartment building on Milwaukee's near west side that has been the source of complaints about public drinking, prostitution and drug dealing has been declared a public nuisance and placed in receivership. These collaborative efforts can affect positively the daily quality of neighborhood life.

Neighborhood Revitalization

The City of Milwaukee has undertaken a major citywide effort to reduce the number and mitigate the impacts of tax foreclosed properties. The city's tax enforcement process takes up to three years until a foreclosure is filed, which allows property owners the maximum opportunity to settle delinquent taxes and keep their property. The 2016 proposed budget includes funding to continue the work initiated over the last two years. Mayor Barrett's Strong Neighborhoods Plan (SNP), is a multi-year citywide effort to address all aspects of the tax foreclosure issue. City departments manage programs that address four goals:

- Preventing foreclosures,
- Mitigating the impacts of foreclosed and blighted property,
- Revitalizing properties and neighborhoods, and
- Renewing abandoned and vacant spaces.

During 2014 and 2015 the city continued programs initiated through the Neighborhood Stabilization Program, while establishing new partnerships and initiatives. The city is on track to meet or exceed ambitious targets for property sales, demolition of blighted property, and neighborhood resident training opportunities. For example, during 2014 the city closed on 437 property sales, compared with its goal of 350 sales. More than half of the sales were to owner occupants, and this positive trend is continuing into 2015. The 2016 proposed budget includes $10.9 million in funding for the Strong Neighborhoods Plan, including initiatives which focus on reducing code

violations, enabling essential home repairs, creating incentives for area redevelopment, and supporting investment in commercial properties. This includes $2 million for two popular loan programs, which address the risk of foreclosure to owners who have code violations or whose mortgage debt exceeds the value of their property.

In addition, the proposed budget provides $480,000 to implement an accelerated foreclosure process contained in Common Council File Number 150124. This process will enable the city to initiate *in rem* foreclosure proceedings pertinent to vacant and abandoned properties that are more than one year tax delinquent, as opposed to a three year waiting period. Funding this approach is expected to prevent exposure to blight and support the city's efforts to dispose rapidly of properties that otherwise could remain vacant for an extended period of time.

Library facilities and programs provide another important component of neighborhood vitality. The 2016 capital budget includes $4.8 million for several branch library improvements, including additional funding for new Forest Home and Mill Road facilities. The plan is to replace the Forest Home, Mill Road, Capitol, and Martin Luther King facilities with mixed use buildings over the next six years. Branch libraries anchor neighborhoods and with the city's investment will improve the economic conditions of the surrounding housing and business districts. Access to high quality facilities provides needed resources which encourages frequent use by neighborhood residents, and enables innovations in library programming. These innovations will include an increased focus on education with expanded services in early literacy and out-of-school learning.

Compete Milwaukee

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

This initiative, known as *Compete Milwaukee*, will:

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

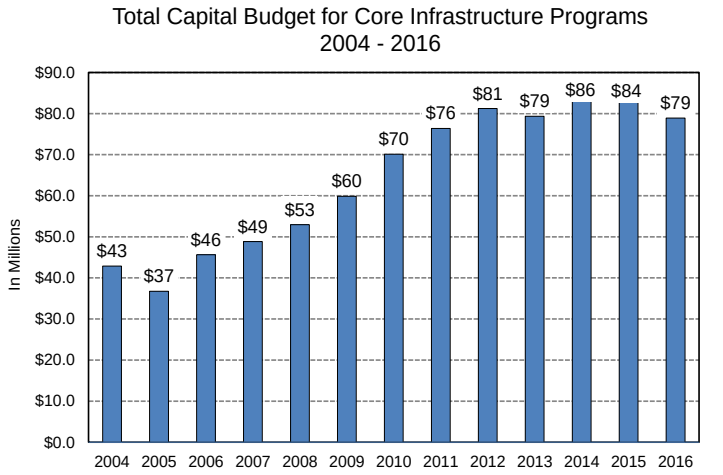
Compete Milwaukee will build on efforts that the city initiated during 2014 to place persons facing significant barriers to employment in transitional jobs. The city has made 111 transitional job placements during 2015, with estimated wage income of $1.1 million. This included 17 placements as ambassadors in the Milwaukee Police Department, who benefit from career readiness program components and strengthen communication between the community and the police. During 2016 *Compete* will place greater emphasis on links to ongoing job placements for program participants.

In addition, the city's Resident Preference Program (RPP) and CDBG funded programs will build a stronger workforce while providing job opportunities. During 2014, 41.3% of the total contract labor hours worked and 37.7% of total labor dollars paid were directed to RPP target area residents. This produced almost $4.5 million of wages for target area residents, and the equivalent of approximately 87 full time positions.

The city's economic development investments will replicate the success of the Menomonee Valley which has generated approximately 1,200 jobs. The recently released *Growing Prosperity* economic development plan establishes a clear strategy to use Milwaukee's existing strengths as a blueprint for future employment growth.

The city is taking aggressive action to generate redevelopment and tax base growth by collaborating with private sector partners on projects such as the Menomonee Valley Business Park, the Brewery, Reed Street Yards, and the expansion of the Northwestern Mutual Life Insurance headquarters.

Figure 4



Infrastructure Preservation

Infrastructure systems are essential to the functioning of the regional economy and to the protection of public health and the environment. The 2016 proposed budget continues commitments that have reduced replacement cycles and improved system conditions. Core infrastructure programs including streets, bridges, street lighting, water mains, and sewers total $78.6 million in the 2016 proposed budget. Figure 4 shows improvements made in core infrastructure funding from 2004 to 2016. Between 2004 and 2015 annual city funding for core infrastructure increased by $40.6 million, nearly 95%. The decrease to 2016 core infrastructure is attributable to a decrease in funding for bridges. This decrease reflects the need to accommodate a $13 million commitment to the City Hall Foundation Project in 2016, as well as the very favorable system wide conditions of city bridges.

During 2016 the city will improve the condition and extend the useful life of 36 miles of local and major commercial and high traffic count street segments in our neighborhoods. This investment will improve the quality of life and support existing and new development. The budget also continues the $1 million allocation to conversion of outdated street lighting series circuitry to multiple circuits. This work has reduced area outages by as much as 90% in areas receiving this investment. In addition, the 2016 proposed budget continues a six year program of Milwaukee Water Works improvements which will replace 101 miles of mains, including 15 miles in 2016.

The 2016 proposed budget includes $13 million for the first phase of a multi-year City Hall Foundation Repair project. The City Hall Foundation Repair project will be carried out in five phases, with each phase repairing a different section of the building. Phase one is expected to be the costliest of all project phases because it involves relocating City Hall's mechanical room from the northeast to the northwest section of the building. In order to make the repair, each section of the basement will need to be cleared out and demolished before the repair to that section can be made. Accommodations are being made in other parts of City Hall for the Historic Preservation Commission, Legislative Reference Bureau Library staff, and staff of the Treasurer's Office who currently occupy the northwest section of the basement which will be affected by the first phase of the project.

Conclusion

The 2016 proposed budget continues to improve the city's structural budget balance while managing the impacts on taxpayers. The city's stable employer pension contribution policy and prepayment strategy began in 2013 and is expected to save approximately $20 million through 2018. The city's property tax levy of $256.77 million remains stable and generates a tax rate decrease of 1.1%. The restructuring of health care benefits and pension finance has generated a stabilizing influence on the annual budget. This enables city departments to continue mission critical services and implement new initiatives with an increased cost of $2.17 to the typical residential property owner.

2016 PROPOSED BUDGET AND TAX RATE COMPARED TO PRIOR YEAR

PURPOSE OF EXPENDITURE AND FUNDING SOURCE	2015 ADOPTED BUDGET	2016 PROPOSED BUDGET	CHANGE 2016 MINUS 2015 ADOPTED	2015 ADOPTED BUDGET	2016 PROPOSED BUDGET	CHANGE 2016 MINUS 2015 ADOPTED
A. GENERAL CITY PURPOSES						
1. Budget (Expenditure Authority)	$613,601,536	$615,395,537	$1,794,001			
2. Non Tax Levy Funding	499,336,869	507,372,395	8,035,526			
3. Tax Levy Funding	114,264,667	108,023,142	-6,241,525	$4.77	$4.46	$-0.31
B. EMPLOYEE RETIREMENT						
1. Budget (Expenditure Authority)	$120,517,939	$117,582,708	$-2,935,231			
2. Non Tax Levy Funding	41,985,543	35,973,156	-6,012,387			
3. Tax Levy Funding	78,532,396	81,609,552	3,077,156	$3.28	$3.37	$0.09
C. CAPITAL IMPROVEMENTS						
1. Budget (Expenditure Authority)	$129,953,000	$169,529,000	$39,576,000			
2. Non Tax Levy Funding	128,816,000	168,555,000	39,739,000			
3. Tax Levy Funding	1,137,000	974,000	-163,000	$0.05	$0.04	$-0.01
D. CITY DEBT						
1. Budget (Expenditure Authority)	$279,907,284	$278,007,848	$-1,899,436			
2. Non Tax Levy Funding	222,074,288	216,847,483	-5,226,805			
3. Tax Levy Funding	57,832,996	61,160,365	3,327,369	$2.41	$2.52	$0.11
F. CONTINGENT FUND						
1. Budget (Expenditure Authority)	$5,000,000	$5,000,000	$0			
2. Non Tax Levy Funding	0	0	0			
3. Tax Levy Funding	5,000,000	5,000,000	0	$0.21	$0.21	$-0.00
SUBTOTAL (A+B+C+D+E+F)						
1. Budget (Expenditure Authority)	**$1,148,979,759**	**$1,185,515,093**	**$36,535,334**			
2. Non Tax Levy Funding	**892,212,700**	**928,748,034**	**36,535,334**			
3. Tax Levy Funding	**256,767,059**	**256,767,059**	**0**	**$10.71**	**$10.59**	**$-0.12**
G. PARKING FUND						
1. Budget (Expenditure Authority)	$52,236,350	$50,894,108	$-1,342,242			
2. Non Tax Levy Funding	52,236,350	50,894,108	-1,342,242			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
H. GRANT AND AID						
1. Budget (Expenditure Authority)	$49,759,391	$42,285,325	$-7,474,066			
2. Non Tax Levy Funding	49,759,391	42,285,325	-7,474,066			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
I. DEVELOPMENT FUND						
1. Budget (Expenditure Authority)	$11,100,755	$10,090,594	$-1,010,161			
2. Non Tax Levy Funding	11,100,755	10,090,594	-1,010,161			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
J. WATER DEPARTMENT						
1. Budget (Expenditure Authority)	$135,484,403	$140,227,440	$4,743,037			
2. Non Tax Levy Funding	135,484,403	140,227,440	4,743,037			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
K. SEWER MAINTENANCE FUND						
1. Budget (Expenditure Authority)	$104,005,490	$108,544,383	$4,538,893			
2. Non Tax Levy Funding	104,005,490	108,544,383	4,538,893			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
M. COUNTY DELINQUENT TAXES FUND						
1. Budget (Expenditure Authority)	$10,530,000	$9,500,000	$-1,030,000			
2. Non Tax Levy Funding	10,530,000	9,500,000	-1,030,000			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
SUBTOTAL (G+H+I+J+K+M)						
1. Budget (Expenditure Authority)	**$363,116,389**	**$361,541,850**	**$-1,574,539**			
2. Non Tax Levy Funding	**363,116,389**	**361,541,850**	**-1,574,539**			
3. Tax Levy Funding	**0**	**0**	**0**	$0.00	$0.00	$0.00
TOTAL (A thru M)						
1. Budget (Expenditure Authority)	**$1,512,096,148**	**$1,547,056,943**	**$34,960,795**			
2. Non Tax Levy Funding	**1,255,329,089**	**1,290,289,884**	**34,960,795**			
3. Tax Levy Funding	**256,767,059**	**256,767,059**	**0**	**$10.71**	**$10.59**	**$-0.12**

Tax Rates and Assessed Value - 2016 rate column is based on an estimated assessed value of: $24,241,626,594 as of August 6, 2015.

COMPARISONS BY BUDGET SECTIONS BETWEEN 2016 PROPOSED BUDGET VERSUS 2015 ADOPTED AND 2016 REQUESTED BUDGETS, REVENUES, TAX LEVIES, AND RESULTING CHANGES

	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
A. General City Purposes					
Appropriations					
Salaries and Wages	$369,488,300	$383,209,570	$378,649,947	$9,161,647	$-4,559,623
Fringe Benefits	146,424,273	187,455,092	187,574,517	41,150,244	119,425
Operating Expenditures	76,565,427	79,503,355	76,141,204	-424,223	-3,362,151
Equipment Purchases	8,102,593	9,656,724	6,707,346	-1,395,247	-2,949,378
Special Funds	9,770,865	10,241,797	10,566,938	796,073	325,141
Special Purpose Account Miscellaneous*	16,739,351	16,807,162	16,030,102	-709,249	-777,060
Workers Compensation Special Purpose Accounts	13,000,000	13,000,000	12,000,000	-1,000,000	-1,000,000
Employee Health Care Special Purpose Accounts	119,935,000	122,500,000	115,300,000	-4,635,000	-7,200,000
Fringe Benefit Offset	-146,424,273	-187,455,092	-187,574,517	-41,150,244	-119,425
Total Appropriations	$613,601,536	$634,918,608	$615,395,537	$1,794,001	$-19,523,071
Funding Sources					
General City Revenues	$482,636,869	$480,688,220	$486,177,395	$3,540,526	$5,489,175
Tax Stabilization Fund Withdrawal	16,700,000	16,700,000	21,195,000	4,495,000	4,495,000
Property Tax Levy	114,264,667	137,530,388	108,023,142	-6,241,525	-29,507,246
Total Revenues	$613,601,536	$634,918,608	$615,395,537	$1,794,001	$-19,523,071
B. Employee Retirement					
Total Appropriations	$120,517,939	$119,218,968	$117,582,708	$-2,935,231	$-1,636,260
Funding Sources					
Non-Property Tax Revenue	$41,985,543	$37,395,416	$35,973,156	$-6,012,387	$-1,422,260
Property Tax Levy	78,532,396	81,823,552	81,609,552	3,077,156	-214,000
Total Revenues	$120,517,939	$119,218,968	$117,582,708	$-2,935,231	$-1,636,260
C. Capital Improvements					
Total Capital Improvements Program Appropriations	$129,953,000	$206,292,000	$169,529,000	$39,576,000	$-36,763,000
Funding Sources					
1. Borrowing (General Obligation)					
a. New	$90,421,000	$159,728,000	$93,907,000	$3,486,000	$-65,821,000
2. Borrowing (Tax Incremental Districts)					
a. New	$16,500,000	$25,000,000	$53,900,000	$37,400,000	$28,900,000
3. Special Assessments (Internal Borrowing)					
a. New	$2,440,000	$1,798,000	$1,648,000	$-792,000	$-150,000
4. Cash Financed					
a. From Revenues	$19,455,000	$18,663,000	$19,100,000	$-355,000	$437,000
c. From Tax Levy	1,137,000	1,103,000	974,000	-163,000	-129,000
d. Total Cash Financed	20,592,000	19,766,000	20,074,000	-518,000	308,000
Total Revenues (Capital Improvements)	$129,953,000	$206,292,000	$169,529,000	$39,576,000	$-36,763,000
D. City Debt					
Total Appropriations					
(Includes Borrowing for Milwaukee Public Schools)	$279,907,284	$279,507,848	$278,007,848	$-1,899,436	$-1,500,000
Funding Sources					
Revenues	$39,994,042	$29,210,291	$37,710,291	$-2,283,751	$8,500,000
TID Increments	24,272,361	22,237,062	22,237,062	-2,035,299	0
Delinquent Tax Revenue	31,807,885	30,900,130	30,900,130	-907,755	0
Offset and Premium	126,000,000	126,000,000	126,000,000	0	0
Property Tax Levy	57,832,996	71,160,365	61,160,365	3,327,369	-10,000,000
Total Revenues	$279,907,284	$279,507,848	$278,007,848	$-1,899,436	$-1,500,000
F. Common Council Contingent Fund					
Total Appropriations	$5,000,000	$5,000,000	$5,000,000	$0	$0
Funding Sources					
Total Revenue (Property Tax Levy)	$5,000,000	$5,000,000	$5,000,000	$0	$0
Subtotals (Items A through F)					
City Budget Appropriations	$1,148,979,759	$1,244,937,424	$1,185,515,093	$36,535,334	$-59,422,331
Less: Non-Property Tax Revenues	$892,212,700	$948,320,119	$928,748,034	$36,535,334	$-19,572,085
Property Tax Levies	$256,767,059	$296,617,305	$256,767,059	$0	$-39,850,246
Special Revenue Accounts (Items G through M)					
G. Parking					
Total Appropriations	$52,236,350	$51,439,989	$50,894,108	$-1,342,242	$-545,881

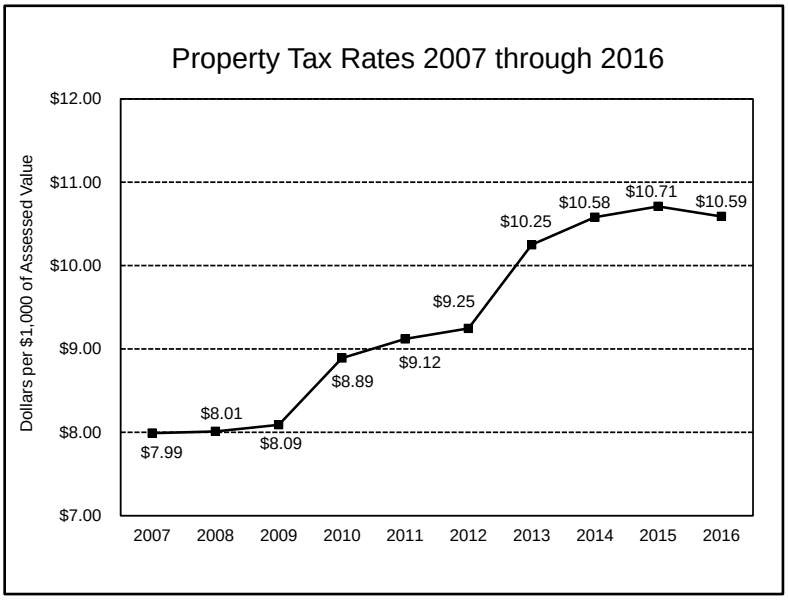
	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Funding Sources					
Current Revenues	$22,194,300	$23,006,000	$23,006,000	$811,700	$0
Capital Improvements from Reserves	5,000,000	5,000,000	5,000,000	0	0
Withdrawal from Reserves	2,047,750	2,467,989	2,108,108	60,358	-359,881
Citation Revenue and Processing	20,702,300	18,500,000	19,000,000	-1,702,300	500,000
New Borrowing	2,292,000	2,466,000	1,780,000	-512,000	-686,000
Total Revenues	$52,236,350	$51,439,989	$50,894,108	$-1,342,242	$-545,881
H. Grant and Aid					
Total Appropriations	$49,759,391	$42,285,325	$42,285,325	$-7,474,066	$0
Funding Sources					
Grantor Share	$49,759,391	$42,285,325	$42,285,325	$-7,474,066	$0
Total Revenues	$49,759,391	$42,285,325	$42,285,325	$-7,474,066	$0
I. Economic Development					
Total Appropriations	$11,100,755	$9,840,594	$10,090,594	$-1,010,161	$250,000
Funding Sources					
BID Assessment/Excess TID Revenue	$11,100,755	$9,840,594	$10,090,594	$-1,010,161	$250,000
Total Revenues	$11,100,755	$9,840,594	$10,090,594	$-1,010,161	$250,000
J. Water Works					
Appropriations					
Operating Budget	$80,284,403	$83,507,390	$82,162,440	$1,878,037	$-1,344,950
Capital Improvements Program	24,950,000	30,450,000	25,660,000	710,000	-4,790,000
Debt Service (Principal and Interest)	5,300,000	5,587,000	5,587,000	287,000	0
Capital Funding from Retained Earnings	24,950,000	30,440,000	26,818,000	1,868,000	-3,622,000
Total Appropriations	$135,484,403	$149,984,390	$140,227,440	$4,743,037	$-9,756,950
Funding Sources					
Current Operating Revenues	$86,785,000	$87,320,000	$87,320,000	$535,000	$0
Non-Operating Revenues	6,700,000	6,535,000	20,511,000	13,811,000	13,976,000
Proceeds from Borrowing	10,736,000	30,440,000	12,842,000	2,106,000	-17,598,000
Use of Retained Earnings	31,263,403	25,689,390	19,554,440	-11,708,963	-6,134,950
Total Revenues	$135,484,403	$149,984,390	$140,227,440	$4,743,037	$-9,756,950
K. Sewer Maintenance					
Appropriations					
Operating Budget	$59,805,490	$63,462,081	$64,140,383	$4,334,893	$678,302
Capital Improvements Program	44,200,000	45,550,000	44,404,000	204,000	-1,146,000
Total Appropriations	$104,005,490	$109,012,081	$108,544,383	$4,538,893	$-467,698
Funding Sources					
Sewer User Fee	$29,802,218	$30,973,000	$29,802,218	$0	$-1,170,782
Storm Water Management Fee	28,626,737	27,480,000	30,630,609	2,003,872	3,150,609
Charges for Services	1,779,158	1,686,500	1,686,500	-92,658	0
Miscellaneous Revenue and Retained Earnings	4,147,377	12,872,581	7,045,056	2,897,679	-5,827,525
Proceeds from Borrowing	39,650,000	36,000,000	39,380,000	-270,000	3,380,000
Total Revenues	$104,005,490	$109,012,081	$108,544,383	$4,538,893	$-467,698
M. County Delinquent Taxes					
Appropriations					
Operating Budget	$10,530,000	$9,500,000	$9,500,000	$-1,030,000	$0
Total Appropriations	$10,530,000	$9,500,000	$9,500,000	$-1,030,000	$0
Funding Sources					
Operating Revenue	$10,530,000	$9,500,000	$9,500,000	$-1,030,000	$0
Total Revenues	$10,530,000	$9,500,000	$9,500,000	$-1,030,000	$0
Subtotals Special Revenue Account Budgets (Items G through M)					
Total Budgets	$363,116,389	$372,062,379	$361,541,850	$-1,574,539	$-10,520,529
Total Revenues (Non-Property Tax)	$363,116,389	$372,062,379	$361,541,850	$-1,574,539	$-10,520,529
Grand Totals (Items A through M)					
Budget Appropriations	$1,512,096,148	$1,616,999,803	$1,547,056,943	$34,960,795	$-69,942,860
Less: Non-Property Tax Revenues	$1,255,329,089	$1,320,382,498	$1,290,289,884	$34,960,795	$-30,092,614
Property Tax Levies	$256,767,059	$296,617,305	$256,767,059	$0	$-39,850,246

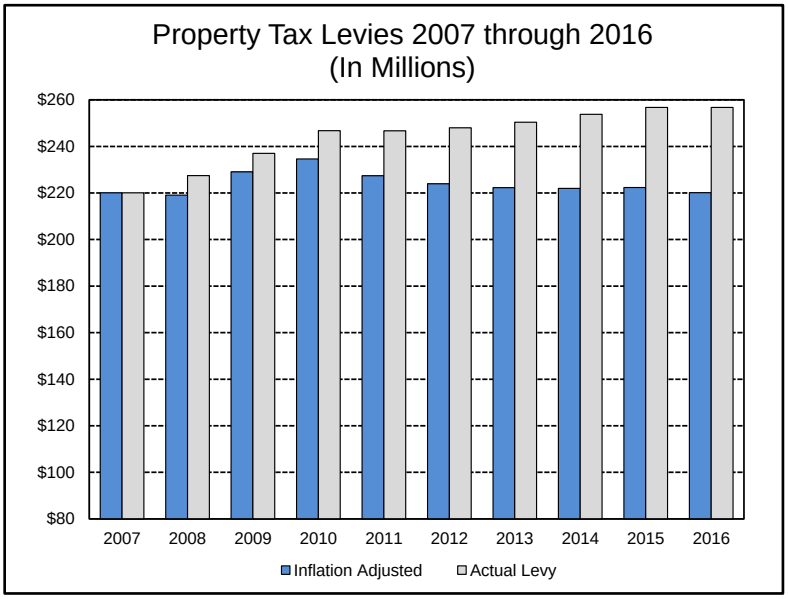
Note: All adopted budgets for governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance reserved for tax stabilization. For budget purposes, the fund balance reserved for tax stabilization is reflected as other financing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

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

PROPERTY TAX RATE AND LEVY COMPARISON

The graphs below show property tax rates and levies for the City of Milwaukee from 2007 through the 2016 budget. The 2016 tax rate of $10.59 is $0.12 lower than the 2015 rate of $10.71. The 2016 tax levy of $256.8 million is the same as the 2015 levy. The property tax rate has increased by $2.60 from $7.99 in 2007 to the 2016 rate of $10.59. During this same period, the "real" or inflation adjusted property tax levy has increased by $0.05 million.

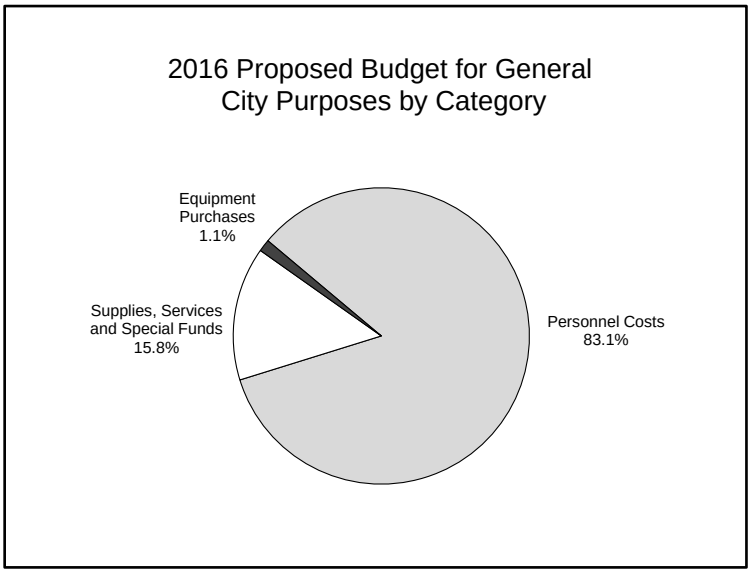




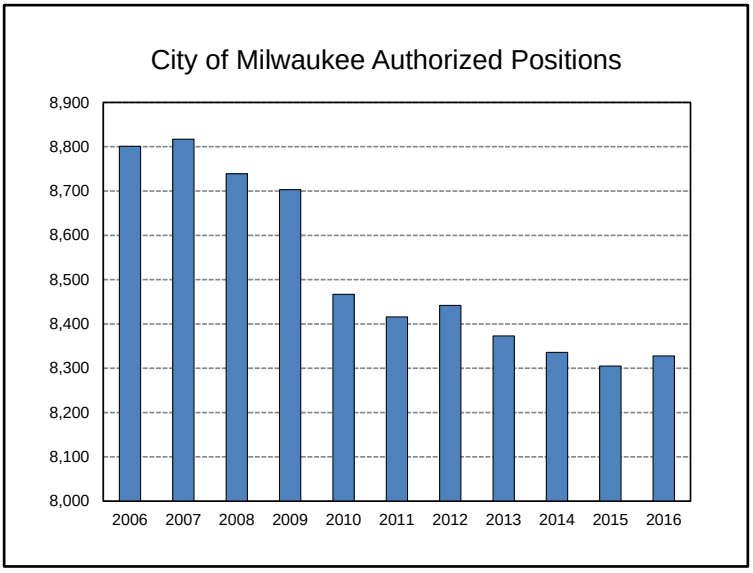
GENERAL CITY PURPOSES SPENDING

The pie chart below depicts the proportions of general city purposes spending allocated to Personnel Costs (83.1%), Supplies, Services, and Special Funds (15.8%), and Equipment Purchases (1.1%) in the 2016 proposed budget.

It should be noted that the 2016 proposed budget also funds approximately $8.2 million of major equipment purchases in the capital budget.



The following bar graph indicates changes in authorized positions from 2006 to 2016. Funding for personnel costs (which include salary and wages) relates directly to the number of positions authorized citywide. Excluding temporary and seasonal staff, the 2016 proposed budget reflects a net increase of 21 positions from 2015 levels (8,306 in 2015 to 8,327 in 2016).



CHANGE IN POSITIONS

	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
General City Purposes					
Administration, Department of	150	151	158	8	7
Assessor's Office	57	58	57	0	-1
City Attorney	64	64	64	0	0
City Development, Department of	135	131	133	-2	2
Common Council City Clerk	115	115	115	0	0
Comptroller's Office	65	65	65	0	0
Election Commission	823	2,473	2,473	1,650	0
Employee Relations, Department of	80	81	81	1	0
Fire and Police Commission	21	22	22	1	0
Fire Department	993	1,011	1,007	14	-4
Health Department	251	252	252	1	0
Library	371	352	352	-19	0
Mayor's Office	14	15	15	1	0
Municipal Court	43	41	41	-2	0
Neighborhood Services, Department of	283	284	293	10	9
Police Department	2,809	2,812	2,811	2	-1
Port of Milwaukee	37	37	37	0	0
Public Works, Department of **(Total)**	**(2,285)**	**(2,285)**	**(2,276)**	**(-9)**	**(-9)**
Administrative Services Division	48	48	49	1	1
Infrastructure Services Division	801	800	790	-11	-10
Operations Division	1,436	1,437	1,437	1	0
Special Purpose Account	11	11	11	0	0
Treasurer's Office	59	59	59	0	0
General City Purposes Total	**8,666**	**10,319**	**10,322**	**1,656**	**3**
General City Purposes Total *	**7,853**	**7,857**	**7,860**	**7**	**3**
Pensions					
Deferred Compensation	2	2	2	0	0
Employees' Retirement System	55	55	58	3	3
Pensions Total	**57**	**57**	**60**	**3**	**3**
Special Revenue Funds					
Parking Fund	121	121	121	0	0
Sewer Maintenance Fund	146	146	146	0	0
Water Works	371	381	381	10	0
Special Revenue Funds Total	**638**	**648**	**648**	**10**	**0**
Subtotal Budgeted Positions	**9,361**	**11,024**	**11,030**	**1,669**	**6**
Less Temporary Positions	1,055	2,703	2,703	1,648	0
Total Budgeted Positions	**8,306**	**8,321**	**8,327**	**21**	**6**

*Does not include Election Commission temporary election workers (813 in 2015 and 2,462 in 2016) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
O&M Funded

	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
General City Purposes					
Administration, Department of	101.37	103.93	106.67	5.30	2.74
Assessor's Office	45.39	47.80	47.80	2.41	0.00
City Attorney	58.60	58.60	59.00	0.40	0.40
Common Council City Clerk	94.00	94.00	94.00	0.00	0.00
Comptroller's Office	48.34	50.40	50.40	2.06	0.00
Department of City Development	36.70	42.65	46.40	9.70	3.75
Election Commission *	7.00	8.00	8.00	1.00	0.00
Employee Relations, Department of	49.68	50.23	49.43	-0.25	-0.80
Fire and Police Commission	12.60	13.60	13.60	1.00	0.00
Fire Department	1,004.49	1,017.07	1,013.07	8.58	-4.00
Health Department	139.79	140.17	139.18	-0.61	-0.99
Library	291.18	288.58	284.18	-7.00	-4.40
Mayor's Office	12.00	12.00	11.75	-0.25	-0.25
Municipal Court	36.40	36.00	34.00	-2.40	-2.00
Neighborhood Services, Department of	215.35	218.35	219.60	4.25	1.25
Police Department	2,716.86	2,721.00	2,725.71	8.85	4.71
Port of Milwaukee	20.00	20.00	20.00	0.00	0.00
Public Works, Department of **(Total)**	(1,018.50)	(1,047.88)	(1,026.47)	(7.97)	(-21.41)
Administrative Services Division	42.00	42.00	42.00	0.00	0.00
Infrastructure Services Division	312.41	310.91	309.19	-3.22	-1.72
Operations Division	664.09	694.97	675.28	11.19	-19.69
Special Purpose Accounts	4.00	4.00	4.50	0.50	0.50
Treasurer's Office	29.68	29.53	29.23	-0.45	-0.30
General City Purposes Total	**5,941.93**	**6,003.79**	**5,982.99**	**41.06**	**-20.80**
Pensions					
Deferred Compensation	2.00	2.00	2.00	0.00	0.00
Employees' Retirement System	43.50	43.50	43.50	0.00	0.00
Pensions Total	**45.50**	**45.50**	**45.50**	**0.00**	**0.00**
Special Revenue Funds					
Parking Fund	118.75	118.75	118.75	0.00	0.00
Sewer Maintenance Fund	103.05	102.85	102.85	-0.20	0.00
Water Works	343.98	349.48	349.48	5.50	0.00
Special Revenue Funds Total	**565.78**	**571.08**	**571.08**	**5.30**	**0.00**
Grand Total	**6,553.21**	**6,620.37**	**6,599.57**	**46.36**	**-20.80**

*Election Commission does not include temporary election workers (10.86 FTEs in 2015 and 68.87 FTEs in 2016) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
Non-O&M Funded

	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
General City Purposes					
Administration, Department of	38.47	36.91	40.17	1.70	3.26
Assessor's Office	0.61	1.20	1.20	0.59	0.00
City Attorney	2.00	2.00	2.00	0.00	0.00
Common Council City Clerk	1.00	1.00	1.00	0.00	0.00
Comptroller's Office	9.66	7.60	7.60	-2.06	0.00
Department of City Development	67.30	60.35	58.10	-9.20	-2.25
Election Commission	0.00	0.00	0.00	0.00	0.00
Employee Relations, Department of	5.66	5.60	5.60	-0.06	0.00
Fire and Police Commission	0.80	0.80	0.80	0.00	0.00
Fire Department	2.80	2.80	2.80	0.00	0.00
Health Department	100.45	100.45	102.65	2.20	2.20
Library	18.28	17.31	18.28	0.00	0.97
Mayor's Office	1.00	1.00	1.00	0.00	0.00
Municipal Court	0.00	0.00	0.00	0.00	0.00
Neighborhood Services, Department of	40.15	40.15	46.15	6.00	6.00
Police Department	38.23	37.00	40.23	2.00	3.23
Port of Milwaukee	0.00	0.00	0.00	0.00	0.00
Public Works, Department of **(Total)**	(369.88)	(365.23)	(360.74)	(-9.14)	(-4.49)
Administrative Services Division	4.70	3.83	4.83	0.13	1.00
Infrastructure Services Division	307.13	303.63	305.35	-1.78	1.72
Operations Division	58.05	57.77	50.56	-7.49	-7.21
Special Purpose Accounts	0.00	0.00	0.00	0.00	0.00
Treasurer's Office	0.30	0.00	0.30	0.00	0.30
General City Purposes Total	**696.59**	**679.40**	**688.62**	**-7.97**	**9.22**
Pensions					
Deferred Compensation	0.00	0.00	0.00	0.00	0.00
Employees' Retirement System	0.00	0.00	0.00	0.00	0.00
Pensions Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Special Revenue Funds					
Parking Fund	0.00	0.00	0.00	0.00	0.00
Sewer Maintenance Fund	11.95	12.15	12.15	0.20	0.00
Water Works	16.44	19.94	19.94	3.50	0.00
Special Revenue Funds Total	**28.39**	**32.09**	**32.09**	**3.70**	**0.00**
Grand Total	**724.98**	**711.49**	**720.71**	**-4.27**	**9.22**

ESTIMATED FULL TIME EQUIVALENTS
All Funding Sources

	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
General City Purposes					
Administration, Department of	139.84	140.84	146.84	7.00	6.00
Assessor's Office	46.00	49.00	49.00	3.00	0.00
City Attorney	60.60	60.60	61.00	0.40	0.40
Common Council City Clerk	95.00	95.00	95.00	0.00	0.00
Comptroller's Office	58.00	58.00	58.00	0.00	0.00
Department of City Development	104.00	103.00	104.50	0.50	1.50
Election Commission *	7.00	8.00	8.00	1.00	0.00
Employee Relations, Department of	55.34	55.83	55.03	-0.31	-0.80
Fire and Police Commission	13.40	14.40	14.40	1.00	0.00
Fire Department	1,007.29	1,019.87	1,015.87	8.58	-4.00
Health Department	240.24	240.62	241.83	1.59	1.21
Library	309.46	305.89	302.46	-7.00	-3.43
Mayor's Office	13.00	13.00	12.75	-0.25	-0.25
Municipal Court	36.40	36.00	34.00	-2.40	-2.00
Neighborhood Services, Department of	255.50	258.50	265.75	10.25	7.25
Police Department	2,755.09	2,758.00	2,765.94	10.85	7.94
Port of Milwaukee	20.00	20.00	20.00	0.00	0.00
Public Works, Department of **(Total)**	(1,388.38)	(1,413.11)	(1,387.21)	(-1.17)	(-25.90)
Administrative Services Division	46.70	45.83	46.83	0.13	1.00
Infrastructure Services Division	619.54	614.54	614.54	-5.00	0.00
Operations Division	722.14	752.74	725.84	3.70	-26.90
Special Purpose Accounts	4.00	4.00	4.50	0.50	0.50
Treasurer's Office	29.98	29.53	29.53	-0.45	0.00
General City Purposes Total	**6,638.52**	**6,683.19**	**6,671.61**	**33.09**	**-11.58**
Pensions					
Deferred Compensation	2.00	2.00	2.00	0.00	0.00
Employees' Retirement System	43.50	43.50	43.50	0.00	0.00
Pensions Total	**45.50**	**45.50**	**45.50**	**0.00**	**0.00**
Special Revenue Funds					
Parking Fund	118.75	118.75	118.75	0.00	0.00
Sewer Maintenance Fund	115.00	115.00	115.00	0.00	0.00
Water Works	360.42	369.42	369.42	9.00	0.00
Special Revenue Funds Total	**594.17**	**603.17**	**603.17**	**9.00**	**0.00**
Grand Total	**7,278.19**	**7,331.86**	**7,320.28**	**42.09**	**-11.58**

*Election Commission does not include temporary election workers (10.86 FTEs in 2015 and 68.87 FTEs in 2016) due to staffing fluctuations between election and non-election years.

COMPARISON OF 2016 PROPOSED EXPENDITURES AND FUNDING SOURCES
WITH PRIOR YEARS BY MAJOR BUDGET SECTIONS AND SUBSECTIONS
SECTION 1. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

	2013 Actual** Expenditures	2014 Actual** Expenditures	2015 Adopted Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted Budget
A. General City Purposes					
1. Budgets for General City Purposes					
Administration, Department of	$10,225,126	$11,094,430	$11,809,011	$13,331,143	$1,522,132
Assessor's Office	4,289,091	4,468,165	4,417,671	4,840,478	422,807
City Attorney	7,592,135	7,662,424	7,545,443	7,947,579	402,136
City Development, Department of	3,234,603	3,741,897	3,851,206	4,673,490	822,284
City Treasurer	2,688,851	2,802,481	3,024,974	3,079,646	54,672
Common Council City Clerk	8,016,613	8,197,437	8,644,053	8,862,656	218,603
Comptroller	5,022,035	4,935,457	4,965,882	5,190,001	224,119
Election Commission	1,329,511	2,444,647	1,393,678	2,878,719	1,485,041
Employee Relations, Department of	4,371,302	4,748,821	4,657,953	5,004,998	347,045
Fire and Police Commission	1,586,898	1,641,507	1,575,664	1,765,343	189,679
Fire Department	105,505,685	102,677,571	101,020,306	111,311,820	10,291,514
Health Department	12,460,876	11,936,261	12,861,865	13,619,554	757,689
Library	21,360,649	21,636,591	22,062,409	23,193,852	1,131,443
Mayor's Office	1,068,150	1,245,967	1,231,173	1,290,281	59,108
Municipal Court	3,366,167	3,265,063	3,426,963	3,383,365	-43,598
Neighborhood Services, Department of	20,745,698	20,163,360	20,006,144	21,920,171	1,914,027
Police Department	240,990,964	255,620,660	248,574,534	277,565,979	28,991,445
Port of Milwaukee	4,365,437	4,459,274	4,812,849	4,801,671	-11,178
Public Works Department (Total)	(123,782,430)	(127,350,270)	(124,862,232)	(125,845,658)	(983,426)
Administrative Services Division	3,617,965	3,555,501	3,544,819	3,720,222	175,403
Infrastructure Services Division	38,296,631	39,359,808	39,051,738	38,655,825	-395,913
Operations Division	81,867,834	84,434,961	82,265,675	83,469,611	1,203,936
Special Purpose Accounts	142,106,316 *	139,166,118 *	169,281,799	162,463,650	-6,818,149
Fringe Benefit Offset	-145,641,206	-160,341,772	-146,424,273	-187,574,517	-41,150,244
Total Budgets for General City Purposes	$578,467,331 **	$578,916,629 **	$613,601,536	$615,395,537	$1,794,001

* 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	$17,499,535	$21,659,925	$18,028,400	$17,978,800	$-49,600
Licenses and Permits	15,024,514	16,033,762	15,277,000	16,067,300	790,300
Intergovernmental Revenue	259,735,415	260,886,428	262,211,000	262,577,600	366,600
Charges for Services	117,839,281	120,974,842	122,580,869	126,703,395	4,122,526
Fines and Forfeitures	4,483,325	4,558,308	4,506,000	4,060,000	-446,000
Miscellaneous Revenue	37,422,950	37,533,094	35,733,600	35,790,300	56,700
Fringe Benefits	24,466,050	22,025,870	24,300,000	23,000,000	-1,300,000
Total Revenues	$476,471,070	$483,672,229	$482,636,869	$486,177,395	$3,540,526
Tax Stabilization Fund Withdrawals	$14,900,000	$20,000,000	$16,700,000	$21,195,000	$4,495,000
Property Tax Levy	101,910,199	91,717,287	114,264,667	108,023,142	-6,241,525
Total Financing for General City Purposes	$593,281,269	$595,389,516	$613,601,536	$615,395,537	$1,794,001
B. Employees' Retirement					
1. Budgets for Employees' Retirement					
Firemen's Pension Fund					
Pension Contribution	$35,091	$31,387	$36,000	$0	$-36,000
Lump Sum Supplement Contribution	91,837	77,500	70,000	50,000	-20,000
Policemen's Pension Fund					
Pension Contribution	$221,538	$227,796	$206,000	$190,000	$-16,000
Lump Sum Supplement Contribution	30,000	30,000	30,000	21,500	-8,500

	2013 Actual** Expenditures	2014 Actual** Expenditures	2015 Adopted Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted Budget
Employees' Retirement Fund					
Pension Contribution	$59,308,747	$61,600,000	$60,000,000	$60,000,000	$0
Administration	19,339,464	20,595,947	28,397,088	26,643,423	-1,753,665
Employers' Share of Employees' Annuity Contribution	4,175,448	4,576,913	2,000,000	5,200,000	3,200,000
Annuity Contribution Employer's Reserve Fund	16,233,608	13,400,000	10,400,000	7,000,000	-3,400,000
Social Security					
Social Security Tax	$17,293,668	$18,136,303	$17,822,252	$18,100,000	$277,748
Former Town of Lake Employees' Retirement Fund					
Pension Contribution	$7,273	$7,273	$7,300	$7,300	$0
Deferred Compensation	1,300,186	1,357,496	1,549,299	370,485	-1,178,814
Total Budgets for Employees' Retirement	$118,036,860 **	$120,040,615 **	$120,517,939	$117,582,708	$-2,935,231
2. Source of Funds for Employees' Retirement					
Fringe Benefits Pension	$1,152,400	$1,137,924	$1,232,096	$1,345,759	$113,663
Charges to Retirement Fund	18,896,766	20,238,942	27,986,148	26,261,912	-1,724,236
Charges to Deferred Compensation	1,300,186	1,357,496	1,549,299	370,485	-1,178,814
Charges to Other Governmental Units	0	1,732,605	730,000	904,000	174,000
Miscellaneous Revenue/Reserve Fund	16,313,908	13,482,600	10,488,000	7,091,000	-3,397,000
Property Tax Levy	79,698,013	85,965,660	78,532,396	81,609,552	3,077,156
Total Financing for Employees' Retirement	$117,361,273	$123,915,227	$120,517,939	$117,582,708	$-2,935,231
C. Capital Improvements					
1. Budgets for Capital Improvements					
Special Capital Projects or Purposes	$1,184,055	$1,363,067	$9,587,000	$8,512,000	$-1,075,000
Administration, Department of	920,726	1,617,352	3,260,000	4,415,000	1,155,000
Assessor's Office	0	0	555,000	556,000	1,000
City Attorney	0	1,130	0	0	0
City Development, Department of	20,246,015	21,610,898	26,350,000	61,580,000	35,230,000
Common Council City Clerk	11,137	170,554	150,000	225,000	75,000
Election Commission	0	0	1,530,000	0	-1,530,000
Fire and Police Commission	0	0	0	0	0
Fire Department	7,294,713	1,862,461	1,898,000	3,179,000	1,281,000
Health Department	523,709	107,977	366,000	745,000	379,000
Library	1,620,328	5,490,462	8,750,000	5,800,000	-2,950,000
Municipal Court	0	132,066	504,000	0	-504,000
Neighborhood Services, Department of	15,721	1,571,700	2,244,000	2,925,000	681,000
Police Department	4,334,837	9,191,831	8,200,000	9,070,000	870,000
Port of Milwaukee	182,395	237,916	1,000,000	4,400,000	3,400,000
Public Works, Department of (Total)	(61,220,145)	(90,078,486)	(65,559,000)	(68,122,000)	(2,563,000)
Administration Division	342,415	0	0	0	0
Infrastructure Services Division	53,318,697	65,259,292	54,549,000	58,167,000	3,618,000
Operations Division	7,559,033	24,819,194	11,010,000	9,955,000	-1,055,000
Total Budgets for Capital Improvements (Other than Parking, Water Works and Sewer Maintenance)	$97,553,781 **	$133,435,900 **	$129,953,000	$169,529,000	$39,576,000
2. Source of Funds for Capital Improvements					
General Obligation Borrowings					
New Borrowing	$73,775,159	$111,235,703	$90,421,000	$93,907,000	$3,486,000
Tax Increment District Public Improvements					
New Borrowing	$17,419,069	$15,271,109	$16,500,000	$53,900,000	$37,400,000
Anticipated Special Assessments					
New Authorizations	$1,675,397	$1,657,128	$2,440,000	$1,648,000	$-792,000
Capital Improvement Revenues					
Cash Revenues	$3,505,336	$4,427,824	$19,455,000	$19,100,000	$-355,000
Property Tax Levy	1,050,000	844,136	1,137,000	974,000	-163,000
Total Financing for Capital Improvements (Other than Parking, Water Works and Sewer Maintenance)	$97,424,961 *	$133,435,900 *	$129,953,000	$169,529,000	$39,576,000

* Does not include School Board expenditures.

	2013 Actual** Expenditures	2014 Actual** Expenditures	2015 Adopted Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted Budget
D. City Debt (Including School Purposes)					
1. Budget for City Debt					
Bonded Debt (Principal)	$248,902,449	$269,152,320	$238,808,467	$240,153,434	$1,344,967
Bonded Debt (Interest)	36,895,681	37,322,341	45,474,533	43,337,090	-2,137,443
Bonded Debt (Fees)	191,250	0	215,000	230,000	15,000
Bonded Debt (Issuance Expenses)	754,807	882,754	1,647,840	1,706,200	58,360
Subtotal	$286,744,187	$307,357,415	$286,145,840	$285,426,724	$-719,116
Less: Prepayment					
Prepayment Deduction (PDAF)	$-5,500,000	$-5,000,000	$-5,500,000	$-7,000,000	$-1,500,000
Special Assessment	-1,546,697	-1,397,319	-738,556	-418,876	319,680
Total Budget for City Debt	$279,697,490 **	$300,960,096 **	$279,907,284	$278,007,848	$-1,899,436
2. Source of Funds for City Debt					
Revenues	$158,352,665	$68,877,204	$39,994,042	$37,710,291	$-2,283,751
TID Increments from Prior Year	24,542,284	25,520,905	24,272,361	22,237,062	-2,035,299
Delinquent Tax Revenues	31,511,000	31,971,658	31,807,885	30,900,130	-907,755
Offsets and Premium	0	110,000,000	126,000,000	126,000,000	0
Property Tax Levy	67,771,672	61,806,985	57,832,996	61,160,365	3,327,369
Total Financing for City Debt	$282,177,621	$298,176,752	$279,907,284	$278,007,848	$-1,899,436
F. Common Council Contingent Fund					
1. Budget for Common Council Contingent Fund					
Common Council Contingent Fund	[$4,775,967] *	[$4,877,522] *	$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
* 2013 and 2014 experience shown for informational purposes only.					
Expenditure experience represents transfers and expenditures authorized by resolution.					
Subtotal Budget Authorizations Common Council Controlled Purposes					
(Except Water and Special Revenue Accounts)	$1,073,755,462	$1,133,353,240	$1,148,979,759	$1,185,515,093	$36,535,334
Non-Tax Levy	$839,815,240	$910,583,327	$892,212,700	$928,748,034	$36,535,334
Tax Levy	$255,429,884	$245,334,068	$256,767,059	$256,767,059	$0
Subtotal Financing for (Estimated Revenues) Common Council Controlled Budgets					
(Except Water and Special Revenue Accounts)	$1,095,245,124	$1,155,917,395	$1,148,979,759	$1,185,515,093	$36,535,334
Special Revenue Accounts Sections G through M					
G. Parking					
1. Budget for Parking Program					
Operating and Maintenance Expense	$24,977,566	$26,041,115	$27,944,350	$27,614,108	$-330,242
Transfer to General Fund	18,550,000	17,425,000	17,000,000	16,500,000	-500,000
Transfer to Pension Fund	0	0	0	0	0
Capital Improvement Program	1,849,162	1,486,330	2,292,000	1,780,000	-512,000
Capital Improvements to be Financed from Available Cash Reserves	0	0	5,000,000	5,000,000	0
Total Budget for Parking Program	$45,376,728 **	$44,952,445 **	$52,236,350	$50,894,108	$-1,342,242
2. Source of Funds for Parking Operations					
Parking Permits	$4,283,438	$4,055,331	$4,031,300	$4,034,000	$2,700
Meters	4,982,267	4,996,818	4,950,000	5,152,500	202,500
Rental and Lease of Facilities	7,206,250	6,855,565	7,013,000	7,219,500	206,500
Towing of Vehicles	4,199,150	4,292,339	4,000,000	4,200,000	200,000
Vehicle Disposal	1,183,764	1,332,753	1,100,000	1,200,000	100,000
Miscellaneous	1,114,865	1,184,190	1,100,000	1,200,000	100,000
Subtotal Financing of Parking Operations	$22,969,734	$22,716,996	$22,194,300	$23,006,000	$811,700

	2013 Actual** Expenditures	2014 Actual** Expenditures	2015 Adopted Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted Budget
Other Funding Sources					
Withdrawal from Reserves	$0	$0	$2,047,750	$2,108,108	$60,358
Citation Revenue	21,344,212	19,466,196	20,702,300	19,000,000	-1,702,300
Capital Improvements to be Financed from Available:					
Cash Reserves	$0	$0	$5,000,000	$5,000,000	$0
New Borrowing	1,849,182	1,486,330	2,292,000	1,780,000	-512,000
Subtotal Other Funding Sources	$23,193,394	$20,952,526	$30,042,050	$27,888,108	$-2,153,942
Total Financing for Parking	$46,163,128	$43,669,522	$52,236,350	$50,894,108	$-1,342,242
H. Grants and Aids Projects (Except Capital Projects)					
1. Budget for Grants and Aids Projects					
Grantor Share (Non-City)	$53,875,794	$50,007,469	$49,759,391	$42,285,325	$-7,474,066
Total for Grants and Aids Projects	$53,875,794 **	$50,007,469 **	$49,759,391	$42,285,325	$-7,474,066
2. Source of Funds for Grants and Aids Projects					
Grantor Share (Non-City)	$53,875,794	$50,007,469	$49,759,391	$42,285,325	$-7,474,066
Total Financing for Grants and Aids Projects					
(Except Capital Projects)	$53,875,794	$50,007,469	$49,759,391	$42,285,325	$-7,474,066
I. Economic Development Fund					
1. Budget for Economic Development Fund					
Business Improvement Districts	$7,504,054	$9,357,039	$11,100,755	$10,090,594	$-1,010,161
Total Budget for Economic Development Fund	$7,504,054	$9,357,039	$11,100,755	$10,090,594	$-1,010,161
2. Source of Funds for Economic Development Fund					
Business Improvement District Assessments/Excess TID Revenue	$7,504,054	$9,357,039	$11,100,755	$10,090,594	$-1,010,161
Total Source of Funds for Economic Development Fund	$7,504,054	$9,357,039	$11,100,755	$10,090,594	$-1,010,161
J. Water Works					
1. Budget for Water Works, Department of Public Works					
Operating Budget	$75,291,297	$82,011,743	$85,584,403	$87,749,440	$2,165,037
Capital Improvements Program	15,217,228	23,930,090	24,950,000	25,660,000	710,000
Deposits to Special Accounts (Retained Earnings)	15,201,032	25,270,051	24,950,000	26,818,000	1,868,000
Total Expenditures and Deposits	$105,709,557 **	$131,211,884 **	$135,484,403	$140,227,440	$4,743,037
2. Source of Funds for Water Works					
Operating Revenue	$80,380,624	$82,663,634	$86,785,000	$87,320,000	$535,000
Non-Operating Revenue	6,450,919	6,242,960	6,700,000	6,525,000	-175,000
Proceeds from Borrowing	5,342,796	1,311,125	10,736,000	12,842,000	2,106,000
Retained Earnings/Miscellaneous	13,535,218	40,994,165	31,263,403	33,540,440	2,277,037
Total Source of Funds for Water Works	$105,709,557	$131,211,884	$135,484,403	$140,227,440	$4,743,037
K. Sewer Maintenance					
1. Budget for Sewer Maintenance					
Operating Budget	$43,292,291	$46,307,473	$59,805,490	$64,140,383	$4,334,893
Capital Budget	36,246,411	34,258,728	44,200,000	44,404,000	204,000
Deposit to Retained Earnings	691,611	13,097,336	0	0	0
Total Budget for Sewer Maintenance	$80,230,313 **	$93,663,537 **	$104,005,490	$108,544,383	$4,538,893
2. Source of Funds for Sewer Maintenance					
Sewer User Fee	$29,399,780	$29,973,660	$29,802,218	$29,802,218	$0
Storm Water Fee	26,204,887	27,428,385	28,626,737	30,630,609	2,003,872
Charges for Services	1,665,534	1,714,366	1,779,158	1,686,500	-92,658
Miscellaneous Revenue	2,960,112	20,268	163,813	84,900	-78,913
Retained Earnings	0	0	2,333,564	4,636,156	2,302,592
Proceeds from Borrowing/Grants/Developer	20,000,000	34,526,858	41,300,000	41,704,000	404,000
Total Source of Funds for Sewer Maintenance	$80,230,313	$93,663,537	$104,005,490	$108,544,383	$4,538,893
M. Delinquent County Taxes					
1. Budget for Delinquent County Taxes					
Delinquent County Taxes and Tax Certificate Purchases	$9,931,715	$9,381,481	$10,530,000	$9,500,000	$-1,030,000
Total Budget for Delinquent County Taxes	$9,931,715	$9,381,481	$10,530,000	$9,500,000	$-1,030,000

	2013 Actual** Expenditures	2014 Actual** Expenditures	2015 Adopted Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted Budget
2. Source of Funds for Delinquent County Taxes					
Purchase of Milwaukee County Delinquent Taxes	$9,931,715	$9,381,481	$10,530,000	$9,500,000	$-1,030,000
Total Source of Funds for Delinquent County Taxes	$9,931,715	$9,381,481	$10,530,000	$9,500,000	$-1,030,000
Subtotal Budget Authorization for Special Revenue Accounts	$302,628,161	$338,573,855	$363,116,389	$361,541,850	$-1,574,539
Subtotal Estimated Revenues for Special Revenue Accounts	$303,414,561	$337,290,932	$363,116,389	$361,541,850	$-1,574,539
Total All Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,376,383,623	$1,471,927,095	$1,512,096,148	$1,547,056,943	$34,960,795
Total Financing Revenues of Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,398,659,685	$1,493,208,327	$1,512,096,148	$1,547,056,943	$34,960,795

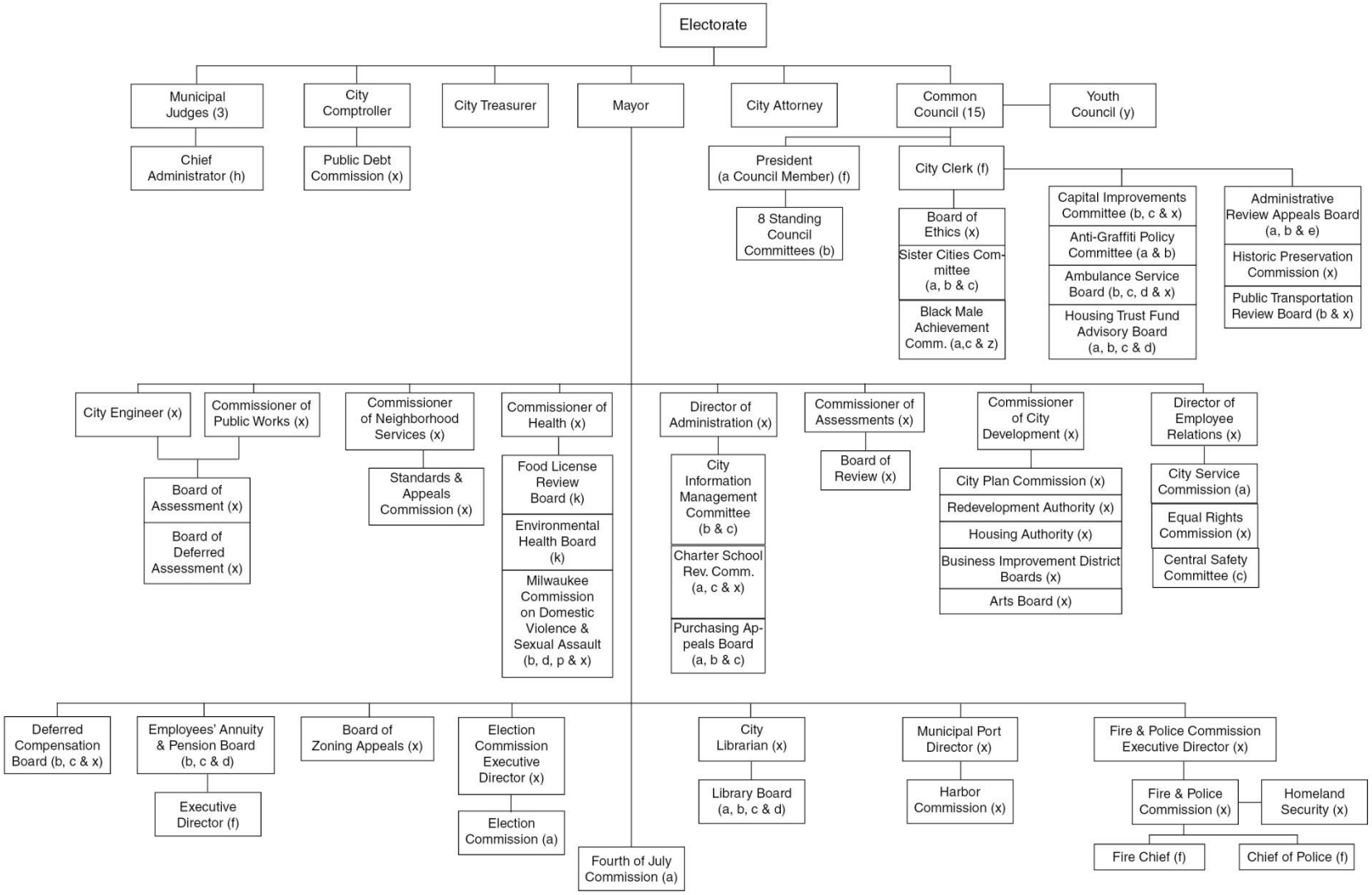
** Expenditures include funding carried over from prior year.

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

	2014	2015	2016
General Obligation Bonds or Short Term Notes			
New Borrowing			
General City Purposes	$86,917,000	$92,713,000	$95,687,000
Schools	2,000,000	2,000,000	2,000,000
Subtotal	**$88,917,000**	**$94,713,000**	**$97,687,000**
Special Assessment Borrowing			
New Borrowing	$1,626,000	$2,440,000	$1,648,000
Subtotal	**$1,626,000**	**$2,440,000**	**$1,648,000**
Contingency Borrowing			
New Borrowing	$200,000,000	$200,000,000	$200,000,000
Subtotal	**$200,000,000**	**$200,000,000**	**$200,000,000**
Tax Incremental District Borrowing			
New Borrowing	$16,000,000	$16,500,000	$53,900,000
Subtotal	**$16,000,000**	**$16,500,000**	**$53,900,000**
Delinquent Taxes Borrowing			
New Borrowing	$37,000,000	$37,000,000	$37,000,000
Subtotal	**$37,000,000**	**$37,000,000**	**$37,000,000**
Revenue Anticipation Borrowing			
New Borrowing	$400,000,000	$400,000,000	$400,000,000
Subtotal	**$400,000,000**	**$400,000,000**	**$400,000,000**
Water Works Borrowing			
New Borrowing	$4,000,000	$10,736,000	$12,842,000
Subtotal	**$4,000,000**	**$10,736,000**	**$12,842,000**
Sewer Maintenance Fund Borrowing			
New Borrowing	$39,500,000	$39,650,000	$39,380,000
Subtotal	**$39,500,000**	**$39,650,000**	**$39,380,000**
Total All Borrowing			
New Borrowing	$787,043,000	$801,039,000	$842,457,000
Total	**$787,043,000**	**$801,039,000**	**$842,457,000**

CITY OF MILWAUKEE ORGANIZATION CHART

Source: City Clerk's Office • September 2015



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
(z) Members appointed by Chair of the Common Council's Judiciary and Licenses Committeee

I. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

PROPERTY TAX SUPPLEMENTED FUNDS
SUMMARY OF EXPENDITURES

Expense Category	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
A. General City Purposes	$578,916,629	$613,601,536	$634,918,608	$615,395,537	$1,794,001	$-19,523,071
B. Employees' Retirement	120,040,615	120,517,939	119,218,968	117,582,708	-2,935,231	-1,636,260
C. Capital Improvements	133,435,900	129,953,000	206,292,000	169,529,000	39,576,000	-36,763,000
D. City Debt	300,960,096	279,907,284	279,507,848	278,007,848	-1,899,436	-1,500,000
F. Contingent Fund	[4,877,522] *	5,000,000	5,000,000	5,000,000	0	0
Total	$1,133,353,240	$1,148,979,759	$1,244,937,424	$1,185,515,093	$36,535,334	$-59,422,331

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

A. GENERAL CITY PURPOSES

1. BUDGET APPROPRIATIONS AND EXPENDITURES

DEPARTMENT OF ADMINISTRATION

EXECUTIVE SUMMARY

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

OBJECTIVES: Reduce economic disparities that affect Milwaukeeans.

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

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

Increase effectiveness in the operation of citywide information technology.

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

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

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

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

Continue grant program focus on economic development and employment generation.

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

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

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

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	90.98	101.37	103.93	106.67	5.30	2.74
FTEs - Other	27.74	38.47	36.91	40.17	1.70	3.26
Total Positions Authorized	146	150	151	158	8	7
Expenditures						
Salaries and Wages	$5,658,423	$6,102,654	$6,491,720	$6,617,535	$514,881	$125,815
Fringe Benefits	2,531,859	2,746,193	3,116,026	3,176,417	430,224	60,391
Operating Expenditures	1,213,562	1,211,899	1,258,879	1,659,823	447,924	400,944
Equipment	55,192	25,300	33,300	125,300	100,000	92,000
Special Funds	1,635,394	1,722,965	1,777,068	1,752,068	29,103	-25,000
Total	$11,094,430	$11,809,011	$12,676,993	$13,331,143	$1,522,132	$654,150
Revenues						
Charges for Services	$143,906	$77,000	$148,500	$171,500	$94,500	$23,000
Miscellaneous	609,105	575,500	561,000	561,000	-14,500	0
Total	$753,011	$652,500	$709,500	$732,500	$80,000	$23,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

Goals

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

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

Objectives

1. Reduce economic disparities that affect Milwaukeeans.
2. Provide mission critical city services through annual budgets that limit the impact of tax levy and municipal service charge changes on the typical residential property to 3% or less.
3. Limit the proportion of the 2013 to 2016 city tax levies allocated to debt service and employer pension contributions to 60% or lower in a fiscally responsible manner.
4. Increase efficiency and effectiveness in citywide operation information technology.
5. Improve energy efficiency in homes and business firms.

The Department of Administration (DOA) provides planning, policy, and management functions that assist the Mayor, Common Council, and city departments. Through these efforts, DOA supports the city's community goals. Key functions include providing analysis and recommendations on fiscal issues that affect the city, developing the annual city budget, influencing local, state and federal government policy actions, increasing grant funding, distributing grant funding to city agencies and neighborhood organizations, managing citywide procurement processes, supporting the growth of emerging and local businesses, and developing policy and programs for environmental sustainability. In addition, DOA is the key operating entity for the delivery of city information technology services.

Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Combined percentage increase from prior year of changes to the property tax levy and municipal service charges on the average valued residential property.	1.4%	1.9%	0%
Percent of tax levy allocated to debt service and employer pension contribution.	48.6%	45.9%	47.4%
Combined number of jobs created and persons trained and placed in jobs through CDBG and HOME funded projects.	393	420	400
Number of firms receiving SBE certification.	24	50	50
Average speed time for response at Unified Contact Center {minutes:seconds}.	:31	:36	:35
Days needed to resolve IT service requests.	6.52	4.40	5
Number of homes receiving energy efficiency upgrades via Me2.	30	100	100
Number of manufacturing firms receiving Me3 grants.	9	10	8

STRATEGY IMPLEMENTATION

Fiscal Sustainability: Structural balance refers to a government's capacity to fund existing service levels over time with its projected ongoing revenues. The difference between current expenditures and ongoing revenues is typically referred to as a structural imbalance.

Changes in State Shared Revenue policy and the growing costs of employee health care benefits caused challenges to the city's structural budget balance dating back to the mid-1990's. More recent events, especially the need to return to employer pension contributions after a 15 year hiatus, heightened these challenges and produced a persistent structural gap. The 2013 city budget initiated a four year budget plan to "Resize, Restructure, and Reinvest" in city government as a means to restore structural balance by the end of 2016.

During 2013, the Department of Administration's Budget and Management Division (BMD) projected the need to achieve $65 million to $75 million of structural budgetary improvement in order to achieve ongoing budget sustainability by the end of 2016. The projection was based on the amount of combined revenue increases and expense reductions needed by 2016 for structural balance.

The 2013 budget achieved approximately $21 million of structural budget improvement. After the 2013 budget adoption, additional developments pertaining to the employer pension contribution and employee health care benefits occurred to improve structural balance by an additional $17 million. The 2014 and 2015 budgets continued to make progress through approximately $15 million of improved structural balance. During this period, the need to address housing issues through the Strong Neighborhoods Plan has added to expenditure pressure.

Over the last year the city's strategy pertaining to health care cost containment has yielded additional dividends. It appears that a sustainable reduction to the annual expenditure growth rate, combined with favorable 2014 experience, will enable the annual appropriation level for employee health care benefits to remain below the 2015 appropriation level for at least two years. This will contribute to restoring structural balance.

A key DOA objective is improving the city's fiscal sustainability. DOA's annual budgetary objective is to provide mission critical city services through annual budgets that limit the impact of tax levy and municipal service charge changes on the typical residential property to 3% or less. From a long term perspective, DOA intends to manage long term obligations such as core infrastructure, debt, and pension benefits in a manner that stabilizes ongoing funding requirements and minimizes transfer to future generations. The 2016 proposed budget meets both of these objectives.

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

The plan's January 1, 2015 actuarial funded ratio of 97.2% makes it one of the best funded Public Employee Retirement System (PERS) plans in the United States. This compares with a median funded ratio of 74% for 150 major PERS according to findings by the Boston College Center for Retirement Research.

The primary financial issue for the city has been the move from no employer contributions as recently as 2009, to an annual contribution level of approximately $60 million. The secondary issue has been significant potential year-to-year volatility in the city's required contribution.

On April 30, 2013, the Common Council adopted a stable employer contribution policy under which the actuary establishes a stable percent of payroll for five years, thus facilitating budget planning and avoiding year-to-year volatility. As a result, the annual budget for employer pension contributions is essentially stable at approximately $60-$63 million for five years, thus eliminating potential volatility of between $10 million and $20 million a year. The new policy also eliminates the "full funding limit", which means the city will continue to contribute the employer share of normal cost after the system's funded status returns to 100%.

Modifications to the plan design for new general city employees hired on or after January 1, 2014 were adopted in 2013. Under the modifications, which are projected to save the city $93 million over 20 years, the plan design remains defined benefit but at a lower normal cost than the pre-existing design. In addition, the Budget and Management Division has initiated pre-payment of the employer contribution, which is projected to save a net of almost $20 million over five years.

Intergovernmental Relations Division (IRD): In 2016, Milwaukee continues to face a challenging political environment. As a result, the IRD is dedicated to seeking bipartisan opportunities, building collaborative partnerships with other jurisdictions and state departments, as well as continuing efforts to maintain local control and flexibility. Milwaukee is the heart of Wisconsin's economy; therefore it is essential that IRD ensures strong representation at the state level and supports the ability of local leaders to make decisions that address their constituent's needs.

IRD's lobbying efforts are defined through the city's legislative package which contains 156 issue items. The legislative package is prioritized by working closely with the Mayor and Common Council. For example, public safety policies include increasing funds for domestic and youth violence prevention, as well as legislation that discourages the proliferation of illegal guns. Another priority is neighborhood stabilization which involves supporting job creation and training programs and foreclosure prevention and intervention.

As the largest contributor to the state's economy, opportunities for investment and reinvestment in Milwaukee will reap dividends for the rest of the state. IRD will continue to advance the message that Milwaukee is worthy of more investment by the state and federal governments.

Cost Effective and Environmentally Friendly Procurement: DOA's Business Operations Division (BOD) is the city's centralized buying and supply management agency responsible for the procurement of approximately $65 million in goods and services annually and disposal of the city's surplus, obsolete, and confiscated goods. BOD contributes to fiscal sustainability by managing a competitive procurement system which delivers value to city departments. In addition, BOD continues to incorporate an environmentally conscious approach through initiatives such as the procurement of recycled printing toner. This initiative achieved $186,500 in savings in 2014 with another $185,000 projected in 2015.

Helping Small Businesses Succeed: BOD's Office of Small Business Development (OSBD) provides access to resources such as the revolving loan program and Milwaukee Small Business Week to help increase the number of thriving, certified small businesses throughout the city.

OSBD's revolving loan program issued loans to two small businesses in 2014 totaling $55,000 and two through August 2015 totaling $61,000. OSBD anticipates issuing another five loans to qualifying small businesses in 2016.

Through Milwaukee Small Business Week, small business owners participate in events such as professional networking sessions, business workshops and seminars, and the annual Small Business Sustainability Conference. These events enable small business owners to make vital connections with other businesses and organizations and gain insight on how to achieve sustainable success.

In 2016, OSBD will continue enhancing relationships with partnering organizations and aligning Milwaukee Small Business Week with National Small Business Week to achieve greater visibility.

External Funding Opportunities: Cities across the nation are using their assets in innovative ways to help finance local services. The Milwaukee Civic Partnership Initiative (MCPI) aims to increase city revenue by expanding marketing partnerships with private sector businesses and nonprofit organizations in the areas of advertising, naming rights, sponsorships, and in-kind contributions.

Promoting Racial Equity and Inclusion in Milwaukee: An important priority for the Mayor is enhancing local capacity to improve the life outcomes of boys and men of color and other populations of color through citywide collaboration. City departments, the school district, organizations and neighborhoods are working to promote racial equity and inclusion in Milwaukee, with the support of foundations and corporations.

Since the city established the Black Male Achievement Advisory Council (BMAAC) in 2013 and accepted President Obama's My Brother's Keeper (MBK) Community Challenge in 2014, community stakeholders have agreed that Milwaukee must change its collective effort to open opportunities for boys and men of color and other populations of color. The Department of Administration provides strategic direction and leadership to advance BMAAC, MBK, Milwaukee Fatherhood Initiative (MFI) and other racial equity and inclusion programs and goals.

- **Milwaukee Fatherhood Initiative:** In 2005, Mayor Barrett and other community partners launched the MFI to increase the number of children with involved, committed, and responsible fathers. The MFI summit is the largest gathering of men in the state, drawing an average of 1,000 men annually. The MFI has reduced over $10 million in child support debt to help fathers better meet the financial needs of their children. Through the MFI driver's license recovery program, thousands of fathers have restored their driving privileges and improved their employability. Over 95% of men served by MFI are males of color. In addition to DOA, the Housing Authority of the City of Milwaukee provides financial and in-kind support to advance MFI's mission. The MFI also receives philanthropic support.

- **Community Engagement and Achievement Collaborative:** The 2016 proposed budget creates the Community Engagement and Achievement Collaborative (CEAC) to enhance local capacity to improve the life outcomes of boys and men of color and other populations of color through citywide collaboration. A CEAC Manager is created to manage MFI operations and collaborate with city departments and agencies, standing committees, commissions, task forces, other advisory councils, and community partners. This will advance the BMAAC, MBK, and city racial equity and inclusion programs and goals through community engagement and citywide collaboration.

- **Equal Rights Commission:** The Equal Rights Commission (ERC) was re-established in 2009 and consists of seven members appointed by the Mayor subject to Common Council approval. The ERC is responsible for identifying opportunities to improve the equal rights climate in Milwaukee. The position of Equal Rights Specialist is created to provide operational support and assist the ERC to fulfill its mission. The ERC's work includes three major areas:

  - Enforcing housing and employment discrimination laws;
  - Working with neighborhoods to improve community relations and address equal rights issues; and
  - Creating internal accountability within city departments.

Investments in the BMAAC, MBK, CEAC, MFI and ERC will strengthen the city's ability to reduce racial disparities, bring about social change and spark additional public and private investment to support the Mayor's vision of a "Milwaukee where opportunity is abundant and accessible to all."

Office of Environmental Sustainability: The City of Milwaukee's Office of Environmental Sustainability (OES) promotes cost effective sustainability practices for residents, businesses, and city departments. OES leads the citywide implementation of *ReFresh Milwaukee*, which serves as Milwaukee's roadmap to securing a more sustainable future. This plan sets goals, targets, and strategies in the following areas:

- Buildings,
- Energy,
- Food systems,
- Human capital,
- Land and urban ecosystems,
- Mobility,
- Resource recovery, and
- Water.

OES also operates programs that meet direct needs for Milwaukeeans.

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

The Milwaukee Energy Efficiency (Me2) and commercial Me2 programs help households live more comfortably and efficiently and helps businesses realize reinvestment opportunities through energy saving improvements. Since 2011, Me2 has improved over 1,000 homes with energy saving projects such as insulation and efficient furnaces and boilers. Commercial Me2 has stimulated $14 million of energy saving projects on over 130 properties.

A Community Workforce Agreement, implemented as part Me2, ensures that the jobs created through the program benefit people who live in the city. All commercial and residential contractors are committed to hiring city residents as part of the Residents Preference Program (RPP) and paying family supporting wages. Additionally, minority owned and operated Milwaukee firms have collectively completed hundreds of Me2 projects.

OES also assists small and medium sized Milwaukee manufacturers improve their competitiveness. The Me3 sustainable manufacturing program helps firms lower their costs by reducing waste, pollution, and other production inefficiencies. The 2016 proposed budget includes $50,000 to continue this program.

OES has contributed to the city's vacant lot beautification efforts through its HOME GR/OWN program, a catalytic project outlined in the *ReFresh Milwaukee* plan. HOME GR/OWN empowers residents to transform neighborhoods by repurposing vacant lots into community assets that spark new economic opportunities around local, healthy food production and distribution. The program helps build neighborhood pocket parks and green space and has helped revise city codes to make urban agriculture easier. In 2015, 44 vacant lots were rehabilitated to food related uses. In 2016, the program will continue to rehabilitate vacant lots across the city with a concentration on at least one strategic commercial corridor.

In 2014, the City of Milwaukee and OES successfully intervened in the WE Energies rate case by proposing a new time-of-use street lighting tariff. As a result, a modified 12 hour on-peak period was established that will help the city achieve lower energy costs in street lighting operations by changing the times for which the city is charged "peak" rates. This change is expected to save taxpayers $630,000 annually.

Community Development Grants Administration: DOA's Community Development Grants Administration (CDGA) applies for, recommends the allocation of, and oversees the effective use of local, state, and federal funds for programs in targeted neighborhoods throughout the city. Most of the funding goes towards assisting lower income families and removing blight, including access to job training and placement services. For 2014, the combined number of jobs created and persons trained and placed in jobs through Community Development Block Grant (CDBG) and HOME funded projects was nearly 400 with another 400 planned for 2016.

In 2015, the Common Council voted to amend CDGA's 2016 funding allocation plan. The amendment to Common Council File Number 150324 includes reallocations to increase funding for the following programs by the amounts specified:

- Youth Internship Program - $100,000
- Owner Occupied Home Rehab Loan Program - $150,000
- Neighborhood Cleanups - $50,000

In addition, $200,000 was reallocated to help fund the placement of workers in the Department of Public Works' Transitional Jobs Urban Landscaping program.

Improving the Effectiveness and Efficiency of Information Technology: The 2016 proposed budget continues to consolidate city information technology (IT) and management under the Information Technology and Management Division (ITMD). In 2016, ITMD will begin the consolidation process for the Department of Neighborhood Services and Assessor's Office. IT positions from these departments will move to ITMD and IT hardware and software will be budgeted centrally in and purchased by ITMD. ITMD will also begin to centrally budget and purchase hardware and software for the Department of Public Works' (DPW) Infrastructure and Operations divisions in 2016. IT staff from DPW and MHD were integrated into ITMD in 2013.

Restructuring efforts support a more centralized approach to IT development and maintenance and will accomplish the following:

- Align the city's IT organization and structure with national public sector best practices.
- Establish clear accountability and responsibility for the operation of IT systems and network communications.
- Improve the overall IT environment related to security and data integrity.
- Provide IT focus on enterprise wide needs and service delivery.
- Generate various economies of scale, especially in the area of Help Desk and application support.
- Reduce risk through uniformity and standardization of IT systems and applications.

Major IT projects undertaken by ITMD in 2015 included involvement in selecting and planning for the City Treasurer's new tax collection system and the purchase and deployment of computers through the division's Desktop Replacement program. ITMD also works with the Department of Neighborhood Services, Health Department, Department of City Development, Department of Public Works, and the City Clerk's Office to implement a new Land Management System (LMS). The LMS will replace several older applications supported by the departments with one unified system supported by ITMD.

In 2016, ITMD will continue to operate its Desktop Replacement program and assist in the selection and implementation of new software systems with a goal of maximizing efficiencies, functionality, and compatibility across IT equipment and systems used citywide.

Unified Contact Center (UCC): The UCC provides residents with access to city information and non-emergency services through a single, multi-channel point of contact that includes the Call Center, online service request system, e-mail, and MKE mobile application.

Since 2013, operational changes and management initiatives have improved UCC's overall effectiveness. Total interactions increased by 2,000 during the first half of 2015 compared to the first half of 2013. During that same time, average speed of answer improved to 26 seconds from 40 seconds, abandoned calls reduced from 11% to 4%, and the percentage of calls answered increased to 94% from 90%.

The UCC handles more than 90% of parking information, permission, and complaint calls on a daily basis. The UCC has also made progress with other department call types, including the creation of "virtual" call coordination with the city hall operator desk and continuing joint efforts with Parking, the Milwaukee Water Works, the Department of Neighborhood Services, the Department of City Development, and several special programs in the areas of energy efficiency, housing programs, and city grants.

During the 2014 gubernatorial election, UCC handled over 3,100 election related calls with just over 500 deferred to the Election Commission Office. UCC staff will provide similar assistance during the 2016 elections. This enables the Election staff to focus on higher priority work.

RESIZE, RESTRUCTURE, AND REINVEST

Workforce Data Tracking: In 2015, DOA's Office of Small Business Development (OSBD) implemented LCPTracker's Workforce Compliance software to track citywide workforce data across various projects and contracts with Residents Preference Program (RPP) requirements as outlined in Chapter 355 of the Milwaukee Code of Ordinances. This software has improved OSBD's tracking and reporting capabilities. The 2016 proposed budget includes $29,300 for continued use of LCPTracker.

Improving Accessibility: The city is committed to providing services and operating facilities that are accessible to all citizens. In 2016, departments will evaluate their programs and take steps to prevent and remove access barriers and ensure compliance with the Americans with Disabilities Act (ADA). DOA's 2016 proposed budget includes a new ADA Coordinator position and $250,000 for expenses related to ADA compliance projects. The ADA Coordinator will be responsible for planning and managing these projects and completing U.S. Department of Justice mandated reporting.

Safety and Civic Program: This program will improve safety and address citywide problems through effective, targeted public education, and public information efforts. It will address problems such as reducing demand for drugs, raising educational achievement, raising attendance and graduation rates, reducing litter, and other topics that affect Milwaukee's quality of life. The DOA Community Outreach Coordinator, retitled from the Public Information Officer position, will manage this program.

Emergency Communications: The 2016 proposed budget includes a new Emergency Communications Policy Manager position in the Office of the Director. This position will oversee the city's emergency communications

system and will be responsible for ensuring that maintenance and operational needs are adequately met and will develop and implement a long term replacement and upgrade strategy for the city's radio system. The Emergency Communications Policy Manager will work closely with the Police and Fire departments.

Position Changes and Reclassifications: DOA's 2016 proposed budget includes a number of staffing changes to better meet department needs and improve service delivery for citizens. New and reclassified positions in the 2016 proposed budget include:

- Community Outreach Coordinator – Office of the Director (Reclassification)
- ADA Coordinator – Budget and Management Division (New Position)
- Equal Rights Specialist – Office of the Director (New Position)
- CEAC Manager – Office of the Director (New Position)
- Emergency Communications Policy Manager – Office of the Director (New Position)
- Community Analytics Analyst – Budget and Management Division (Reclassification)
- Security and Audit Compliance Analyst – Information and Technology Management Division (Reclassification)

In addition, DOA's 2016 proposed budget includes positions moved to ITMD during the IT consolidation process and eliminates the Community Analytics Coordinator position as a cost savings measure.

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		Public Information Officer	Position reclassified.
1	1.00		Community Outreach Coordinator	
1	1.00		ADA Coordinator	Position to oversee ADA compliance projects and reporting.
1		1.00	Equal Rights Specialist	Staff the Equal Rights Commission.
1	0.60	0.40	CEAC Manager	Coordinate Milwaukee Fatherhood Initiative and other racial inclusion efforts.
1	1.00		Emergency Communications Policy Manager	Position to manage the city's emergency communications practices.
-1	-1.00		Community Analytics Coordinator	Position eliminated.
-1	-1.00		Community Analytics Researcher	Position retitled.
1	1.00		Community Analytics Analyst	
1		1.00	Environmental Sustainability Program Coordinator	Position reclassified.
-1		-1.00	Grant Monitor OES	
	0.50	-0.50	Environmental Sustainability Program Coordinator	Funding changes.
	-0.40	0.40	Environmental Sustainability Program Manager	
1		1.00	Grant Monitor CDGA	Position required by SAMHSA grant.
1	1.00		Document Technician	Position to support Document Services Section.
1	1.00		Security and Audit Compliance Analyst	Cyber security and dedicated resource for audit activities.
-1	-1.00		Applications Development Manager	Position retitled to better reflect current duties.
1	1.00		Systems Integration Manager	
-1	-1.00		Programmer Analyst	Reduced number of Programmer Analysts.
1	1.00		Network Administrator	DNS and Assessor's Office IT consolidation.
1	1.00		IT Support Specialist Senior	
1			Systems Analyst Project Leader	
	0.60	-0.60	Various Positions in ITMD	Miscellaneous adjustments.
8	**5.30**	**1.70**	**Totals**	

ASSESSOR'S OFFICE

EXECUTIVE SUMMARY

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

OBJECTIVES: Ensure and demonstrate consistency and transparency in assessment operations.

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

STRATEGIES: Utilize technology to increase transparency, availability, and accuracy of information.

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

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	47.28	45.39	47.80	47.80	2.41	0.00
FTEs - Other	0.00	0.61	1.20	1.20	0.59	0.00
Total Positions Authorized	56	57	58	57	0	-1
Expenditures						
Salaries and Wages	$2,740,803	$2,677,980	$2,862,478	$2,940,188	$262,208	$77,710
Fringe Benefits	1,214,724	1,205,091	1,373,989	1,411,290	206,199	37,301
Operating Expenditures	369,835	393,500	393,500	383,000	-10,500	-10,500
Equipment	15,100	15,100	10,000	0	-15,100	-10,000
Special Funds	127,703	126,000	156,000	106,000	-20,000	-50,000
Total	$4,468,165	$4,417,671	$4,795,967	$4,840,478	$422,807	$44,511
Revenues						
Charges for Services	$801,959	$700,500	$805,200	$875,200	$174,700	$70,000
Total	$801,959	$700,500	$805,200	$875,200	$174,700	$70,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

Using technology has dramatically increased the availability of property information via the internet, helping both potential buyers and sellers of property and has significantly reduced the number telephone inquiries for the Assessor's Office. Recent technology improvements have focused on providing public information and assistance. These efforts will continue in 2016 as the Assessor's Office continues the process of upgrading its software system. In addition to providing information to the public, the new system will offer increased access to assessment information by other city departments and create efficiencies in the Assessor's Office.

Since 2008, a historic increase in foreclosures has presented serious challenges to accurate and equitable assessments. Each foreclosure requires additional work by the Assessor's Office to determine the property's condition, ownership, and how the foreclosure affects the surrounding properties in its specific neighborhood. Foreclosures impacted over $91 million of the city's property tax base in 2014 and efforts must be taken to ensure valuations are not affected by the disparity in sales prices between foreclosures and traditional arms length sales.

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

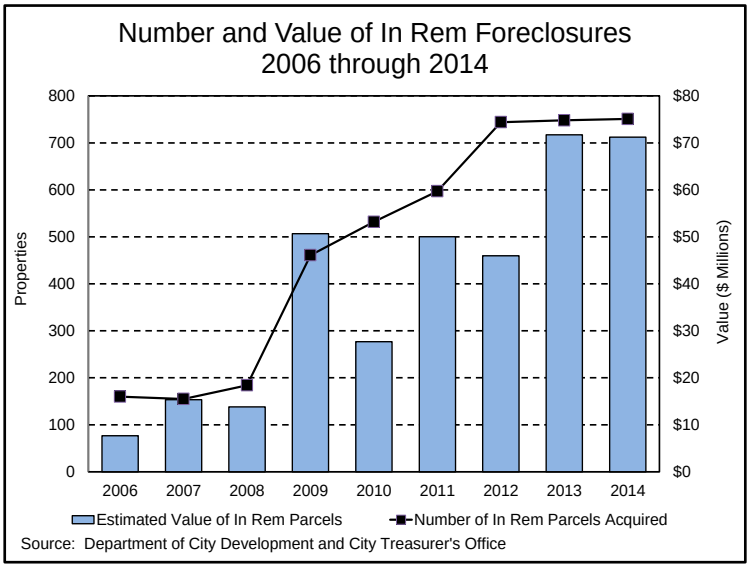
Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Objections to assessments as a percentage of taxable parcels.	1.21%	1.50%	1.50%
Appeals to the Board of Review as a percentage of taxable parcels.	0.69%	0.35%	0.35%
Assessment ratio (assessed value: sale price) for properties sold during the year.	97.3%	98%	98%

STRATEGY IMPLEMENTATION

The Assessor's Office performance in producing fair, accurate, and equitable assessments is measured through several statistics. One key statistic is the assessment ratio, which compares the assessed value of sold homes with their sale prices. The Assessor's Office exceeded its goal of residential assessments being within 10% of sales prices in 2014. *In rem* foreclosures have increased substantially since 2006. The negative impact of foreclosure is illustrated in Figure 1, which shows the number of *in rem* properties acquired by the city along with the average property value for each year. While the number of foreclosures has increased yearly, the negative impact of foreclosures on property values is evident in the total value of these parcels in 2014. Increases in foreclosures and non-arms-length transactions complicate the housing market and the assessment process.

Figure 1



The assessment ratio of 97.3% in 2014 reflects continued assessment accuracy in a complicated housing market. As the real estate market continues to improve, the city will see a decrease in foreclosures along with increased property values.

The Assessor's Office used technology, strong recordkeeping, and other efficiency improvements to increase productivity by 27% between the 2003 and 2015 assessment years (see Figure 2). The assessor increased parcels per FTEs by 6% since 2005 without a demonstrable decrease in accuracy or increase in contested assessments.

The coefficient of dispersion and the Price Related Differential (PRD) test the uniformity of assessments. The coefficient of dispersion measures the tendency of assessments to reflect sales values for the year (see Figure 3). For example, if the target is an assessment level of 100% and the coefficient of dispersion is 10, this means that the average assessment is within 10% of that 100% target. For the 2014 valuation year, the assessor's coefficient of dispersion was 10.7 for the residential and condominium property class.

The PRD measures whether assessments favor one class of homeowners over another. If the PRD is greater than 1, the assessment is regressive (advantageous to those with higher property values); if it is less than 1, the assessment is progressive (advantageous to those with lower property values). The Assessor's Office had a PRD of 1.0 for the 2014 assessment cycle, indicating a high degree of accuracy and fairness in valuing property.

Figure 2

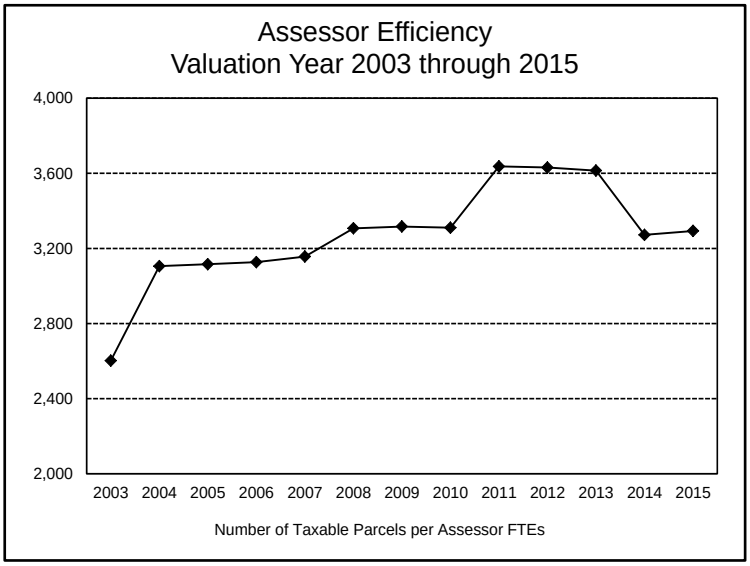
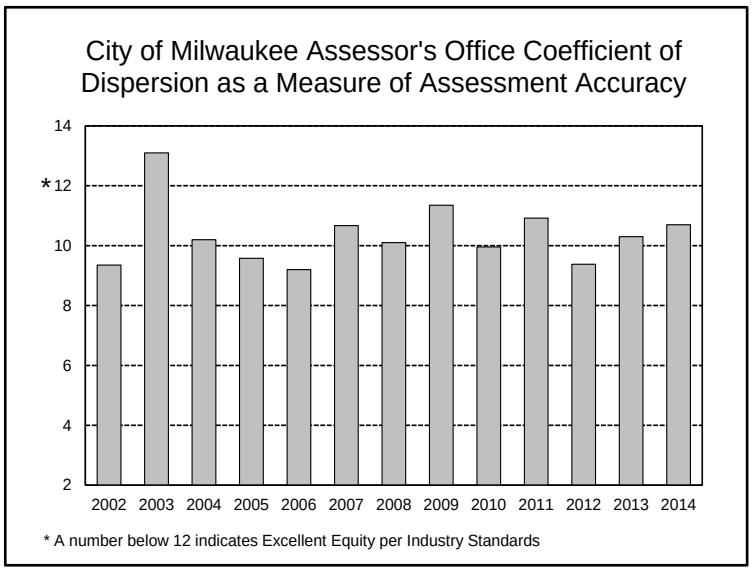


Figure 3

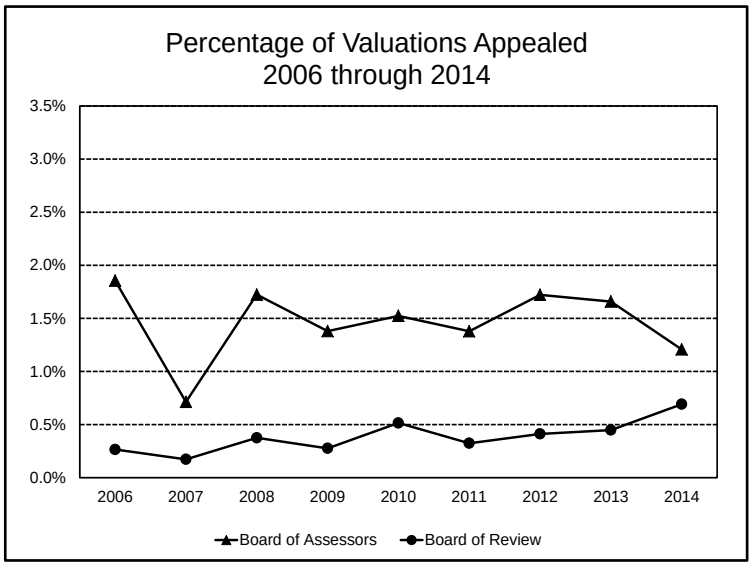


The Board of Assessors and the Board of Review hear assessment appeals, allowing property owners to voice concerns or contest an assessment. The Assessor's Office continues efforts to improve assessment accuracy, provide public information, and educate the public. Increased access to assessment and sales data has reduced appeals significantly since 1988, and objections remain at relatively low levels despite swings in the housing and commercial development market (see Figure 4).

The Assessor's Office is currently engaged in litigation with several property owners over valuation disputes under s. 74.37, Wis. Stats. These valuations have been appealed both through the Board of Review and state courts. While the Assessor's valuations have substantially stood in the cases decided to date, litigation requires considerable resources and labor hours. In 2014, nearly 1,500 hours and 23% of the Assessor's Office operating budget was spent on objections, appeals, and s. 74.37 cases.

The City of Milwaukee had 9,858 tax exempt properties in 2014 with an estimated exempted value of nearly $5.5 billion. To protect the city's tax base, the Assessor's Office critically reviews all tax exemptions on an ongoing basis to ensure that all exempt properties continue to serve the public good and provide the services that justify tax exemption. The Assessor's Office has also worked with some non-profit organizations and colleges and universities to have these organizations provide Payments in Lieu of Taxes (PILOTs) as part of agreements related to new development.

Figure 4



RESIZE, RESTRUCTURE, AND REINVEST

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

In 2013, the department eliminated two service contracts and work performed under those contracts was absorbed by the existing staff. In 2015, the Assessor's Office added a new Assessment Operations Director position to support the formerly contracted services and provide oversight for assessment activities. Additional support will come from the addition of a College Intern in 2016.

The Wisconsin Department of Revenue changed its value equalization process in 2013. The new process puts more responsibility on municipal assessors by moving to an auditing procedure rather than the previous practice of independently determining municipal values across the state for value equalization purposes. This includes implementing a new reporting system for local units of government, which the assessor must accommodate. The Assessor's Office reclassified a position and reallocated workloads within the department to accommodate these mandates.

In 2015, the department upgraded the remaining half of the office's computers, replacing computer workstations that exceed the standard useful life of four years. This upgrade was also necessary to prepare for the Assessor's Office software upgrade. The software upgrade is a multiyear project that is included as part of the city's Capital Improvements Plan. The new system will accommodate tablet and mobile technology for assessment work in the field and reduce data entry time by appraiser staff.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	1.00		College Intern	To provide additional support for workload.
-1			Accounting Assistant II	Eliminate unfunded position.
	-0.59	0.59	Various Positions	Increase salaries reallocated to capital project.
	2.00		Various Positions	Miscellaneous adjustment.
0	**2.41**	**0.59**	**Totals**	

CITY ATTORNEY

EXECUTIVE SUMMARY

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

OBJECTIVES: Protect the city's interests in litigation.

Reduce nuisances that detract from neighborhood quality of life.

Manage risk so that liabilities do not disrupt finances.

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

Continue to implement neighborhood revitalization legal services including continuation of the Community Prosecution program to abate nuisances and coordinate legal services related to housing and neighborhood issues.

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	58.60	58.60	58.60	59.00	0.40	0.40
FTEs - Other	2.00	2.00	2.00	2.00	0.00	0.00
Total Positions Authorized	64	64	64	64	0	0
Expenditures						
Salaries and Wages	$4,889,040	$4,870,030	$5,143,286	$4,996,810	$126,780	$-146,476
Fringe Benefits	2,221,367	2,191,513	2,468,777	2,398,469	206,956	-70,308
Operating Expenditures	506,398	393,900	375,300	405,300	11,400	30,000
Equipment	45,619	90,000	111,500	87,000	-3,000	-24,500
Special Funds	0	0	140,500	60,000	60,000	-80,500
Total	$7,662,424	$7,545,443	$8,239,363	$7,947,579	$402,136	$-291,784
Revenues						
Charges for Services	$877,665	$761,000	$878,100	$878,100	$117,100	$0
Total	$877,665	$761,000	$878,100	$878,100	$117,100	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

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

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

STRATEGY IMPLEMENTATION

The City Attorney's Office improves residents' quality of life by prosecuting ordinance violations and abating nuisance issues. The Neighborhood Revitalization Section of the City Attorney's Office, including its Community Prosecution Unit, collaborates with community agencies and other city departments to address housing and foreclosure related issues, abate nuisance properties, eliminate known drug and gang houses, investigate problem licensed premises, and prosecute prostitution activity. Community prosecution teams include assigned Police Officers, a Department of Neighborhood Services (DNS) inspection representative, and City Attorney staff. Community prosecutors actively assist the Police Department and DNS by focusing on problem properties in specific neighborhoods. The Neighborhood Revitalization Section also provides City Attorney staff to support the Strong Neighborhoods Plan and housing related initiatives of the Common Council and city agencies.

The City Attorney has defended the city's financial interests in important tax cases. In U.S. Bank v. City of Milwaukee, U.S. Bank initially sought approximately $5,700,000 in tax refunds for excessive property tax assessments for tax years 2012 and 2013. On March 31, 2015, the Common Council approved settlement of U.S. Bank v. City of Milwaukee in the amount of $631,220.82. Of these funds, 68% is to be recouped from other taxing jurisdictions.

Additionally, various fast food entities brought challenges to the city's assessments based upon an appraisal method used by the city in establishing assessed property values for 66 parcels located in the city. This particular method of appraisal has been rejected by the courts. On June 2, 2015, the Common Council approved settlement of the fast food litigation in the amount of $3,011,929.64. Again, of these funds, 68% is to be recouped from other taxing jurisdictions. The settlement was a compromise of the claims each party had against the other. This settlement resolved three years of disputed assessments and eliminates considerable uncertainty from the city's fiscal circumstances.

The City Attorney also successfully defended the city in Good Hope Partners et al. v. City of Milwaukee. Good Hope Partners sought over $250,000 in tax refunds for tax years 2012 and 2013. The case went to trial in March 2015, and the court ruled in complete favor of the city.

The city settled litigation alleging wrongful conviction and imprisonment in Ott v. City of Milwaukee for $6.5 million, the largest such settlement in recent years, but estimated to be approximately one-half of potential exposure. In a separate matter, the city was successful in the 7th Circuit U.S. Court of Appeals which decided in August 25, 2015, that the city had qualified immunity in Stinson v. Gauger, another lawsuit alleging wrongful conviction and imprisonment. The court directed that the action against city defendants be dismissed.

Police stop and search cases involving more than 60 plaintiffs have contributed to a 40% increase since 2013 in the numbers of cases in litigation docketed by the City Attorney's Office. Outside counsel was retained in August 2014, at a monthly average cost of more than $120,000, to assist in addressing this increased litigation. In 2015, the Common Council approved and authorized contingent borrowing of $1,175,000 for costs relating to litigation brought against the city involving allegations of constitutional violations from law enforcement activities.

RESIZE, RESTRUCTURE, AND REINVEST

Staff Restructuring: The 2016 proposed budget reflects the replacement of two part time Assistant City Attorney V positions with full time positions. This position change better reflects the department's needs.

In addition, the Department of Employee Relations approved the implementation of a merit pay plan for Assistant City Attorneys. Salary adjustments based on merit shall not exceed 4% of an eligible employee's salary.

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 2016 proposed budget provides $1,225,000 for the Damages and Claims fund for anticipated liability exposure. The Collection Contract fund totals $1,125,000. The Insurance Fund provides $600,000 for policy premiums for the Local Government Insurance Fund, an increase of $170,311 from the 2015 funding level of $429,689. Funding for the Outside Counsel/Expert Witness fund is $850,000. This fund is used to prepare for upcoming lawsuits. Actual expenditures from this fund are determined by ongoing litigation and the related costs of pre-trial discovery, including video depositions, transcription costs, and expert counsel necessary for effective litigation. Given the large number of plaintiffs pursuing legal settlements against the city for alleged illegal searches, actual litigation costs in 2015 and 2016 remain uncertain.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-2	-1.60		Assistant City Attorney V (0.80 FTE)	Reclassified due to an increase in MPS workload.
2	2.00		Assistant City Attorney V	
0	**0.40**	**0.00**	**Totals**	

DEPARTMENT OF CITY DEVELOPMENT

EXECUTIVE SUMMARY

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

OBJECTIVES:

Increase the annual amount of net new construction in the community by half of 1% or more.

Increase total employment and develop quality employment in the city.

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

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

Increase commerce and neighborhood vitality in Milwaukee.

STRATEGIES:

Reduce the impact of residential foreclosures in Milwaukee neighborhoods.

Improve regional marketing of commercial real estate opportunities.

Identify 20 acres each year for spot acquisition or brownfield redevelopment.

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

Support commercial revitalization efforts using grant and loan programs to catalyze small businesses and improve neighborhood commercial corridors.

Continue the Earn & Learn Summer Youth Employment program.

Direct land use planning activities and implement plan recommendations.

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	34.40	36.70	42.65	46.40	9.70	3.75
FTEs - Other	68.60	67.30	60.35	58.10	-9.20	-2.25
Total Positions Authorized	134	135	131	133	-2	2
Expenditures						
Salaries and Wages	$2,351,292	$2,456,728	$2,699,228	$2,888,203	$431,475	$188,975
Fringe Benefits	1,082,867	1,105,528	1,295,629	1,386,337	280,809	90,708
Operating Expenditures	162,582	138,950	138,950	148,950	10,000	10,000
Equipment	0	0	0	0	0	0
Special Funds	145,156	150,000	150,000	250,000	100,000	100,000
Total	$3,741,897	$3,851,206	$4,283,807	$4,673,490	$822,284	$389,683
Revenues						
Charges for Services	$8,993	$8,000	$8,000	$8,000	$0	$0
Licenses and Permits	53,875	50,000	50,000	50,000	0	0
Miscellaneous	16,129	100,000	50,000	50,000	-50,000	0
Total	$78,997	$158,000	$108,000	$108,000	$-50,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

2. Increase investment and economic vitality throughout Milwaukee.
   - Invest strategically in housing and business development through targeted programs.
   - Leverage private and other investment to match city commitments.
   - Utilize Tax Increment Financing as a development tool throughout Milwaukee.
   - Provide commercial streetscape.
   - Engage community stakeholders in land use planning activities.

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

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

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

Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Net new construction (% of Equalized Value).	1.12%	1.12%	1.11%
Sales, transfers, and dispositions of tax foreclosed property.	437	350	450
Percentage increase in value of property for closing Tax Increment Districts.	28%	194%	745%
Projected number of Strong Homes Loans disbursed.	N/A	110	110

STRATEGY IMPLEMENTATION

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

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

Mayor Barrett's Strong Neighborhoods Plan: The City of Milwaukee has undertaken a major citywide effort to reduce the number and mitigate the impacts of tax foreclosed properties. The city's tax enforcement process takes up to three years until a foreclosure is filed, which allows property owners the maximum opportunity to settle delinquent taxes and keep their property. The 2016 proposed budget includes funding to continue the work initiated in the 2014 budget. Mayor Barrett's Strong Neighborhoods Plan will continue as a citywide effort to address all sides of the tax foreclosure issue. Programs are managed in various city departments that collectively address the following goals:

- Preventing foreclosures,
- Mitigating the impacts of foreclosed and blighted property,
- Revitalizing properties and neighborhoods, and
- Renewing abandoned and vacant spaces.

DCD administers programs that focus primarily on revitalization and renewal efforts.

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

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

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

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

Strong Homes Loan Program: First introduced in the 2015 budget, the Strong Homes Loan program included funding to assist homeowners who face one or more of the following challenges:

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

The 2015 Strong Homes Loan funding was fully committed by April 2015, and additional funding was allocated to meet the demand for the program. The 2016 proposed budget allocates $1.5 million to the Strong Homes Loan program.

Challenge Fund: The Challenge Fund provides incentives for developers, non-profits, and other organizations to buy and renovate city owned properties. During 2015, the city initiated two projects on a collaborative basis.

Real Estate Broker Partnership: DCD works with local brokers specializing in foreclosed properties. This successful partnership contributed to the sale of 437 foreclosed properties in 2014. These efforts will continue in 2016.

Accelerated In Rem Filings: In 2016, efforts to maintain the city's tax base will include an accelerated *in rem* filing option. Previously, *in rem* judgments were limited to properties that were three years tax delinquent. Under the accelerated *in rem* option, vacant and abandoned properties will be subject to *in rem* filings after one year of tax delinquency. DCD will work with the City Treasurer, the Department of Neighborhood Services, and the Department of Public Works to maintain, market, and sell vacant properties acquired through this process. The proposed budget includes approximately $468,000 in four city departments for implementation.

The 2016 proposed budget includes $10.9 million for the Strong Neighborhoods Plan. Collaborative efforts in multiple city departments have reduced demolition backlogs. Consequently, additional funding will be allocated to prevention, rehab, and stabilization efforts. The city will continue to work on a concentrated basis to remove blighted properties, maintain city owned properties, and rehab and redevelop blocks and neighborhoods in a unified approach maximizing the benefit to neighbors and neighborhoods.

Small Businesses: The main employers in any community are existing small businesses. In 2016, DCD will continue support for small businesses through grant programs as a complement to the focus on *in rem* properties. This assistance comes from the various funds and programs under DCD's control, including Business Improvement District (BID) loans and other commercial loan programs and grants.

KIVA Zip Milwaukee: The 2015 budget allocated funding to support a micro lending partnership between the City of Milwaukee, Mayor Tom Barrett, the Wisconsin Women's Business Initiative, and Kiva. With similar programs in several major U.S. cities, Kiva helps local groups to support local entrepreneurial efforts by providing a crowd funding platform for individual and private lenders to offer micro loans to local businesses. Kiva borrowers are predominately low income and ethnic minorities. More than 50 loans have been disbursed to local businesses since the program launched in March.

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

Through Tax Incremental Districts (TIDs) and these small business programs, DCD achieved the following in 2014:

- Jobs created: 834
- Jobs retained: 1,626
- New housing constructed: 331 units

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

Earn & Learn Program: DCD administers the Earn & Learn program. Earn & Learn assists young people in making a successful transition to adulthood by providing opportunities to develop work readiness skills while they earn wages working in government, community and faith based organizations, and private sector businesses. In 2014, DCD and the Milwaukee Area Workforce Investment Board (MAWIB) placed 3,099 youth in city, private sector, and non-profit internships.

RESIZE, RESTRUCTURE, AND REINVEST

In the wake of the prolonged recession, economic development on all levels is increasingly vital to the city's mission. The 2016 proposed budget better aligns resources to meet challenges and generate the most value possible for Milwaukee residents and businesses.

The 2016 proposed budget includes two new positions to support the anticipated increase in work load resulting from accelerated *in rem* filings. The Real Estate Coordinator will assist with field inspections, field calls from brokers and buyers, and review offers. The Administrative Assistant II will support current staff with data entry, file management, and other duties in DCD's Real Estate and Development division.

Funding the revitalization of tax foreclosures by actual tax increments is possible under a provision in state law allowing TID increments to be used for affordable housing. Excess revenues from TIDs, approximately $226,000 in 2016, will offset some of the additional tax levy cost. This reduces the direct burden on the tax levy and aligns a significant amount of short term resources with a focused effort to reduce tax foreclosures and return city owned properties to the tax base.

In 2016, one position from the Redevelopment Authority of the City of Milwaukee will move to the city's budget, reflecting changes in the workload duties of these positions.

CAPITAL PROJECTS

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

Neighborhood Commercial District Street Improvement Fund: This funding provides a match to BID loans to improve the streetscapes and the required city match for approved CMAO projects. While no new funding is proposed in 2016, efforts will continue with the use of nearly $1.1 million in funding from prior years.

Tax Increment Districts: The 2016 proposed budget provides the following TID borrowing authority:

- **New Borrowing for Potential New TIDs ($49 million):** This portion provides funding authority for potential new TIDs. TIDs must be approved through the Joint Review Board, Mayor, and Common Council.
- **Developer Revenues ($3 million):** Provides budget authority to pay the increment on current developer financed TIDs. There are offsetting revenues for these payments.
- **Capitalized Interest ($4.9 million):** Provides budget authority to pay for interest costs associated with TID borrowing for the first two years of debt service payments.

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

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

***In Rem* Property Maintenance ($1,330,000):** This funding supports code compliance, rehabilitation, and other work on tax foreclosed properties owned by the city in order to make them livable and marketable. The 2016 proposed budget includes $300,000 for rehabilitation and repair of properties in the city's Rent-to-Own program and $1,030,000 to fund rehab loans for buyers of city owned properties as well as innovative rehab purchase programs with community partners.

Rental Housing Rehabilitation Program: Additional funding was provided in the 2015 budget to support a new Rental Housing Rehabilitation program. The Rental Housing Rehabilitation program supports efforts to address foreclosure by providing affordable rental units from the city's property inventory. A Request for Proposals is currently in process to select an organization to develop and implement the program.

Commercial *In Rem* Program ($250,000): Since 2010, the City of Milwaukee has acquired more than 140 commercial properties through *in rem* foreclosure. The Commercial *In Rem* program provides funding to market these properties for sale as well as incentives for buyers to make necessary renovations.

Commercial Investment Program ($500,000): Formerly known as the Façade program, this program helps keep neighborhood commercial corridors viable. This funding supports façade improvement and white box grants to businesses throughout the city. City funding is leveraged 3:1 through contributions from property owners and BIDs to fund commercial corridor improvements.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Real Estate Analyst	Position reclassified.
1	1.00		Real Estate Coordinator II	
1	1.00		Program Assistant II	Position added in 2015.
	1.00		Associate Planner	Position previously unfunded.
1		1.00	Lead Accountant (RACM)	Position transferred from RACM.
1		0.75	Real Estate Coordinator	Positions added to support increased work load from accelerated *in rem* filings.
1		0.75	Administrative Assistant	
	1.00	-1.00	Purchasing Agent Senior	Changes in funding.
	0.50	-0.50	Accountant I	
	1.00	-1.00	Property Manager	
	1.00	-1.00	Real Estate Coordinator II	
	0.50	-0.50	Real Estate Specialist	
	0.50	-0.50	Real Estate Specialist	
1		1.00	Office Assistant IV	Position added to HACM.
-7		-7.00	Various Positions (HACM)	Vacant positions eliminated.
	3.20	-1.20	Various Positions	Miscellaneous adjustments.
-2	**9.70**	**-9.20**	**Totals**	

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

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

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

HACM activities include:

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

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE

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

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

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

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

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

MILWAUKEE ECONOMIC DEVELOPMENT CORPORATION

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

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

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

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

NEIGHBORHOOD IMPROVEMENT DEVELOPMENT CORPORATION

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

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

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

COMMON COUNCIL CITY CLERK

EXECUTIVE SUMMARY

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

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

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

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

Streamline licensing operations and improve customer service with the use of internet transactions.

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	91.63	94.00	94.00	94.00	0.00	0.00
FTEs - Other	1.00	1.00	1.00	1.00	0.00	0.00
Total Positions Authorized	112	115	115	115	0	0
Expenditures						
Salaries and Wages	$5,057,936	$5,257,117	$5,354,160	$5,347,700	$90,583	$-6,460
Fringe Benefits	2,269,515	2,394,676	2,569,997	2,566,896	172,220	-3,101
Operating Expenditures	811,451	909,125	850,925	850,925	-58,200	0
Equipment	33,286	31,100	40,100	40,100	9,000	0
Special Funds	25,249	52,035	57,035	57,035	5,000	0
Total	$8,197,437	$8,644,053	$8,872,217	$8,862,656	$218,603	$-9,561
Revenues						
Charges for Services	$5,136,608	$4,949,700	$5,050,700	$5,050,700	$101,000	$0
Licenses and Permits	4,953,171	4,645,000	4,630,000	5,348,700	703,700	718,700
Total	$10,089,779	$9,594,700	$9,680,700	$10,399,400	$804,700	$718,700

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

The City Clerk's Office performs city government and licensing functions with efficiency and fairness. In addition, the department maintains accurate and up-to-date records of city government actions and ordinances and keeps

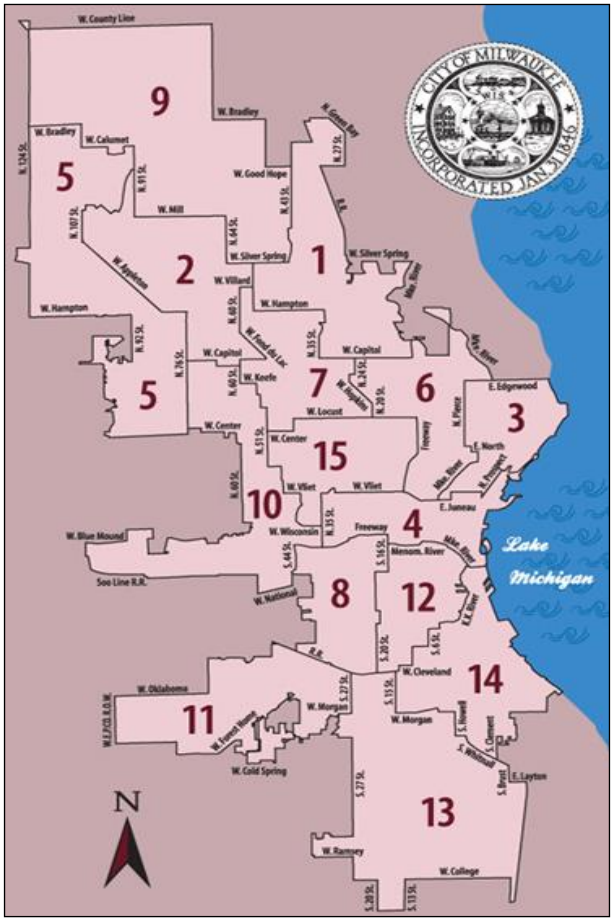
constituents informed of the actions of their council representatives. The City Clerk's Office also administers and assists in investigating many of the city's various license applications and collects license revenues.

The Common Council is the legislative branch of city government with 15 members representing geographically distinct districts (see Map 1). The Council will begin a new four year term after the 2016 Spring election. The City Clerk's Office supports the council and other general operations of city government through four areas:

- Central Administration Division
- Public Information Division
- Legislative Reference Bureau
- License Division

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

Map 1 City of Milwaukee Aldermanic Districts



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

RESIZE, RESTRUCTURE, AND REINVEST

The Common Council City Clerk's 2016 proposed operating budget totals $8.9 million, an overall 3% increase from the 2015 budget. Changes from the 2015 budget include salary increases implemented in 2015 to off-set newly mandated employee pension contributions, a decrease in operating costs due to restrictions on aldermanic mailings during an election year, and an increase in equipment costs which includes components for the operation of the City Channel.

City Channel Digital Conversion: The 2016 proposed capital budget includes $225,000 for the third and final phase of the City Channel Digital Conversion Project to upgrade the Master Control Area for the city's public broadcasting platform to a digital format. The current analog system is outdated and could soon become incompatible with the systems used by the entities that carry the city's programming. Replacement of outdated analog equipment will become prohibitively expensive and difficult to procure over the next few years as manufacturers stop making replacement parts. Work on this project will take place in August while the council is on recess in order to minimize impact on service delivery.

Network Company Vehicles: In May 2015, Wisconsin Act 16, which prohibits local units of government from regulating transit network companies, vehicles, and drivers, was signed into law. As a result of this legislation, licenses for the operation of network vehicles or drivers will no longer be accepted, processed, or issued by the City of Milwaukee. Regulations related to metered fare taxicab and other public passenger vehicles and their drivers remain unchanged. An Enforcement Coordinator position is eliminated as a result of this change.

Translation Services Special Fund: The 2016 proposed budget includes $15,000, an increase of $5,000, for the Translation Services special fund in the City Clerk's Office. The special fund was created in the 2015 budget to provide professional translation services for aldermanic communications intended for city residents for which English is a second language.

Licensing Process Improvements: In 2015, the city's Local Business Action Team (LBAT) provided the License Division with recommendations to facilitate a more business friendly approach to the city's licensing process. These recommendations included simplifying forms, increasing process automation, eliminating outdated licenses, removing language barriers, and taking steps to ensure that the public understands the licensing process. The 2016 proposed budget includes an additional License Coordinator to manage the implementation of the LBAT's recommendations. The responsibilities of the License Coordinator will include:

- Bi-lingual educational outreach related to the licensing process.
- Assisting in the development of a license training program for businesses.
- Working with businesses and city departments to resolve license discrepancies.
- Tracking suggestions and impact of procedural changes.
- Relaying and developing suggestions for further License Division process improvements.

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		Senior Planner	Positions reclassified to better reflect duties.
-1	-1.00		Associate Planner	
-1	-1.00		Graphic Designer II	
1	1.00		Graphic Designer Lead	
-1	-1.00		Enforcement Coordinator	Position eliminated.
1	1.00		License Coordinator	Support License Division improvements.
0	**0.00**	**0.00**	**Totals**	

COMPTROLLER

EXECUTIVE SUMMARY

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

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

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

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

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	48.03	48.34	50.40	50.40	2.06	0.00
FTEs - Other	5.78	9.66	7.60	7.60	-2.06	0.00
Total Positions Authorized	67	65	65	65	0	0
Expenditures						
Salaries and Wages	$3,219,728	$3,182,677	$3,269,595	$3,269,595	$86,918	$0
Fringe Benefits	1,425,429	1,432,205	1,569,406	1,569,406	137,201	0
Operating Expenditures	275,880	341,000	341,000	341,000	0	0
Equipment	14,420	10,000	25,000	10,000	0	-15,000
Special Funds	0	0	0	0	0	0
Total	$4,935,457	$4,965,882	$5,205,001	$5,190,001	$224,119	$-15,000
Revenues						
Charges for Services	$720,725	$480,000	$580,000	$580,000	$100,000	$0
Total	$720,725	$480,000	$580,000	$580,000	$100,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

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

The Comptroller advises city policymakers on financial matters and provides leadership and advice to city sponsored committees including the Common Council's Finance and Personnel Committee. The Comptroller also holds positions on the Wisconsin Center District Board, Charter School Review Committee, Pension Board, Pabst Theater Board, City Information Management Committee, Milwaukee Economic Development Corporation,

Neighborhood Improvement Development Corporation, Summerfest, Purchasing Appeals Board, and the Deferred Compensation Board.

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

Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Percentage of actual revenues to revenue estimate.	101.9%	100% - 102%	100% - 102%
Internal audit work products.	14	14	14
Unqualified audit opinion by the city's independent auditor.	Yes	Yes	Yes
Bond rating (Standard & Poor's).	AA	AA	AA
Bond rating (Moody's).	Aa2	Aa2	Aa3

STRATEGY IMPLEMENTATION

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

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

Variances in TSF withdrawals are strongly affected by revenues that exceed estimates. The higher that actual revenue amounts exceed the Comptroller's estimates, the larger the TSF balance that is available to withdraw. In 2014, general fund revenues exceeded the Comptroller's estimate by $8.8 million or 1.9%. This additional revenue contributes to the TSF balance for 2016 budget purposes.

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

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

- Financial audits to determine if financial records are accurate and proper controls are in place.
- Compliance audits to determine if departments comply with funding or regulatory guidelines.
- Program audits to determine if a program is operated in the most efficient and effective manner.

- Information technology audits to ensure that controls and security measures are in place to protect the city's technology networks and systems.

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

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

The Comptroller also manages the city's debt. The Comptroller's goal is to retain the city's high "investment grade" bond ratings and maintain low borrowing costs. Low borrowing costs produce direct benefits to the taxpayer. The city continues to maintain high quality investment grade ratings of Aa3 from Moody's and AA from Standard & Poor's. Moody's assigned a rating downgrade of one level during 2014, primarily due to concerns regarding the impacts of state aid decreases and levy limits on city finances.

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

OTHER SERVICE AND BUDGET CHANGES

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

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&MFTEs	Position Title	Reason
-1	-1.00		Revenue and Financial Services Assistant	Eliminated Revenue and Financial Services Assistant to fund Executive Administrative Assistant II.
	1.00		Executive Administrative Assistant II	
1			Functional Applications Analyst Senior	Auxiliary position.
	2.06	-2.06	Various Positions	Shift of funding from grant to O&M.
0	**2.06**	**-2.06**	**Totals**	

ELECTION COMMISSION

EXECUTIVE SUMMARY

MISSION: Ensure elections uphold the laws of the State of Wisconsin and are administered with the highest level of professional standards, accountability, security and integrity, encourage voter participation and earn public confidence in the electoral process.

OBJECTIVES: Conduct fair, accessible, accurate, and transparent elections.

STRATEGIES: Administer scheduled and unscheduled elections throughout 2016.

Provide administrative oversight of the candidate filing and campaign finance reporting requirements for locally elected offices.

Ensure compliance with Wisconsin state law, with attention to Wisconsin's new photo ID law and any other enacted changes.

Advocate for changes to election laws that encourage voter participation and alleviate the disenfranchisement of any voters.

Eliminate barriers to voting, including physical and language barriers, at voting sites.

Ensure a staffing of trained and competent election workers at all voting sites.

Collaborate with community partners to promote a public understanding of and participation in the electoral process.

Publish timely and accurate election results.

Maintain the highest level of public transparency for all election processes.

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	38.64	17.86	76.87	76.87	59.01	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	2,389	823	2,473	2,473	1,650	0
Expenditures						
Salaries and Wages	$1,415,029	$887,672	$2,016,104	$1,984,829	$1,097,157	$-31,275
Fringe Benefits	427,045	174,006	214,665	214,665	40,659	0
Operating Expenditures	602,573	332,000	679,225	679,225	347,225	0
Equipment	0	0	0		0	0
Total	$2,444,647	$1,393,678	$2,909,994	$2,878,719	$1,485,041	$-31,275

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

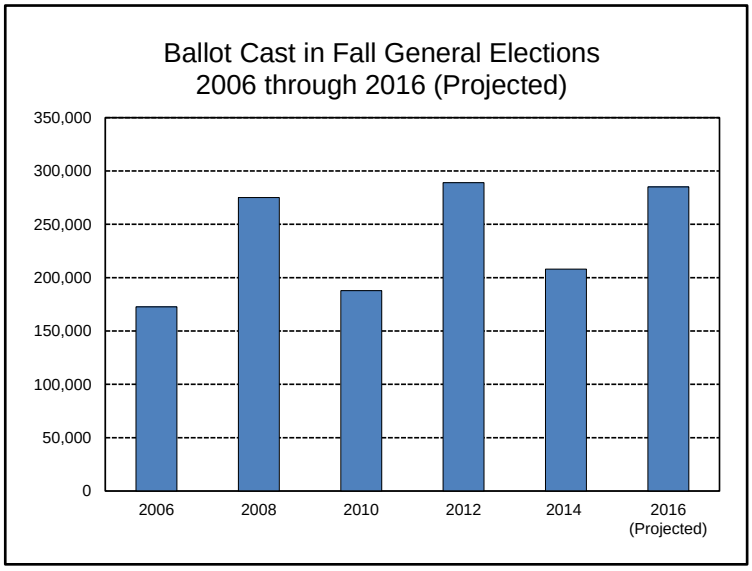
1. Conduct fair, accessible, accurate, and transparent elections.
   - Support registration of all eligible City of Milwaukee voters by disseminating accurate and productive information on the voter registration process.
   - Maintain an accurate database of registered voters by promptly removing deceased or otherwise ineligible voters, while reducing errors to the accuracy of records for eligible voters.
   - Reduce the number of same day registrations by training and engaging Special Registration Deputies to register voters during open registration and prior to Election Day.
   - Promptly respond to requests for absentee ballots and efficiently administer in-person "early" absentee voting.
   - Provide ADA accessible, neighborhood based voting sites.
   - Maintain a staff of trained election workers, including bilingual election workers trained to ease language barriers at voting sites.
   - Effectively address voter's observations and concerns.
   - Initiate voting equipment that is properly and accurately programmed, reliable, and user friendly to voters.
   - Process timely and accurate election results to the public.

The Election Commission manages all aspects of public elections in the City of Milwaukee. The commission maintains a voter registration database of approximately 310,000 registered voters and operates approximately 193 polling locations which are staffed by approximately 1,200 to 2,500 (depending on anticipated voter turnout) election workers. The commission also provides the necessary documents, supplies, and ballots to each voting site on election days and oversees all aspects of absentee voting, including in-person absentee, absentee by mail, military, and overseas absentee voters. The commission administers the statutory obligations for elected officials and potential candidates for municipal offices including the nomination process and campaign finance reporting. The commission frequently collaborates with non-partisan voting rights groups to encourage voter education and participation, including operating a comprehensive website with voter eligibility requirements, registration, and absentee voting instructions and an interactive feature to determine a resident's polling place and elected representatives.

Four elections are scheduled in 2016:

- Spring Primary
- Spring Election/Presidential Primary
- Fall Primary
- Fall General/Presidential Election

Figure 1



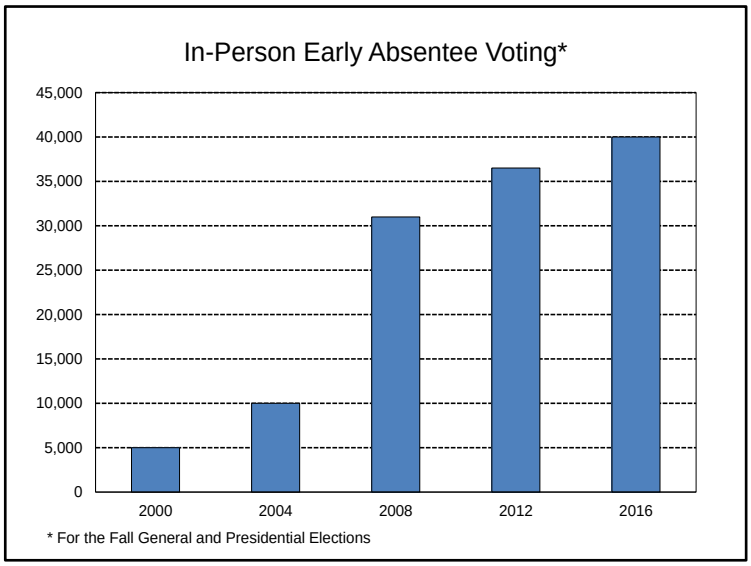
Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Enter 100% of voter registrations in a prompt and timely manner.	100%	100%	100%
Minimize the number of disenfranchised and provisional ballot voters by providing a public education campaign on voter registration and photo ID requirements.	N/A	N/A	<200
Mail all absentee ballot requests within 72 hours of receipt.	85%	100%	100%
Maintain an average wait time at voting sites of less than 15 minutes.	20 minutes	15 minutes	15 minutes
Elections programming occurs with 100% accuracy.	100%	100%	100%
Election results are published within 60 minutes of the closing of polls and reviewed with 100% accuracy prior to the state's official canvass.	100%	100%	100%

STRATEGY IMPLEMENTATION

The Election Commission recruits and retains an outstanding pool of poll workers to assist with elections. In 2016, the commission will add one additional staff position to continue the process of evaluating and retooling election worker training, assignment, and staffing to ensure sufficient staff and voting site efficiencies at every site for each election. Milwaukee's 193 polling locations require sufficient staffing on Election Day in order to check-in registered voters, conduct Election Day registration, monitor activity at the voting machines, and fulfill other duties. Chief Inspectors manage polling site activities and ensure compliance with election law.

Figure 2

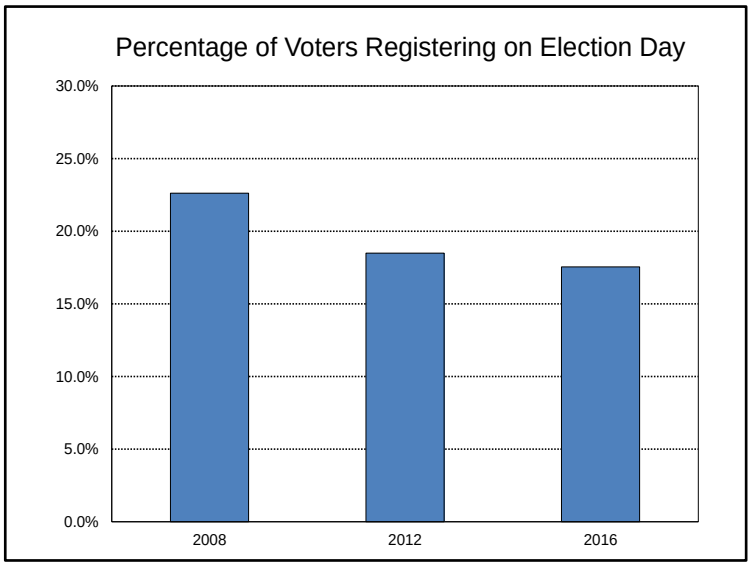


The City of Milwaukee is subject to Section 203 Bilingual Election Worker and Materials requirement of the Voting Rights Act. These requirements were met with success in 2014. The commission is increasing recruitment and retention efforts for bilingual election workers.

The Election Commission is evaluating voter registration efforts, including the Special Registration Deputy Program and institutionalizing voter registration for students turning 18 in Milwaukee Public Schools.

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

Figure 3



RESIZE, RESTRUCTURE, AND REINVEST

In recent years, numerous changes have been made to the Wisconsin State Statutes that govern election administration and will affect the 2016 election cycle. These changes include an introduction of a photo ID requirement, reductions to in-person absentee ("early") voting, and additional proof of residence requirements during open registration. The commission will integrate these changes into the election worker training curriculum so that election workers are prepared to effectively and efficiently operate voting sites on Election Day.

In 2016, the Election Commission will finalize an initiative with Milwaukee County to improve voting equipment and coding on a countywide basis. Milwaukee County currently contracts with a private vendor for programming. The Election Commission can provide this service at a significantly lower cost benefitting taxpayers and voters throughout Milwaukee County.

The 2016 proposed budget reflects the addition of a Program Assistant to enable compliance with new voting rights acting provisions regarding bilingual election workers.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	1.00		Program Assistant I	To comply with Section 203 mandates and assist with the increase in workload.
1,649	58.01		Various Positions	Increased staffing for a high turnout election year, including a Presidential election.
1,650	**59.01**	**0.00**	**Totals**	

DEPARTMENT OF EMPLOYEE RELATIONS

EXECUTIVE SUMMARY

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

OBJECTIVES: Establish and administer organizational frameworks to effectively recruit, select, classify, compensate, develop, and reward employees in compliance with applicable employment laws and regulations.

Develop and implement recruitment and examination practices that produce a qualified and diverse candidate pool to fill departmental vacancies.

Control the growth rate in health care costs while maintaining employee accountability and responsibility for care.

Ensure safe and productive workplaces and control associated expenditures.

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

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

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

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	49.67	49.68	50.23	49.43	-0.25	-0.80
FTEs - Other	5.71	5.66	5.60	5.60	-0.06	0.00
Total Positions Authorized	80	80	81	81	1	0
Expenditures						
Salaries and Wages	$2,869,979	$2,887,554	$3,093,569	$3,063,519	$175,965	$-30,050
Fringe Benefits	1,348,890	1,299,399	1,484,914	1,470,489	171,090	-14,425
Operating Expenditures	448,988	387,000	386,990	386,990	-10	0
Equipment	6,737	2,000	2,000	2,000	0	0
Special Funds	74,227	82,000	82,000	82,000	0	0
Total	$4,748,821	$4,657,953	$5,049,473	$5,004,998	$347,045	$-44,475
Revenues						
Charges for Services	$163,034	$163,000	$167,000	$167,000	$4,000	$0
Miscellaneous	1,874,752	346,000	408,700	408,700	62,700	0
Total	$2,037,786	$509,000	$575,700	$575,700	$66,700	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Develop and deliver innovative human resource policies, programs, and services that support the city's mission by recruiting, developing, and retaining a high performing and diverse work force while delivering quality customer service.
   - Establish and administer organizational frameworks to effectively recruit, select, classify, compensate, develop, and reward employees in compliance with applicable employment laws and regulations.
   - Develop and implement recruitment and examination practices that produce a qualified and diverse candidate pool to fill departmental vacancies.
   - Establish programs and services to maintain and improve employee health and well being while minimizing growth in health care costs.
   - Establish and monitor risk management and safety programs to ensure safe and productive workplaces and control costs.

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

- Employee and Labor Relations;
- Compensation and Employee Benefits;
- Recruitment and Selection; and
- Worker's Compensation and Safety.

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

Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Turnaround time between notification of position vacancy and establishment of eligible list.	140 days	90 days	120 days
Percentage of candidates referred who are minorities.	64%	48%	65%
Percentage of candidates referred who are women.	44%	55%	55%
Health care cost per contract.	$11,142	$11,000	$11,500

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 2014, DER processed 5,867 applications, conducted 126 exam sessions, and referred 2,333 individuals for interviews.

In the fall of 2014, DER implemented a new web based Recruiting and Applicant Tracking Management System (JobAps) that automated and streamlined the full hiring cycle, including online requisition and referrals, online job postings, applicant tracking, examination planning and scoring, e-mail and paper notices, and state of the art

reporting. The JobAps system enhances the Staffing Division's ability to work more effectively with departments to fill vacancies by:

- Automating the requisition, certification, and referral processes.
- Increasing and expediting departmental access to information and credentials of referred candidates.
- Anticipating vacancies and working with departments to prepare recruitment and job analyses information in advance of vacancies.

In March of 2015, the Staffing Division worked with a number of city departments to host a Career Fair in the city hall rotunda. The goal of the fair was to increase the community's awareness of the wide variety of career and employment opportunities in the city and allow the departments to showcase their programs and services to potential candidates. Similar events and a more aggressive social media recruitment strategy are planned for 2016 to support DER's overall goals.

Compensation and Pay Practices: Since 2012**,** DER has worked with departments and employee groups to develop and implement career ladders that rely on skill and competency based systems to allow pay progression. These career ladders have replaced former pay progression policies that were based on "time in grade" considerations. They are designed to recognize and reward employees for the acquisition and application of skills and job related credentials and meeting performance standards. To date, career ladders have been implemented for Property Appraisers in the Assessor's Office, License Specialists in the City Clerk's Office, Auto Technicians in DPW Operations, Environmental Specialists in the Health Department, and Enforcement/Construction Inspectors in the Department of Neighborhood Services. Proposals currently underway include positions in DPW's Forestry Division, Technicians, Engineers, and Architects in DPW's Infrastructure Division, Public Health Nurses in the Health Department, Librarians in the Milwaukee Public Library, and Water Treatment Operators and Scientists in the Water Department.

Considering the city's limited financial resources, DER has and will continue to work with the Budget and Management Division to ensure that career ladders are implemented when departments are able to:

- Quantify, measure, and link workforce improvements to specific operational improvements;
- Identify increases in service capacity, reduction in FTE's or contract expenditures; and
- Demonstrate a backlog reduction, improved repair/response turnaround times.

Throughout 2015, DER identified and recommended other pay progression models for positions that are not suitable for a career ladder. Pay progression is a critical element supporting the city's ability to attract, retain, and motivate our workforce. Freezes in pay progression practices since 2010 for general city employees who are not part of a career ladder have resulted in significant pay inequities among employees performing similar work, rates of pay that are not aligned with competitive labor market pay practices, and overall morale problems.

In order to address these challenges and ensure the city's ability to hire qualified and talented personnel, the 2016 Salary Ordinance will include, subject to funding availability, a number of recommendations for pay progression practices for general city employees who are not part of a career ladder. Such recommendations are anticipated to generally include provisions allowing "step increases" for employees in positions classified under:

- Technicians,
- Paraprofessionals,
- Administrative Support,
- Skilled Craft, Service; and
- Maintenance (as long as they are meeting performance standards).

In addition, pay progression provisions allowing salary adjustments for employees holding positions classified as Officials and Administrators and Professionals will be recommended, subject to funding availability. These

provisions are anticipated to include authority for salary adjustments based on performance and merit and to allow flexibility for department heads to address pay inequities, pay compression and labor market considerations, subject to DER's approval.

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

Since program inception, DER has assigned Management Trainees to support new and existing efforts in various city departments. Program placements included:

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

To date, approximately 70% of the original Management Trainees have been hired into regular city positions. In addition, the Management Trainee eligible list has been used multiple times to fill comparable entry level vacancies throughout the city.

Post-Act 10 Assessment and Evaluation: The migration of terms and conditions of employment from collective bargaining agreements to the Milwaukee Code of Ordinances and the creation of employee handbooks and departmental work rules post-Act 10, have resulted in increased reliance by employees and employee representatives on DER staff to clarify, interpret, and enforce certain terms and conditions of employment. DER's Compliance Office has seen an increase in the number of calls and inquiries regarding workplace issues that were formerly handled by labor groups and subject to grievance procedures. In 2016, DER anticipates this trend to continue and internal resources will be deployed to ensure appropriate staffing levels and responses are available. DER anticipates:

- Developing and facilitating management/supervisory training programs aimed at building capacity to address difficult and sensitive employee relations issues.
- Working closely with the City Attorney's Office to identify and address problem areas that generate unnecessary and costly litigation.
- Forming a workgroup of human resources professionals crossing departmental lines to share resources, address problem areas and facilitate training.

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

In 2014, the city implemented an outcomes based phase of the Wellness Initiative called Healthy Rewards to increase employee engagement and participation in health and wellness activities throughout the year. The voluntary Healthy Rewards program provides employees and spouses/partners with an opportunity to earn $250 for reaching certain biometric and activity related goals. To be eligible to participate in the Healthy Rewards program and earn the $250 incentive, members must complete the initial three step health appraisal process.

In January 2015, the city opened a new onsite Workplace Clinic available free of charge to all city employees, their spouses and domestic partners. The clinic was initially open 20 hours per week, but due to overwhelming demand, clinic hours were expanded to 30 hours per week after the first three months. The clinic continues to be staffed by a nurse practitioner and a medical assistant and offers services such as the diagnosis and treatment of minor illness and injuries including sore throats, ear infections, flu or cold symptoms, skin rashes, urinary tract infections, sprains/strains, and various wellness services such as physical exams and health screenings. During the first two quarters of operations, the clinic had 858 patient visits with over 50% of visitors coming from outside the city hall complex. In 2016, DER will analyze the Workplace Clinic and its effect on health care utilization for city employees for things like office and ER visits as well as the clinic's impact on overall health care expenditures.

In order to comply with the Affordable Care Act (ACA), the city and other employers are required to monitor employee eligibility for medical benefits coverage and in 2016 report both to the employees and the IRS regarding coverage. To comply with the new ACA requirements and avoid potentially substantial monetary penalties, DER entered into a contract with Health e(fx) to track health coverage offered to employees in 2015 and report to the federal government beginning in 2016. DER will work with ITMD and Health e(fx) representatives to implement this contract and the associated requirements:

- Eligibility tracking,
- Workforce management,
- Employee notifications,
- On-going compliance, and
- 1094 forms filing and 1095 forms distribution.

The contract with Health e(fx) will help the city meet all ACA reporting requirements accurately and correctly and avoid significant penalties for non-compliance.

Worker's Compensation: In 2016, DER will continue to work with city departments on safety and risk management initiatives. Since its inception, the Risk Management program has contributed to dramatic decreases in claim frequency, incidence rate, and lost workdays. Since 2008, injury claims decreased over 27%, recordable cases decreased by 33%, the incidence rate decreased over 34%, and lost workdays decreased by 62%.

In 2016, initiatives will continue to focus on:

- Increasing accountability for safety at the supervisory level for injury prevention and hazard identification;
- Identifying and addressing policies and operational practices that increase risk and liability;
- Streamlining claim processing and claim adjudication activities as well as increasing case management practices on high cost, complex medical cases.

DER will also move forward with an Early Intervention/Injury Prevention physical therapy program to target preventable injuries related to job hazards and problematic job behaviors or habits that may lead to injuries.

RESIZE, RESTRUCTURE, AND REINVEST

DER is looking at the potential to improve current practices and processes with more effective and efficient systems that are better able to meet the needs of the department and employees. Specific goals and initiatives for 2016 include increased use of social media for targeted recruitment efforts; creation of an attractive branding campaign to promote and raise awareness of municipal careers and employment opportunities, implementation of pay administration practices to address recruitment and retention challenges, streamlining claim processing and adjudication function in the workers compensation area, and assessing the impact of the Workplace Clinic on overall health care costs.

Due to a provision that was added to the 2015 state budget, the city is required to offer a High Deductible Health Plan (HDHP) in 2016. The HDHP will have a benefit design and coverage that is very different from the current UHC Choice and Choice Plus plans. See the *2016 Proposed Plan and Executive Budget Summary Special Purpose Account Health Care Benefits* summary for more information.

The 2016 proposed budget adds a College Intern to work on labor market research and best practice regarding compensation and career ladder developments.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	0.50		College Intern	New position added to Compensation Services Division.
	0.20		Fiscal and Risk Manager	Reflects full funding of full time position.
	0.06	-0.06	EAP Coordinator	Reflects change to reimbursable portion of salary.
	-1.01		Various Positions	Miscellaneous adjustments.
1	**-0.25**	**-0.06**	**Totals**	

FIRE AND POLICE COMMISSION

EXECUTIVE SUMMARY

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

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

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

Improve community relations and enhance public confidence.

Improve the diversity of the Fire and Police departments.

Prevent, respond to, and recover from major disruptive events.

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

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

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

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

Promote diverse public service departments.

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	17.82	12.60	13.60	13.60	1.00	0.00
FTEs - Other	0.80	0.80	0.80	0.80	0.00	0.00
Total Positions Authorized	21	21	22	22	1	0
Expenditures						
Salaries and Wages	$800,937	$781,385	$887,782	$856,536	$75,151	$-31,246
Fringe Benefits	345,805	351,623	426,135	411,137	59,514	-14,998
Operating Expenditures	356,728	284,986	420,000	295,000	10,014	-125,000
Equipment	2,011	2,670	2,670	2,670	0	0
Special Funds	136,026	155,000	243,000	200,000	45,000	-43,000
Total	$1,641,507	$1,575,664	$1,979,587	$1,765,343	$189,679	$-214,244

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Build safe and healthy neighborhoods.
   - Ensure quality and effectiveness of Fire and Police department policies, practices, and outcomes.
   - Ensure that complainants are heard and satisfied with the citizen complaint program.
   - Improve community relations and enhance public confidence.
   - Improve the diversity of the Fire and Police departments.
   - Prevent, respond to, and recover from major disruptive events.

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

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

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

Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Average time to resolve formal complaints.	45 days	45 days	45 days
Average time to resolve disciplinary appeals.	177 days	120 days	120 days
Number of outreach events and community contacts.	132	168	162

STRATEGY IMPLEMENTATION

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

Since 2009, the commission partnered with the University of Wisconsin Milwaukee to conduct an analysis of the Milwaukee Police Department's (MPD) use of force incidents. This analysis is ongoing and serves as a foundation for policy and training improvement. The commission also issues an annual report on the use of force incidents involving firearm discharges and vehicle pursuits. Data from the annual reports is used for analysis of MPD policies, procedures, and training. The commission provides periodic summaries of officer involved shootings and

an evaluation of taser deployment and usage. The commission also provides a scene response, independent investigation, and public report on all officer involved shootings and in-custody death incidents.

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

The citizen complaint process has four goals:

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

Figure 1

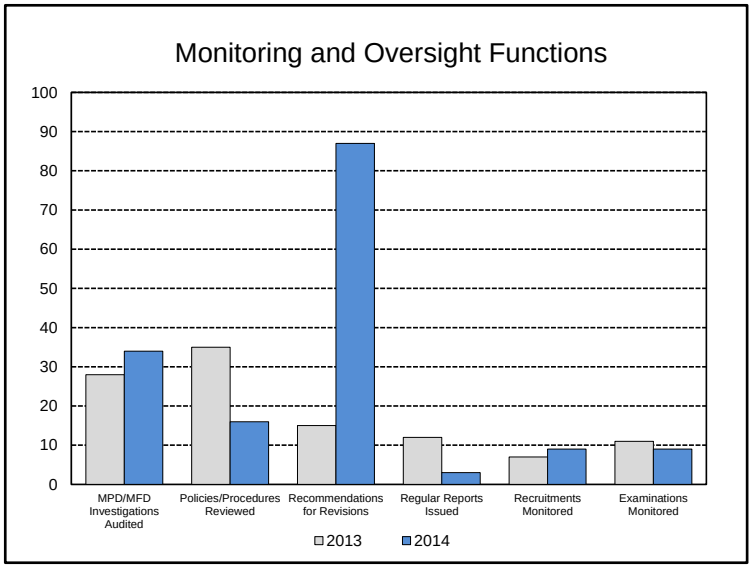
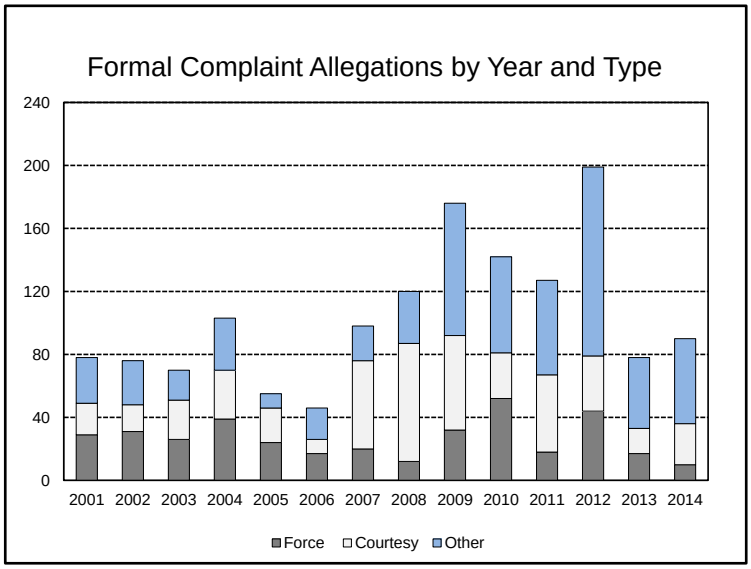


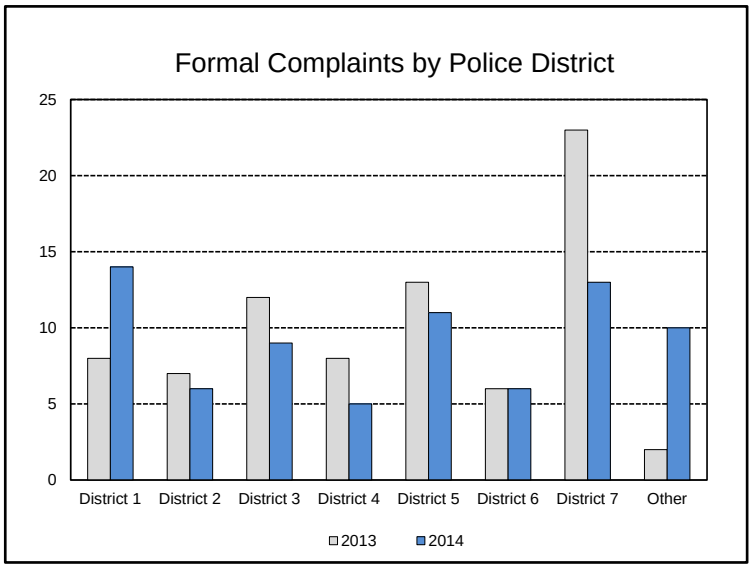
Figure 2



The current complaint process has significantly shortened the time needed to resolve a complaint from an average of 270 days in 2008 to 45 days in 2014. The commission strives to resolve all citizen complaints in 90 days or less. The complaint process 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 efficiently handle the mediation caseload. In 2011, the commission began providing mediation for complaints filed directly with the Police Department in addition to complaints filed with the commission. In March 2015, a new Research Committee was formed and studied the citizen complaint process. Recommendations made from that study will result in revisions to the complaint Fire and Police Commission rules.

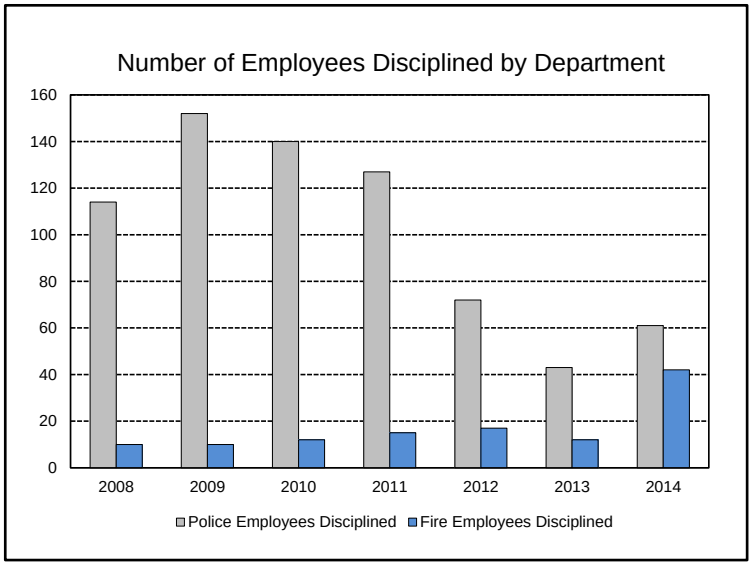
The commission periodically monitors and audits complaint investigations regardless of whether the complaint is filed with the commission or with the Fire and Police departments. The ability to capture trends and patterns and identify critical elements of a particular investigation is an important function of the commission's oversight. Trends are examined from investigations that result in discipline or are ultimately dismissed. The monitoring function uses data collected from the intake investigation screening process to evaluate the quality of investigations and recommend improvements to existing procedures. The commission uses monitoring and disciplinary action as tools to provide a transparent and effective citizen complaint investigation process.

Figure 3



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, which may sustain, modify, or deny the chiefs' action. The commission tracks and monitors disciplinary actions that have been filed and resolved (see Figure 4). With statutory changes and new internal procedures in place to make the appeals process more efficient, the commission has eliminated a longstanding backlog and strives to resolve current appeals within 90 to 120 days.

Figure 4



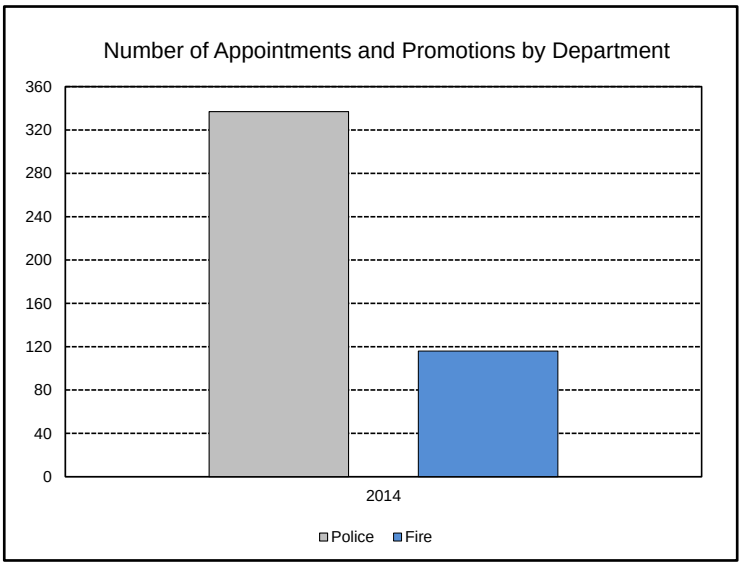
Community Relations: A critical strategy of the commission is to expand community outreach and education efforts. The commission's outreach plan focuses on regular interaction with the public through enhanced communication methods such as periodic meetings held in various community locations. The commission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

The commission leverages a network of advocates and community partners to augment the citizen complaint process by offering additional help and advice to individuals who file complaints. The commission is working to improve response rates on periodic citizen surveys of complainants, and is investigating the use of *pro bono* attorneys to assist complainants at hearings.

Recruitment and Testing: The commission is committed to making the public safety workforce representative of the Milwaukee community. The commission develops and administers a variety of examinations, including written, physical ability and oral tests, background investigations, medical and psychological examinations, and drug screening. Applicants who pass all components are placed on an eligible list and hired according to their total

score. Fire Fighters and Police Officers are hired at intervals for training classes while other entry level positions are filled as vacancies occur (see Figure 5). When either chief position becomes vacant, the commission determines qualifications, solicits applications, and appoints a new chief. Department chiefs are hired for four year terms, renewable at the commission's discretion.

Figure 5



In 2015, the Commission switched to a paperless applicant tracking software. It is expected to reduce operating costs and increase timely notification to applicants. The 2016 proposed budget adds an Examinations Supervisor to oversee the process and reduce expenses for consultants.

Office of Emergency Management and Homeland Security (EMHS): EMHS operations have been supported in the past almost entirely by federal grant funding. EMHS is responsible for coordinating emergency planning, disaster preparedness, and response training for the City of Milwaukee and its partners in the adjoining five county region (Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties) known as the Milwaukee Urban Area Security Initiative (UASI). UASI evaluates the needs of all regional partners and jurisdictions, prioritizes those needs, and accesses available funding for initiatives and projects throughout the region.

EMHS has coordinated damage assessment and successful application for disaster funding in response to flooding and blizzard events, created a City of Milwaukee Emergency Operations Task Force, established a regional Incident Management Team to coordinate response and recovery activities, initiated and coordinated the federally funded creation of a Comprehensive Emergency Management Plan, and secured over $400,000 in Port security grant funding. Federal funding for the UASI program was eliminated in 2013 for 31 U.S. cities, including Milwaukee. The commission received a State of Wisconsin Homeland Security grant to continue EMHS operations through 2016.

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		Examinations Supervisor	New position.
1	**1.00**	**0.00**		

FIRE DEPARTMENT

EXECUTIVE SUMMARY

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

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

Maintain a 95% recovery rate from penetrating trauma.

STRATEGIES: Install 2,500 smoke detectors in residential properties annually.

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

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

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	1,168.45	1,004.49	1,017.07	1,013.07	8.58	-4.00
FTEs - Other	2.15	2.80	2.80	2.80	0.00	0.00
Total Positions Authorized	1,012	993	1,011	1,007	14	-4
Expenditures						
Salaries and Wages	$67,956,438	$66,983,166	$69,552,620	$66,953,278	$-29,888	$-2,599,342
Fringe Benefits	27,862,140	27,463,099	39,644,994	38,163,369	10,700,270	-1,481,625
Operating Expenditures	5,414,796	5,527,941	5,890,673	5,444,573	-83,368	-446,100
Equipment	1,166,880	801,100	788,600	473,600	-327,500	-315,000
Special Funds	277,317	245,000	277,000	277,000	32,000	0
Total	$102,677,571	$101,020,306	$116,153,887	$111,311,820	$10,291,514	$-4,842,067
Revenues						
Charges for Services	$5,857,281	$6,687,000	$6,650,800	$6,688,300	$1,300	$37,500
Total	$5,857,281	$6,687,000	$6,650,800	$6,688,300	$1,300	$37,500

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

The Fire Department serves the residents of Milwaukee and West Milwaukee through 36 firehouses. The department has three organizational divisions:

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

Key Performance Measures

Measure	2014 Actual	2015 Projected	2016 Planned
Limit fire related deaths to less than ten per year.	10	4	0
Maintain a 95% recovery rate from penetrating trauma.	94.9%	95%	95%
Install 1,500 smoke detectors.	2,109	2,500	2,500

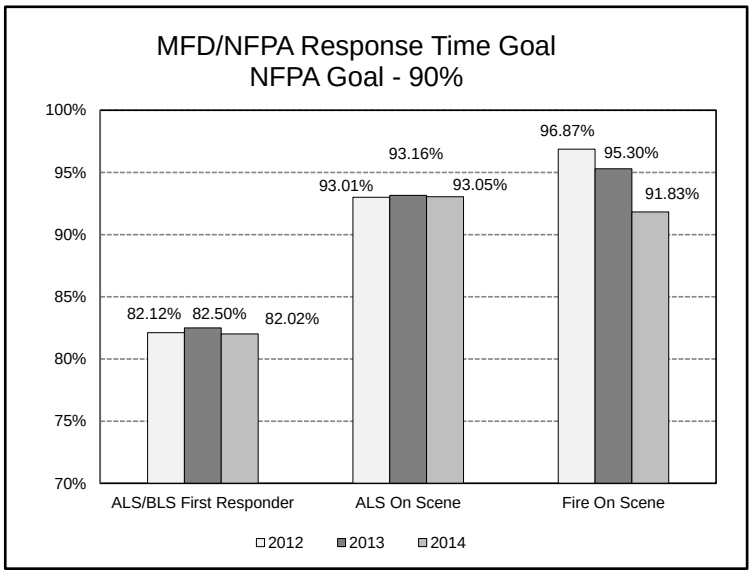
STRATEGY IMPLEMENTATION

The Fire Department contributes to the Mayor's goal of providing safe and healthy neighborhoods through the provision of effective fire prevention and suppression, emergency medical services, and specialized rescue programs. The Fire Department will continue to deploy resources sufficient to achieve fire suppression and emergency medical responses that are superior to national standards.

Response Time: The MFD uses response time and geographical coverage data to locate and operate fire suppression and medical services units. As Figure 1 indicates, the department has impressive rates for the most critical types of fire and EMS calls. These are the calls where quick response is most critical to saving lives. Average response time to fires was 3 minutes 13 seconds in 2014 and is 3 minutes 10 seconds through May of 2015.

Indicators tracked through the AIM program show that the Advanced Life Support responses provided by MFD have a positive impact on survival rates for penetrating trauma incidents.

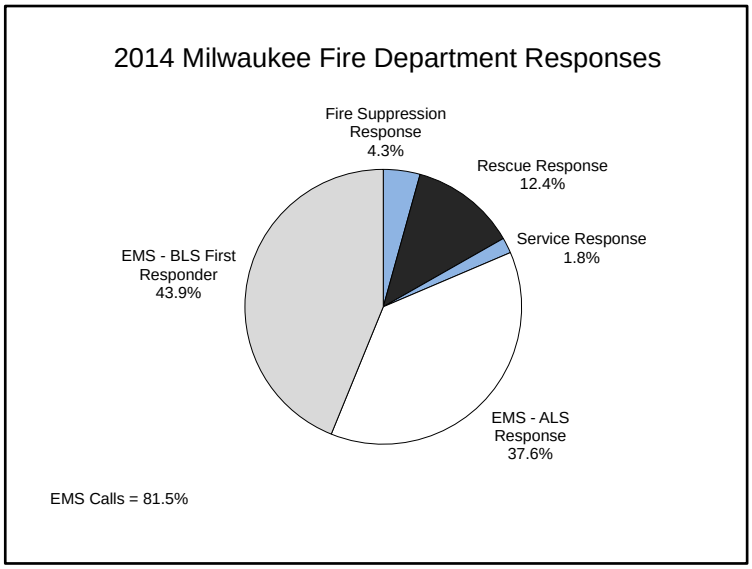
Figure 1



For incidents treated by responders in 2014, stabbing victims had a recovery rate of 98.6% and 91.2% of gunshot victims survived.

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

Figure 2



In 2014, the department made 9,024 fire prevention contacts to residents in one and two family dwellings. Education programs include the Poster to Billboard contest, Sesame Street, Elder Safe, the Survive Alive House, and the Mobile Survive Alive Houses (including festivals at Henry Maier Festival Park) which reached over 2.6 million residents in 2014. These programs teach children and adults how to react when there is a fire in the home, including proper escape procedures and calling 9-1-1.

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

RESIZE, RESTRUCTURE, AND REINVEST

The department is restructuring and reinvesting in the FOCUS program to encompass the entire city through the Community Risk Reduction program. The expanded program will visit each home and business every five years with the following goals:

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

Department restructuring continues with various special duty management controls including improved vacation scheduling, return to work, and safety programs. Since the restricting of its use of special duty in 2010, the Fire Department saves approximately $4 million annually. Although the department has reduced the number of companies operating over the last five years, these savings are in addition to those budget reductions and have not affected service levels.

Additional restructuring efforts are underway to create more inclusive mutual aid agreements with municipalities in Milwaukee County. These agreements will provide better service throughout the community through lower

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

response times. The agreements are also anticipated to achieve savings through the elimination of duplicated services and reduced prices on equipment through joint purchasing agreements. In 2014, the department went on 58 shared service fire calls. Through May 2015, the department has gone on 70 shared service fire calls.

The Fire Department continues reinvesting through the Fire Cadet program. In the 2016 proposed budget, the program increases by 13 Cadets to a total 52 Cadets. The expanded program increases diversity and creates career opportunities for Milwaukee's youth. The proposed budget also adds a Fire Lieutenant to accommodate the increased training workload.

A further reinvestment is in the wellness of the Fire Department staff. The Wellness program includes components such as physicals, physical fitness, mental fitness, injury rehabilitation, movement screening, and healthy eating and living. The Wellness program benefits the members of the department and helps reduce the likelihood of injuries on the job. In 2015, the department will hire an Athletic and Fitness Instructor to further expand the fitness, injury prevention, and injury rehabilitation program.

The Fire Department is restructuring its paramedic program to include a Community Paramedic program. The Community Paramedic program will address a growing need of providing a proactive model of patient care that focuses on achieving the International Health Institute's "Triple Aim" goals of better health, better care, and lower costs.

In 2015, the Fire Department enrolled 22 paramedics into the University of Wisconsin Milwaukee School of Nursing Community Paramedic Mobile Integrated Health (MIH) curriculum. After graduation they will engage in a pilot program that will focus on proactively visiting frequent 9-1-1 callers at scheduled times to assist the patient through the health care system. The overall goal of the Community Paramedic program is to ensure that the 9-1-1 system is utilized appropriately and to provide Milwaukee's citizens with the appropriate care for their health care needs.

The Fire Department is forging relationships with other municipal fire departments, regional health care systems and providers, city, county, and state governments and service agencies with the goal of serving the citizens of Milwaukee and strengthening our neighborhoods.

CAPITAL PROJECTS

The 2016 proposed capital budget supports the major equipment and facilities maintenance needs of the Fire Department. The capital budget includes $1,504,000 for major equipment replacement for EMS apparatus, $725,000 for additional facility upgrades, $550,000 for a new Records Management System, and $400,000 for the Digital Radio System.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
13	7.58		Fire Cadet	Increase the Cadet program from 39 to 52 Cadets.
1	1.00		Fire Lieutenant	Increase Cadet training staff to reflect increased Cadet program.
14	**8.58**	**0.00**	**Totals**	

HEALTH DEPARTMENT

EXECUTIVE SUMMARY

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

OBJECTIVES: Control the spread of communicable disease.

Reduce the number of children with lead poisoning.

Reduce injuries, disabilities, and deaths due to violence.

Prevent the spread of food borne disease.

Reduce the infant mortality rate.

Improve immunization compliance within Milwaukee Public Schools to 90% by 2015.

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

Abate lead paint hazards in contaminated residential housing.

Promote food safety and sanitation.

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	139.30	139.79	140.17	139.18	-0.61	-0.99
FTEs - Other	101.45	100.45	100.45	102.65	2.20	2.20
Total Positions Authorized	252	251	252	252	1	0
Expenditures						
Salaries and Wages	$6,859,364	$7,331,695	$7,694,352	$7,648,911	$317,216	$-45,441
Fringe Benefits	3,098,694	3,299,263	3,693,289	3,671,477	372,214	-21,812
Operating Expenditures	1,559,726	1,847,059	1,972,736	1,887,736	40,677	-85,000
Equipment	4,957	40,000	19,400	5,000	-35,000	-14,400
Special Funds	413,520	343,848	358,848	406,430	62,582	47,582
Total	$11,936,261	$12,861,865	$13,738,625	$13,619,554	$757,689	$-119,071
Revenues						
Charges for Services	$922,568	$873,000	$902,300	$902,300	$29,300	$0
Licenses and Permits	277,031	781,400	264,400	264,400	-517,000	0
Total	$1,199,599	$1,654,400	$1,166,700	$1,166,700	$-487,700	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

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

The department improves public health by implementing educational programs, developing policies, administering services, and conducting research. It promotes health care equity, quality, and accessibility. The department operates from three health centers, the Zeidler Municipal Building, and a satellite office within the new University of Wisconsin Milwaukee Zilber School of Public Health.

Key Performance Measures

Measure	2014 Actual	2015 Projection	2016 Planned
Number of immunizations administered for the city and Milwaukee Public Schools (MPS).	10,905	12,000	10,000
Number of clients seen at STD clinics.	5,918	5,600	5,400
Percentage of all food inspections with one or more critical risk violations.	24%	35%	20%
Percentage of children with high blood lead level.	2.7%	2.7%	2.7%
Infant mortality rate per 1,000 births. [A.]	9.6	9.6	9.6

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

STRATEGY IMPLEMENTATION

Childhood Immunizations: Sustaining high childhood immunization rates in the city along with reducing disparities within racial groups remain primary objectives of the Milwaukee Health Department. Improving immunization rates helps suppress outbreaks of various vaccine preventable diseases, including measles, mumps and pertussis and insures community health during seasonal influenza epidemics. In addition, adolescent vaccinations for pertussis, meningococcal disease, and HPV provide new opportunities for disease prevention, but require improved awareness by parents, schools, and health care providers.

The department collaborates with organizations including the Medical College of Wisconsin to engage neighborhood communities in promoting vaccination in young children and reducing racial disparities. The department also continues outreach efforts in childcare settings to improve primary immunization rates in toddlers and pre-kindergarten age children. The department conducts educational symposiums and events directed toward day cares to include understanding and achieving compliance with Wisconsin Immunization Law in coordination with the Milwaukee County District Attorney's Office. The *Immunize Milwaukee!* coalition formed in 2014 continues to broaden partnerships and advocacy for improving both child and adult immunization rates within the city and surrounding region.

Figure 1

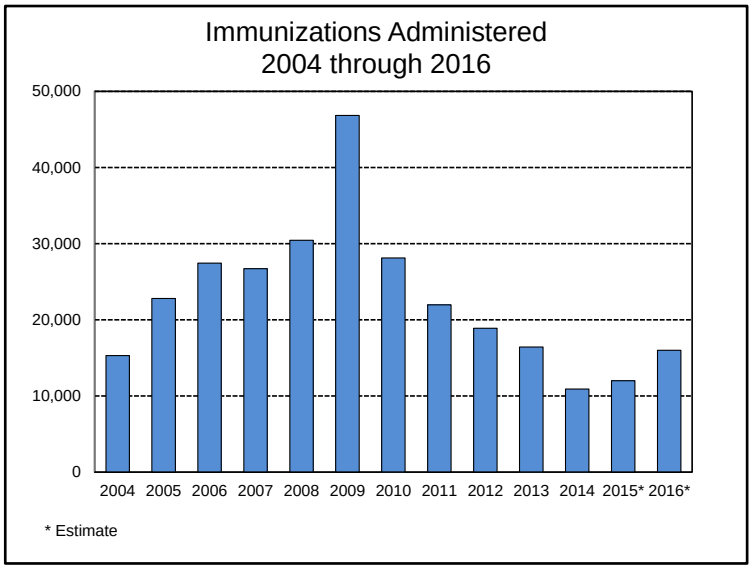
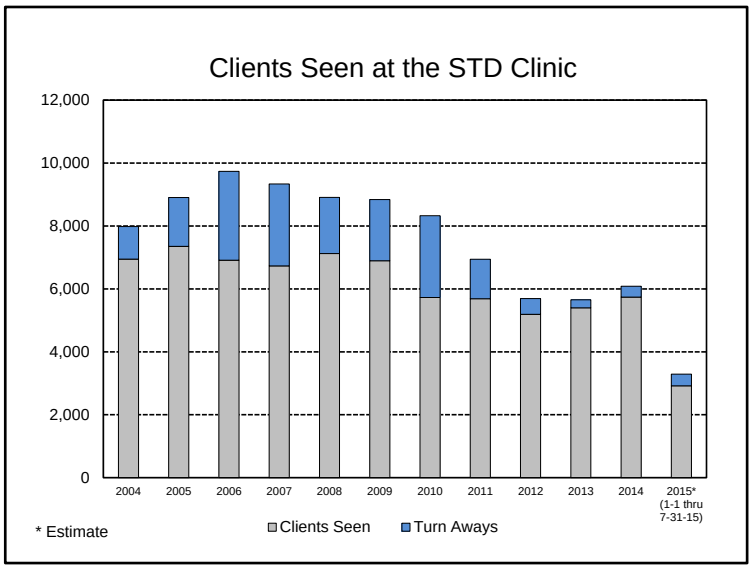


Figure 2



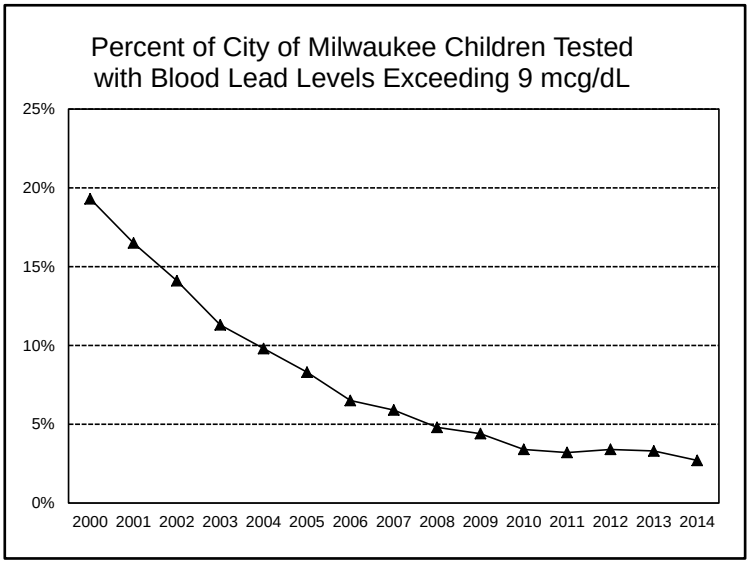
Sexually Transmitted Infections: The City of Milwaukee has high incidence rates for gonorrhea and chlamydia. Milwaukee faces significant challenges in the prevention and control of Sexually Transmitted Infections (STIs). The STI/HIV program located at the Keenan Health Center (KHC) provides client and partner counseling, screening and referral services consistent with federal Center for Disease Control and Prevention guidance. In addition, the KHC offers clinical examination and treatment services for approximately 6,000 clients each year (see Figure 2) who are either uninsured or underinsured and are at high risk for transmission of STIs in the community. The Health Department routinely collaborates with other community organizations and clinics to enhance capacity to screen and test residents at risk for STIs. Educational outreach to youth is conducted through participation in various community events, health fairs, schools, churches, and neighborhood sponsored gatherings.

The department works closely with the State of Wisconsin Division of Public Health (DPH) on targeted initiatives involving high risk groups. During 2015, this included partnership with both the AIDS Resource Center of Wisconsin and Diverse & Resilient Inc. to address an increase in both HIV and syphilis infection in the Men Who Have Sex With Men (MSM) minority population. Social network analysis of disease clusters provided by the DPH allowed for strategic and targeted risk reduction interventions in the MSM community. These efforts will continue in 2016 through continued funding of the Milwaukee AIDS Initiative (MAI) and expanded collaboration with MSM peer oriented organizations.

Field investigation of reported STI and HIV cases are conducted by Communicable Disease Specialists. This model provides active case contact investigations critical to the mitigation of STI transmission. Department staff initiate risk reduction strategies in the field including partner identification, high risk behavior education, referrals to

healthcare for screening and testing and initiation of field delivered antibiotic therapy. The field program is integrated with clinical services to provide a comprehensive approach to STI prevention and control.

Figure 3



Childhood Lead Poisoning Prevention: Environmental research shows linkages between early childhood lead poisoning and delayed learning and behavioral challenges. Recent studies demonstrates an association between blood lead levels in young children and lower school test scores, as well as an increased frequency of classroom disruption and suspensions. Recent studies suggest a correlation between childhood lead poisoning, adolescent juvenile delinquency and a propensity for criminal behavior in later life.

The MHD has been a leader in developing proactive and preventive approaches to childhood lead poisoning, including primary prevention lead abatement subsidies to property owners, citizen training in safe lead hazard reduction practices, and the integration of lead abatement into residential rehabilitation of abandoned and foreclosed properties prior to resale. These efforts along with continued rapid investigation into reported cases of elevated blood lead in young children and enforcement of both state and municipal code have resulted in a sustained reduction of lead poisoning prevalence in children over the past five years. As shown in Figure 3, the percentage of children less than six years of age with elevated blood lead levels declined dramatically between 2000 and 2014 and is attributable to this multifaceted strategy.

In 2016, the department will continue to promote and implement the HUD "Healthy Homes" hazard assessment model within a total of 50 residential premises over the next three years. This represents a comprehensive and cost effective approach to identifying and remediating home health risks including indoor allergens, electrical and chemical hazards as well as lead based paint abatement. The Healthy Homes model incorporates nationally adopted guidance that is multi-hazard based and addresses numerous childhood health risks potentially present in built environments.

Injuries, Disabilities, and Deaths Due to Violence: The department's Office on Violence Prevention (OVP) provides strategic direction and oversight for the city's effort to reduce the risk of violence. Through its staff leadership and partnership with multi-disciplinary teams of agencies and organizations, OVP collaboratively develops, implements, and evaluates effective and sustainable approaches to preventing interpersonal and community violence including sexual assault, domestic violence, human trafficking, and gun violence.

Domestic Violence Safe Exchange and Visitation Center: Family Violence Prevention Fund research reports that after separation from an abusive situation, batterers often use visitation and exchange of children as an opportunity to inflict additional physical and/or psychological abuse on victims and their children. OVP, through its Commission on Domestic Violence and Sexual Assault, is the lead partner in a $400,000 U.S. Department of Justice grant to establish a "Safe Exchange" visitation site for families affected by domestic violence. The commission's staff and partners identified a site and established protocols and policies related to safe exchanges and visitations. The site opened in fall of 2014. In 2016, the core partners will continue to operate the Milwaukee Visitation and Exchange Center by facilitating on-site visitation and exchange for 20 hours per week. The center will provide on-site domestic abuse advocacy and linkages to community resources for children and families impacted by abuse and assaults. The Milwaukee Visitation and Exchange Center is the only such site in Milwaukee that offers free

exchange and visitation services and that provides the security features essential for the safety and security of victims and children.

Sexual Assault Planning and Outreach: OVP concluded an evidenced based community readiness assessment in anticipation of a comprehensive sexual assault outreach effort in 2015. An outreach campaign was identified as a significant need. The outreach campaign will kick off late in 2015, starting with social media sites. In addition, the 2016 sexual assault awareness partnership, known as Denim Day, will focus on men and boys as victim/survivors, allies, and their role in prevention.

Homicide Review Commission: The OVP continues its partnership with the Milwaukee Homicide Review Commission (HRC). The HRC Violence Prevention Research Coordinator is a grant funded position located in the OVP. OVP staff participates in the HRC community provider reviews, domestic violence case reviews, and sexual assault reviews. In 2015, the HRC began its youth reviews which seek to better understand the perspective of youth in preventing future homicides and non-fatal shootings. HRC reviews, in conjunction with system partners and community members, inform and develop response and prevention recommendations, develop implementation strategies including protocol and practices revisions, and if necessary, support legislative and funding advocacy. Homicide Review Commission staff provide data and research support for development of a citywide youth violence prevention planning process and implementation of coordinated strategies.

Figure 4

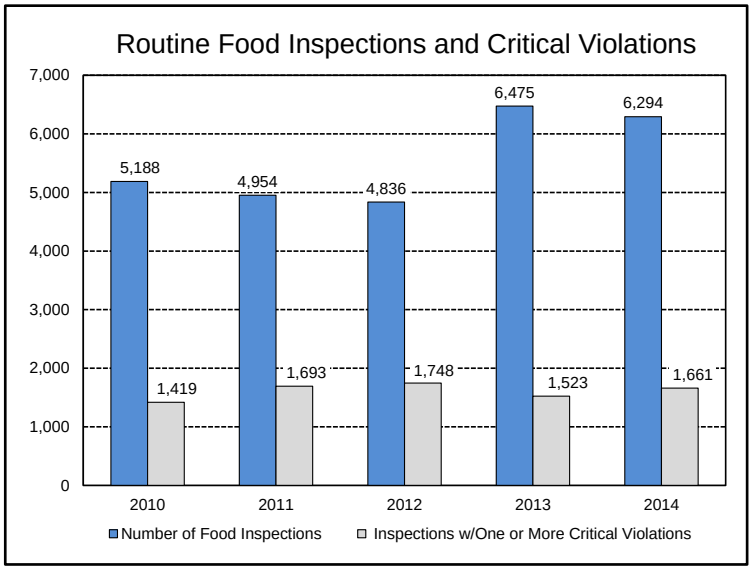
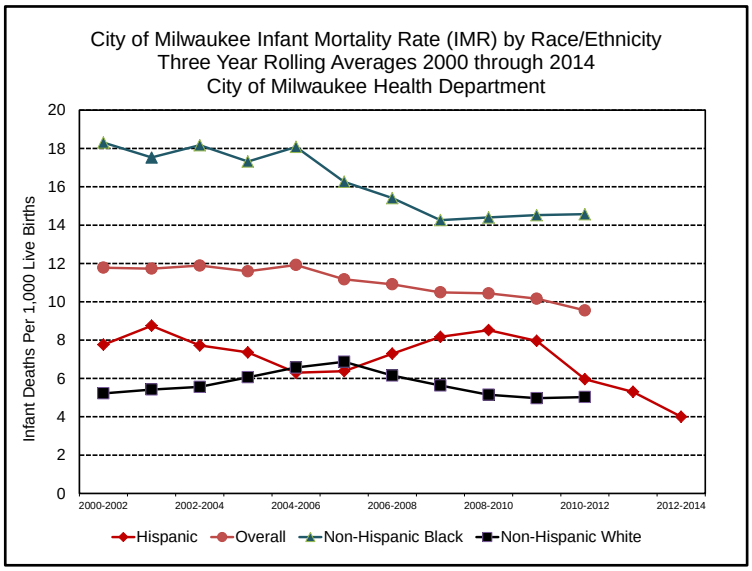


Figure 5



Consumer Environmental Health: The Division of Consumer Environmental Health works to prevent foodborne illness and to assure the safety of food sold in city food establishments (grocery stores, convenience stores, restaurants, food trucks, taverns, etc.). In 2014, 6,294 routine inspections were performed. Critical violations which are likely to result in foodborne illness were identified at 26% of those routine inspections (see Figure 4). Once a critical violation is found, repeat inspections are performed to assure the potential hazard is mitigated. In addition, the department performs inspections of establishments prior to initial license issuance. In 2014, the department performed a total 8,556 food inspections, identifying and mitigating 10,021 violations.

Interventions to assure food safety go beyond routine inspection. Consumer Environmental Health Inspectors investigate consumer complaints and provide training in safe food handling practices. The department is currently working on several quality improvement projects to improve the licensing process, standardize inspection

practices, implement a system of progressive enforcement and create a system for food establishment grading. The food establishment grading system should be fully implemented in 2016.

Consumer Environmental Health includes the Department's Weights and Measures program, which protects consumers from fraudulent practices in all commercial transactions involving determinations of quantity. Devices (such as scales and meters) used in commercial transactions are tested annually for both accuracy and conformance to federal tolerances and construction standards. Price verifications are conducted to assure the price the consumer is charged is the price marked on the shelf.

Maternal and Child Health: The infant mortality rate (the number of children out of every 1,000 live births who die before their first birthday) is an important indicator of a community's overall social and economic wellbeing. Data from the 2009 and 2011 Fetal and Infant Mortality Report shows that non-Hispanic African Americans in Milwaukee experience a 14.4 per 1,000 infant mortality rate compared to a 7.5 rate for Hispanic residents and a 5.2 rate for non-Hispanic White residents. The rate for African Americans is nearly three times higher than for Whites. This disparity has remained over time (see Figure 5).

Empowering Families of Milwaukee Program: As part of its infant mortality reduction strategy, the department manages four home visiting programs that emphasize healthy birth outcomes and improving parenting skills. The Empowering Families of Milwaukee program targets high risk pregnant women. The program uses a multi-disciplinary approach with a team of practitioners including nurses, social workers, and community health workers that provide long term, intensive home visitation services. Visits begin in early pregnancy and continue through the child's third birthday. The program's goals are to improve birth outcomes, support child health, safety and development, prevent child abuse and neglect, improve school readiness, and enhance family functioning. Since inception, the program has enrolled over 873 new clients and seen 864 infants. In 2014, 100% of the women involved in the program were receiving prenatal care and approximately 80% of mothers initiated breastfeeding at birth. More than 61% of the infants born to program participants scored at or above benchmark developmental levels, indicating the program's ability to overcome high risk environmental circumstances.

Nurse Family Partnership Program: The Nurse Family Partnership (NFP) is another program that aims to improve birth outcomes, children's health and development, and the families' economic self-sufficiency. The program provides intensive nurse home visitation services to low income, first time pregnant women. This evidence based program follows strict adherence to the national model where case management is performed by a team of nurses. Visits begin in early pregnancy and continue until the child's second birthday. The program expects the following outcomes:

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

The Nurse Family Partnership program has enrolled 535 families since the program's inception. In 2014, 71% of new mothers had initiated breastfeeding and 88% of the infants were current with recommended immunization schedules.

Parents Nurturing and Caring for Children Program: The third program is Parents Nurturing and Caring for Children (PNCC). The program provides prenatal care coordination to pregnant mothers and their families during pregnancy and until the infant turns two months old. In 2014, PNCC achieved healthy birth outcomes, with only one infant being born less than 37 weeks gestation. More than 79% of PNCC mothers initiated breastfeeding after delivery.

Direct Assistance to Dads Project: The Direct Assistance for Dads (DAD) project is the newest home visiting program and provides intensive, evidence based, and participant driven fatherhood focused home visitation services to expectant and parenting fathers in Milwaukee. The DAD project is part of the Wisconsin Partnership Program's Life Course Initiative for Healthy Families funded programs and was developed to address the need for high quality, father focused services in Milwaukee. Research demonstrates that meaningful father involvement correlates with children's secure attachment and optimal development and reduces stress and depression in mothers. Program goals include positively impacting infant mortality, improving birth outcomes, and strengthening African American families and communities by strengthening father involvement in their child(ren)'s and partner's lives. The program began serving fathers in 2014 and 34 clients were enrolled. It is anticipated in 2015 to serve over 50 fathers.

Strong Baby Sabbath: In October 2015, the department will host its fifth annual "Strong Baby Sabbath" (formerly known as Safe Sleep Sabbath). This event garners the support of more than 100 clergy to alert their congregations to the troubling infant mortality statistics in Milwaukee and share critical information to reduce premature births and promote safe sleep practices for infants. The department is an official "Cribs for Kids" site and through August 2015 has distributed nearly 4,200 cribs (Pack 'n Plays) to families who cannot afford to purchase one.

Strong Baby Sanctuary: In 2015, the department partnered with Columbia St. Mary's, United Way of Greater Milwaukee and Waukesha County, and the March of Dimes to develop a pilot project with area churches called the Strong Baby Sanctuary. The department worked with partners to train interested churches about infant mortality causes and community resources which support families having healthy babies. In this first year, ten churches have been trained and will open their doors as Strong Baby Sanctuaries in September of 2015. The purpose of the sanctuaries is to be a safe location in the community where pregnant women and families can walk to and be greeted with a supportive environment. The trained ambassadors and each sanctuary will complete a short assessment and provide families with referrals to community resources that meet their individual needs. The goals are to reduce maternal stress by connecting families to resources such as WIC, home visitation, food share Badger Care, and Cribs for Kids programs and to teach about preterm labor and the importance of prenatal care.

The department will continue its "Strong Baby" media campaign on factors that affect infant mortality, birth outcomes, and child development. Partnerships with the Life Course Initiative for Healthy Families and the State of Wisconsin will provide more community wide media campaigns featuring images of local strong babies. These images will appear on buses, bus shelters, and bill boards throughout the city.

Milwaukee Health Department Laboratory (MHDL): The laboratory processes over 80,000 specimens per year with over 500,000 test results available online to a variety of users and agencies. The lab provides diagnostic and surveillance capabilities for communicable and emerging infectious diseases and supports emergency preparedness and bio-threat responses at the local, state, and national levels. The laboratory environmental health programs include testing to support the lead poisoning and prevention programs, monitoring food borne diseases, beach and drinking water safety, gastrointestinal and respiratory disease surveillance, and outbreak investigations. In 2014, MHDL performed over 65,000 tests for a variety of users and agencies, and received fee-for-service or reimbursement of laboratory tests, generating more than $600,000 in revenue. The 2014-2015 initiatives include:

- Implementation of an innovative HIV detection technology that allows for earlier and more sensitive detection of HIV cases within 24 hours rather than 1 to 2 weeks. The shorter timeframe improves intervention capabilities and mitigates HIV AIDS disease transmission.

- Working with community partners and the Medical College of Wisconsin in an "urban gardening best practices" five year research grant, MHDL is utilizing new innovative analytical methods for testing lead and nutrients in soil. This initiative paves the way for future community access to garden soil analysis, demonstrates soil and landscape interventions, expands environmental health literacy education, and creates awareness of needed environmental policy.

- Related to workforce development, MHDL provided hands-on scientific learning experiences for 17 students from seven academic institutions in 2015. Academically, laboratory staff publishes and present scientific findings at national forums on a variety of public health topics.

RESTRUCTURE, RESIZE, AND REINVEST

Beach Water Quality and Advisory Program: The 2016 proposed budget includes an additional $34,000 in the Beach Water Quality Monitoring program to purchase and install water monitoring equipment at McKinley and South Shore public beaches. This equipment will provide real time monitoring of physical and biological water quality parameters for the purposes of improving water quality predictive modeling and subsequent health risk assessment. More timely and accurate water quality data will support department issuance of relevant daily water quality advisories at each of the beaches during the summer season and will also be available for public access on the MHD website.

Youth Violence and Development: OVP is a key partner in the Coming Together Partnership, a health focused coalition, aiming to build collaboration and support youth oriented, youth led initiatives to end violence, particularly firearm violence in Milwaukee. Along with the Health Department's OVP, the partners include Community Advocates' Milwaukee Brighter Futures Initiative, the Medical College of Wisconsin and Children's Hospital of Wisconsin's Project Ujima. The partnership has convened over 400 youth, youth serving agency staff, government officials, and other key stakeholders in two annual summits to hear youth perspectives on violence and to identify solutions. In addition, the partnership has provided mini-grants to local youth serving agencies to develop youth led violence prevention activities. *Coming Together* will continue to collaborate in 2016 to engage youth in being part of the solution through its outreach, education, and program development opportunities.

Youth Violence Prevention Initiative: Youth violence is directly related to a city's quality of life, economic health, and potential growth. The OVP will work with community partners to reduce risk factors for youth violence through the development of a comprehensive, community informed, youth development, and violence prevention plan. The plan will build on the strong foundation in place, will increase local capacity, and develop new approaches to fill gaps. In addition, the plan will be shaped and informed by persons of all ages, cultures, neighborhoods, and professions, by data and evidenced based practices and will require accountability and a process to measure outcomes. Cities throughout the U.S. that have implemented comprehensive plans have realized reduced violence. The 2016 proposed budget creates two positions, a plan development manager and a coordinator position to support this initiative.

Crisis Response for Trauma Informed Care Counseling (TICC): The 2016 proposed budget includes $180,000 to continue the TICC initiative. The 2015 budget first provided funding for this initiative to develop a trauma response project in the city. OVP staff worked with the Milwaukee County Behavioral Health and the Milwaukee Police Department to develop a crises response initiative with a focus on children and families who are exposed to community violence, abuse/neglect, and other traumatic events. The Trauma Response project kicked-off in July 2015 involving Milwaukee Police District 7 and the Mobile Urgent Treatment Team (MUTT) of Milwaukee County. This project enables District 7 officers to refer children who have witnessed violence or other trauma to mental health professionals who can meaningfully respond to their needs and provide support to them and their families. MPD officers and MUTT clinicians were trained through the Child Development/Community Policing project offered through the Yale Child Study Center and the New Haven Police Department. OVP currently is the project manager, working with partners to develop performance measures, protocols, and outreach.

Public Health Accreditation Efforts: Public Health Accreditation by the Public Health Accreditation Board (PHAB) is a measurement of a health department's performance against a set of nationally recognized, practice

focused, and evidenced based standards. The goal of accreditation is to improve and protect public health by advancing the quality and performance of Milwaukee's health department. MHD uses the national standards to identify performance improvement opportunities, improve management, develop leadership and improve community relationships. The MHD has implemented a strategic plan and is developing a Community Health Assessment (CHA). The CHA will identify public health priority areas in Milwaukee. Using this data, the MHD will work with the community to develop an improvement plan for public health areas identified as urgent priorities. In 2015, the MHD is documenting standards and measures that demonstrate an ability to provide quality service to the community in the most efficient manner. The documentation process is a powerful tool in improving workforce development and promoting staff engagement through quality improvement. The MHD plans to be accredited by PHAB in late 2016 or early 2017.

Career Ladder Initiative: In 2015, the department deployed its nurse's career ladder initiative. The goal is to create an environment that will provide the best nursing practices through the selection, professional development, retention, and reward of the highest performing nurses while maintaining current systems and programs that create consistency and excellence in client and community care.

Position Changes: Due to budget constraints, one Public Health Nurse and one Health Project Assistant previously assigned to the school Readiness Initiative are eliminated, resulting in salary savings of approximately $100k. This will not impact the number of MHD sponsored childhood immunization clinics planned for the 2015-2016 school year.

Capital Investment: The 2016 proposed budget includes $746,000 in capital funding for the Health Department. This includes $310,000 to install building automation and air handling systems at the Norwest Health Center, $26,000 for a lab ventilation system, and funding for general maintenance and repairs at various health centers.

The capital budget also includes $340,000 to support an additional Lead Risk Assessor position and provide primary prevention lead abatement subsidies to property owners. This will provide an additional 55 lead safe housing units to supplement the approximately 230 units per year funded through federal grants. A three year Lead Hazard Reduction grant awarded to the MHD in 2014 allows strategic lead abatement to occur in target zip codes 53206, 53208, 53209, 53210, 53212 and 53216 that include the highest prevalence of childhood lead poisoning. Over 17,000 housing units have been made lead safe since the initial receipt of HUD grant funding in 1997.

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		Violence Prevention Manager	Positions for youth violence prevention.
1	1.00		Injury and Prevention Program Coordinator	
-1	-1.00		Health Project Assistant (X)	Positions eliminated.
-1	-1.00		Public Health Nurse (G)(X)	
1		1.00	Lead Risk Assessor	Capital funded position for lead abatement.
-1	-0.80	-0.20	Public Health Research and Policy Director (X)(Y)(M)(NN)	Reclassification of position.
1	1.00		Public Health Planning and Policy Director (X)(Y)(M)(NN)	
-1	-0.25	-0.75	Health Project Assistant (X)(D)	Fetal Infant Mortality Review grant ended.
		1.00	Health Project Assistant (X)	New position for STD staffing.
2		2.00	Health Project Assistant DAD (X)(E)	New positions for DAD grant.
		-0.05	Public Health Nurse	Miscellaneous adjustments.
1		1.00	Nutritionist (X)(C)(Q)	Changes in WIC grant.
1		1.00	Clinic Assistant (X) (C)	
-1		-1.00	Public Health Nurse (X)(C)(G)(Q)	
1		1.00	Community Education Assistant (X)(GG)(JJ)	Change in MBCCAP grant.
-1		-1.00	Lead Risk Assessor II	Reduction in grant funding.
-1		-1.00	Communicable Disease Specialist (X)(B)(F)	
-1		-1.00	Public Health Nurse (X)(G)(L)(AAA)	HIV Women's grant expired.
	-0.56	0.20	Various Positions	Miscellaneous adjustments.
1.00	**-0.61**	**2.20**	**Totals**	

LIBRARY

EXECUTIVE SUMMARY

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

OBJECTIVES: Create a city of readers and lifelong readers.

Anchor healthy and vibrant neighborhoods.

Reduce the digital divide.

STRATEGIES: Reading and Research Services

- Provide information and literary resources in formats in demand by residents.
- Continue Teacher in the Library.
- Support research and reference.

21st Century Literacies

- Expand early literacy initiatives.
- Minimize the summer slide for children through the Summer Reading Initiative.
- Increase access to library cards for city students.

Technology and Digital Inclusion

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

Workforce Development and Business Growth

- Offer job seeking preparation opportunities.
- Continue computer training classes.

Community Engagement and Leadership

- Increase the Library Volunteer Corps.
- Develop new customers through partnerships.

Out-of-School Learning for Teens

- Enhance literacy and educational opportunities for youth.
- Engage partners to help achieve shared goals.

Community Third Place

- Implement branch building program.
- Continue Sunday hours as a means of supporting a family orientation towards literacy and learning.

Resource Alignment and Organizational Development

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	277.05	291.18	288.58	284.18	-7.00	-4.40
FTEs - Other	12.86	18.28	17.31	18.28	0.00	0.97
Total Positions Authorized	370	371	352	352	-19	0
Expenditures						
Salaries and Wages	$11,786,887	$11,938,460	$12,556,736	$12,360,107	$421,647	$-196,629
Fringe Benefits	5,294,957	5,372,306	6,027,233	5,932,852	560,546	-94,381
Operating Expenditures	2,699,159	2,731,761	2,860,324	2,865,324	133,563	5,000
Equipment	1,842,406	2,006,700	2,060,265	2,022,387	15,687	-37,878
Special Funds	13,182	13,182	13,182	13,182	0	0
Total	$21,636,591	$22,062,409	$23,517,740	$23,193,852	$1,131,443	$-323,888
Revenues						
Charges for Services	$1,113,151	$1,188,000	$1,120,000	$1,120,000	$-68,000	$0
Total	$1,113,151	$1,188,000	$1,120,000	$1,120,000	$-68,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

The Milwaukee Public Library (MPL) enhances the quality of life in Milwaukee's neighborhoods and contributes to school readiness, academic success, literacy, economic development, job skills development, and increased quality of life. Library collections and programming serve informational, cultural, and recreational needs of the community. MPL provides materials, services, and facilities for residents of Milwaukee and Milwaukee County. Nearly three million physical items and dozens of online resources are available through the internet and at the Central Library, 12 branch libraries located throughout the city and one 24 hour, fully automated library.

In 2013, the Library Board approved a new strategic plan, *MPL 2020: Our Plan for the Future*. The plan's core goal is to prioritize services to three broad groups of Milwaukee residents with the greatest potential to benefit from library services. These groups represent families with limited resources and various barriers to literacy and economic services. Eight strategies for providing services were developed for these residents directly impacting childhood success and workforce development.

To help children succeed, the Library emphasizes early literacy development and out-of-school learning. System wide programs and services include Ready to Read and Books2Go, which provide early learning for children ages 0-5 to develop pre-reading skills. Literacy and learning programs keep children and teens reading and learning during non-school hours with such programs as the summer reading program, Teacher in the Library, after school literacy programming, and the Teen Advisory Board. Librarians select and recommend appropriate print and online materials for young children and provide guidance to parents and caregivers.

Online resources and access to computers are provided to youth and adults. In 2015, the City of Milwaukee and the Library became one of the first public libraries to participate in President Obama's ConnectED Library Challenge. The challenge is to ensure students have seamless access to learning, particularly through online

resources. Mayor Tom Barrett, Milwaukee Public Schools Superintendent Dr. Darienne Driver, United Community Center Executive Director Ricardo Diaz, and Library Director Paula Kiely agreed to collaborate on this project to make sure all students have public library cards.

Developing workforce skills and helping adults find jobs continues to be a priority. MPL offers walk-in assistance in completing résumés, online job applications, and developing skills to perform online job searches. The Library's commitment to workforce and economic development includes partnerships with the University of Wisconsin Milwaukee's Small Business Development Center, BIZSTARTS Milwaukee, Wisconsin Women's Business Initiative Corporation, Kiva City Milwaukee, and the Urban Economic Development Association of Wisconsin. These partnerships increase the Library's capacity to offer programs, including business planning assistance, aimed at developing entrepreneurship and economic self-sufficiency among Milwaukee residents. In 2016, the Library will also partner with the Department of City Development to advance the goals of its economic development plan, *Growing Prosperity: An Action Agenda for Economic Development*.

The Library helps develop adult literacy skills to improve employability, job retention, and basic literacy. Central Library and six branch libraries provide drop-in tutoring programs and have special materials to develop basic reading skills. The Washington Park branch offers a basic skills class for adults. Every Milwaukee Public Library offers public computer classes, public computer workstations and laptops, and high speed wireless internet.

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

Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Patrons served by early literacy programs.	29,404	35,000	34,000
Patrons served by school age programs.	53,662	66,000	62,000
Summer reading program participation.	20,401	23,000	28,000
Public computer hours.	442,288	469,000	500,000
Digital materials circulation.	131,806	136,000	140,000
Job lab computer centers attendance.	3,048	4,700	4,700
Adult programs attendance.	16,605	17,000	19,110

STRATEGY IMPLEMENTATION

Reading and Research Services

The role of public libraries continues to evolve as information delivery systems have expanded through electronic and digital methods. Libraries remain relevant by adapting and continuing to serve the needs of all people, bringing them resources in many formats and providing personalized guidance in their search for information. MPL supports families, individuals, and local organizations by providing relevant resources, professional staff, research and reference services, broad and deep collections and programming.

Books and Materials: Approximately $1.67 million is allocated to fund materials purchased for Central Library, the 12 branch libraries, and one express library. This is an increase of $112,122 or 7.2% from 2015. The use of e-books has increased 12% and the use of downloadable audio books has increased by 32% in the first seven months of 2015 compared to 2014. Demand for digital formats continues to grow. These funds will be used to purchase books, media, electronic databases, serials, e-books, and other resources.

Research and Reference: All libraries offer one-on-one reference and research guidance and referral. The Central Librarians also curate and make available unique collections along with their specialized assistance in matching resources to individual information needs. Central Library serves as the resource library to the Milwaukee County Federated Library System by providing special collections, reference, research, and library services to all county residents as well as support and consultation services to MCFLS member libraries.

Teachers in the Library: This initiative started in 2011 and brings certified teachers into libraries after school to help children complete homework assignments and focus on their studies. The goal is to help students improve their skills in all academic areas and their classroom performance. Teachers also provide support, counseling, and advocacy to parents and caregivers of participating children. This program is continued in the 2015-2016 school year at Atkinson, Bay View, Capitol, Center Street, Forest Home, Martin Luther King, Mill Road, Villard Square, and Washington Park with $100,000 in CDBG funding support.

21st Century Literacy Services

Literacy is the ability to find, read, interpret, and apply information in both print and electronic formats to meet an expressed need. This strategy includes offering services to people of all ages, including the very young.

Ready to Read: The Ready to Read program improves the reading readiness skills of Milwaukee children ages birth to five. The program, which has operated since 2005, focuses on child care providers and families located in areas with the highest concentration of poverty. As of July 2015, total attendance for Ready to Read was 859 children and 224 adults.

The program incorporates weekly visits to child care centers to offer one-on-one coaching and to teach child care providers methods for developing a child's early literacy skills. It provides book delivery service and encourages use of the library's programs such as free continuing education workshops for providers and the Books2Go library card program for child cares. The Books2Go library card program is designed specifically for child care providers in the City of Milwaukee and offers special privileges for the cardholder such as multiple users on one account and free educational resources. It has 940 unique participants. The program also includes outreach to families and teaches parents about early literacy skills. This initiative is funded primarily by private donations to the Milwaukee Public Library Foundation.

Summer Reading Program: The Super Reader summer reading program promotes reading over the summer to maintain or increase reading skills while children are out of school and to develop a lifelong habit of reading. In 2015, the program served 25,240 youth including 8,159 youth served at 105 school age youth servicing agencies and 2,564 pre-school children at child care centers.

In 2016, the Library will continue extended Super Reader program outreach to approximately 11,000 children ages birth to 12 at outreach sites, which includes child care classrooms and community based organizations. Outreach educators visit each site weekly and actively engage the children in the Super Reader program and literacy activities. This effort also encourages parents and other providers to help their children develop reading skills. The Super Reader program, summer outreach, and the year round coordinator who makes visits to after school programs throughout the school year to elementary age children, costs approximately $200,000. This is primarily funded through the Milwaukee Public Library Foundation with $13,000 in city funding provided in 2016.

Library Card Campaign: Milwaukee residents receive the greatest benefit from their library when they have a library card. Since 2009, the library has conducted a First Grade Library Card Campaign, issuing an average of 1,650 cards annually. In the 2011-2012 school year, MPL issued 1,897 cards to first graders. In the 2012-2013 school year, MPL issued 1,705 cards to first graders and spoke to 4,238 first graders during classroom visits about what children can do with their own library card. In the 2013-2014 school year, MPL issued 1,362 cards to first graders and spoke to 3,572 first graders during 66 school visits to first grade classrooms. In the 2014-2015 school year, MPL issued 1,634 cards to first graders and spoke to 4,390 first graders during school visits. In 2016, MPL will continue to work closely with all Milwaukee schools and volunteers to continue this program and increase the number of cards issued to first graders.

ConnectEd Library Card Challenge: President Obama launched this program in April 2015, challenging cities and school districts to collaborate to ensure all students have public library cards. Milwaukee took the challenge, and Mayor Tom Barrett, Milwaukee Public School Superintendent Dr. Darienne Driver, United Community Center Executive Director Ricardo Diaz, and Library Director Paula Kiely agreed to work together to achieve this goal. The Department of Public Instruction is supporting the effort. The first students received their cards at Bruce Guadalupe Community School in September. By the 2016-2017 school year, all students in Milwaukee will have a card so they can seamlessly continue their reading and learning after school, using public library resources.

Technology and Digital Inclusion

MPL provides a broad spectrum of services from providing computer skills education to digitizing local collections. An increasingly digitized world requires new knowledge, practice and access to technology.

Digital Inclusion: Each library location includes high speed broadband access to the internet, Wi-Fi, and computer devices all available with a valid library card. The Library has been able to maintain a robust technology infrastructure with the financial support of the federal E-Rate program. In 2016, MPL expects to receive $676,990 in discounts, which will support the internet service provided by Time Warner, the Wide Area Network (WAN) and upgrades of both the network equipment and the wireless connection at branches and Central Library.

Technology Training: The 2016 proposed budget continues to fund six Library Technology Specialist (LTS) positions that were originally created through the Broadband Technology Opportunities grant. These staff members provide technology skills training to city residents at all libraries and continually develop new curricula to address evolving community needs. The LTS staff manages laptops, teach computer and software classes, and provide individual and small group digital literacy instruction in English and Spanish. In 2014, MPL offered 597 computer classes that provided residents with computer skills and 3,048 participants attended scheduled classes. Through July of 2015, 430 classes have been held with 2,515 attendees.

Computer and Internet Access: MPL provides Milwaukee residents with access to high speed broadband internet and PCs and laptops. Through June 2015, compared to the same period in 2014, computer use decreased 22% and laptop checkout decreased 26%. This appears to be the result of increased use of personal devices on the Library's network and the advent of mobile printing services. An upgrade to MPL's WiFi system next year will enable MPL to better understand this trend. The Library continues to expand technology offerings for the public, including online tools such as internet based databases, virtual reference, real time study help, and online classes, digital downloads, e-books and other online services offered through the Library's website.

MPL Express at Silver Spring: The Library's first express library with a vending library machine was installed within Westlawn Gardens in September 2014. The machine provides materials 24 hours per day through self-service technology. The vending library holds 400 items, including requested "holds". It includes a link to the online catalog, digital signage, and accepts returns. Items returned to the machine are checked-in and automatically presorted for pickup, delivery, and restocking. This library has improved access to library materials for both residents of Westlawn Gardens and the surrounding neighborhood.

Workforce Development and Business Growth

MPL locations are hubs of resources for the community. By hosting regular job labs, small business resources and patent classes and providing premium database content, MPL contributes to economic and employment growth in Milwaukee

Job Labs: The Library hosts drop-in job help sessions to assist people who are unemployed and underemployed, helping them effectively search and apply for jobs. Assistance is provided by Library Technology Specialists who rotate among all the branch libraries, working to bridge the digital divide. People can receive help in preparing resumes, writing cover letters, searching for jobs, completing online job applications, and submitting their materials online. In 2014, 2,669 participants utilized drop-in labs. Through July 2015, 358 drop-in labs have been held with 2,092 attendees. The initiative is funded in part with private donations.

Community Engagement and Leadership

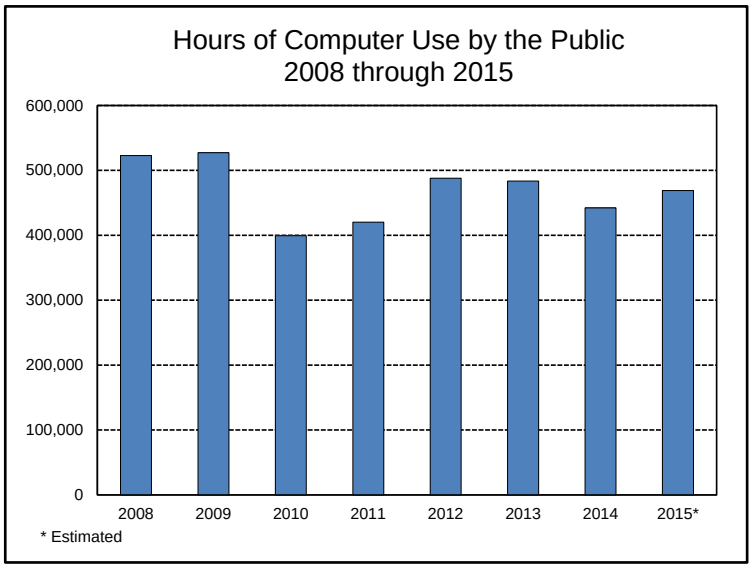
The MPL strategic plan established a goal of increasing the library's impact on the community through partnerships. Partnerships are instrumental to successful initiatives. Each staff member is responsible for engaging the community and improving the public's awareness and use of library services.

Volunteer Program: The 2014 budget added a Library Volunteer Coordinator position. This position is responsible for identifying volunteer opportunities within the library system, developing job descriptions, recruiting, hiring, training, deploying, evaluating, and managing a volunteer corps to help expand the library's service capacity. Volunteers assist the public and library staff by greeting library users, answering basic library questions, assisting with frequently asked computer questions, registering children for the Summer Reading program, distributing literature, and assisting patrons with photocopying, scanning, and self-checkout. Since inception, over 300 volunteers have been recruited who have donated over 3,200 hours valued at $93,800.

Out of School Learning for Teens

MPL's robust technology infrastructure offers motivated individuals the opportunity to leverage this technology to improve their lives. The MPL strategic plan calls for the library to expand learning and to create educational opportunities for teens using technology, high speed internet connections, and computer access. The Library has shifted resources to create an Education Specialist position to focus on developing this initiative in 2015 and to begin program implementation in 2016.

Figure 1

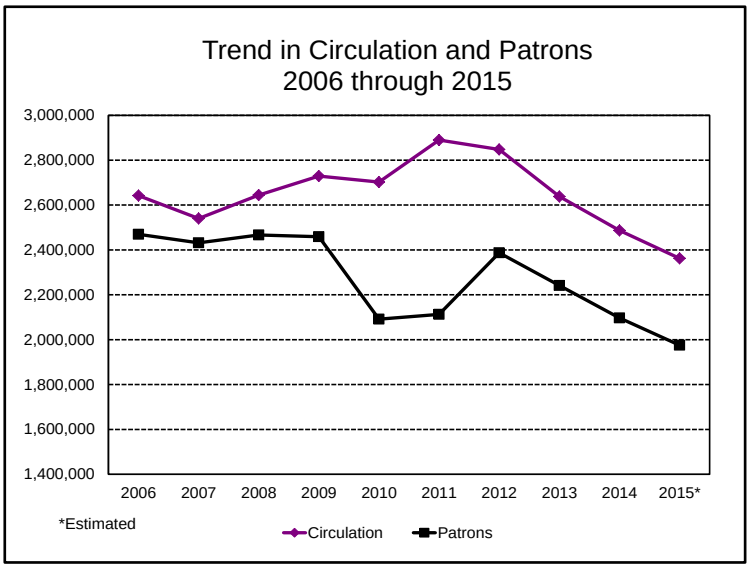


Community Third Place

Third places are "anchors" of community life that facilitate and foster broader, more creative

interaction. They are the places we go when we are not at home (First Place) or at work or school (Second Place). MPL is an anchor in communities throughout the city and will renew its sense of "place" through services, programs, and facilities. Continued investment in the Central and branch libraries creates and maintains library facilities as places of inspiration.

Figure 2



Maintaining Library Hours: The 2016 proposed budget maintains the current level of hours at all library facilities. Central Library will be open 54 hours per week. Branch libraries will be open between 39 and 50 hours per week. Sunday hours will continue to be available from October through April from 1 pm to 5 pm at Central, Capitol, and Zablocki libraries. Visits to the library reached nearly 2 million in 2014 and are expected to fall slightly in 2015. Circulation of physical collections reached nearly 2.5 million in 2014 and is expected to total approximately 2.4 million in 2015. These declines are due to the closing of the Tippecanoe branch during renovation throughout most of 2014 and are offset by the restoration of full service operations in the new East Branch. These measures are expected to increase in 2016 due to the reopening of Tippecanoe Branch.

RESIZE, RESTRUCTURE, AND REINVEST

Resource Alignment and Organizational Development

The Library continually aligns resources to meet its objectives. In 2016, the Library will restore branch manager positions and increase the staff development librarian from half to full time. Both changes respond to changing community needs and the retirement of long term managers and staff. Changes in circulation positions made in 2015 are also included in the 2016 proposed budget. Resource alignment is ongoing and the Library will look for additional opportunities to add value to direct public services by streamlining operations.

Branch Manager Restoration: The 2016 proposed budget restores Branch Manager staffing to 2009 levels. The number of Branch Managers was reduced from 12 to 8 in the 2010 budget, to meet budgetary constraints, requiring four Branch Managers to manage two branches each. Since 2010 there have been significant changes in library operations, including restoration of library hours, renovation of library facilities, changes in library services and service delivery, and strategic outreach to the community. Current operations require a dedicated Branch Manager at each facility. Two Branch Managers were added mid-year in 2015 and the 2016 proposed budget includes two additional Branch Managers, returning the number of managers to 12. The two additional managers are expected to be hired in mid-year 2016. This change will cost approximately $190,000 in 2016. These costs are offset in part by other position changes, including eliminating a Library Technician II, converting a Network Analyst Assistant position to an Office Assistant IV and converting two full time Librarian III positions to part time positions.

Staff Development Librarian: Prior to 2012 the Librarian III position responsible for staff development and training was full time. In 2012, the position was reduced to half time to achieve budget savings. However, training needs have increased. Investment in training and development is necessary for MPL staff to continually perform at a high level. Staff development classes in technology, customer service, security, and workplace safety have built a more efficient, effective, and motivated staff. Staff development programs are aligned with MPL's strategic plan, empower employees, build employee confidence, keep current on new job related information,

and adapt to new technologies. The staff development Librarian also develops learning solutions customized to particular staff needs.

Circulation Staffing Changes: The 2016 proposed budget reflects changes in circulation staffing adopted in 2015. The Library has used a large number of part time Circulation Aides to support library operations. These positions have typically been filled by high school students. Extensive turnover and difficulty in recruiting for these positions resulted in high vacancy levels, making it difficult to operate the libraries and to effectively deliver services to the public. High turnover also makes hiring these positions more costly and time consuming. In 2015, 38 part time Circulation Aide positions were replaced with 23 part time Circulation Assistant I positions. Circulation Assistant I positions are paid at a higher rate and are available to any qualified applicant. These positions are expected to be filled on a more consistent basis, thereby reducing turnover and increasing productivity. This staff realignment supports improved library operations.

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

Branch Library Improvements: The 2016 proposed capital budget includes $4.8 million for several branch library improvements, including $3.7 million to replace the current Forest Home and Mill Road facilities with two new mixed use library projects. Funding was initially provided for these projects in the 2015 budget. The 2016 proposed budget also includes $1 million to begin funding the renovation of the Capitol and Martin Luther King Libraries. The plan is to replace the current facilities with mixed use buildings. It is anticipated that these four new facilities will be open by 2020. Branch libraries anchor neighborhoods and with the city's investment will improve the economic conditions of the surrounding neighborhoods and business districts. Access to high quality facilities provides needed resources which encourages frequent use by neighborhood residents.

Central Library Improvements: The capital budget includes $1 million for Central Library improvements. This includes ongoing repair of the building's historic mosaic tile and scagliola, masonry repairs, exterior painting, roof replacement, and carpet replacement in the Business and Science and Art and Music Rooms.

OTHER SERVICE AND BUDGET CHANGES

MCFLS Contracts: The Milwaukee Public Library is a member of the Milwaukee County Federated Library System (MCFLS). MPL currently has three major contracts with MCFLS, which expire at the end of 2015 the Membership Agreement, Resource Agreement, and the Cataloging Agreement. MCFLS expects to offer MPL four contracts for 2016-2019. The Member Agreement is expected to include statutory language only with no financial terms. The Resource Library Agreement, which compensates Milwaukee for the service Central Library provides to the county, will be reduced. As part of a planned four year adjustment to the MCFLS budget, the agreement will decrease by 7.1% to $174,005 annually from 2016 to 2019. The Cataloging Agreement will increase charges to members and MPL's costs will increase from $24,127 to $30,181 in 2016, $29,846 in 2017, and to $32,836 in 2018 and 2019. A new Interlibrary Agreement will include terms for reciprocal borrowing payments for net lenders, which are expected to decrease by 7.3% by the end of 2019. Savings to MCFLS resulting from these changes will be used to increase services for all members that benefit the public.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-0.48		Librarian III (0.50 FTE)	Position converted to full time.
1	0.97		Librarian III	
-1	-0.97		Library Business Operations Manager	Position reclassified in CCFN 150345 as part of administrative reorganization.
1	0.97		Assistant Director Library Operations	
-1	-0.97		Library Tech Services Manager	Position reclassified in CCFN 140565 to better reflect scope of duties.
1	0.97		Assistant Director IT and Tech Services	
-1	-0.97		Network Analyst Assistant	Staff restructuring to improve library operations approved in CCFN 141737.
1	0.97		Office Assistant IV	
-1	-0.97		Library Technician II	
-38	-20.52		Library Circulation Aide (0.56 FTE)	
4	2.91		Library Branch Manager	
23	11.82		Library Circulation Assistant I (0.47 FTE)	
-2	-1.94		Librarian III	
1	0.48		Librarian III (0.50 FTE)	
1	0.73		Librarian III (0.75 FTE)	
-7			Library Circulation Aide (0.56 FTE)	Eliminate unfunded Auxiliary positions.
-19	**-7.00**	**0.00**	**Totals**	

MAYOR'S OFFICE

EXECUTIVE SUMMARY

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

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

Build safe and healthy neighborhoods.

Increase investment and economic development throughout the city.

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

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

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

STRATEGIES: Aggressively address the foreclosure crisis in Milwaukee and foster neighborhood investment.

Continue and improve the Accountability in Management (AIM) program to deliver high quality services to the taxpayers.

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

Continue increased investment in local streets and sewers.

Continue to secure federal and state funds to improve Milwaukee.

Promote energy efficiency and renewable energy on a regional basis.

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	12.60	12.00	12.00	11.75	-0.25	-0.25
FTEs - Other	0.00	1.00	1.00	1.00	0.00	0.00
Total Positions Authorized	15	14	15	15	1	0
Expenditures						
Salaries and Wages	$834,361	$820,119	$849,261	$843,433	$23,314	$-5,828
Fringe Benefits	373,372	369,054	407,645	404,848	35,794	-2,797
Operating Expenditures	36,662	41,000	42,000	42,000	1,000	0
Equipment	1,572	1,000	0	0	-1,000	0
Total	$1,245,967	$1,231,173	$1,298,906	$1,290,281	$59,108	$-8,625

Youth Violence Prevention: Youth violence is directly tied to a city's quality of life, economic and public health, and potential growth. Mayor Barrett has begun to develop and set in place a Youth Development and Violence Prevention Initiative that will expand and enrich the city's focus on youth; that will build resilience and reduce risk factors for youth violence through the development of a comprehensive, community informed, youth development and violence prevention plan. Excellent work is already taking place throughout the community, and the citywide plan will play an important role in weaving together the broad network of stakeholders and committed parties working together toward one common goal: the eradication of youth violence through a variety of long term strategies. The plan will build on the strong foundation in place, will increase local capacity, and innovate new approaches to fill gaps. Cities throughout the U.S. who have implemented comprehensive plans have seen a drop in violence and have been able to leverage public and private resources to support implementation of strategies.

The Youth Violence Prevention Initiative will begin with the development of a strategic plan. The city will form a committee of stakeholders and operational teams to create multi-disciplinary partnerships and develop and implement a strategic plan to reduce youth violence. Planning will include an extensive public engagement process to include organizational and neighborhood leaders, parents and youth, to identify agenda priorities, to develop and refine strategies, and to deliberate on plan implementation. In developing the plan, the committee will review a variety of data including public safety, public health, judicial system and others. The committee will also review and evaluate prevention, intervention, enforcement and re-entry strategies and will establish well defined benchmarks to monitor success.

Mayor Barrett's 2016 proposed budget includes $150,000 to develop the youth violence prevention strategic plan and to begin the plan's implementation. Two positions are created in the budget along with funding for a consultant for this purpose. Once the plan is developed, the two positions created in the 2016 proposed budget will transition to plan implementation.

Compete Milwaukee: In 2016, Mayor Barrett and the Milwaukee Area Workforce Investment Board (MAWIB) will continue progress on the five part Compete Milwaukee workforce development initiative. Compete Milwaukee facilitates linkages between private sector labor market demand (employers) and labor market supply (workers) with the goal of family sustaining full time employment for all participants.

The 2016 proposed budget funds transitional jobs placements, and work on one of the major Compete Milwaukee strategies: Industry Advisory Boards. The boards will bring together employers, training agencies, and policymakers to match workforce training to industry demand.

Mayor Barrett's 2016 proposed budget will place nearly 100 individuals in transitional job placements delivering critical city services. The budget includes the following funding for the 2016 Compete Milwaukee Initiative:

- Continue participation in the Transitional Jobs Program by providing city and CDBG funding for 100 jobs. Total funding provided in 2016 is approximately $590,000.
- Provide $75,000 for a liaison to coordinate activity between city, state, and private organizations.
- $80,000 for the Police Ambassador Program to hire 12 police ambassadors.

The Police Ambassador Program expands Compete Milwaukee's focus on traditional transitional jobs by employing the principal goals to combine work experience for young adults with mentorship and positive social impact. Ambassadors will work 20 hours per week at locations throughout MPD, and participate in four hours of enrichment activities each week at the Police Academy.

Connecting Residents and Youth with Employment: A quality workforce is a crucial component of investment and industrial location decisions. The recession and slow recovery have increased unemployment. Mayor Barrett is utilizing the MAWIB to launch programs to connect the city's unemployed residents to jobs with local manufacturing companies.

The Mayor's Manufacturing Partnership was initiated in March 2012 to address the skills gap between unemployed city residents and open manufacturing positions. Working with local companies such as GE Healthcare, Harley Davidson Motor Company, HB Performance Systems Inc., and Master Lock, the Mayor's Manufacturing Partnership has been able to accomplish the following outcomes through the summer of 2015:

- 388 city residents employed in manufacturing jobs.
- 110 unemployed jobseekers trained on the job.
- 385 city residents with prior manufacturing experience connected with new jobs.
- 466 city residents received training to advance their skills.

Mayor Barrett's Earn & Learn program celebrated its tenth year this past summer. The program, operating under MAWIB, is a summer jobs program for Milwaukee teens. Young people employed through the Earn & Learn program learn meaningful skills and enhance their resumes. Through clerical, recreation, food service, and manual work, the youth in this program develop beneficial work habits and confidence. Between 2005 and 2014, 22,209 Milwaukee youth gained critical employment experience through the Earn & Learn program.

Strong Neighborhoods Plan: Mayor Barrett's 2016 proposed budget includes $10.9 million for the Strong Neighborhoods Plan.

The 2016 proposed budget includes $2 million to help owners avoid tax foreclosure through the Code Compliance and Strong Homes loans programs. Both loan programs assist homeowners in making necessary property improvements to avoid building code violations and perhaps foreclosure.

The Strong Homes loan program aims to stabilize homeowners who are faced with one or more of the following challenges:

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

These loans are available citywide and are designed to prevent homeowners who are committed to staying in their homes from falling into tax delinquency or maintenance issues. In 2015, the program has already approved 91 loans and has exhausted its initial funding of $1 million.

The city's Challenge Fund is allocated $500,000 in the Mayor's proposed budget, to assist developers in acquiring and renovating at least 15 city owned homes in targeted areas. The 2016 proposed budget also allocates $2.8 million for demolition or deconstruction of 207 abandoned or foreclosed homes. Deconstruction and salvage efforts will continue in 2016, reducing landfill volume and building a market for recycling and re-use of old building materials.

The 2016 proposed budget includes a new effort to accelerate tax foreclosure, to prevent blight and support other housing redevelopment initiatives. In accelerated tax foreclosure, selected vacant and abandoned properties will be subject to *in rem* filings after one year of tax delinquency rather than the normal practice of three years. Earlier acquisition can prevent vacant homes from blighting otherwise stable blocks, and increase the available homes for larger redevelopment efforts, like the city's Challenge Fund. The proposed budget includes approximately $468,000 in four city departments for implementation.

Infrastructure: Continuing high levels of investment in core city infrastructure projects is a priority in the 2016 proposed budget. Core infrastructure programs including streets, bridges, street lighting, and sewers total $79 million. Since 2004, funding for core infrastructure has increased by $36 million, nearly 84%. This is well above the inflation adjusted level of $53.9 million.

The High Impact Streets program uses a curb-to-curb asphalt resurfacing approach to extend street life and increase pavement quality. In the Mayor's proposed budget, a portion of the local street program funding will apply the same approach to neighborhood streets. The 2016 proposed budget funds upgrades to 36 miles of neighborhood and commercial district streets through the Local Street and High Impact Street programs.

Environmental Sustainability: Mayor Barrett has made sustaining, enhancing, and promoting Milwaukee's natural environmental assets a key goal of the administration. This goal is built around the understanding that human health and sustained economic development is built upon prudent use of our limited natural resources. Mayor Barrett's commitment to this goal is exemplified in the creation of the Office of Environmental Sustainability and its programs that make energy efficiency, renewable energy, green infrastructure and urban agriculture economically viable for homeowners, commercial businesses, industry, and government. The Mayor's commitment to environmental sustainability is also evident in the eco-industrial redevelopment projects including the Menomonee Valley, 30th Street Industrial Corridor, Reed Street Yards, and the Harbor District project. It extends into neighborhoods through programs such as Milwaukee Energy Efficiency (Me2), Milwaukee Shines solar group buy efforts, and the HOME GR/OWN initiative. *Refresh Milwaukee,* the city's sustainability plan, provides a roadmap for continued improvement in environmental sustainability over the next decade.

Mayor Barrett is helping make Milwaukee a national and global leader in environmental sustainability. The City of Milwaukee is a leader in the national Better Buildings Challenge, and is a partner in the Great Lakes and St. Lawrence Cities Initiative and the UN Secretary General's Sustainable Energy for All initiative. Through these efforts, communities around the globe are looking to Milwaukee's proven record of effective sustainability solutions and environmental stewardship.

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		Housing Outreach Director	Position will be filled in second quarter of 2016.
1			College Intern	Inadvertently eliminated in 2015 budget.
1	**-0.25**	**0.00**	**Totals**	

MUNICIPAL COURT

EXECUTIVE SUMMARY

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

OBJECTIVES: Build safe and healthy neighborhoods.

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

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

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

Continue effective enforcement of court judgments through various collection methods.

Use alternative sentencing to increase respect for the law.

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	33.68	36.40	36.00	34.00	-2.40	-2.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	43	43	41	41	-2	0
Expenditures						
Salaries and Wages	$1,882,019	$1,969,354	$1,975,598	$1,946,598	$-22,756	$-29,000
Fringe Benefits	845,561	886,209	948,287	934,367	48,158	-13,920
Operating Expenditures	505,178	525,400	466,400	456,400	-69,000	-10,000
Equipment	2,816	6,000	6,000	6,000	0	0
Special Funds	29,489	40,000	40,000	40,000	0	0
Total	$3,265,063	$3,426,963	$3,436,285	$3,383,365	$-43,598	$-52,920
Revenues						
Charges for Services	$1,458,570	$1,752,000	$1,514,000	$1,514,000	$-238,000	$0
Forfeitures	4,558,308	4,506,000	4,560,000	4,060,000	-446,000	-500,000
Total	$6,016,878	$6,258,000	$6,074,000	$5,574,000	$-684,000	$-500,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Build safe and healthy neighborhoods.
   - Adjudicate ordinance violations in a timely and equitable manner.
   - Effectively enforce judgments.
   - Use alternative sentencing for defendants when appropriate.
2. Remove barriers to employment.
   - Assist residents to restore suspended or revoked drivers licenses.

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

Court staff prepares cases for hearings, provide clerk services to the Judges, receive and account for defendant payments, and perform other administrative functions. The staff is responsible for processing between 80,000 and 180,000 cases per year and accounting for over $5.5 million in revenues, largely from fines and forfeitures.

The court provides its services through regular daily court sessions, evening court sessions, and a variety of community based options. Evening court exists to meet the needs 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, veterans, and young adults. These sessions have experienced a good turnout and provide more time for the Judges to communicate with and counsel defendants.

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

Key Performance Measures

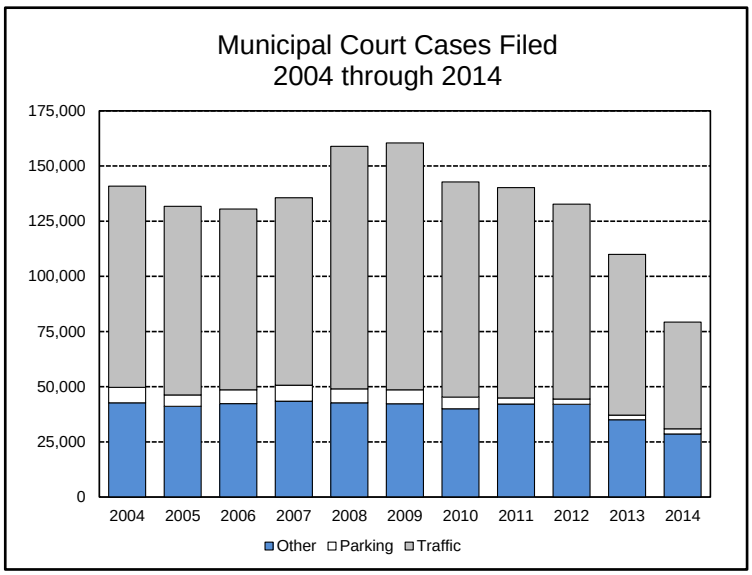
Measure	2014 Actual	2015 Planned	2016 Planned
Average days from filing to judgment.	36	34	34
Number of enforced driver license suspensions lifted.	10,232	12,000	10,250

STRATEGY IMPLEMENTATION

The Municipal Court's 2016 proposed budget is based on an estimated 60,000 cases. Case volume has been decreasing over the past three years and is expected to continue its decline in 2015 and 2016. In 2014, filings decreased by 26.1% from 109,975 to 81,238. Traffic cases were almost 63% of total case filings in 2014, a decrease from 67.1% in 2013 (see Figure 1).

Evening court sessions, begun in 2003, were offered on nine dates in 2014. A total of 25 sessions were scheduled for 362 defendants on 559 cases in 2014, with 258 defendants or about 71.3% appearing in court. Since evening court is more convenient for some a high percentage of scheduled defendants actually appear for their hearings, which can shorten the time to resolution of the case for the defendants who choose a night court session.

Figure 1



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

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

- Allow walk-in hearings. Few courts in the nation hear unscheduled cases. Walk-ins allow people the opportunity to appear before a judge without having to schedule a court date ahead of time, which means not having to wait until a court date is available.

- Utilize conditional sentences of community service. When appropriate, those who cannot pay and would choose to perform community service may be granted this as an alternative to payment.

- Provide time-to-pay extensions. If the due date has not yet passed, the court will grant an additional 60 to 90 days to pay in full if a partial payment of $20 is made, depending on the total balance due. Moreover, this payment is waived for the first extension.

- Require $20 to file a motion to reopen judgment. At municipal courts discretions, this fee can be as high as $300 per s. 814.07, Wis. Stats. Milwaukee has one of the lowest fees statewide.

- Require a payment of just 30% of fines due that are related to driver's license suspensions or vehicle registration denials in order to lift the suspension or denial. Most municipal courts in Wisconsin require full payment of these judgments before lifting a license suspension.

- Set up an installment plan. Installment plans, which usually last two years, may be extended for as long as the person continues to make monthly payments on time.

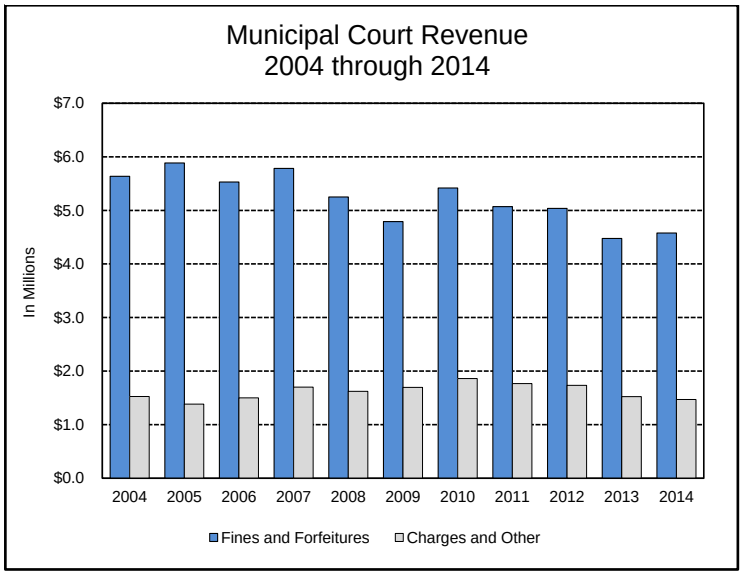
The Judges use these procedures to routinely assist citizens in the recovery of their driver's license. In 2014, the court lifted driver's license suspensions for more than 10,000 individuals.

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

Court Revenues: Total court revenue in 2014 increased by approximately $39,000 from 2013 a 1% increase. Most of this increase was in fines and forfeitures. Court revenue fluctuates on an annual basis (see Figure 2) as a result of the number of cases, timeliness of adjudication, defendants' ability to pay, changes in forfeiture and fine amounts, and the effectiveness of collection efforts. Court forfeiture revenue is expected to decline 11% ($500,000) in 2016.

Court Alternatives Program: The Court's Alternative Services program started in 1983 in response to a report that revealed a substantial number of mentally ill individuals were incarcerated at the Milwaukee County House of

Figure 2



Correction, because they were unable to pay fines for violating city ordinances. The program was expanded in 1985 to provide Municipal Court judges with financial evaluations and alternatives to jail and forfeiture payments for indigent and disabled citizens. The National Pre-Trial Services Board in Washington, D.C. has recognized the Municipal Court Intervention program as an "Enhanced Program".

The goal of the program is to present alternatives to the Court for jail or forfeiture payments on behalf of Municipal Ordinance violators who are unable to pay fines due to indigence or are in need of special services, particularly related to mental health and Alcohol and Other Drug Abuse (AODA) issues. These alternatives ultimately reduce Milwaukee County Criminal Justice Facility and House of Correction populations and reduce the associated cost to the city of housing these offenders.

In 2014, of the 345 people who agreed to do community service in lieu of payment, 56% completed the program. Another 14% completed some of their community service, thereby reducing the debt owed to the city. Of the 68 people participating in a program related to AODA issues, 63% completed all requirements in lieu of payment. Of the 76 people with issues related to mental health, 72% completed all requirements in lieu of payment.

RESIZE, RESTRUCTURE, AND REINVEST

Case Filings: The decrease in case filings allows the Court to realize operating savings. The 2016 proposed budget includes eliminating Court Commissioner hours, allowing a $40,000 reduction in Commissioner salaries, as well as reductions in mailing expenses.

While no specific funding is provided for Court Commissioners, position authority for Commissioners is retained so that these positions can be used on either a short term or emergency basis when necessary to ensure no disruption in court services to the public.

Improving Case Management: The Electronic Case File project replaced paper case files and allows for all documents associated with each case to be stored electronically in one location. The project also improved customer service by providing additional functionality on the Court's website. Not guilty pleas can be offered online and requests for pre-trial dates can be requested online. The Court's processes are increasingly paperless and automated, generating ongoing operational efficiencies. Return on the Court's investment in technology began in 2011, with $50,000 in savings from eliminating paper case file jackets. Process improvements and other efficiencies enabled the elimination of three positions in 2012, providing approximately $153,000 in salary and fringe benefit savings. Two Court Services Assistant II positions were not funded in 2013 and 2014, generating another $66,500 in savings. One Court Services Assistant III position is not being funded in 2016, saving another $34,700 in salaries. In 2016, annual recurring savings of more than $300,000 will be realized from the project.

CATS and Website Upgrade: The 2015 capital budget included $504,000 to start an upgrade of the court Automated Tracking System, the case management information system that supports the court's operations. This is a two year project that has a total cost of $888,000. The current system is nearing the end of its useful life and the upgrade will enable the court to operate in an efficient and effective manner. The upgrade will also provide increased web based functionality, which will make access to the system easier for various users and will facilitate easier access at community court sessions. The second year of funding was originally planned for 2016, but the Court's network manager position became vacant. This position is critical to the project as it will oversee the project work. Project implementation will be delayed until the position is filled and the new hire is sufficiently familiar with the Court's operations and the CATS system. It is anticipated that second year funding will be provided in the 2017 budget.

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

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
	-0.40		Municipal Court Commissioner	Reduction in case filings.
2	1.00		Court Services Assistant IIII	Positions reclassified as part of restructuring to improve operational efficiency. Changes approved in CCFN 141627.
-4	-3.00		Court Services Assistant II	
-2	**-2.40**	**0.00**	**Totals**	

NEIGHBORHOOD SERVICES

EXECUTIVE SUMMARY

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

OBJECTIVES: Improve neighborhood conditions.

Reduce blight inducing conditions.

Increase investment in Milwaukee.

Improve the safety of buildings.

STRATEGIES: Continue implementation of proactive code enforcement strategies.

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

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

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

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	206.07	215.35	218.35	219.60	4.25	1.25
FTEs - Other	29.29	40.15	40.15	46.15	6.00	6.00
Total Positions Authorized	272	283	284	293	10	9
Expenditures						
Salaries and Wages	$10,836,986	$11,365,987	$11,975,047	$12,419,430	$1,053,443	$444,383
Fringe Benefits	4,839,047	5,114,694	5,748,023	5,961,326	846,632	213,303
Operating Expenditures	1,456,527	1,432,469	1,517,685	1,519,415	86,946	1,730
Equipment	69,794	99,994	63,600	0	-99,994	-63,600
Special Funds	2,961,006	1,993,000	2,030,000	2,020,000	27,000	-10,000
Total	$20,163,360	$20,006,144	$21,334,355	$21,920,171	$1,914,027	$585,816
Revenue						
Charges for Services	$18,599,810	$18,027,000	$17,973,000	$18,484,000	$457,000	$511,000
Licenses and Permits	8,507,530	7,611,000	8,186,900	8,323,200	712,200	136,300
Intergovernmental Aids	1,163,727	1,080,000	1,100,000	1,100,000	20,000	0
Total	$28,271,067	$26,718,000	$27,259,900	$27,907,200	$1,189,200	$647,300

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

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

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

Two major DNS service goals tracked through the Mayor's Accountability in Management (AIM) are response time to complaints and closing of violations in a timely manner. Responding to complaints and resolving violations as quickly as possible enables DNS to achieve its objectives. The complaint response goal is to respond to all complaints within 14 days. Through July 2015, the average complaint response is 7.1 days. The violation goal is to close all violations within 45 days of the compliance date established by inspectors. Through July 2015, an average of 86.9% of violations met this goal.

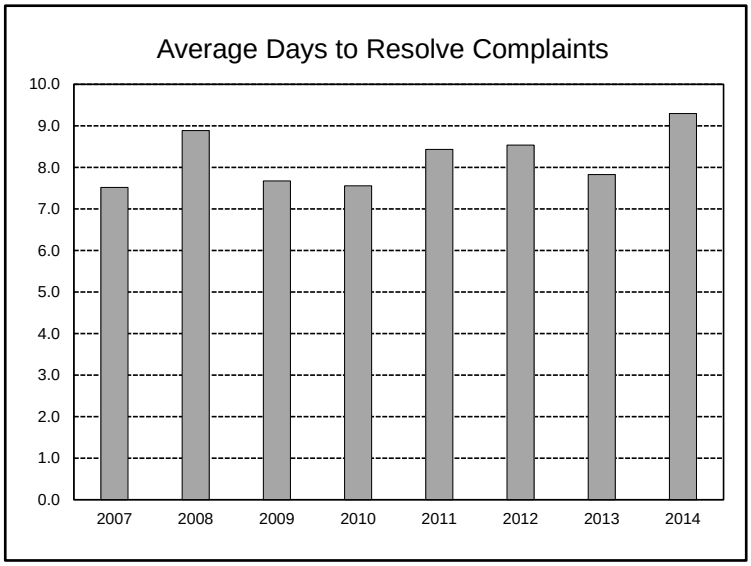
Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Average days to respond to complaints.	9.1	7.1	8.0
Average days to confirm nuisance garbage abatement.	13.5	16.5	16.5
Percentage of Development Center review timelines met.	91%	93%	95%
Number of vacant building inspections.	53,013	53,000	53,000
Number of nuisance properties inspected under expanded Residential Rental Inspection program.	-	64	64
Number of properties that received code compliance loans.	5	35	35

STRATEGY IMPLEMENTATION

DNS has several code enforcement services that improve the appearance of neighborhoods by quickly abating problems such as building code violations, graffiti, peeling paint, litter and garbage nuisances, and structural building problems. Timely abatement minimizes further deterioration while supporting reinvestment into properties and improved neighborhood cleanliness and appearance. One measure of this service is the timeliness of resolving complaints, as measured by the average time to close out complaints. In 2014, average complaint response time was 9.1 days (see Figure 1). Verified complaints result in orders to correct conditions that violate city ordinances. In 2014, 33,396 complaints were closed, 55,114 violation orders were closed, and 2,477 graffiti complaints were closed.

Figure 1



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

This program has provided more proactive and comprehensive inspection and monitoring of vacant properties. Currently there are 4,473 known vacant properties in the city. Of those, 2,730 properties are in the registration program. The remaining properties are either government owned, in pre-foreclosure, are under an active raze order, have received a modification, are an active rehabilitation, or are in probate. An estimated 273 vacant properties will be added in 2015. In 2016, six positions support this program.

Foreclosures: Foreclosures represent a continuing challenge for the city. As of August 2015, there are 2,207 city properties in foreclosure. If foreclosed properties are abandoned or not adequately maintained they 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. Through July 2015, DNS has conducted 8,569 inspections of properties in pre-foreclosure.

Once foreclosure is completed and property ownership has passed to the bank or lender, a property must be adequately maintained in order to minimize neighborhood blight. The city enforces property maintenance standards by requiring owners of vacant properties to provide contact information to DNS. The owner is responsible for securing the property, preventing unlawful entry, removing debris, graffiti or nuisance vehicles, and performing routine maintenance such as grass cutting and snow removal.

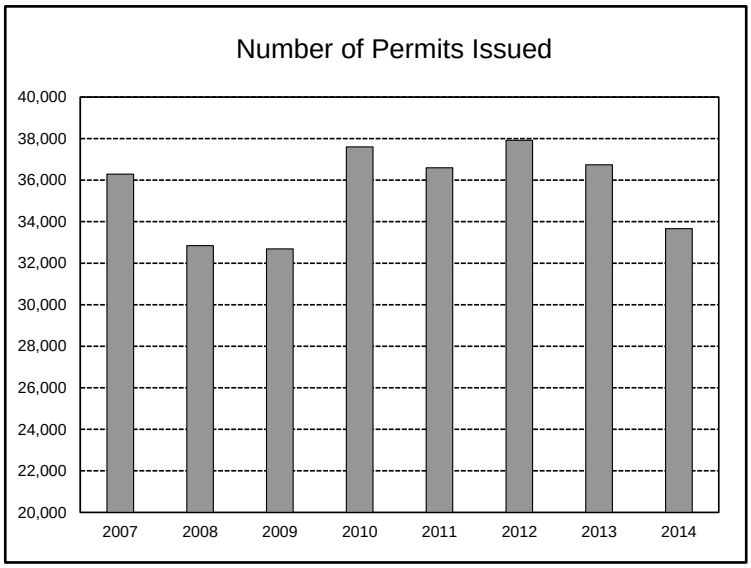
The city works closely with banks and lenders to ensure that they properly monitor and maintain properties they foreclose upon and those they acquire through foreclosure. DNS monitors bank foreclosure actions, investigates property transfers, researches corporate entities, and analyzes trends of bank actions to improve the city's ability to

hold banks and lenders accountable for ensuring foreclosed properties do not become a blighting influence.

Development Center Improvements: The Development Center has implemented numerous process and administrative improvements in order to expedite plan review, streamline permit and plan examination processes, improve customer service, and ensure consistent application of building and development codes.

Timelines for various reviews were established and as of July 2015, these timelines were met 92.7% of the time. The trend in the number of permits issued is shown in Figure 2.

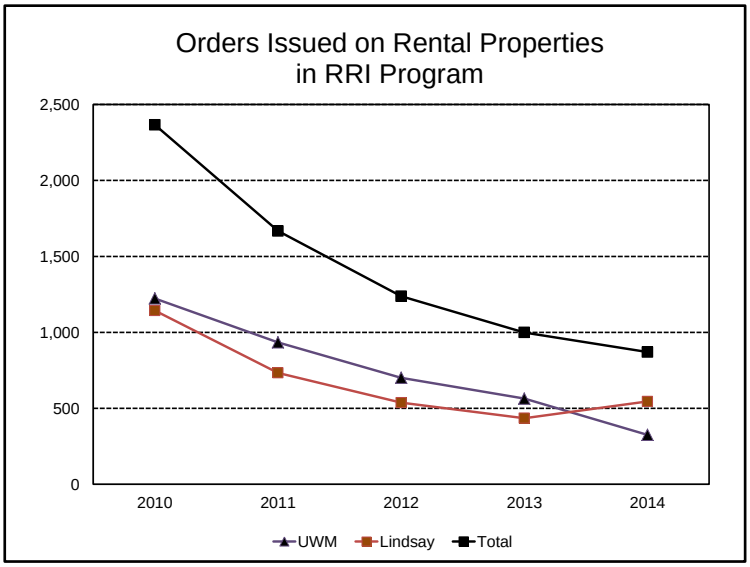
Figure 2



RESTRUCTURE, RESIZE, AND REINVEST

Residential Rental Inspection Program: The Residential Rental Inspection (RRI) program was created in 2010, with pilot areas in the Lindsay Heights neighborhood and the residential neighborhood surrounding the University of Wisconsin Milwaukee (UWM). The program has since been established on a permanent basis in these neighborhoods and extended to a small area within the 5th Aldermanic District bounded by West Congress Avenue, North 87th Street, West Marion Avenue and a point midway between North 91st and North 92nd Streets. Further modification of the program allows nuisance properties, as designated by the Milwaukee Police Department under Section 80-10 of City Ordinances, on a citywide basis to be subject to the RRI program. Four Special Enforcement Inspectors added to the 2015 budget but funded for only half the year are fully funded in the 2016 proposed budget at an additional salary cost of approximately $113,000. These positions support the program's expansion.

Figure 3



The program provides exterior and interior inspections and monitoring of rental properties. This improves housing safety and minimizes the adverse impact of rental housing on the overall community. The program requires each rental unit to obtain a residential rental certificate. Units with no habitability or disqualifying violations receive a four year certificate. Units with habitability or disqualifying violations and that abate the violations receive a one year certificate. If violations are identified, a repair order is issued to the property owner. If inspectors identify problems not related to the RRI program, they make referrals to the appropriate city department.

In the three RRI areas, 80% of the rental units have a four year certificate and 7% of the rental units have a one year certificate. Orders on rental properties in the areas have decreased significantly, with a reduction of 63% between

2010 and 2014 (see Figure 3). The program also decreased the number of aldermanic service request complaints for properties in the RRI areas. Before the program began, rental properties were responsible for a high percentage of these complaints. Since the program began, this percentage has steadily decreased. Starting in 2015, properties designated as a nuisance property or chronic nuisance property under s. 80-10 of City Ordinances are required to comply with the requirements of the RRI ordinance. As of August 2015, 42 residential properties have been identified and referred to the RRI program.

BOZA Compliance Inspection Program: The 2015 budget created a BOZA Compliance Inspection program. The program uses periodic inspections to ensure that businesses comply with the conditions of approval associated with any variance, special use, or limited use and any plan of operation, landscape plan, or site plan submitted and approved by the Board of Zoning Appeals. Inspection frequency is based on the type of business operation and the business' compliance history, with an estimated 2,000 annual periodic inspections occurring. This program will reduce the negative impact of non-compliant businesses on the surrounding neighborhoods. To effectively manage the administrative workload of this program and the expanded nuisance property Residential Rental Inspection activity, one existing part time Office Assistant II position is converted into a full time position.

Special Enforcement: The Special Enforcement Division has expanded to include new programs. In 2015, the BOZA Compliance Inspection program and the Nuisance Property RRI program created additional workload and the number of Special Enforcement Inspectors was increased to 20. The increased workload and staffing make it prudent to create an additional frontline supervisor position. An additional supervisor will improve management of the division and assist with the daily oversight and management of activities and assignments. DNS will request reclassification of one vacant inspector position into a supervisor position.

Demolition Funding: The 2016 proposed budget includes $2.2 million in a DNS capital account for demolition of properties that require razing because they are deteriorated beyond repair, present a safety hazard, and have an extensive history of criminal activity. The funding will also support deconstruction and salvage in lieu of demolition on properties where this is both financially feasible and provides benefits through the reuse of building materials. DNS also coordinates with the Department of Public Works (DPW) demolition crews to raze city owned *in rem* properties. Utilizing the DPW demolition crew expedites demolition of these properties, quickly removing blighting and unsafe properties from neighborhoods. An estimated 197 properties will be razed or deconstructed with 2016 capital funding and operating funds. In addition, $150,000 in Community Development Block Grant reprogramming funds are earmarked for demolition activity, allowing for the demolition of an additional ten properties. There will be an estimated 493 properties with outstanding demolition orders at the end of 2015.

Code Compliance Loan Program: The Code Compliance Loan program continues in 2016, with $500,000 in funding. DNS inspectors use the program to refer residential properties for repair to avoid DNS enforcement and related fees. Contractors perform the repairs necessary to correct the code violations, with the repairs funded through a 0% interest deferred payment loan. The loan is placed as a lien against the property and is due and payable upon sale of the property. Eligibility criteria limit the program to persons of low income whose properties are not tax delinquent, not in foreclosure, and properly insured. The program allows property improvements to occur while enabling the property owners to avoid losing the property through tax foreclosure. Through July 2015, 13 loans have been closed, committing over $150,000. Between 30 and 35 loans will be issued with 2016 funding. An additional Administrative Specialist position is created to provide administrative support for the program. This position will communicate with interested homeowners, process applications, ensure homeowners meet eligibility requirements, refer ineligible homeowners to other resources, schedule and hold loan closings, draft mortgage and closing documents, guide homeowners throughout the entire process, manage and approve payment of invoices, monitor budgets, maintain accurate records for all projects, and conduct training for inspectors and community groups.

Arena Staffing: The proposed Milwaukee Bucks Basketball Arena and related buildings represent a major economic development project. Construction should begin in late 2015 or early 2016. This major development project requires extensive plan review and inspection activity. The 2016 proposed budget creates five positions

dedicated to the project. These positions include a Plan Examiner, Construction Inspector, Electrical Inspector, Plumbing Inspector, and Office Assistant III. The staff cost for the duration of the project, which is estimated to last two years, will be funded by permit fees and additional charges paid by the Milwaukee Bucks. These positions will be eliminated when the project is completed.

Residential Mortgage Loan Registry: Common Council File Number 141900 created a residential mortgage in default registry. Lenders are required to notify DNS within five days when a loan goes into default. The lender's notice will include information about the property, the owner's name, lender contact information, the servicing company and contact information. Lenders are required to inspect the property within 30 days of the default and every 60 days thereafter. The 2016 proposed budget creates additional staff to enable DNS to implement this new program, including one Office Assistant IV and one Special Enforcement Supervisor, and DNS plans to reclassify two Office Assistant II positions into Office Assistant III positions. These staff will collect the registrations, process payments, maintain records, issue orders to non-compliant lenders, and enforce those orders with citations and court actions, including processing of court cases and appearing in Municipal Court.

Nuisance Garbage: CDBG funding for nuisance garbage cleanups is increased from $106,500 to $156,500 in 2016. The additional $50,000 will fund two additional part time Residential Code Enforcement Inspector positions that will perform proactive alley inspections and other nuisance abatement activity.

Residential Code Enforcement Inspector Reduction: The 2016 proposed budget eliminates one Residential Code Enforcement Inspector position for budget savings of $51,980. This will reduce response capacity to complaints. Productivity improvements resulting from the career ladder initiative should absorb the impact of this change.

Electrical Inspector Increase: The 2016 proposed budget reflects an additional Electrical Inspector position created during 2015. The position has a salary cost of $56,575. The position was created to conduct electrical inspections for various housing rehabilitation programs, including the Code Compliance Loan program. The creation of new housing programs as part of the Strong Neighborhoods Plan increased the number of projects requiring electrical inspections. This additional Electrical Inspector position will help ensure that inspections are conducted in a timely manner, thereby avoiding project delays.

Accelerated *In Rem* Foreclosure Acquisition: The 2016 budget includes a proposed modification of the Accelerated *In Rem* Foreclosure acquisition process approved in 2015 in Common Council File Number 150164. The goal is to implement a process for strategic acquisition of residential properties that are one year tax delinquent but that have a high probability of quick sale to a private owner. Strategic acquisition of properties with high sale potential will contribute to blight elimination and neighborhood revitalization efforts while avoiding significant costs to the city. Quick disposition of these properties is necessary to avoid unsustainable growth to the city's inventory of and cost of maintaining *in rem* properties. The increased foreclosure acquisition workload requires adding a Neighborhood Improvement Project Inspector with a cost of approximately $45,000.

Enterprise Land Management System: A new Enterprise Land Management System (LMS) is being implemented to better manage the multi-agency process for land management, permitting, construction and building inspections, and code enforcement activities. LMS will benefit multiple departments by reducing the amount and duplication of data entry, supporting mobile technology products, improving data sharing among departments, and enhancing communication among city staff involved in the land development process. The system will also manage the flow of work to meet customer expectations and provide improved customer service. This will be accomplished by an automated notification of staff when tasks are at risk of falling behind schedule. Information will also be made available to customers so they can monitor their service requests. The system is expected to be implemented before the end of 2015. A second phase of the project, to be completed in 2016, will migrate all the licensing functionality currently in the City Clerk's LIRA system to LMS. Establishing a single information system for all city departments is more efficient and effective in the long term.

Remodel Anderson Lake Tower Facility: The 2015 capital budget included $425,000 for the first year of a two year project to remodel the Anderson Lake Tower Facility. This facility houses the Residential Inspection Division, the Environmental Health Section, the Vacant Building Registration program, the Residential Rental Inspection program, the Special Enforcement Division, and the Court Division. The current facility is not large enough to accommodate all these staff, making a facility remodel necessary. The first phase of the project will convert the current garage space to office space, expanding the available workspace for staff. The second phase of the project will reconfigure the second floor to improve workspace and rearrange staff to support coordination and communication among staff. The second phase of the project is funded with $225,000 in the 2016 proposed capital budget.

Information Technology Consolidation: The 2016 proposed budget continues to consolidate information technology and management under the Department of Administration Information and Management Technology Division (ITMD). In 2016, this consolidation includes DNS. Specifically, two dedicated information technology positions and all technology equipment previously in DNS will transfer to ITMD. ITMD and DNS will enter into a Service Level Agreement specifying the support that will be provided to DNS.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Administrative Assistant II	Position reclassified in CCFN 141284.
1	1.00		Administrative Assistant IV	
-1	-1.00		Network Administrator	Positions transferred to DOA ITMD as part of citywide information technology consolidation initiative.
-1	-1.00		IT Support Specialist Senior	
1	1.00		Administrative Specialist Senior	Add position to support Code Compliance Loan program.
1	1.00		Office Assistant IV	Add positions to support the Residential Mortgage Loan in Default Registry.
1	1.00		Special Enforcement Supervisor	
	2.00		Special Enforcement Inspector	Fully fund positions created in 2015 but only partially funded.
1	1.00		Electrical Inspector	Position added in CCFN 141737 in 2015 for Strong Neighborhoods Plan.
1		1.00	Building Construction Inspector	Positions added for construction of new Milwaukee Bucks arena.
1		1.00	Electrical Inspector	
1		1.00	Plumbing Inspector	
1		1.00	Plan Examiner III	
1		1.00	Office Assistant III	

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Commercial Code Enforcement Inspector	Position reclassified in CCFN 150262.
1	1.00		District Code Enforcement Supervisor	
-1	-0.50		Office Assistant II (0.50 FTE)	Position change to support BOZA Compliance Inspection and Residential Rental Inspection programs.
1	1.00		Office Assistant II	
-1	-1.00		Environment Code Enforcement Supervisor	Positions reclassified in CCFN 140993.
1	1.00		District Code Enforcement Supervisor	
-8	-8.00		Building Codes Enforcement Supervisor	
8	8.00		District Code Enforcement Supervisor	
1	0.75		Neighborhood Improvements Project Inspector	Position added to support the accelerated *in rem* foreclosure acquisition program created in CCFN 150164.
2		1.00	Residential Code Enforcement Inspector (0.50 FTE)	Increased CDBG funding for garbage clean ups.
	-1.00		Residential Code Enforcement Inspector	Reduction in staffing for budget savings.
5	5.00		Plan Examiner III	Positions reclassified in CCFN 150127.
-5	-5.00		Plan Examiner II	
1	1.00		Mechanical Plan Examiner III	
-1	-1.00		Mechanical Plan Examiner II	
10	**4.25**	**6.00**	**Totals**	

POLICE DEPARTMENT

EXECUTIVE SUMMARY

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

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

Maintain high clearance rates.

Increase community readiness to cooperate with police.

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

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

Optimize patrol capacity through innovative programs and technologies.

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	2,424.00	2,716.86	2,721.00	2,725.71	8.85	4.71
FTEs - Other	11.79	38.23	37.00	40.23	2.00	3.23
Total Positions Authorized	2,848	2,809	2,812	2,811	2	-1
Expenditures						
Salaries and Wages	$160,194,373	$164,994,707	$167,053,758	$168,336,756	$3,342,049	$1,282,998
Fringe Benefits	79,872,914	65,997,883	90,209,029	90,901,848	24,903,965	692,819
Operating Expenditures	14,010,410	14,715,844	15,862,955	15,681,955	966,111	-181,000
Equipment	1,542,963	2,838,500	3,967,820	2,117,820	-720,680	-1,850,000
Special Funds	0	27,600	0	527,600	500,000	527,600
Total	$255,620,660	$248,574,534	$277,093,562	$277,565,979	$28,991,445	$472,417
Revenues						
Intergovernmental	$607,999	$624,000	$2,557,000	$2,921,700	$2,297,700	$364,700
Charges for Services	752,179	747,000	656,300	673,600	-73,400	17,300
Total	$1,360,178	$1,371,000	$3,213,300	$3,595,300	$2,224,300	$382,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

A set of core values guide MPD's mission:

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

Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Decrease total crime by 10% annually.	+3%	-10%	-10%
Achieve a 70% homicide clearance rate.	60%	70%	70%
Ratio of proactive policing to citizen complaints.	0.06%	0.12%	0.12%
Guns seized.	2,287	1,900	2,000

STRATEGY IMPLEMENTATION

The department uses strategic staffing practices to optimize patrol capacity. The 2016 proposed budget maintains a sworn strength of 1,880, including 100 Police Officer recruits. The department will continue to optimize its patrol resources through a variety of means, including:

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

Table 1

City of Milwaukee Uniform Crime Statistics

Summary Crime Counts 2007 - 2015 Comparison of January through June

	2007 Total	2008 Total	2009 Total	2010 Total	2011 Total	2012 Total	2013 Total	2014 Total	2015 Total	2007-2015 Change	2008-2015 Change	2009-2015 Change	2010-2015 Change	2011-2015 Change	2012-2015 Change	2013-2015 Change	2014-2015 Change
Homicide	52	39	47	40	42	39	39	42	86	65.4%	120.5%	83.0%	115.0%	104.8%	120.5%	120.5%	104.8%
Aggravated Assault	2,838	2,733	2,135	2,047	1,717	2,401	2,333	2,419	2,662	-6.2%	-2.6%	24.7%	30.0%	55.0%	10.9%	10.9%	10.0%
Rape	132	104	115	100	104	112	126	132	118	-10.6%	13.5%	2.6%	18.0%	13.5%	5.4%	5.4%	-10.6%
Robbery	1,752	1,519	1,492	1,335	1,475	1,331	1,610	1,691	1,833	4.6%	20.7%	22.9%	37.3%	24.3%	37.7%	37.7%	8.4%
Total Violent Crime	**4,774**	**4,395**	**3,789**	**3,522**	**3,338**	**3,883**	**4,108**	**4,284**	**4,699**	**-1.6%**	**6.9%**	**24.0%**	**33.4%**	**40.8%**	**21.0%**	**21.0%**	**9.7%**
Burglary	3,067	3,112	2,956	3,071	3,206	3,262	3,192	2,820	2,880	-6.1%	-7.5%	-2.6%	-6.2%	-10.2%	-11.7%	-11.7%	2.1%
Theft	10,906	10,470	9,956	9,900	8,171	7,972	6,803	6,217	5,506	-49.5%	-47.4%	-44.7%	-44.4%	-32.6%	-30.9%	-30.9%	-11.4%
Auto Theft	3,946	3,573	2,486	1,883	2,241	2,164	1,871	3,263	3,361	-14.8%	-5.9%	35.2%	78.5%	50.0%	55.3%	55.3%	3.0%
Total Property Crime	**17,919**	**17,155**	**15,398**	**14,854**	**13,618**	**13,398**	**11,866**	**12,300**	**11,747**	**-34.4%**	**-31.5%**	**-23.7%**	**-20.9%**	**-13.7%**	**-12.3%**	**-12.3%**	**-4.5%**
Arson	163	151	164	119	145	176	144	137	127	-22.1%	-15.9%	-22.6%	6.7%	-12.4%	-27.8%	-27.8%	-7.3%
Grand Totals	**22,856**	**21,701**	**19,351**	**18,495**	**17,101**	**17,457**	**16,118**	**16,721**	**16,573**	**-27.5%**	**-23.6%**	**-14.4%**	**-10.4%**	**-3.1%**	**-5.1%**	**-5.1%**	**-0.9%**

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

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

Measuring the year to year change in violent and property crime clarifies the city's public safety trend. Table 1 depicts the City of Milwaukee's Uniform Crime Statistics for the first six months of 2007 through 2015, the most up-to-date data available. The Federal Bureau of Investigation (FBI) Uniform Crime Reporting Program is comprised of two different data collection systems, Summary Based Reporting (SBR) and Incident Based Reporting (IBR). The Milwaukee Police Department records and reports all data to the Office of Justice Assistance/FBI, and in the City of Milwaukee's COMPASS Map, in the IBR format. The Office of Justice Assistance converts this IBR data to SBR values, as seen in Table 1. IBR and SBR cannot be directly compared because IBR counts all the offenses that occurred in an incident and SBR counts the offense that is highest on the hierarchy list while the other offenses are ignored.

MPD has reduced crime through crime analysis, data driven deployments, and community engagement. The City of Milwaukee has experienced decreases in most crime categories when comparing the first six months of 2015 to the same time period of the previous eight years. Since 2007, violent crime decreased 1.6%, property crime decreased 34.4%, and overall crime decreased 27.5%.

RESIZE, RESTRUCTURE, AND REINVEST

Funded Strength and Recruit Class: The 2016 proposed budget maintains the 2015 funded sworn strength of 1,880 officers, based on the projected average strength level throughout the year. The proposed budget includes funds for hiring 100 new officers to offset projected attrition. Thirty-five officers will be hired at the end of 2015 and be available for community policing activities by late spring. A second class of 65 will begin in the third quarter of 2016 and be available for community policing activities by early 2017.

Body Worn Cameras: Ensuring the safety of the public and of sworn officers is of upmost importance. Studies have shown a significant decrease in incidents of using force and citizen complaints when officers are wearing body worn cameras. In 2013, the department conducted a limited scope 60 day pilot program testing out five body

camera models. In 2014, the department purchased a limited number of cameras to begin implementing in day to day operations. The 2015 budget included $100,000 to begin the process of selecting a body worn camera solution and an initial implementation. During 2015 the city selected a preferred vendor and negotiated the most cost effective solution to deploy body worn cameras to all patrol officers.

The 2016 proposed budget includes $880,000 to phase in the deployment of body worn cameras. The deployment will occur in phases, ranging from 200 to 400 cameras at a time, with a total of 1,200 being deployed by the end of 2016. A standard operating procedure is being developed by the department to ensure proper usage and video storage. It is anticipated that this procedure will be reviewed by the Fire and Police Commission and implemented in early fall of 2015.

Gun Violence Memorandum of Agreement: The city has entered into a Memorandum of Agreement with the Department of Justice, the Milwaukee County District Attorney's Office, and the Department of Corrections in order to reduce gun violence in Milwaukee. The agreement will do the following:

- Assign two Assistant Attorneys General to handle firearms related investigations and prosecutions involving unlawful possession of firearms and non-fatal shootings.
- The Department of Justice will provide $50,000 in federal JAG grant funding for MPD overtime expenses related to investigative activities of the detectives assigned to the initiative.
- Ensure the continuation of dedicated detectives to be assigned primarily to the investigation and prosecution of firearm related cases.
- The District Attorney's Office will work with partners when called to assist in the development of investigative and prosecution strategies and procedures.
- The Department of Corrections will assign probation and parole agents directly to Police Districts.

Furlough Days Eliminated: The 2016 proposed budget eliminates furloughs for all sworn members. This action increases the department's budget by $1,500,000 and will simplify management of personnel.

Community Service Officers: The 2015 budget added ten Community Service Officer (CSO) positions to begin in late 2015. The CSO's will support police operations and functions by performing a variety of specialized duties not requiring the attention of a sworn Police Officer. The 2016 proposed budget includes $350,000 for full year funding of the ten positions.

Civilianization as a Force Multiplier: The department strategically increased the funding for various civilian positions to provide additional officers for community policing. The civilian positions, such as Police Aides, Police Service Specialists, Police Service Specialists Investigator, and Crime Analysts perform functions that were previously accomplished by sworn officers. Since 2004, the funding for these positions has increased by 59 FTEs. This allows 59 Police Officers whose positions were assigned to administrative duties in 2004 to return to community policing activities.

Building Neighborhoods Capacity Program Grant: The Police Department was awarded a $225,000 federal Building Neighborhood Capacity program grant as part of the White House Neighborhood Revitalization Initiative. The program targets neighborhoods with very little or no infrastructure to building community capacity or impose order or social control. Surveys were conducted to determine the residents' greatest needs and concerns. Human services and access to city governments were introduced into the neighborhoods and made available to the citizens. The department partnered with the Greater Milwaukee Foundation, Northwestern Mutual Foundation, and Children's Hospital of Wisconsin in the realm of community building. The program is working toward established infrastructure, capacity, and a sense of shared responsibility in the chosen neighborhoods similar to what can be found in health neighborhoods.

Group Violence Reduction Initiative (GVRI): Violence can be dramatically reduced when community members and law enforcement agencies join together to engage groups that have shown a willingness to use gun violence. These engagements are designed to provide a credible, oral message against violence, a credible law enforcement message about the consequences of further violence, and a genuine offer of help and aid to those who want it. In 2014, the department launched this GVRI strategy in concert with the District Attorney, United States Attorney, Department of Corrections, and a host of community based partners. In 2016, the department anticipates notable increases in focused prosecutions, both state and federal, for the purpose of deterring future violence from groups and gang involved individuals.

Sojourner Family Peace Center: The Sojourner Family Peace Center is Wisconsin's largest nonprofit provider of domestic violence prevention and intervention services. The center provides a variety of services to support and help families affected by domestic violence. In 2016, the city will provide $27,600 in operating support for the facility.

Overtime Management: Over the past several years, the department has had tremendous success in managing its overtime funds. The department expects these results to continue with close operational oversight and administrative direction. The 2016 proposed budget includes levy funded overtime of $12.4 million and contract reimbursed overtime of $1.6 million.

Computer Replacement Program: The department has approximately 1,000 computers that are over five years old. In order to limit the impact of replacing all computers past their useful life through a purchase program, the department will use a hybrid program involving both leasing and purchasing computers. This method will enable the department to have a five year replacement cycle of all purchased computers by 2021. The 2016 proposed budget includes $500,000 in two special funds for this effort.

Shotspotter: In 2014, the city received grant funding from the State of Wisconsin and Milwaukee County to expand Shotspotter coverage. In 2016, the proposed budget maintains the expanded coverage area.

CAPITAL BUDGET

The 2016 proposed capital budget continues reinvestment in key areas of the department.

Remodeling Police Administration Building (PAB): The Police Administration Building Master Plan is a multi-year plan to renovate the PAB. The 2016 proposed budget includes $2.1 million for asbestos abatement and for garage flooring and drain repairs.

Records Management System: A reliable and effective records management system is a critical component of data driven policing. The current system does not meet the department's needs. A new system will be more efficient and reliable. During 2014, the city conducted a Request for Proposal process to select the preferred vendor. During 2015, the vendor was selected and contract negotiations are expected to be completed by the fall. The 2016 proposed budget includes $1,100,000 to begin implementing the selected system.

Radio Dispatch Console Upgrades: The current radio dispatch consoles are beyond their useful life. The consoles allow the dispatch center to communicate with emergency personnel. The 2016 proposed budget includes $1.9 million to upgrade the consoles, upgrade core switches and install a gateway to communicate with other jurisdictions. This project will replace consoles for both the Police and Fire departments.

Upgrade CAD System: The current CAD system is over seven years old and needs an upgrade. Upgrading to the current version will enhance the system's functionality in multiple areas. The 2016 proposed budget includes $1.3 million for the upgrade.

Mobile Data Computer Upgrade: Mobile Data Computers (MDCs) are located inside police vehicles. These computers allow officers to obtain critical information while in the field. The current fleet of MDCs need

replacement. The upgrade began in 2015 and will replace 320 MDCs over a two year period. The 2016 proposed budget includes $758,000 to replace 120 MDCs.

District Station Renovation Program: The 2016 proposed budget includes $500,000 for various repairs and upgrades at the district stations, the Neighborhood Task Force, and radio shop.

Radio and Communication Upgrades: This program maintains and upgrades the citywide communication system. It includes funding for tower installation, replacement and maintenance, base station improvements, antennas, and other communication improvements. The 2016 proposed budget includes $440,000 for the installation of two new sites.

Uninterruptable Power Supply: Uninterruptable power supply systems provide the Police Department power when a power outage occurs. The systems are critical in maintaining data and communication systems that are essential to public safety services. The 2016 proposed budget includes $425,000 to replace systems that are beyond their useful life at several locations.

MediaSolv Camera Upgrade: This system records interrogations in the interview rooms. The 2016 proposed budget includes $250,000 to upgrade the system to an Internet Protocot platform.

Server and Storage Replacement: The department uses approximately 85 servers to operate critical systems such as the Computer Aided Dispatch system and Records Management system. Many of these servers are beyond their useful lives and must be replaced. The 2016 proposed budget includes $225,000 to replace servers.

9-1-1 Network Upgrade: The 9-1-1 network infrastructure is beyond its useful life. The 2016 proposed budget includes $72,000 to replace switches, routers, power supplies, and licenses.

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
-10			Police Telecommunicator Seasonal	Position authority was reclassified into Police Telecommunicator title.
10			Police Telecommunicator	
1	1.00		Sensitive Crime Project Manager	New position added in 2014.
-1	-1.00		Program Assistant	Position eliminated.
-1		-1.00	School Crossing Guard	Grant expired.
2		2.00	Application Support Analyst	New positions to support new Records Management System
1		1.00	Database Administrator	
	8.85		Community Service Officers	Funded for a full year.
2	**8.85**	**2.00**	**Totals**	

PORT OF MILWAUKEE

EXECUTIVE SUMMARY

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

OBJECTIVES: Increase private investment.

Enhance intermodal options.

Foster development of agricultural and alternative markets.

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

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

Increase marketing for the ferry to Michigan.

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requsted Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	17.75	20.00	20.00	20.00	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	37	37	37	37	0	0
Expenditures						
Salaries and Wages	$1,112,269	$1,213,689	$1,237,728	$1,228,156	$14,467	$-9,572
Fringe Benefits	521,839	546,160	594,109	589,515	43,355	-4,594
Operating Expenditures	914,157	923,000	933,000	933,000	10,000	0
Special Funds	1,911,009	2,130,000	2,051,000	2,051,000	-79,000	0
Total	$4,459,274	$4,812,849	$4,815,837	$4,801,671	$-11,178	$-14,166
Revenues						
Charges for Services	$5,905,581	$4,812,849	$4,900,000	$4,801,671	$-11,178	$-98,329
Total	$5,905,581	$4,812,849	$4,900,000	$4,801,671	$-11,178	$-98,329

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

operations directly create over 600 family supporting jobs as well as indirectly supporting hundreds of additional jobs.

The Port nurtures investment in Milwaukee by stimulating trade and business and by serving as a regional transportation and distribution hub for Southeastern Wisconsin. The Port links waterborne, rail, and ground transportation in an accessible location close to downtown. As a result, the Port's tenants and customers are able to ship and receive products to and from all parts of the world.

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

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

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

Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Tonnage growth.	-1.75%	0%	0%
Percentage of total expenses covered by revenues.	132%	100%	100%
Port related job growth.	624 (direct jobs) 792 (indirect)	624 (direct jobs) 792 (indirect)	624 (direct jobs) 792 (indirect)

STRATEGY IMPLEMENTATION

The Port derived approximately 66% of the 2014 revenues from a combination of facility rentals and the lease of the 75 acre Maier Festival Park to Milwaukee World Festivals, Inc. This lease generated $1.36 million in 2014. The Port transfers any excess revenue to the city's general fund to reduce the property tax burden.

In 2014, the Port generated operating revenue of approximately $4.6 million, a 4% increase over 2013. While revenues have remained relatively stable over the past five years, total revenues, including the Maier Festival Park lease, consistently exceeded expenses by over $1 million.

In 2014, total tonnage remained relatively stable with a minor decrease of 1.75%. The 2014 Port tonnage totaled 2.57 million tons, compared to 2.62 million tons in 2013. The overall decrease in tonnage is a result of a 9.3%, or 222,000, ton decrease in dry bulk tonnage. Dry bulk includes salt, coal, and limestone and comprised nearly 85% of 2014 tonnage. In contrast, the remaining tonnage categories had a net tonnage increase of 177,000 tons, an 80% increase.

Dry bulk tonnage will most likely decrease substantially after 2016. WE Energies will be converting its Menonomee Valley Plant to natural gas and as a result, coal will most likely be eliminated as a commodity at the Port. Coal accounted for 16% and 10% of the Port's overall tonnage in 2013 and 2014, respectively.

Despite the loss of WE Energies as a major customer, the Port land use strategy will remain unchanged. The Port will strive to maximize productive use of its properties and services by replacing less productive activities with more productive activities.

Table 1

Foreign Trade Zone No. 41				
	2011	2012	2013	2014
Merchandise Value (In Millions)	$434.7	$852.0	$1,085.0	$1,192.0
Employees	2,573	2,962	2,977	3,624
Approved Zones	4	7	9	7

RESIZE, RESTRUCTURE, AND REINVEST

Position Changes and Consolidation: There are currently no new positions planned for 2016.

Foreign Trade Zone No. 41: The Port of Milwaukee took over as the grantee of Foreign Trade Zone (FTZ) No. 41 in August of 2011. The Port's role as the grantee is to promote the FTZ to Wisconsin businesses that could benefit from participating in the program.

Companies that are designated as Foreign Trade Zones are able to realize the following benefits:

- Deferral or elimination of customs duties;
- Leaner supply chain;
- Reduction in merchandise processing fees; and
- Reduction in broker fees.

FTZ benefits allow Wisconsin companies to retain and create jobs, while remaining competitive in international markets. Table 1 shows a list of the Foreign Trade Zone accomplishments.

Port Facilities: The 2016 proposed budget includes $2.1 million for the maintenance and improvement of the Port's facilities. Maintaining high quality facilities helps attract tenants, increase revenues, and positively influences the local economy.

Rail Track Upgrade: The Port is using capital funding from the 2013 to 2015 budgets, in conjunction with a WisDOT grant, to provide upgrades to the Port railway system. The $2.3 million project will start in the fall of 2015 and will be completed by April of 2016. The project will upgrade over 9,500 rail feet of track and ten switches. These upgrades will allow the Port's rail system to support heavier loads and will reopen portions of the Port rail system that were previously closed due to deterioration.

The benefits of this project include:

- The Port becomes more attractive to potential tenants and other customers.
- Potential increase in rail car traffic.
- Increased size of the Port's usable rail system.

Revenues and Increase Tonnage: In 2016, the Port will continue efforts to generate new revenues and increase tonnage from the following sources:

- Innovative fuels and alternative fuels exports;
- Agriculture products;
- Marketing available properties;
- Foreign trade zone activation; and
- Expanding export and import container yard activity.

These revenue sources will increase annual tonnage by up to 50,000 tons over the next few years.

CAPITAL BUDGET

Crane Replacement: The Redevelopment Authority of the City of Milwaukee (RACM) will provide financing for the purchase of a new heavy lift crane to replace a 36 year old crane. RACM financing allows the Port to extend its loan repayment period and provides a more favorable interest rate than conventional financing. The new crane will reduce the Port's maintenance costs, increase efficiency by eliminating downtime, and will allow heavier lifts to be conducted in a safe manner.

Rail Track Upgrades: The 2016 proposed capital budget includes $400,000 for improvements to the Port's rail system. The additional improvements planned for the Port's rail system in conjunction with other facility improvements make the Port more attractive to potential tenants and enhances its competitive advantages.

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

DEPARTMENT OF PUBLIC WORKS
ADMINISTRATIVE SERVICES DIVISION

EXECUTIVE SUMMARY

MISSION: Provide business operations and administrative support for DPW.

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

Provide for safe and OSHA compliant working conditions throughout DPW.

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

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

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

Administer the Emerging Business Enterprise and Residential Preference Program.

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	40.80	42.00	42.00	42.00	0.00	0.00
FTEs - Other	3.85	4.70	3.83	4.83	0.13	1.00
Total Positions Authorized	47	48	48	49	1	1
Expenditures						
Salaries and Wages	$2,259,198	$2,250,220	$2,309,549	$2,312,962	$62,742	$3,413
Fringe Benefits	1,041,901	1,012,599	1,039,297	1,110,222	97,623	70,925
Operating Expenditures	228,512	280,000	280,000	295,038	15,038	15,038
Equipment	25,890	2,000	2,000	2,000	0	0
Total	$3,555,501	$3,544,819	$3,630,846	$3,720,222	$175,403	$89,376
Revenues						
Charges for Services	$1,215,235	$1,397,000	$1,350,000	$1,350,000	$-47,000	$0
Licenses and Permits	1,867,318	1,803,500	1,708,500	1,708,500	-95,000	0
Total	$3,082,553	$3,200,500	$3,058,500	$3,058,500	$-142,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

2. Improve workforce development and connect more citizens to family supporting jobs.
   - Provide employment opportunities to Milwaukee businesses and residents through the Small Business Enterprise (SBE) and the Residential Preference Program (RPP).

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

Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
SBE participation as a percent of total annual contract payments.	42.2%	25%	25%
RPP hours worked as a percentage of total contract hours.	42.5%	50%	45%
Employee work days lost due to injury. #	5,258	8,000	7,000

Note: 2015 and 2016 levels reflect changes in OSHA reporting requirements.

STRATEGY IMPLEMENTATION

Improving Safety: DPW's Safety Section minimizes workplace injuries and supports a safe and productive work environment. The section implements programs and procedures and acquires new safety devices that contribute to safer work practices. Minimizing injuries reduces both lost workdays and worker's compensation costs. In 2015, the Safety Section worked closely with the Department of Employee Relations to improve injury data collection and analysis by expanding the DPW Injury and Incident Application and implementing uniform procedures for incident and injury data recording. This has enabled DPW to identify high risk activities and effectively target safety efforts. These efforts have included disposal of obsolete equipment and updated training protocols in the Sewer Maintenance department, further implementation of the DPW athlete program, coordinated training with Milwaukee Fire Department's Heavy Urban Rescue Team, and increased safety checks.

OSHA recording regulations dictate how employers count the number of calendar days employees are unable to work as a result of the injury or illness regardless of whether or not the employee was scheduled to work on those days. Weekend days, holidays, vacation days or other days off are included in the total numbers of days recorded if the employee would not have been able to work on those days because of a work related injury or illness. Therefore, as a result of this change the number of counted missed days has changed dramatically, reflected by the 2015 planned outcome measure. The decrease in the planned outcome measure for 2016 can be attributed to the anticipated impact of enhanced safety efforts.

RESIZE, RESTRUCTURE, AND REINVEST

Residential Preference Program: The Administrative Services Division is responsible for implementing the city's Residential Preference Program (RPP). This program leverages employment and training opportunities for city residents through requirements applicable to capital improvement projects. These projects include road repair, building repair, retrofitting and rehabilitation, water main repair, and playfield reconstruction. Contracts awarded for capital projects are used to create employment opportunities for city residents to build work experience and skills development in the construction trades. The RPP provides that 40% of the labor hours on such projects be allocated to unemployed or underemployed city residents. In many cases, employees who are initially hired under this program go on to full time employment with companies doing business with the city. In 2014, the RPP provided approximately 160,000 hours of work and $4.5 million of wage income for Milwaukee target area residents.

Transitional Jobs Program: In 2016, the City of Milwaukee will continue its collaborations with UMOS and the Milwaukee Area Workforce Investment Board (MAWIB) on the Transitional Jobs program. The 2016 proposed budget includes funding to support 95 transitional jobs in DPW, including $45,000 in DPW Administrative Services Division's operating budget and $200,000 for 15 workers to be placed in the Transitional Jobs Urban Landscaping program. Other assignments will include assisting the DPW Infrastructure and Forestry divisions with pothole repair operations and tree pruning. Department and worker needs will be evaluated to determine other placements. During the six month program, transitional jobs workers receive paid training and develop useful skills that will enable them to compete for family supporting jobs.

The Business Services Specialist position, added in the 2015 budget, will continue to provide administrative support and reporting for the Transitional Jobs program.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1		1.00	Program Assistant I	Support for federal funding mandated wage reporting.
		-0.87	Various Positions	Miscellaneous adjustments.
1	**0.00**	**0.13**	**Total**	

DEPARTMENT OF PUBLIC WORKS
INFRASTRUCTURE SERVICES DIVISION

EXECUTIVE SUMMARY

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

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

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

Extend useful life of 36 miles of streets in 2016.

Improve bicycle and pedestrian access and safety.

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	321.41	312.41	310.91	309.19	-3.22	-1.72
FTEs - Other	307.13	307.13	303.63	305.35	-1.78	1.72
Total Positions Authorized	810	801	800	790	-11	-10
Expenditures						
Salaries and Wages	$16,542,919	$16,576,321	$16,950,685	$16,704,293	$127,972	$-246,392
Fringe Benefits	7,453,376	7,459,345	7,627,808	7,516,932	57,587	-110,876
Operating Expenditures	14,823,971	14,633,572	14,973,800	14,006,600	-626,972	-967,200
Equipment	539,542	382,500	702,000	428,000	45,500	-274,000
Special Funds	0	0	0	0	0	0
Total	$39,359,808	$39,051,738	$40,254,293	$38,655,825	$-395,913	$-1,598,468
Revenues						
Charges for Services	$4,928,931	$4,738,000	$4,609,000	$4,609,000	$-129,000	$0
Miscellaneous	234,202	222,000	222,000	222,000	0	0
Total	$5,163,133	$4,960,000	$4,831,000	$4,831,000	$-129,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

ISD is responsible for design, construction, and maintenance of the city's infrastructure systems including streets and alleys, bridges, sewers, sidewalks, traffic control devices, street lights, and underground conduits. In addition, the division performs transportation planning, coordinates transportation improvements with other governmental agencies and railroad companies, undertakes engineering studies, and investigates various permits, plans, and easements. The division also manages the city's building facility assets by improving the functionality of existing facilities. The division provides building services, such as design, construction, and maintenance for city facilities excluding the Port of Milwaukee, Milwaukee Public Library, and Health Department clinics.

In 2016, ISD will use approximately $131.3 million to support its objectives including $38.6 million in operating funds, $54.6 million in capital funds, and $37.6 million in state and federal aid. Grant and aid funds are used primarily for two capital programs:

- Major Bridge Program
- Major Street Improvements Program

In the 2016 proposed budget, grant funds constitute 80% of the Major Bridge program and 80% 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. The Major Street Improvements program also includes grant funding for traffic control, bicycle, and pedestrian improvements.

Key Performance Measures

Measure	2014 Actual	2015 Estimated	2016 Planned
Percentage of bridges with sufficiency rating greater than 50.	94.3%	95%	92%
Miles of bicycle lanes or trails added.	4.25 miles	3.8 miles	10 miles
Miles of streets with useful life improved through Local Street and High Impact Street programs.	25.5 miles	33.5 miles	36 miles
Street lights converted from series to multiple circuitries.	330	321	300

STRATEGY IMPLEMENTATION

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

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

Table 1

Major Streets

Source of Funds	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2016 - 2021 Average
City Funding (1)	$8,136,000	$8,714,968	$5,849,724	$6,614,000	$9,183,400	$4,848,400	$7,224,415
Assessable (2)	$473,000	$319,000	$327,500	$329,000	$509,000	$172,000	$354,917
Grant and Aid	$30,788,000	$34,944,652	$28,691,781	$24,815,000	$31,005,600	$29,226,600	$29,911,939
Annual Totals	**$39,397,000**	**$43,978,620**	**$34,869,005**	**$31,758,000**	**$40,698,000**	**$34,247,000**	**$37,491,271**

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

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

A key transportation concern is limiting the number of street segments falling into poor condition. Once a street segment falls into poor condition, improvement costs increase. State funding allocations and local fiscal constraints render a conventional "reconstruction only" approach infeasible. Therefore, the city supplements conventional reconstruction with a preservation strategy. This cost effective approach focuses attention on extending useful life and improving pavement condition on street segments that have high traffic counts.

Major Streets: The city's 286 miles of major and minor arterials are resurfaced and maintained as part of the city's Major Street program. Arterials are part of the Federal Aid Transportation System and are eligible for county, state, and federal funding. Over the past five years, an average of $56.9 million per year has been dedicated to the preservation and reconstruction of these streets. The American Recovery and Reinvestment Act (ARRA) provided $27.5 million to fund 19 major street projects in 2009 and 2010. This funding significantly accelerated the Major Street program and improved some of the city's major thoroughfares. The 2016 proposed budget includes $39.4 million for the Major Street program, of which $8.1 million is city funding (see Table 1). Grant funding was obtained for eight major street reconstruction projects in the 2016 proposed budget. Grant funds were also obtained for several bicycle and pedestrian improvement projects, including engineering and design funds to expand the city's Bikeshare program.

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

The 2016 proposed budget provides $9.7 million for the resurfacing and reconstruction of local streets. Funding of $7.6 million is included in the Local Streets Paving program, with an additional $2.1 million budgeted in the Major Streets Improvement program designated for local street reconstruction. Funding of $9.7 million will improve approximately 10.2 miles of local streets and $1 million will be used for capital maintenance.

Capital maintenance activities extend pavement life and help prevent problems such as potholes. The Department of Public Works aims to quickly repair potholes reported by both citizens and city crews. In 2014, 16,804 potholes were reported to DPW by residents and by street maintenance personnel. This is the highest number of pothole reports since this information started being tracked. Pothole reports are down significantly in 2015 compared to 2014. Through mid-August of 2015, there were approximately 8,100 potholes reported, compared to approximately 13,600 by mid-August in 2014. This improvement can be partially attributed to improvements in street maintenance techniques and the expansion of the High Impact Streets program.

In 2014, DPW restructured street maintenance crews in order to make quality, long lasting repairs to stretches of the more highly trafficked streets in the city. DPW has traditionally utilized two person crews to repair individual

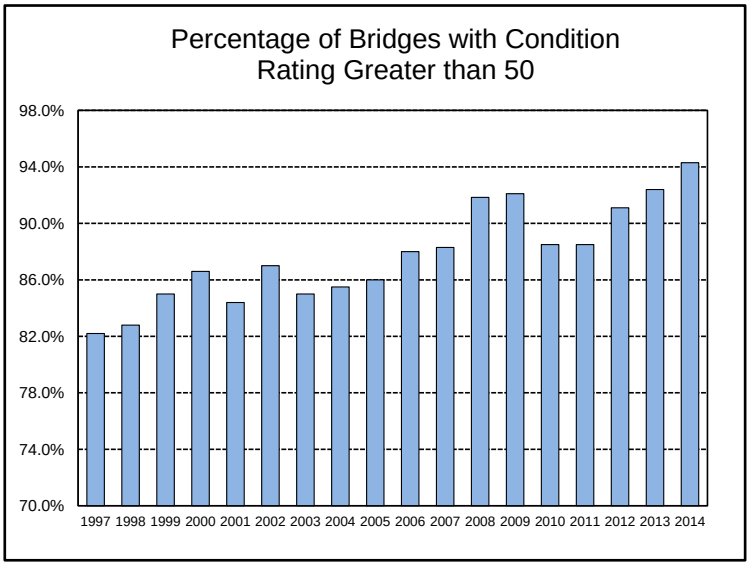
pothole reports called in by residents. In spring 2014, the department began supplementing two person crews with eight person "super crews". These crews use an assembly line approach on a long stretch of pavement to make longer lasting repairs to potholes and deteriorated pavement joints. Deploying street maintenance personnel in "super crews" instead of two person crews can lead to longer response times for individual pothole reports called in by residents, but the more thorough repairs made by the "super crews" improves the overall street condition for the long term.

Table 2

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

Program Strategy	Miles of Streets Improved		
	2015	2016	Total
Conventional Reconstruction	17.0	17.2	34.2
Preservation Strategy	31.0	32.2	63.2

Figure 1



High Impact Streets: The High Impact Street program uses a curb-to-curb asphalt resurfacing approach that improves three miles of roadway for the same cost as one mile of traditional reconstruction. This program has been focused on high traffic streets typically serving commercial districts. Focusing on high traffic streets has improved the condition of streets used by greatest number of drivers. However, in 2016 approximately 20% of the High Impact Streets program will target local streets. Between the Local Streets and High Impact Streets programs, over 15 miles of local streets will be improved in 2016. The 2016 proposed budget includes $7.5 million for the High Impact Streets program.

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 2016 proposed budget provides total funding of $1.33 million, including $277,000 in capital funding and $1.1 million in grant and aid funds. Grant and aid funds have decreased significantly in recent years. From 2000 to 2009, the city received on average $10.3 million in grant and aids per year to support the Major Bridge program.

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 2014, 94.3% of the rated bridges had a sufficiency rating above 50 (see Figure 1). The six year capital plan for the Major Bridge program contains significantly less grant and aid from the state than in recent years. State funding has not yet been acquired for six of ten bridges in the Major Bridge program's six year capital plan. DPW will continue to apply for grant and aid funds in future WisDOT funding cycles.

Local Bridges: The Local Bridge program ensures that bridges are maintained, renovated, and reconstructed when state and federal aid is not available or bridges are not eligible for such aid. The downward trend of state and federal aid for bridges required a $4.4 million or 99% increase to the Local Bridge program from 2006 to 2015. The 2016 proposed budget provides $4.1 million in capital funding for local bridge projects. This is down from an average of $9.5 million in the previous three years. The funding decrease results from pressures on the overall capital budget primarily by increased IT and facility projects. The Local Bridge program is temporarily reduced because increased investment in bridge rehabilitation and replacement in recent years has resulted in the highest

percentage of bridges with a condition rating greater than 50 since such records were kept (Figure 1). The program will fund the first phase of the rehabilitation of the South First Street Bascule Bridge over the Kinnickinnic River as well as two other bridge rehabilitation projects and design work for future repairs. The city owns 21 moveable bridges and keeping these bridges in good operating condition is a priority. Moveable bridges provide commercial and leisure craft access to navigable waterways within the city. In 2014, the city conducted 15,900 bridge raisings to accommodate water traffic, an 18% increase from 2013.

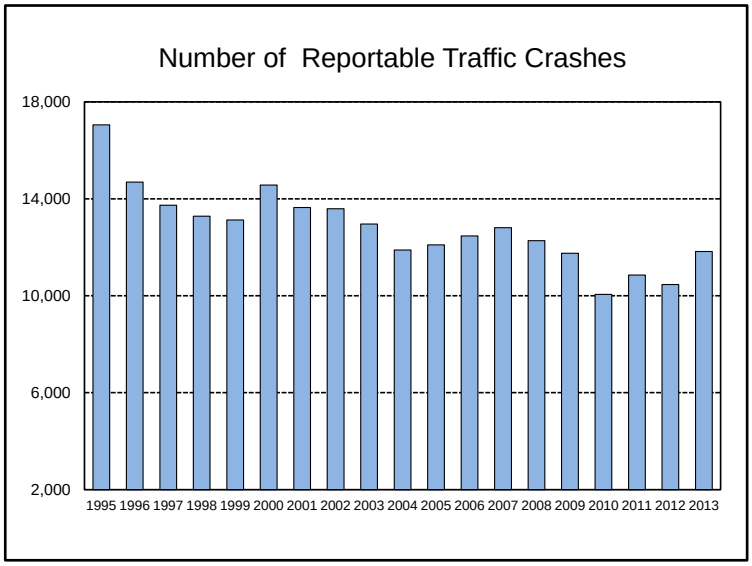
Alley Reconstruction: The Alley Reconstruction program replaces aging alleys. The 2016 proposed budget includes $500,000 in new borrowing and $100,000 in assessable funding to complete six alley projects.

Street Lighting: The Street Lighting program for the 2016 proposed budget includes $9.1 million in capital funding. Approximately $5.1 million will be expended on paving related improvements. Infrastructure Services must install temporary overhead lighting to maintain service during road reconstruction projects. Once paving projects are completed, temporary overhead lighting is removed and replaced with permanent lighting. DPW will focus efforts in 2016 on converting temporary overhead lighting to permanent lighting based on neighborhood and Common Council input.

Approximately $2.3 million will be used for the Neighborhood Lighting program, which funds upgrades to street and alley lighting, miscellaneous upgrades, pole knockdown repairs, and excavation repairs. Infrastructure Services will expend $1 million on removing series circuits and replacing them with modern multiple circuits. The goal of the Series Circuitry Upgrade program is to reduce electrical maintenance costs and electrical outages. The upgrades make the city's electrical system more reliable and improve the responsiveness of maintenance crews. In 2014, the city restored 3,194 outages of three or more streetlights on a circuit. DPW was able to restore service within its goal of 24 hours in over 99% of cases. Series circuits are prioritized for replacement based on the number of outages each circuit has experienced in recent years, targeting the circuits with the most outages for replacement. Recent experience has shown that converting a series circuit to a multiple circuit results in a 75% reduction in outages for that circuit. Over time, the series circuit conversion effort will reduce costs as the overall number of circuit outages decreases.

Traffic Controls: The Traffic Control program designs and operates transportation systems that support the safe and efficient movement of people and goods. The program prevents traffic crashes, improves traffic flow, and reduces pollution. The 2016 proposed budget provides $500,000 in capital funds for this program. As in 2015, new capital funding in 2016 is lower than in recent years due to a large balance of unexpended funds available from previous years. Increased state funding in the Major Streets program for traffic control work related to street reconstruction has resulted in a greater volume of work outside of the regular Traffic Control program. This has led to unexpended balances from prior years to be carried over to fund the 2016 program. The Traffic Control program has contributed to a reduction in the number of reported traffic crashes by 39% since 1995 (see Figure 2).

Figure 2



Sidewalks: The 2016 proposed budget provides $1.9 million to replace defective sidewalks and repair unsafe sidewalk conditions. The city funds $1,425,000 while $475,000 will be assessed to property owners. In 2016, the sidewalks program will coordinate with the High Impact

Streets program to improve infrastructure for pedestrians as well as vehicles. This effort will replace sidewalk slabs on streets that were resurfaced through the High Impact Streets program, eliminating tripping hazards caused by uneven sidewalk sections. Approximately $300,000 of the sidewalks program will be allocated to the high impact effort. The remaining $1.6 million will be allocated to the traditional quarter section program and the scattered site program.

Table 3

Manhole Repair Costs: Contract vs. City Forces

Repair Type	2014 By Contractor	2015 By City Crew	Diff. ($)	Diff. (%)
Replacement/Major Repair	$29,263	$5,747	$-23,516	-80.4%
Minor Repair/Abandonment	$4,333	$2,660	$-1,673	-38.6%

Bicycle and Pedestrian Facilities: The City of Milwaukee is ranked a bronze level bicycle friendly community by the League of American Bicyclists. As of 2015, the city has 93 miles of marked bike lanes on arterial streets and racks have been added to park more than 2,000 bikes in neighborhoods across the city. The City of Milwaukee's Bikeshare program, in partnership with non-profit Bublr Bikes, currently operates eleven stations. By October 2015, DPW anticipates having 27 stations operational. An additional 18 stations are expected to be installed in 2016 using a $1.6 million CMAQ grant. DPW has applied for three additional CMAQ grants for $4.9 million to expand the Bikeshare system throughout the city.

Underground Conduit: The Underground Conduit program provides internal communication services. The system provides a secure and weatherproof means of connecting communication cables among various city departments, including the Fire Department, Police Department, Health Department, Milwaukee Public Library, Water Works, and DPW. The conduit system also provides a secure and reliable route for traffic signals and street lighting cable circuits and systems. The 2016 proposed budget provides $736,000 in capital funds for this program. This will fund projects to add capacity or create failsafe connections between city facilities.

Electrical Manholes: The Electrical Manholes program is closely related to the Underground Conduit program, as these manholes provide access to the city's conduit system for maintenance and installation of new communications cable. Deteriorated or collapsed manholes present a public safety threat to vehicles and can damage communications cables that link various public facilities. The 2016 proposed budget includes $1,225,000 for this program. In 2013, DPW initiated a five year inspection program to survey all 7,559 of the city's electrical manholes. The inspections in 2013 and 2014 found that approximately 15% of electrical manholes surveyed require either complete replacement or major repair, and 31% require minor repairs. In 2015, a new DPW crew took on responsibility for replacing and repairing electrical manholes. This work had formerly been performed by contractors. The "in-sourcing" of work has resulted in an 80% drop in average cost per replacement or major repair and a 38% reduction in average cost per minor repair or abandonment (see Table 3).

FACILITIES CAPITAL PROJECTS

Aging city facilities present multiple challenges. The city prioritizes projects based on dual considerations of the probability and consequences of asset failure and the operational benefits and cost associated with each project. The 2016 proposed budget for traditional facilities projects is reduced by $1.9 million or 40%, from $4.8 million in 2015 to $2.9 million in the 2016 proposed budget. The 2016 proposed budget for DPW facilities also includes $12 million for the first phase of a multi-year project to repair the foundation of City Hall.

City Hall Foundation Repair: The City of Milwaukee's City Hall was constructed between 1894 and 1896 on top of a foundation supported by approximately 2,600 timber pilings. In the 1950's, a water recharge system was installed to keep the timber pilings submerged, which increases the service life of timber components by limiting the supply of oxygen that promotes fungal decay. Investigations performed periodically since the installation of the water recharge system found deteriorated timber pilings. Deterioration of timber pilings puts the building foundation at risk of differential settlement. Differential settlement occurs when two adjacent building support columns settle or

sink at different rates, which puts stress on building interior and exterior walls that can lead to significant damage if left unchecked.

An extensive investigation of the timber pilings supporting city hall's foundation completed in early 2015 found that the timber pilings are continuing to deteriorate largely due to fungal rot. As the pilings deteriorate, the resulting differential settlement can cause cracks to develop in interior or exterior walls. Deterioration of timber pilings can result in gradual settlement of a particular section of the building. However, the investigation found that the risk of structural failure which could result in rapid settlement of a building section increases with time. The unpredictable nature of the possibility and timing of structural failure is the driving force behind the decision to initiate the repair to the city hall foundation problems in the 2016 proposed budget. Initiating the repair in 2016 represents a proactive, cost effective approach compared to reacting to a structural failure of the foundation at an unknown future date.

The 2016 proposed budget includes $13 million for the first phase of a multi-year City Hall Foundation Repair project. The total cost of the project is projected to be between $53 million and $60 million. The City Hall Foundation Repair project will be carried out in five phases, with each phase repairing a different section of the building. Phase one is expected to be challenging because it involves relocating city hall's mechanical room from the northeast to the northwest section of the building. In order to make the repair, each section of the basement will need to be cleared out and demolished before the repair to that section can be made. Accommodations are being made in other parts of city hall for the Historic Preservation Commission, Legislative Reference Bureau Library staff, and staff of the Treasurer's Office who currently occupy the northwest section of the basement which will be affected by the first phase of the project.

The City Hall Foundation Repair project is a long term, 100 year design solution. This will be accomplished using a technique that transfers the weight of the building off of the timber pilings installed in the late 1800's and on to steel micropilings. The micropilings do not need to be submerged to prolong their useful life, which allows for abandonment of the water recharge system. This project also involves abandonment and backfilling of the city's maintenance intensive and underutilized hollow walk underneath the sidewalks surrounding city hall.

Environmental Remediation Program: The 2016 proposed budget includes $150,000 for the city's Environmental Remediation program. This program funds lead and asbestos abatement in city facilities, soil and groundwater remediation, and fuel dispenser replacements.

ADA Compliance Program: The 2016 proposed budget includes $200,000 for the ADA Compliance program. This program funds various accessibility improvements in city buildings. In 2016, the program will focus on minor ADA violations in city facilities identified in a report from the United States Department of Justice (DOJ). Violations identified by DOJ in city facilities that will involve major renovations or repairs will be addressed in the 2017 and 2018 budgets.

Facilities Exterior Program: The 2016 proposed budget includes $1 million for projects to maintain watertight integrity, improve energy efficiency, and provide for safe conditions in city facilities. In 2016, this program includes replacement of the Zeidler Municipal Building roof and funding for emergency repairs at the Municipal Services Building at West Canal Street.

Facilities Systems Program: The 2016 proposed budget includes $680,000 for facility systems improvements. This includes funding for emergency mechanical and electrical repairs, an upgrade to the sump in Kilbourn Tunnel, and $140,000 for repairs to the DPW Forestry greenhouse, funded through the Sewer Maintenance Fund.

MKE Plays Initative: The 2016 proposed budget includes $250,000 for the MKE Plays Initiative. Spearheaded by Alderman Michael Murphy, this program leverages private dollars to replace the city's aging recreational facilities with modern, innovative play spaces for Milwaukee's youth.

Space Planning, Alterations, and Engineering: The 2016 proposed budget includes $400,000 for space planning, alterations, and engineering. In 2016, the city's Facilities Condition Assessment Program (FCAP) will be utilized to survey major ADA violations in city facilities and design a cost effective repair that removes the barrier to access identified in the DOJ report.

Hartung Park Landfill Closure: The 2016 proposed budget includes $100,000 of city funds and $100,000 from the Sewer Maintenance Fund for closure of the Hartung Park landfill. This site was used to deposit clean fill from city construction projects and has reached capacity. In addition to site closure and clean up, this project will restore vegetation and improve stormwater management.

RESIZE, RESTRUCTURE, AND REINVEST

The Infrastructure Services Division's 2016 proposed budget includes several initiatives to restructure and resize its operations:

- The 2016 proposed budget eliminates 24 unfunded and unutilized Auxiliary positions from the Transportation Infrastructure section and replaces them with 10 Auxiliary positions in the Transportation Operations section. Currently, during the summer construction season the workload for certain staff tends to increase making the use of overtime necessary. Even if overtime results from work on a capital project, because of the setup of the city's payroll system the overtime premium is charged to the operating budget. Creating these additional Auxiliary positions will allow Transportation Operations to utilize Auxiliary staff during times of peak workload for capital projects. This will result in a savings of approximately $30,000 in the 2016 proposed budget and a net reduction of ten positions.

- The city currently pays over $4 million per year for street lighting electricity. When WE Energies applied to the Public Service Commission to increase electricity rates in 2014, the city's Office of Environmental Sustainability intervened on behalf of the city to limit the number of hours for which the city would be charged "peak rates" for street lighting electricity. As a result of this intervention, the city will save approximately $630,000 in 2016 for street lighting electricity.

- DPW is responsible for locating all city underground utilities when a contractor or resident requests locating services through Digger's Hotline Wisconsin. The volume of work has increased beyond what the current staff of ten can manage, which requires DPW to remove staff from capital projects in order to complete locating jobs. DPW will add four positions in 2016 to address the increased workload. DPW has developed a plan that is cost neutral in 2016, and will eventually reduce overall costs. Analysis of market rates of pay for utility locators indicated that the city uses a much higher pay range for this type of work than is found in the private sector. In fall of 2015, a position of Locator Technician will be requested to be created that will perform the same work currently being performed but at a lower rate of pay. Employees who are currently performing locating services under the title Electrical Worker will remain their current rate of pay. Through attrition and transfers, it is expected that within three to five years nearly all staff in the locating services section will use the new title of Locator Technician.

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	Engineering Drafting Technician II	Reallocation of staffing resources to perform land survey work.
1		1.00	Land Surveyor	
-9			Infrastructure Repair Worker (Aux)	Change Auxiliary positions to reflect actual utilization.
-2			Infrastructure Repair Crew Leader (Aux)	
-11			City Laborer (Regular) (Aux)	
-1			Asphalt Plant Operating Engineer (Aux)	
-1			Asphalt Plant Operator (Aux)	
2			Electrical Mechanic (Aux)	
2			Electrical Worker (Aux)	
1			Laborer, Electrical Services (Aux)	
1			Engineering Drafting Technician IV (Aux)	
1			Engineering Drafting Technician V (Aux)	
1			Engineering Drafting Technician VI (Aux)	
2			Civil Engineer IV (Aux)	
2			Infrastructure Repair Worker (Aux)	
1			Sewer Mason (Aux)	
1			Traffic Control Engineer I (Aux)	
	-1.50	-2.50	Various Positions	Miscellaneous adjustments.
	-0.70	0.70	Various Positions	Shift of scheduled lamp replacement from O&M to capital.
	-1.02	1.02	Various Positions	Adjusted to reflect time spent by administrative staff on capital projects.
-11	**-3.22**	**-1.78**	**Totals**	

DEPARTMENT OF PUBLIC WORKS
OPERATIONS DIVISION

EXECUTIVE SUMMARY

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

OBJECTIVES: Improve neighborhood appearance.

Achieve 40% solid waste diversion by 2020.

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

Maintain a healthy urban forest.

Remove snow and ice from streets and bridges in a timely manner to restore safe motorist and pedestrian travel and minimize economic losses.

Maintain compliance with State of Wisconsin storm water permit requirements.

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

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

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

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

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

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

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	724.13	664.09	694.97	675.28	11.19	-19.69
FTEs - Other	43.49	58.05	57.77	50.56	-7.49	-7.21
Total Positions Authorized	1,433	1,436	1,437	1,437	1	0
Expenditures						
Salaries and Wages	$34,407,105	$33,928,107	$36,042,225	$35,410,138	$1,482,031	$-632,087
Fringe Benefits	15,611,761	15,267,649	17,300,268	16,996,867	1,729,218	-303,401
Operating Expenditures	30,310,302	28,691,550	28,921,347	26,998,484	-1,693,066	-1,922,863
Equipment	1,893,517	1,735,969	1,822,469	1,385,469	-350,500	-437,000
Special Funds	2,212,276	2,642,400	2,820,194	2,678,653	36,253	-141,541
Total	$84,434,961	$82,265,675	$86,906,503	$83,469,611	$1,203,936	$-3,436,892
Revenues						
Charges for Services	$72,347,392	$75,179,920	$74,147,720	$76,416,724	$1,236,804	$2,269,004
Total	$72,347,392	$75,179,920	$74,147,720	$76,416,724	$1,236,804	$2,269,004

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

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

Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Fleet availability.	Police: 92.2% Light: 87.9% Heavy: 88.5%	Police: 92.3% Light: 87.7% Heavy: 88.5%	Police: 92.1% Light: 87.6% Heavy: 88.4%
Reduce tons of solid waste sent to landfill by 2%.	-1%	-2%	-2%
Increase household recycling participation by 2%.	-9.3%	2%	2%
Tons of salt used.	59,694	44,000	44,000
Number of trees pruned	22,144	26,633	28,500
Trees planted.	3,667	4,211	3,850

STRATEGY IMPLEMENTATION

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

The 2016 proposed budget provides $83.8 million in operating funds, $2 million of grant and reimbursable funding, and $10 million of capital funds for Operations Division's services to Milwaukee's residents and businesses.

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

Sanitation operates an effective recycling program. The program uses recycling, brush collection, and public education to reduce the amount of material sent to landfills. A high performance recycling program generates revenue for recyclables and reduces garbage tipping fees. This is especially important because the State of Wisconsin regularly increases tipping costs. The 2016 proposed budget includes $10.1 million for landfill tipping fees, approximately 62% higher than in 2009.

In an effort to control solid waste disposal costs, Mayor Barrett unveiled his *"40 by 2020: A Clear Vision to the Future"* Solid Waste Diversion program. The program's goal is to increase the percentage of solid waste diverted from landfills to 40% by the year 2020. Approximately 21% of solid waste is currently diverted from landfills via increased recycling and composting or reusing discarded items.

The "40 by 2020" program is being implemented in three phases. The city is currently in the third phase:

40% DIVERSION OF SOLID WASTE BY 2020

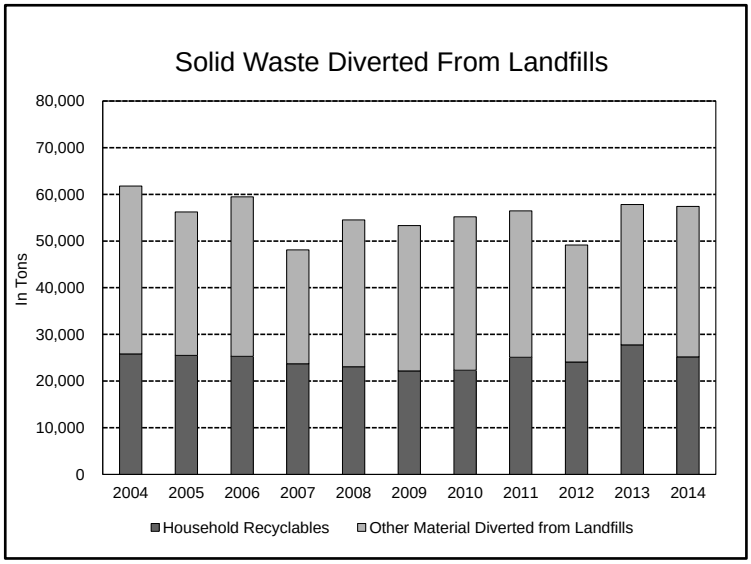
- Phase I (2011-2012)
  - Reduced allowance for outside of cart refuse.
    - Reduced from 4 cubic yards to 1 cubic yard.
  - Allowance of only one garbage cart per residence, additional garbage carts provided for additional fee.
    - $15 fee per quarter in 2015.
  - Continue greater diversion of materials at self-help sites.
    - More items were added in 2012-2014
  - Begin single stream recycling.
    - Implemented in the fall of 2011.
- Phase II (2013-2014)
  - Expand the two week recycling program.
  - Incorporate greater diversion incentives for new disposal contract.
  - Continue greater diversion of materials at self-help sites.
- Phase III (2014-2020)
  - Pilot and implement Residential Food Waste Program (pilot in progress).
  - Continue efforts to increase diversion of other materials including plastics, fiber, and Styrofoam.
  - Distribution of right sized garbage carts.

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

The primary benefits of the "40 by 2020" program are reduced tipping costs, increased recycling revenues, and a reduction in overall sanitation service costs. The recycling program generated revenues totaling more than $1.5 million in 2014. The 2015 and 2016 revenue estimates for recycling are $1.6 million and $1.5 million, respectively.

The 2016 proposed budget fully funds the recycling program despite receiving a $473,000 reduction in the state recycling grant. The 2016 proposed budget dedicates approximately $4.6 million in operating funds and $1.9 million in grant funds for recycling efforts.

Figure 1



The recycling program's mission is to divert an increasing amount of recyclables from the waste stream. DPW is exploring a variety of methods to increase diversion from landfills. One option under review is the "Pay as You Throw" collection system. In this system, residents' Solid Waste Fee is partly based on the amount of garbage thrown away. This type of system encourages residents to recycle and has been successfully implemented in other large cities.

DPW collects waste weekly from approximately 213,000 households. In 2014, DPW collected almost 230,000 tons of residential solid waste. In addition, 24,089 tons of recyclables and 25,071 tons of compost and other materials, or 21% of residential waste was diverted from landfills (see Figure 1).

While the yearly recycling change flattened out in 2014, it marked the fifth consecutive year of increased curbside recycling totals. Recycling totals and recycled pounds per household have increased 14% and 20% over the past five years. During the same five year period recycling revenues to the city have totaled $8.2 million or approximately $1.64 million per year. Revenues and avoided disposal savings help offset the cost of providing household recycling collection service to around 180,000 households.

The city's Materials Recycling Facility (MRF) has been under refurbishment in 2014 and 2015. The project includes upgrades to building, grounds renovation, repairs, as well as replacement of the old dual stream sorting equipment. State of the art, single sort processing equipment was installed in the building in partnership with Waukesha County. The newly retrofitted MRF is operated by a private contractor and serves both the City of Milwaukee and many communities in Waukesha County. In 2016, the MRF will process over 60,000 tons of recycling materials.

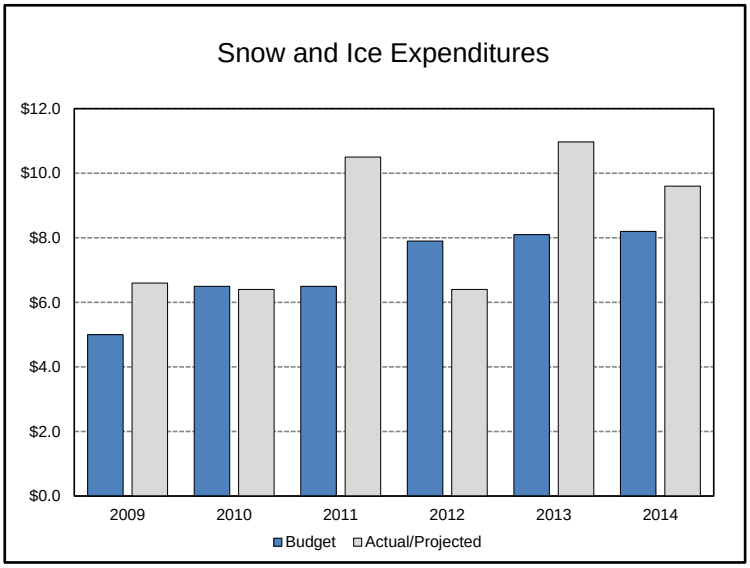
Forestry Operations: Forestry is responsible for tree and landscape management. Forestry currently maintains 200,000 trees and 120 miles of boulevards that provide Milwaukee with a natural beauty both residents and visitors enjoy. The urban tree canopy and boulevard system also contributes to the environmental sustainability of the city by helping to manage storm water runoff. Forestry is also responsible for approximately 4,600 vacant lots and foreclosed property maintenance.

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

Fleet Services and Fleet Operations: Fleet Operations works cooperatively with Environmental Services to clear city streets of snow and ice, a critical component to the city's objective of nurturing investment. The Fleet

Services and Fleet Operations sections operate and maintain DPW's centralized fleet of over 4,000 motor vehicles and related equipment. The Fleet Services Section provides equipment and vehicles for DPW divisions, other city departments, and provides repair services for vehicles owned by the Library, Health Department, Police Department, Water Works, Sewer Maintenance Fund, and Parking Fund.

Figure 2



Fleet Services has used Congestion Mitigation and Air Quality (CMAQ) grant funding to cover the marginal cost for the purchase of compressed natural gas (CNG) packers. Adding the CNG packers has reduced fuel costs for the city's fleet. Currently the cost per mile for a diesel powered packer is approximately two times the cost of a CNG packer. There are currently 50 CNG vehicles in the city's packer fleet. This includes 45 refuse packers, 2 vans and 3 cars. CMAQ funds are available to assist in the purchase of 20 additional packers. The Fleet's 50 CNG vehicles will generate annual fuel savings of approximately $250,000 or $5,000 per vehicle.

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

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

In 2014, the department conducted 37 snow and ice operations at a cost of approximately $9.6 million. The 2015 budget includes $8.7 million for this purpose. The 2016 proposed budget also includes $8.7 million for snow and ice control operations. The budgeted amount represents approximately 90% of the three year average cost for snow and ice control (see Figure 2).

The Fleet Services program provides repair and maintenance services to over 4,000 vehicles and pieces of equipment. It also provides equipment operators for a variety of DPW functions. In 2014, Fleet Services met or exceeded its goal of preventative maintenance checks and ensured the following in service rates:

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

RESIZE, RESTRUCTURE, AND REINVEST

The 2016 proposed budget continues programs that increase efficiency and streamline property management, waste collection, and recycling programs. These operations improve the services provided to city residents.

Strong Neighborhoods Plan (SNP): DPW Operations operates two programs related to Mayor Barrett's Strong Neighborhoods Plan. These programs improve the overall condition of Milwaukee's neighborhoods. The 2016 proposed budget includes the following programs:

- **In-House Demolition:** The 2016 proposed budget provides $620,000 for the In-House Demolition program. This level of funding will support the demolition of approximately 90 properties. The In-house Demolition program demolished 100 properties in 2014 and is on pace to another 100 city owned properties in 2015.

- **Property Management**: The 2016 proposed budget includes $2.2 million for maintenance of city owned properties including debris removal, grass mowing, and snow removal. This program maintains over 3,300 city owned vacant lots and nearly 1,300 improved properties. Funding includes $96,000 to support the city's accelerated foreclosure program. This program helps the city gain control of vacant tax delinquent properties as quickly as possible in order to prevent the properties from negatively affecting neighborhoods.

- **Transitional Jobs Program**: In 2016, the city will continue its collaboration with UMOS and the Milwaukee Area Workforce Investment Board (MAWIB) on the Transitional Jobs program. The 2016 proposed budget includes funding to support 60 transitional jobs in DPW Operations. The program will provide paid training and employment opportunities for 95 city residents. Upon completion of the six month program, participants will be equipped with new skills that will enable them to compete for family supporting jobs. The program will give participants an opportunity to develop useful skills in the Forestry and Sanitation Services sections.

Pruning: The 2016 proposed budget includes funding for 110 Urban Forestry Specialist positions. The increased level of Urban Forestry Specialist positions, in combination with 35 transitional jobs that will be assigned to Forestry, will allow the Forestry Section to address the city's tree pruning backlog.

Residential Disposal Costs: Funding in the 2016 proposed budget for landfill waste is $10.1 million. Landfill tonnage costs are budgeted for 235,000 tons. This represents no change from the 2015 adopted budget. The per ton landfill costs in 2016 will remain at $43 per ton.

Automated Collection: The 2016 proposed budget continues the process of reinvesting in solid waste services to improve productivity and reduce workers compensation costs. The capital budget includes funds to purchase three fully automated pieces of equipment that will enable one person to complete weekly garbage and recycling collection routes, as opposed to the current two person staffing. Implementation of the automated packers has reduced worker injuries on garbage and recycling routes. Each route that is converted to a one person operation saves approximately $80,000 annually. Automation reduces operating costs, increases operational efficiency and provides greater flexibility in assigning staff.

DPW continues to evaluate the use of semi-automated collection and the impacts on bulky garbage collection and snow and ice operations. This restructuring initiative may require some service delivery changes.

IT Services: The Department of Administration ITMD will budget and purchase hardware, software and IT support services for the Department of Public Works' Infrastructure and Operations Divisions in 2016. IT staff from DPW were integrated into ITMD in 2013.

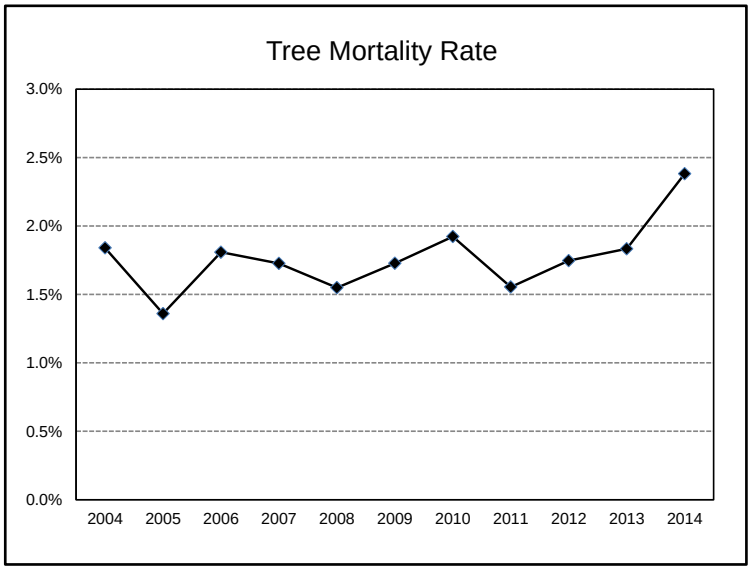
FEES

- **Solid Waste Fee:** The 2016 Solid Waste Fee per quarter will increase 1.3% from $48.60 to $49.23 per residential unit. The annual impact on households with one garbage cart is an increase of $2.52 from $194.40 to $196.92. The 1.3% increase is necessary to recover the reduction to the recycling grant received from the State of Wisconsin. The fee will generate approximately $36.8 million or 92% of cost associated with garbage and recycling collection. Future increases in the Solid Waste Fee may be necessary as tipping fees and other costs increases occur.

- **Apartment Garbage:** The apartment garbage rates will increase by 5% or $75,000 in the 2016 proposed budget. This increase is necessary due to increased salaries and fleet maintenance costs. The increase will allow the city to recoup 100% of the costs related to providing this service.

- **Snow and Ice Control Fee:** The 2016 Snow and Ice Control Fee will not change in the 2016 proposed budget. The rate will remain at $0.9155 per front footage. The annual cost for a homeowner with a typical property with 40 feet of street frontage is $36.62 annually. The fee will generate approximately $8.7 million or 100% of the estimated cost of the city's snow and ice control operation. Future increases in the Solid Waste Fee may be necessary as de-icing supplies and other costs increase.

Figure 3



CAPITAL PROJECTS

Tree Planting and Production: The 2016 proposed capital budget provides $1.4 million for the Tree Planting and Production program. This funding will support the replacement of approximately 3,900 street trees as part of the Mayor's commitment to improve Milwaukee's environment. Figure 3 shows data on tree mortality. Lower tree mortality rates indicates that trees are being replaced at a rate close to that of trees that are removed. Since 2000, the rate has remained consistently below 2%, although in 2014 the rate exceeded 2%.

Stump Removal: Capital funding for stump removal has been increased from $360,000 in 2015 to $500,000 in 2016. This funding will support the removal of approximately 2,000 tree stumps.

Concealed Irrigation and Landscaping: The 2016 proposed capital budget provides $250,000 for boulevard irrigation system replacements. The funds will be combined with carryover funds from previous budgets to support the replacement of approximately 100 taps. The replaced systems will provide watering for plant beds on the city's boulevards.

Emerald Ash Borer: The 2016 proposed capital budget includes $1 million for a two part Emerald Ash Borer Readiness and Response program. Treatable ash trees are injected with a pesticide to protect against the Emerald Ash Borer (EAB). The program requires that half of the city's 33,000 ash trees be injected each year. Trees injected in the initial year of the program will be lab tested to verify that injections are effective in combating EAB.

In 2015, a second part of the EAB Readiness and Response program was introduced. When an EAB infested ash tree is discovered on city property, all surrounding city trees will be moved. Generally these would be untreated trees with small diameters. This will impede EAB infestation.

The Emerald Ash Borer beetle has not been found in City of Milwaukee trees but has been discovered in privately owned trees in the city. In response, City Ordinance 116-68 related to the cost of removal of hazardous trees by city contractors, was amended to treat tree removal as a special assessment. This change allows property owners to pay the removal cost of hazardous trees over a six year period. The 2014 and 2015 budgets each provided $75,000 for this program.

Major Capital Equipment: The 2016 proposed capital budget includes $6.8 million for major capital equipment that costs more than $50,000 per unit and has a life cycle of at least ten years. The 2016 capital program provides funding to replace garbage and recycling packers and equipment needed to support Operations and Infrastructure Services divisions.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
			Fleet Services Section	
	1.69	-0.78	Various Positions	Miscellaneous adjustments.
			Sanitation	
1	1.00		Office Assistant IV	New position created.
-23	-23.00		Sanitation Worker	Title outdated.
15	15.00		Sanitation Yard Attendant	Positions retitled
5	5.00		City Laborer	
3	3.00		Operations Driver Worker	
	7.21	-7.21	Operations Driver Worker	Reduction in recycling grant.
			Forestry	
	1.29	0.50	Various Positions	Miscellaneous adjustments.
1	**11.19**	**-7.49**	**Totals**	

SPECIAL PURPOSE ACCOUNTS

EXECUTIVE SUMMARY

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

The 2016 proposed budget provides funding of $34.8 million for Miscellaneous Special Purpose Accounts and total funding of $162.5 million for all Special Purpose Accounts. Highlights of the 2016 Miscellaneous Special Purpose Accounts (SPAs) include:

Discontinued Accounts

Career Pathways: This account was created in 2015 as part of the Mayor's *Compete Milwaukee* initiative, and supported the provision of case management, tutoring, training, and certification for residents placed in transitional job opportunities with city departments. These activities will be funded through other sources for 2016.

Clerk of Court Witness Fees Fund: This account funds the payment of fees to persons appearing before a municipal judge as a witness or interpreter. The payment of these fees is required under Wisconsin State Statute. This expense is shifted to the Municipal Court's operating budget in 2016.

Community Outreach: This account was created in the 2014 budget to provide funding support for the Equal Rights Commission. The 2016 proposed budget includes creation of a position in the Department of Administration to staff the Equal Rights Commission and provide similar services. As a result, this account is discontinued. For more information, refer to the Department of Administration section in the *2016 Proposed Plan and Executive Budget Summary*.

Community Service Officer Training: This account was created in the 2015 budget to provide funding for the training of new Community Service Officers in the Police Department. This expense is shifted to the Police Department's operating budget in 2016.

Community Work Partnership: This account was created in 2015 as part of the Mayor's *Compete Milwaukee* initiative, and supported the placement of Milwaukee residents in transitional jobs. These activities will be funded through other sources for 2016.

Job Scan, Industry Assessment, and Evaluation: This account was funded at $75,000 in 2015 and supported a one-time assessment of current and forecasted job growth and related workforce development needs for the regional labor market, as part of the *Compete Milwaukee* initiative. Funding is not needed for 2016.

Summer Jobs for Adults Initiative: This was a one-time account created as part of an amendment to the 2015 budget.

Vacant Lots Challenge Grant: This account was funded with $50,000 in 2015. The program provided incentives for community based groups to develop and implement innovative ways to put vacant lots into productive uses.

Other Changes

Contribution Fund: This account provides expenditure authority for contributions received during the year per City Ordinance 304-24. Funding for this account in the 2016 proposed budget is increased by $500,000, reflecting anticipated contributions.

Crisis Response for Trauma Informed Care Counseling: This account was created in the 2015 budget to support a new initiative to provide emotional aid and practical support to victims of traumatic events and their families in the first few hours following a tragedy. Funding for this account in the 2016 proposed budget is decreased by $70,000 for total funding of $180,000, as training expenses will diminish and 2015 carryover will be available if needed.

Graffiti Abatement Fund: This account supports various expenses related to prevention and abatement of graffiti. Funding in 2016 is reduced by $30,000 from $95,000 to $65,000. Total funding for graffiti abatement is $145,000, the same as in 2015 including both tax levy and CDBG funding. This funding will support proactive neighborhood graffiti clean-up sweeps, which helps abate graffiti in a timely manner and contributes to a decrease in graffiti complaints.

Group Life Insurance Premium: This account funds the city's obligations with respect to life insurance benefits for its employees. The account is decreased by $40,000 in 2016 to $2.15 million. This funding amount reflects anticipated payments in 2016.

Land Management: This account supports the maintenance and management costs of RACM and city owned improved properties, with the goal of preserving properties for sale and return to private ownership. The properties are primarily obtained through tax foreclosure and the city provides essential maintenance and repairs during the period of city ownership and marketing. Maintenance includes carpentry, plumbing, heating, surveys, recording fees, grass cutting and snow removal. The account is increased by $226,000 to $876,000 in 2016. The increase in funds is due to the anticipated increase in *in rem* foreclosure acquisitions resulting from the accelerated *in rem* acquisition process approved in July, 2015 in Common Council File Number 150164.

Insurance Fund: This account provides funding for insurance premiums for city policies. The account is increased by $170,311 in 2016 to $600,000. This funding amount reflects anticipated insurance premium payments in 2016 and the declining financial condition of the state program.

Remission of Taxes Fund: This account funds the refunding of incorrect *ad valorem* taxes and interest on the same to property owners who successfully appeal their property assessments. This account is decreased by $850,000 in 2016 to $750,000. Funding for the account was increased in the 2013 and 2014 budgets in response to a higher amount of appeals. The 2016 funding reflects an anticipated decrease in the amount needed for this purpose.

Wages Supplement Fund: This account funds anticipated wage and fringe benefit increases for city employees, including increases resulting from collective bargaining agreements and changes to non-union compensation. The account is decreased to $18.8 million in 2016; a $500,000 decrease from the 2015 budget. This amount will fund anticipated compensation increases for city employees in 2016.

SPECIAL PURPOSE ACCOUNTS SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Special Purpose Accounts Miscellaneous						
Alternative Transportation for City Employees	$115,000	$115,000	$115,000	$115,000	$0	$0
Annual Payment to Department of Natural Resources	7,034	7,100	7,100	7,100	0	0
Audit Fund	270,000	250,000	260,000	260,000	10,000	0
Boards and Commissions Reimbursement Expense	16,204	18,000	17,000	17,000	-1,000	0
Care of Prisoners Fund	0	30,000	30,000	30,000	0	0
Career Pathways	0	100,000	100,000	0	-100,000	-100,000
City Attorney Collection Contract	1,098,482	1,125,000	1,125,000	1,125,000	0	0
City Memberships	79,567	88,000	88,000	88,000	0	0
Clerk of Court Witness Fees Fund	8,472	9,500	0	0	-9,500	0
Community Outreach	720	15,000	15,000	0	-15,000	-15,000
Community Service Officer Training	0	40,385	40,385	0	-40,385	-40,385
Community Work Partnership	0	180,000	180,000	0	-180,000	-180,000
Contribution Fund General	0	2,500,000	3,000,000	3,000,000	500,000	0
Crisis Response for Trauma Informed Care Counseling	0	250,000	250,000	180,000	-70,000	-70,000
Damages and Claims Fund	2,361,218	1,225,000	1,225,000	1,225,000	0	0
Drivers License Recovery and Employability Program	50,000	0	0	0	0	0
eCivis Grants Locator	26,675	26,675	26,675	27,000	325	325
Economic Development Committee Fund	21,806	20,000	50,000	20,000	0	-30,000
E-Government Payment Systems	58,628	60,000	70,000	70,000	10,000	0
Employee Training Fund	14,267	20,000	20,000	20,000	0	0
Firemen's Relief Fund	145,466	140,000	150,000	150,000	10,000	0
Flexible Spending Account	92,598	115,000	100,000	100,000	-15,000	0
Graffiti Abatement Fund	55,156	95,000	95,000	65,000	-30,000	-30,000
Group Life Insurance Premium	1,972,514	2,190,000	2,190,000	2,150,000	-40,000	-40,000
Illegal Dumping Tip Hotline	5,000	0	0	0	0	0
Insurance Fund	430,982	429,689	688,000	600,000	170,311	-88,000
Job Scan, Industry Assessment, and Evaluation	0	75,000	0	0	-75,000	0
Land Management	549,991	650,000	650,000	876,000	226,000	226,000
Long Term Disability Insurance	627,285	640,000	640,000	640,000	0	0
Maintenance of Essential Utility Services	105,780	65,000	65,000	65,000	0	0
Milwaukee Arts Board Projects	169,899	200,000	200,000	200,000	0	0
Milwaukee Fourth of July Commission	106,863	110,000	110,000	110,000	0	0
MMSD User Charge	0	45,006,352	49,401,690	49,401,690	4,395,338	0
Less Recover MMSD User Charge	0	-45,006,351	-49,401,689	-49,401,689	-4,395,338	0
Municipal Court Intervention Program	425,000	425,000	425,000	425,000	0	0
Outside Counsel/Expert Witness Fund	822,201	850,000	850,000	850,000	0	0
Reimbursable Services Advance Fund	0	50,000,001	50,000,001	50,000,001	0	0
Less Recover Reimbursable Services Advance Fund	0	-50,000,000	-50,000,000	-50,000,000	0	0
Remission of Taxes Fund	6,259,135	1,600,000	750,000	750,000	-850,000	0
Reserve for 27th Payroll	0	1,500,000	1,500,000	1,500,000	0	0
Retirees Benefit Adjustment Fund	89,680	100,000	100,000	90,000	-10,000	-10,000
Summer Jobs for Adults Initiative	0	150,000	150,000	0	-150,000	-150,000
Tuition Reimbursement Fund	640,171	725,000	725,000	725,000	0	0

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Unemployment Compensation Fund	546,916	550,000	750,000	550,000	0	-200,000
Vacant Lots Challenge Grant	0	50,000	50,000	0	-50,000	-50,000
Wages Supplement Fund	0	19,300,000	21,500,000	18,800,000	-500,000	-2,700,000
Total Miscellaneous SPAs	$17,172,710	$36,039,351	$38,307,162	$34,830,102	$-1,209,249	$-3,477,060
Board of Zoning Appeals	$233,791	$307,448	$309,022	$333,548	$26,100	$24,526
Workers' Compensation Fund	$11,685,882	$13,000,000	$13,000,000	$12,000,000	$-1,000,000	$-1,000,000
Employee Health Care Benefits						
Administration Expenses	$8,135,045	$6,700,000	$7,700,000	$7,700,000	$1,000,000	$0
UHC Choice Plus (formerly Claims)	10,192,955	9,000,000	10,000,000	10,000,000	1,000,000	0
Wellness Program	0	3,200,000	2,900,000	2,900,000	-300,000	0
Dental Insurance	1,910,345	1,900,000	1,900,000	1,900,000	0	0
UHC Choice "EPO" (formerly HMOs)	89,835,390	99,135,000	100,000,000	92,800,000	-6,335,000	-7,200,000
Total Employee Health Care Benefits	$110,073,735	$119,935,000	$122,500,000	$115,300,000	$-4,635,000	$-7,200,000
Grand Total Special Purpose Accounts	$139,166,118	$169,281,799	$174,116,184	$162,463,650	$-6,818,149	$-11,652,534

SPECIAL PURPOSE ACCOUNT
WORKER'S COMPENSATION

SUMMARY OF EXPENDITURES

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Worker's Compensation	$11,685,882	$13,000,000	$13,000,000	$12,000,000	$-1,000,000	$-1,000,000
TOTAL	$11,685,882	$13,000,000	$13,000,000	$12,000,000	$-1,000,000	$-1,000,000

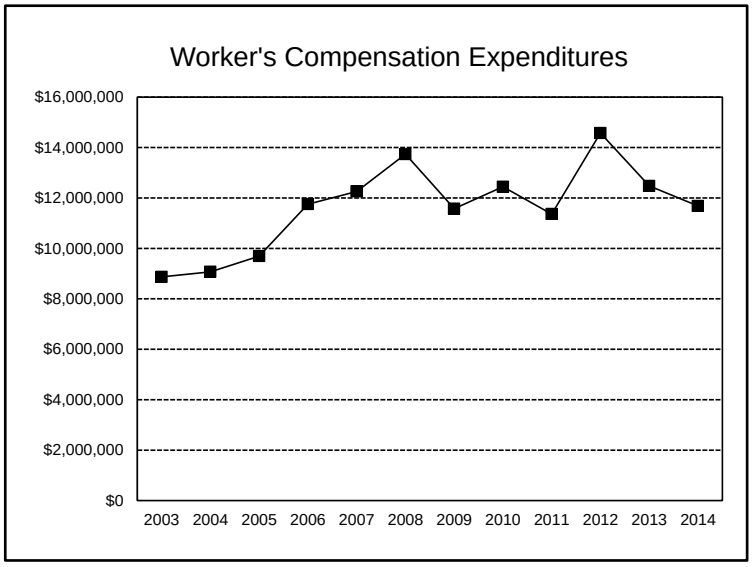
The Worker's Compensation Special Purpose Account, administered by the Employee Benefits Division of the Department of Employee Relations (DER), funds the city's financial obligations under the state's Worker's Compensation Act. The Worker's Compensation program is self-funded and self-administered.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

The 2016 proposed budget for the Worker's Compensation account totals $12 million. Worker's Compensation expenditures for 2015 are projected to be between $11.5 to $12 million and remaining funds will be carried over into 2016 to cover estimated expenditures of $13 million. Worker's Compensation expenditure trends have remained relatively flat since 2011 and are not expected to greatly increase unless unforeseen events occur that leads to more severe injuries and higher injury rates.

Growing medical costs have contributed to increased Worker's Compensation cost exposure in recent years (see Figure 1). DER continues to utilize medical bill review and re-pricing options to adjust medical charges stemming from work related injuries. Bill review and re-pricing generate savings from state fee schedules and negotiated provider discounts. In 2014, medical and hospital discounts resulted in net savings of $3.2 million. Through June 2015, the city has achieved over $2.5 million in savings.

In an effort to decrease the severity and rate of injuries, DER and the Department of Administration Budget and Management Division developed a risk management program in 2009 for injury prevention. This program better connects workplace safety at the department level and the impact of those injuries on worker's compensation related expenditures budgeted in DER. The program reflects the assumption that a stronger accountability structure, accident prevention strategies and cost containment measures are the shared responsibility of DER and the operating departments where the injuries and accidents happen.

Figure 1

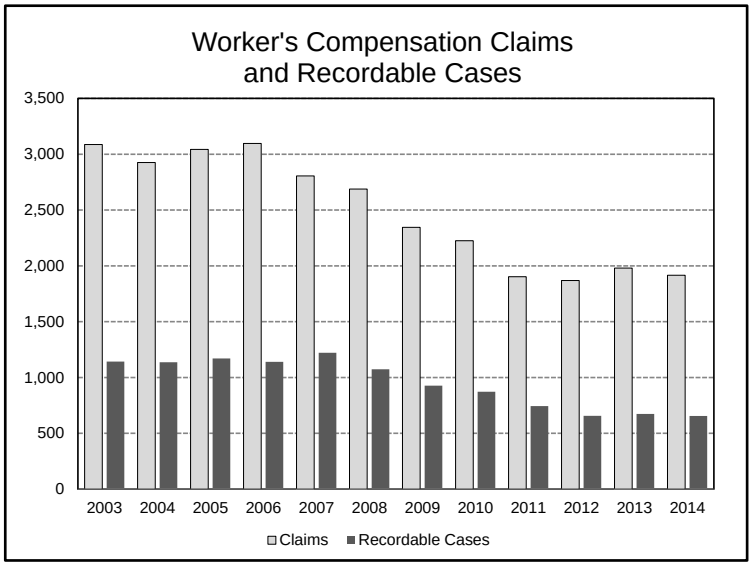


The program's accountability structure relies on department heads, safety personnel, and front line supervisors to identify, address, and manage safety concerns and to focus on three main areas:

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

Claims management system data provide the foundation for departments to understand and analyze claim volume, frequency, and injury severity and are provided in annual safety plans that are required from the Department of Public Works, the Milwaukee Police Department, and the Milwaukee Fire Department. Safety plans include data analysis and identification and evaluation of safety practices needed to minimize job hazards and prevent injuries. Departments also identify goals and objectives for the following year along with associated action and completion steps for each goal.

Figure 2



The risk management program and annual safety plans contribute to several improvements, including return to work programs, accident investigation protocols and policies at the supervisory level, and safety performance measures in job descriptions and performance appraisals. The program has also significantly reduced the number of claims and recordable cases (see Figure 2), and decreased incidents and lost workdays.

In 2016, DER will continue to improve the overall effectiveness of the risk management program and focus on the following initiatives:

- Increasing accountability for safety at the supervisory level for injury prevention and hazard identification;
- Identifying and addressing policies and operational practices that increase risk and liability;
- Streamlining claim processing and claim adjudication activities as well as increasing case management practices on high cost, complex medical cases.

DER is continuing the Early Intervention/Injury Prevention program to target preventable injuries related to job hazards and problematic job behaviors or habits that may lead to injuries. The program's advantages include:

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

DER tracks and monitors citywide indicators on worker's compensation claims and injuries. This allows identification of significant trends. These data include the number and type of claims filed, paid claim expenditures, the number of recordable cases, the incidence rate, the number of lost workdays, and injury hours and pay (see Table 1). The city has realized significant reductions in many of these areas in recent years. Since 2008, serious injuries have decreased over 32%, injury hours have decreased by 71% and the incidence rate has declined by more than 34%.

Table 1

Worker's Compensation Indicators

	2006	2007	2008	2009	2010	2011	2012	2013	2014
City Wide Data									
Claims	3,097	2,806	2,688	2,345	2,225	1,903	1,869	1,980	1,916
Recordable Cases	1,140	1,221	1,073	927	872	744	656	674	655
Incidence Rate	17.75	18.31	16.01	14.22	13.82	12.14	10.69	11.12	10.49
Lost Workdays	21,279	19,488	24,817	15,441	16,421	15,432	12,995	13,215	9,439
Injury Hours	197,972	206,227	217,584	152,596	165,083	124,874	111,250	90,824	64,161
Injury Pay	$3,618,117	$3,758,599	$4,096,525	$3,062,781	$3,320,411	$2,566,811	$2,329,798	$1,829,217	$1,302,507
Fire Department									
Claims	973	725	627	566	614	432	441	368	335
Recordable Cases	346	364	294	270	298	197	195	159	124
Incidence Rate	29.36	29.83	24.55	22.49	26.99	17.86	17.79	14.48	11.59
Lost Workdays	8,821	4,684	10,136	3,625	5,755	4,614	4,652	3,850	2,381
Injury Hours	98,590	92,937	107,094	72,401	86,670	52,670	43,749	35,522	20,769
Injury Pay	$1,721,210	$1,649,650	$1,956,139	$1,442,241	$1,723,367	$1,018,141	$882,209	$749,192	$391,787
Police Department									
Claims	920	891	865	775	663	636	663	680	659
Recordable Cases	300	280	251	244	177	166	164	145	157
Incidence Rate	13.55	12.00	10.69	10.78	7.88	7.28	7.35	6.55	7.24
Lost Workdays	4,017	2,316	3,441	3,885	2,833	3,726	3,629	2,064	1,926
Injury Hours	34,252	26,238	35,116	32,241	29,201	34,540	40,082	23,032	22,130
Injury Pay	$764,525	$593,130	$824,790	$786,083	$718,955	$867,494	$1,036,846	$602,185	$581,062
DPW All Divisions									
Claims	1,069	1,043	1,075	887	862	740	688	840	830
Recordable Cases	443	509	474	374	359	343	264	317	339
Incidence Rate	25.74	28.74	26.01	21.25	20.99	21.74	16.42	21.28	19.79
Lost Workdays	8,032	11,852	10,341	7,567	7,061	6,822	3,895	6,626	4,969
Injury Hours	61,355	76,834	66,553	47,064	44,198	35,007	22,379	27,432	19,945
Injury Pay	$1,062,630	$1,335,152	$1,164,474	$814,767	$786,257	$640,467	$336,226	$405,353	$308,806

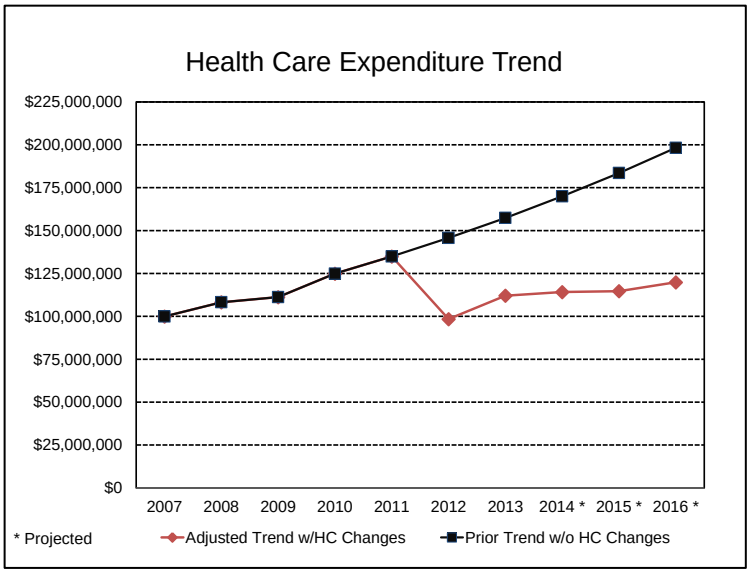
SPECIAL PURPOSE ACCOUNT
EMPLOYEE HEALTH CARE BENEFITS

SUMMARY OF EXPENDITURES

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
UHC Choice Plus PPO	$10,192,955	$9,000,000	$10,000,000	$10,000,000	$1,000,000	$0
UHC Choice EPO	89,835,390	99,135,000	100,000,000	91,800,000	-7,335,000	-8,200,000
HDHP	0	0	0	1,000,000	1,000,000	1,000,000
Dental Insurance	1,910,345	1,900,000	1,900,000	1,900,000	0	0
Wellness Program	0	3,200,000	2,900,000	2,900,000	-300,000	0
Administrative Expense	8,135,045	6,700,000	7,700,000	7,700,000	1,000,000	0
Total	$110,073,735	$119,935,000	$122,500,000	$115,300,000	$-4,635,000	$-7,200,000

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

Figure 1



The city's health care expenditure trend as depicted in Figure 1 shifted dramatically in 2012. In 2011 changes were made to control the rising costs of health care and encourage better utilization by employees. Lack of employee premium payments, deductibles, and co-insurance had resulted in the city absorbing all healthcare costs related to inflation and utilization as well as sole responsibility to control those costs. From 2006-2011, total city healthcare expenditures increased at a rate of 8% to 9% per year, reaching almost $139 million in 2011. At that rate of increase, healthcare expenditures were projected to reach $187 million by 2015.

Working with United Healthcare and the Budget Office, recommendations for 2012 were made and approved by policy makers and elected officials, to switch from an insured HMO to a self-funded EPO program and to implement significant design changes to the city's health care plan including: changing the rate structure from a 2 tier single/family to a 4 tiered structure, 12% monthly premium payments for employees, EPO deductibles of $500 single/$1,000 family and out of pocket maximums of $1,000 single/$2,000 family.

In 2012, there was a substantial decrease (27%) to $102 million in health care expenditures as a result of decreased utilization and increased cost sharing. Compared with 2012, health care expenditure levels marginally increased in 2013 and 2014 indicating that improvements still could be made with regards to appropriate utilization of healthcare benefits. Specifically the city needed to influence employee behavior with the following:

- Overutilization of the emergency room (ER) visits for non-emergency reasons,
- Lack of follow up on age/gender specific screenings designed to identify conditions at an early stage and engage in proactive and successful disease management efforts,
- Poor or lack of participation in UHC's "gaps in care" disease prevention and management activities.

Changes for 2015 were designed to create greater incentives for employees to make good healthcare decisions. The implemented changes include:

- Increasing deductibles to $750 single/$1,500 family.
- Implementing a 30% co-insurance payment for medical providers not classified as "premium providers" who are recognized for better health outcomes, higher quality care, and competitive costs.
- Increasing out of pocket maximums to $1,500 single/$3,000 family.
- Adding a $200 co-pay for all ER visits (not part of deductible).
- Implementing a 20% co-insurance for prescription medications with $4 minimum/$75 maximum, instead of a co-pay model.

Recognizing the impact of these changes on employees and their families, the city funded an onsite Workplace Clinic staffed by a Nurse Practitioner and a Medical Assistant through Froedtert Workforce Health to provide a wide variety of services to employees, their spouses, and domestic partners at no cost to employees. The services include:

- Diagnosis and treatment of minor illnesses and injuries,
- First aid/triage of work related injuries (at the employee's choice),
- Administration of influenza/tetanus vaccinations,
- Provision of basic onsite lab tests,
- Coordination of care of chronic disease conditions, and
- Proactive outreach for prevention and early detection of illnesses/conditions.

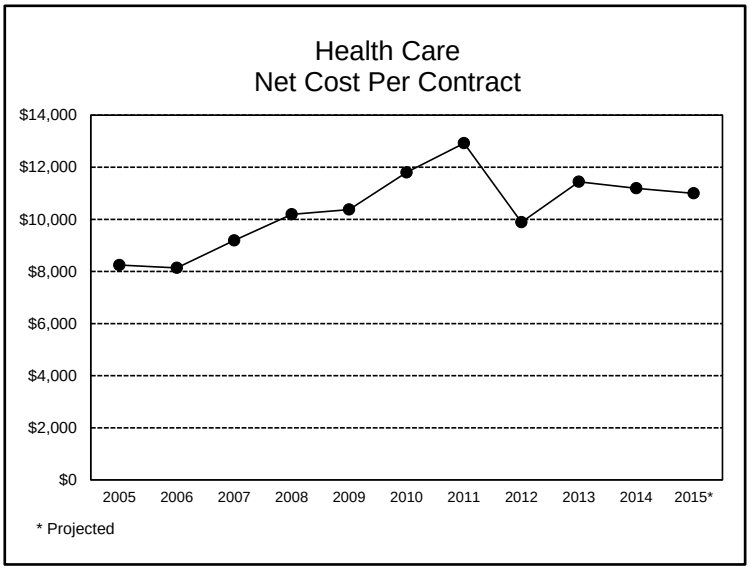
Due to overwhelming demand, clinic hours were expanded from 20 to 30 hours per week after the first three months of operations. Through June of 2015, the clinic had 858 patient visits with over 50% of visitors coming from outside the City Hall Complex. In 2016, DER will analyze the Workplace Clinic and its effect on health care utilization for city employees for things like office, urgent care, and ER visits as well as the clinic's impact on overall healthcare expenditures.

Better utilization of health care benefits by members over the past four years (2012-2015) will allow the city to continue to provide an outstanding benefit to all members without further impacting their costs in 2016. Employee's educated and responsible utilization of their health care benefit and the city's Wellness Program during this period have positively impacted the city's health care expenditure trend over the last four years allowing health care costs, both in terms of employee premiums and total expenditures to remain relatively flat. Furthermore, while many employers are concerned about the "Cadillac Tax" which goes into effect in 2018, the city does not anticipate being impacted by this tax in the near future.

DER continues its efforts with the "Wellness, Your Choice Milwaukee" program, which has had a promising result with declining tobacco usage and hypertension rates in the first five years of the program. However, other areas need improvement and the Wellness Program will focus its efforts on problematic areas such as diabetes and weight management. In 2014, the city implemented an outcomes based phase of the Wellness Initiative called Healthy Rewards to increase employee engagement and participation in health and wellness activities throughout the year. The voluntary Healthy Rewards program provides employees and spouses/partners with an opportunity to earn a $250 Health Reimbursement Account (HRA) for reaching certain biometric and activity related goals. To be eligible to participate in the Healthy Rewards program and earn the $250 incentive, members must complete the initial three step health appraisal process.

2016 Highlights

Figure 2



Continued improvement in appropriate utilization and overall well being has allowed the city, for the fifth year in a row to keep the employee's 12% premium flat. There are no projected increases in overall costs aside from the medical inflationary trend. This very positive outlook comes despite continued increases in medical and drug costs locally and nationally. The 2016 cost per health care contract is expected to remain largely unchanged from the 2015 amount. The revised benefit structure implemented in 2012 caused the overall cost per contract to decrease substantially (see Figure 2). The cost per contract has historically increased by approximately $2,000 every three years and prior to 2012 that increase had become more dramatic. On a percentage basis, costs from 2006 to 2008 increased 24% while costs from 2009 to 2011 grew over 28%. In 2016, the projected cost per contract will be approximately 11% lower than 2011 levels.

In order to comply with a change in state law, the city will offer active members a High Deductible Health Plan (HDHP) in 2016. The HDHP will have a benefit design and coverage that is very different from the UHC Choice and Choice Plus plans including a combined $1,500 (single) and $3,000 (family) deductible and a $1,500 (single) and $3,000 (family) co-insurance. The Out of Pocket Max will be $3,000 (single) and $6,000 (family). Unlike the current Choice and Choice Plus plans, under the High Deductible Health Plan one person may be responsible for meeting the entire deductible, co-insurance or out-of-pocket max amount. Members selecting the HDHP will also pay 100% for prescription drugs and 100% for emergency room services until the deductible is met and then members will pay a 20% co-insurance for drugs and a co-pay of $200 per ER visit. While a qualified HDHP allow members to establish a health savings account (HSA), the city will not be contributing any amount to a member's HSA.

In order to comply with ACA, the city and other employers are required to monitor employee eligibility for medical benefits coverage and will be required to report both to the employees and the IRS regarding coverage. To comply with these ACA requirements, DER has entered into a contract with Health e(fx) to track health coverage offered to employees in 2015 and report to the federal government beginning in 2016. DER will work with ITMD and the Health e(fx) representatives to implement this contract and associated requirements:

- Eligibility tracking,
- Workforce management,
- Employee notifications,
- On-going compliance, and
- 1094 forms filing and 1095 forms distribution.

Health e(fx) will help the city meet all ACA reporting requirements accurately and correctly and avoid significant penalties for non-compliance.

SPECIAL PURPOSE ACCOUNT
BOARD OF ZONING APPEALS

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	4.00	4.00	4.00	4.50	0.50	0.50
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	11	11	11	11	0	0
Expenditures						
Salaries and Wages	$189,836	$206,703	$205,322	$223,763	$17,060	$18,441
Fringe Benefits	19,036	58,089	61,044	67,129	9,040	6,085
Operating Expenditures	24,919	42,656	42,656	42,656	0	0
Equipment	0	0	0	0	0	0
Total	$233,791	$307,448	$309,022	$333,548	$26,100	$24,526
Revenues						
Licenses and Permits	$294,806	$302,000	$292,500	$292,500	$-9,500	$0
Total	$294,806	$302,000	$292,500	$292,500	$-9,500	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

STRATEGY IMPLEMENTATION

The Board of Zoning Appeals plays an important role in the city's economic development. The city encourages developers to invest in Milwaukee by making the zoning appeals process simple and consistent. BOZA hears approximately 700 cases per year, and works with numerous city departments in evaluating and processing zoning appeals. The board ensures that development proposals do not harm the urban setting, while allowing variances and other exceptions to zoning codes to facilitate development and redevelopment of properties and buildings in the city. Information on hearings is sent to community groups and leaders from the city via E-Notify, and the Department of City Development has worked to increase interest in BOZA hearings. The city continues to improve citizen involvement and access to hearings at the Board of Zoning Appeals.

In recent years, BOZA has worked to reduce waiting times for hearings and expedite the appeal process. In 2015, the Local Business Action Team began work to evaluate city processes and procedures that impact how businesses and local government interact. BOZA was actively engaged in the discussions as part of its continuous work to improve communication with customers and citizens. In 2016, BOZA will continue to work with city departments to create efficiencies that support business development while maintaining the quality of the city's urban setting.

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		Office Assistant III	Increase staffing level to support increased workload from Periodic Property Inspection program.
-1	-0.50		Office Assistant III (0.50 FTE)	
0	**0.50**	**0.00**	**Totals**	

CITY TREASURER

EXECUTIVE SUMMARY

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

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

Earn more than LGIP through investment of city funds.

STRATEGIES: Coordinate efforts with city's collection agency 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

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	27.03	29.68	29.53	29.23	-0.45	-0.30
FTEs - Other	0.00	0.30	0.00	0.30	0.00	0.30
Total Positions Authorized	57	59	59	59	0	0
Expenditures						
Salaries and Wages	$1,430,530	$1,505,975	$1,528,405	$1,497,207	$-8,768	$-31,198
Fringe Benefits	658,709	677,689	733,634	718,659	40,970	-14,975
Operating Expenditures	685,118	780,815	895,010	817,810	36,995	-77,200
Equipment	0	12,660	0	0	-12,660	0
Special Funds	28,124	47,835	45,970	45,970	-1,865	0
Total	$2,802,481	$3,024,974	$3,203,019	$3,079,646	$54,672	$-123,373
Revenues						
Charges for Services	$165,884	$162,900	$165,200	$165,200	$2,300	$0
Licenses and Permits	80,031	84,100	80,000	80,000	-4,100	0
Miscellaneous	1,123,002	630,100	791,100	791,100	161,000	0
Total	$1,368,917	$877,100	$1,036,300	$1,036,300	$159,200	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

The Treasurer's Office supports the city's efforts to improve fiscal capacity through its investment of city funds that are not needed immediately to meet current expenditures, including property taxes and lump sum revenue payments such as State Shared Revenue. In making investment decisions, the Treasurer's Office considers the safety, liquidity, and rate of return of various investment instruments. The Treasurer's Office also supports the city's efforts to deliver services at a competitive cost by controlling the costs of tax collection. The Treasurer's 2016

proposed operating budget totals approximately $3.1 million, a 1.4% increase from the 2015 adopted budget. The minor increase reflects the need for additional resources to manage *in rem* filings.

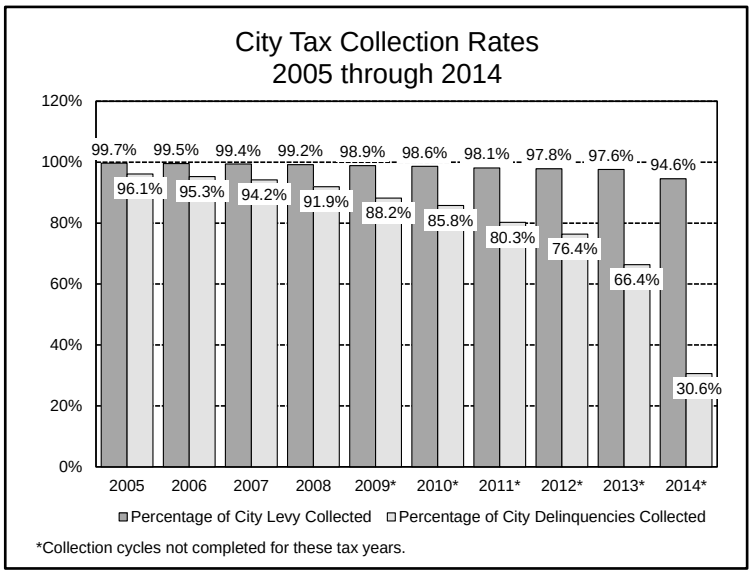
Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Cost of property tax collection as a percentage of property taxes collected.	.2475%	.2839%	.2828%
General fund investment revenue realized on short term pooled cash investments.	$290,807	$300,000	$288,640
General fund investment revenue realized on long term pooled cash investments.	$482,596	$4330,100	$502,460

STRATEGY IMPLEMENTATION

The City Treasurer is responsible for the collection of property taxes, including delinquent taxes for all six levies within the city. As seen in Figure 1, the Treasurer collects nearly 100% of the total city levy and an average of almost 95% of the resulting delinquent accounts after the three year collection cycle. The Treasurer's Office strives to collect all delinquent property tax accounts. Collection efforts have been improved by allowing special assessments and charges to be placed on the city's ten month, interest free installment payment plan. In addition the city's collection agent, the Kohn Law Firm, attempts to collect delinquent real estate property taxes for a period of 12 months, instead of six months, prior to the city pursuing a foreclosure action. These two changes lower taxpayers' monthly amounts due, which helps prevent *in rem* tax foreclosure.

Figure 1



Despite these changes, the economic and housing market downturn continues to contribute to a substantial number of foreclosure filings and tax delinquent parcels acquired. In 2014, the city filed against 1,096 properties through *in rem* foreclosure, acquiring 751 of those properties. As Figure 2 shows, between 2007 and 2014, foreclosure filings increased by 711 or 185% and parcels acquired increased by 596 or 385%. Filings and acquisitions are expected to remain at an elevated level in 2015 and 2016.

RESIZE, RESTRUCTURE, AND REINVEST

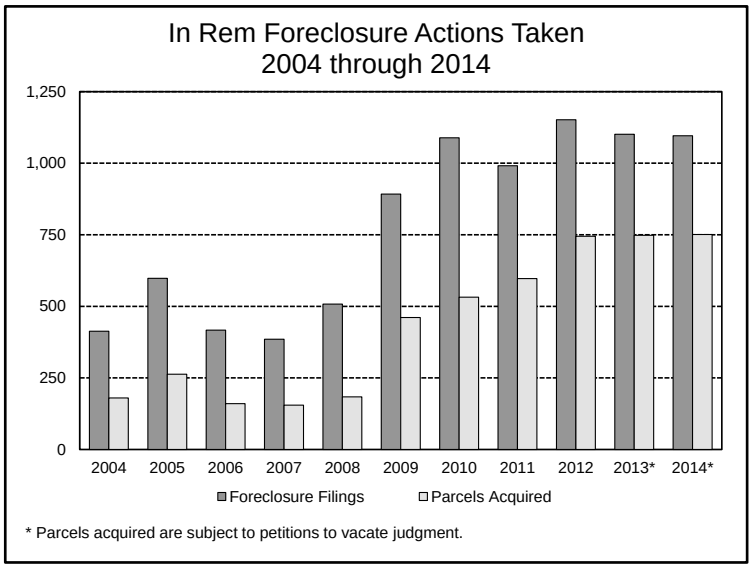
***In Rem* Tax Foreclosure Filings:** The 2016 proposed budget provides funding for three separate *in rem* tax foreclosure filings. Multiple filings have become necessary in recent years in order to handle the large volume of properties entering foreclosure. In 2014, each filing cost approximately $12,000.

The 2016 proposed budget also includes funding for the accelerated *in rem* foreclosure process approved in 2015 in Common Council File Number 150164. The goal of this program is to acquire vacant and abandoned properties sooner to expedite sale to a private owner while preventing the properties from being vandalized or becoming a nuisance to the neighborhood.

Position Changes and Reductions: The 2016 proposed budget includes no new or reclassified positions.

Tax Collection System Replacement: In 2016, the capital budget includes $1.15 million, to be used in conjunction with 2015 capital funds, for the replacement of the city's legacy tax collection system, which is over 30 years old. This project will require the dedication of staff resources to system development and extensive parallel testing to assure success.

Figure 2



Once fully installed the new tax collection system will:

- Automate tasks that are currently being completed manually.
- Create greater staff efficiency.
- Allow staff to provide better customer service.
- Integrate more efficiently with other software used by the City of Milwaukee.

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
	-0.30		Various Positions	Staff work on tax collection system capital project
	-0.15		Various Positions	Reduction in temporary seasonal staff.
0	**-0.45**	**0.00**	**Totals**	

FRINGE BENEFIT OFFSET

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Fringe Benefit Offset	$-160,341,772	$-146,424,273	$-187,455,092	$-187,574,517	$-41,150,244	$-119,425
Total	$-160,341,772	$-146,424,273	$-187,455,092	$-187,574,517	$-41,150,244	$-119,425

Employee fringe benefit costs are appropriated in various special purpose accounts. In addition, department operating budgets include an estimated employee fringe benefit factor in order to reflect the total cost of department operations. The 2016 budget offsets this "double" budget with a budget offset, to avoid levying twice for employee benefits. This approach avoids overstating the total city budget by the fringe benefit factor, which in 2016 amounts to approximately $187.6 million.

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

Each year, the Comptroller's Office develops revenue estimates for the upcoming budget year. When finalized, these estimates determine the property tax levy and reserve fund withdrawals needed to offset budgeted expenditures. In 2016, the city anticipates generating approximately $615.4 million in revenue for General City Purposes. Figure 1 provides a breakdown of these revenues by major category.

Revenue diversification and enhancement provides the city with the means to retain existing service levels. Property tax increases have been limited by state legislation and state aid decreases, placing pressure on other revenue sources or requiring service reductions. State restrictions on the type of fees that are available to municipalities further erode the city's ability to diversify its revenues.

The overall General City Purposes revenues have grown less than the rate of inflation (see Figure 2). Revenues in 1996 adjusted for inflation equaled $404 million which is $16.4 million higher than the inflation adjusted revenue for 2016 of $388 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 2016 budget. A noticeable shift in intergovernmental, property taxes, and charges for service is evident over the time period. The city received proportionately more intergovernmental aid in 1995 when it accounted for 63.7% of total revenues versus 42.7% in 2015.

Figure 1

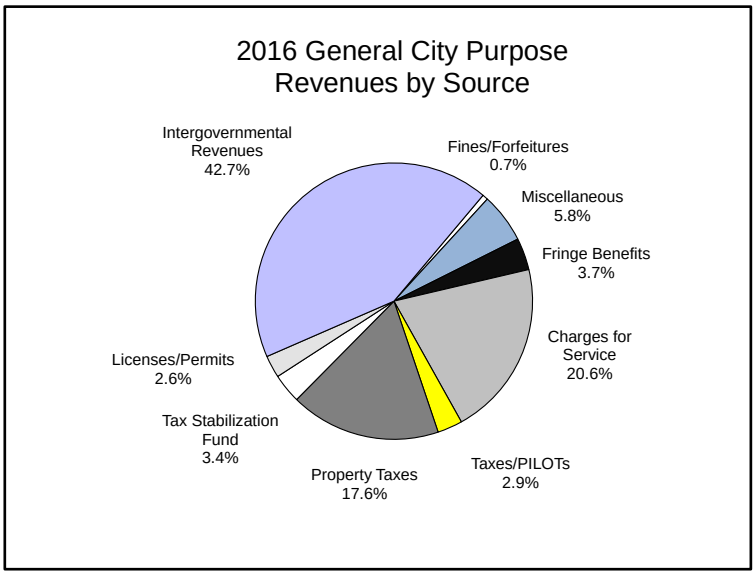
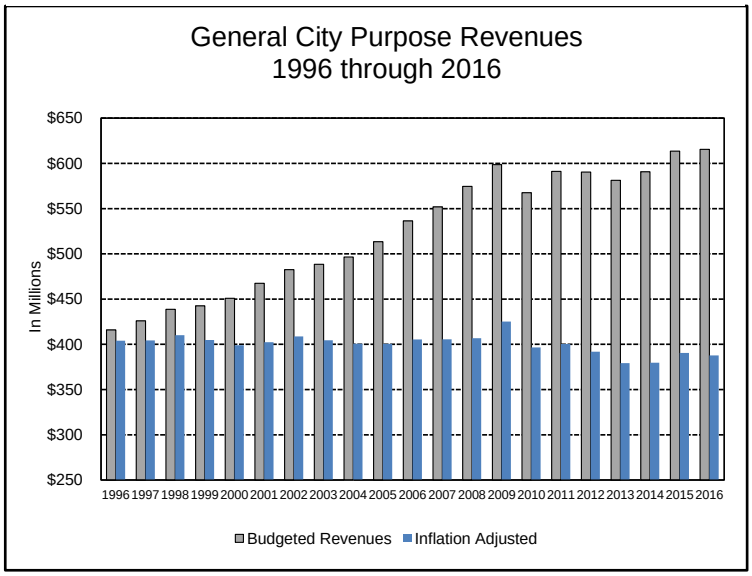


Figure 2



Over the same time period, the city's reliance on property taxes increased from 10.6% to 17.6%. The city has increased its efforts to diversify revenues by increasing charges for service as a percentage of revenue from 4.3% to 20.6%.

From 2006 to 2016, intergovernmental revenues decreased by $9.8 million from $272.2 million to $262.6 million. This is shown in Figure 4 along with the inflation adjusted amounts.

The following discussion provides more specific detail on the different categories of General Purpose Revenues.

Intergovernmental Revenue: These revenues include funding received from other governmental jurisdictions, state and federal aid formulas, grants, and other program specific government aids. In the 2016 budget, intergovernmental revenues total $262.6 million. This is an increase of $366,600 from 2015.

The largest amount of state aids received by the city comes in the form of State Shared Revenue. In 2016, the city expects to receive $219 million of shared revenue, an increase of $112,000 from 2015.

Since the state fixed the allocation for shared revenue in 1995 and later fixed the amount municipalities received, the city was unable to rely on shared revenue to assist in addressing its structural budget issues. The city has turned to other sources of funds or service cuts to offset this lack of growth. The city will experience a nearly $98.3 million decrease in "real" intergovernmental aids since 1995 (see Figure 4).

The State Transportation Aids are determined by the amount that is spent on transportation related accounts and the funds made available in the state budget for this purpose. These aids total $26.4 million in 2016, an increase of $113,000 from 2015.

Another state aid is the Expenditure Restraint Payment. The program rewards communities that control their general fund expenditures. General Fund expenses are allowed to increase by the CPI and 60% of the net new construction. The other qualifying factor is an equalized property tax rate above $5 per $1,000 of equalized value. Funds are distributed by the percentage of excess property tax levy which means the higher you tax the more money you receive. Milwaukee has done an excellent job of controlling its property tax levy, causing the expenditure restraint aids to remain relatively flat. The estimate for 2016 is $8.7 million, a decrease of $105,000 from 2015.

Figure 3

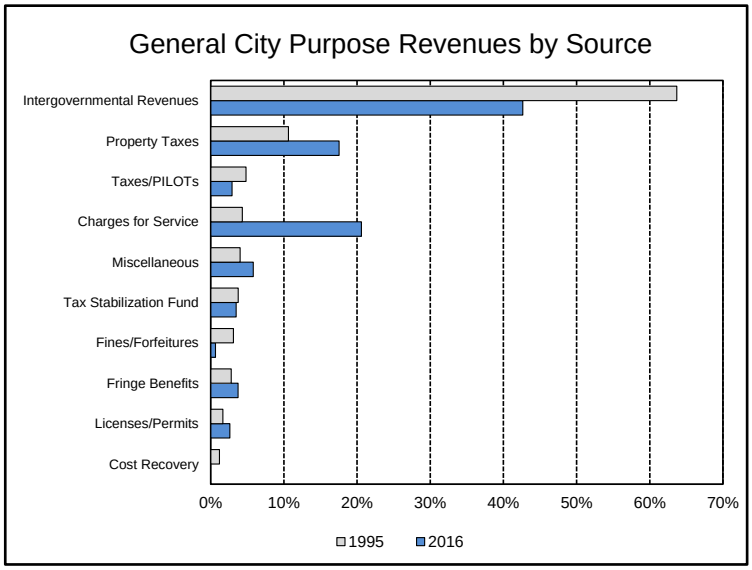
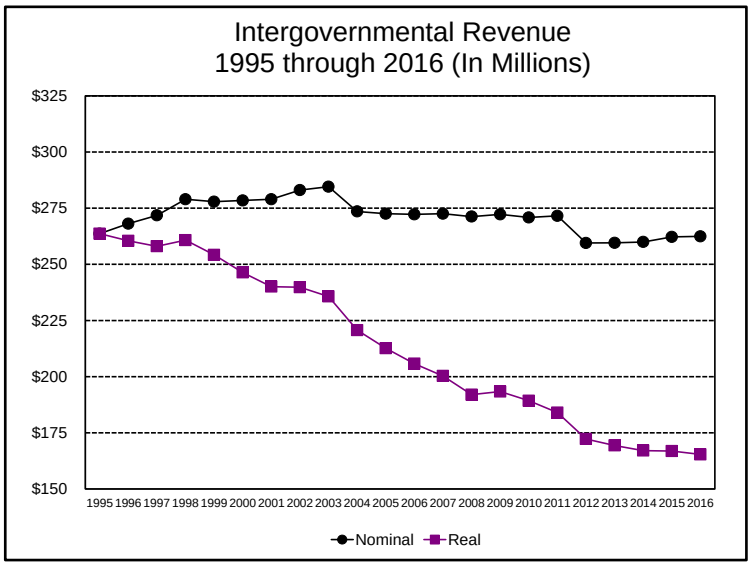


Figure 4



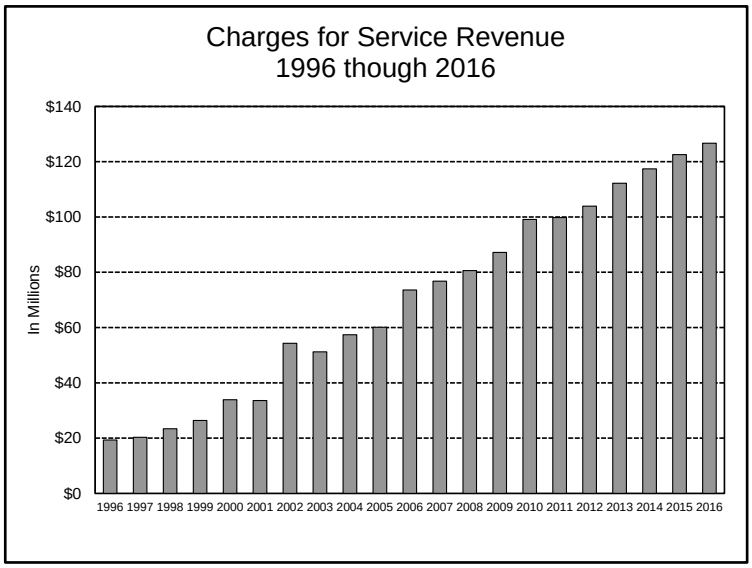
Property Taxes: The property tax levy will provide $108 million in revenue for the General City Purposes budget in 2016. The total city tax levy will be $256.8 million in 2016, with no increase in the tax levy from the 2015 budget.

Taxes and Payments in Lieu of Taxes: The 2016 budget includes an estimated $18 million in revenue attributable to Taxes and Payments in Lieu of Taxes (PILOTs), a decrease of $49,600 from 2015. These funds include revenues raised by non-property tax levies; occupation taxes; trailer park taxes; principal, interest, and penalties on delinquent taxes; property tax adjustments; and payments from property tax exempt governmental entities.

Charges for Services: The 2016 budget includes $126.7 million in revenue from charges for services, an increase of $4.1 million from 2015. This category of funding encompasses revenue received for services provided by city operating departments.

Figure 5 illustrates the increased city reliance on user based fees. Charges for service revenues increased from $19.3 million in 1996 to $126.7 million in 2016. This trend is also evident in Figure 3, where charges for service revenues increased from 4.3% of revenues to 20.6%. Fees for solid waste, snow and ice, and sewer maintenance are charged to city property owners according to usage, instead of through the tax levy.

Figure 5



The Solid Waste Fee is a charge that recovers nearly 100% of the cost of weekly garbage collection. Service costs for related solid waste services like recycling, and special collections are also recovered through the fee. An additional charge is made to residences that have more than one garbage cart per household.

The fee will be $15 per garbage cart above one cart per household, the same as in 2015. There is no charge for additional recycling carts. The Solid Waste Fee will increase from $194.40 per year for residential units to $196.92 per year, and will generate $38.6 million when combined with the extra garbage cart fee.

The Snow and Ice Fee will remain at its current annual rate of $0.9155 per foot of property frontage. The fee will generate a total of $8.7 million in 2016.

Leaf pickup and street sweeping costs will continue to be recovered through the Sewer Maintenance Fee. The budget reflects tree pruning costs which are charged to the Sewer Maintenance Fee. This is done in the form of a $18.1 million transfer from the Sewer Maintenance 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 2016, these revenues are expected to total $35.8 million, an increase of $56,700 from 2015. Changes include a decrease in the Parking Fund transfer payment of $500,000, a $500,000 increase in anticipated contribution revenue, a $64,500 decrease in property sale revenue, a $161,000 increase in investment earnings and a $100,000 increase in the Potawatomi payment.

Fines and Forfeitures: Revenue of $4.1 million related to fines and forfeitures is included in the 2016 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 2016 is estimated at $16.1 million, an increase of $790,300 from 2015. 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 $23 million in 2016.

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 $28.5 million lapsed into the fund at the end of 2014. The estimated balance of the fund as of January 1, 2015 was $56.6 million.

The 2016 withdrawal will be $21.1 million which is 37.3% of the fund balance. After the 2016 withdrawal and anticipated regeneration at the end of 2015, the Tax Stabilization Fund should have a fund balance of approximately $51 million.

A temporary additional withdrawal from the TSF is reflected in the 2016 proposed budget in anticipation of revenue recognition by the Comptroller. Some fees are being proposed to increase but have not yet been adopted by the Common Council. The Comptroller's practice is to recognize this revenue after the Common Council adopts legislation increasing the fees. The amount included in the 2016 proposed budget for this purpose is $108,000. Once the fee increases are approved by the Common Council and recognized by the Comptroller they will appear in the appropriate revenue category and this portion of the TSF withdrawal will be eliminated.

2. SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	2013 Actual Expenditures	2014 Actual Expenditures	2015 Adopted Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted Budget
Taxes and Payments in Lieu of Taxes					
Housing Authority	$702,707	$689,682	$665,000	$690,000	$25,000
Parking	1,560,567	1,585,940	1,500,000	1,500,000	0
Water Works	12,395,168	12,397,198	12,000,000	12,400,000	400,000
Trailer Park Taxes	64,990	80,912	50,000	75,000	25,000
Payment in Lieu of Taxes Other	414,380	438,666	420,000	420,000	0
Interest/Penalties on Taxes	1,955,731	1,845,173	1,956,000	1,844,500	-111,500
TID Excess Revenue	0	1,585,901	950,000	340,000	-610,000
Other Taxes	405,992	3,036,453	487,400	709,300	221,900
Total Taxes	$17,499,535	$21,659,925	$18,028,400	$17,978,800	$-49,600
Licenses and Permits					
Licenses					
Amusement Dance/Music	$131,144	$139,919	$131,000	$0	$-131,000
Dog and Cat	84,170	80,031	84,100	80,000	-4,100
Food City Clerk	2,228,388	2,218,897	2,326,000	2,220,000	-106,000
Food Health Department	87,464	155,421	247,000	247,000	0
Health Department Non-Food	31,823	30,316	34,400	17,400	-17,000
Liquor and Malt	1,377,637	1,420,275	1,372,000	0	-1,372,000
Scales	794,273	91,294	500,000	540,000	40,000
Miscellaneous City Clerk	598,262	1,083,599	795,000	2,588,700	1,793,700
Miscellaneous Neighborhood Services	492,833	499,571	449,000	247,900	-201,100
Miscellaneous Department Public Works Administration	16,767	15,876	16,500	16,000	-500
Permits					
Board of Zoning Appeals	$290,433	$294,806	$302,000	$292,500	$-9,500
Zoning Change Fees	52,000	53,875	50,000	50,000	0
Building	3,352,948	4,335,462	3,509,000	4,328,300	819,300
Building Code Compliance	292,162	280,055	300,000	300,000	0
Curb Space Special Privilege	23,845	90,481	21,000	0	-21,000
Electrical	1,313,596	1,300,478	1,308,000	1,308,000	0
Elevator	216,570	238,576	210,000	220,000	10,000
Occupancy	461,926	473,665	500,000	465,000	-35,000
Plumbing	723,087	667,768	640,000	750,000	110,000
Miscellaneous Neighborhood Services	129,712	119,431	126,000	115,000	-11,000
Sign and Billboard	93,083	93,476	93,000	93,000	0
Special Events	282,856	280,643	250,000	280,000	30,000
Miscellaneous Department of Public Works	329,588	270,215	330,000	308,000	-22,000
Special Privilege Miscellaneous Neighborhood Services	332,052	344,476	348,000	344,000	-4,000
Sprinkler Inspection	119,743	154,572	128,000	152,000	24,000
Use of Streets Excavating	1,168,231	1,300,584	1,207,000	1,104,500	-102,500
Plan Exam Department of City Development	-79	0	0	0	0
Total Licenses and Permits	$15,024,514	$16,033,762	$15,277,000	$16,067,300	$790,300
Intergovernmental Revenue					
Fire Insurance Premium	$1,061,053	$1,163,727	$1,080,000	$1,100,000	$20,000
Local Street Aids	24,941,965	25,105,194	26,270,000	26,383,000	113,000
Payment for Municipal Services	1,922,338	1,896,874	1,900,000	2,200,000	300,000
State Payments Police	746,563	752,179	747,000	673,600	-73,400
State Shared Revenue (General)	218,788,833	218,923,945	218,880,000	218,992,000	112,000
Other State Payments	7,034	7,034	7,000	7,000	0
Expenditure Restraint Aid	8,475,356	8,552,945	8,827,000	8,722,000	-105,000
Computer Exemption Aid	3,792,273	4,484,530	4,500,000	4,500,000	0
Total Intergovernmental Revenue	$259,735,415	$260,886,428	$262,211,000	$262,577,600	$366,600

	2013 Actual Expenditures	2014 Actual Expenditures	2015 Adopted Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted Budget
Charges for Services - General Government					
City Attorney	$1,006,107	$877,665	$761,000	$878,100	$117,100
Department of Employee Relations	159,155	163,034	163,000	167,000	4,000
City Treasurer	159,927	165,884	162,900	165,200	2,300
Common Council City Clerk	151,890	153,531	149,700	150,700	1,000
Cable Franchise Fee	5,000,553	4,983,077	4,800,000	4,900,000	100,000
Comptroller	499,882	720,275	480,000	580,000	100,000
Municipal Court	1,524,122	1,458,570	1,752,000	1,514,000	-238,000
Assessor	647,332	801,959	700,500	875,200	174,700
Department of City Development	8,610	8,993	8,000	8,000	0
Department of Administration	110,106	143,906	77,000	171,500	94,500
Fire Department	5,824,785	5,857,281	6,687,000	6,688,300	1,300
Police Department	603,780	607,999	624,000	2,921,700	2,297,700
Department of Neighborhood Services	15,095,825	15,147,127	14,783,000	15,063,000	280,000
Building Razing	1,001,507	1,066,737	900,000	1,000,000	100,000
Fire Prevention Inspections	2,001,172	1,945,875	2,000,000	1,975,000	-25,000
Essential Services	69,723	65,948	72,000	71,000	-1,000
Placard Fee	19,326	30,950	22,000	25,000	3,000
IT/Training Surcharge Department of Neighborhood Services	240,366	343,173	250,000	350,000	100,000
Department of Public Works Operations Buildings and Fleet	4,427,988	3,825,152	4,273,000	3,650,000	-623,000
Department of Public Works Infrastructure Division	3,590,992	4,928,931	4,738,000	4,609,000	-129,000
Department of Public Works Operations Division Forestry	133,467	161,605	130,000	146,000	16,000
Harbor Commission	5,734,909	5,905,581	4,812,849	4,801,671	-11,178
Department of Public Works Administrative Services	1,400,805	1,215,235	1,397,000	1,350,000	-47,000
Department of Public Works Operations Division Sanitation	4,729,669	4,929,264	4,438,500	4,148,300	-290,200
Solid Waste Fee	33,994,612	35,199,543	36,741,600	36,863,424	121,824
Extra Garbage Cart Fee	1,864,447	1,890,000	1,860,000	1,740,000	-120,000
Snow and Ice Control Fee	7,955,486	8,163,624	8,743,000	8,743,000	0
Street Sweeping and Leaf Collection	14,437,000	15,059,000	15,758,820	18,126,000	2,367,180
Apartment Garbage Pickup	1,613,715	1,544,477	1,667,000	1,500,000	-167,000
Health Department	877,484	922,568	873,000	902,300	29,300
Public Library	419,797	397,676	475,000	400,000	-75,000
County Federated System	716,868	715,475	713,000	720,000	7,000
Recycling Contract	1,817,874	1,574,727	1,568,000	1,500,000	-68,000
Total Charges for Services	$117,839,281	$120,974,842	$122,580,869	$126,703,395	$4,122,526
Fines and Forfeitures					
Municipal Court	$4,483,325	$4,558,308	$4,506,000	$4,060,000	$-446,000
Total Fines and Forfeitures	$4,483,325	$4,558,308	$4,506,000	$4,060,000	$-446,000
Miscellaneous Revenue					
Transfer from Other Funds	$18,550,000	$17,425,000	$17,000,000	$16,500,000	$-500,000
Interest on Investment	210,472	1,123,002	630,100	791,100	161,000
Contributions	1,673,815	1,975,141	2,500,000	3,000,000	500,000
Department of Administration Property Sales	532,789	609,105	575,500	561,000	-14,500
Department of City Development Property Sales	4,725	15,853	100,000	50,000	-50,000
Department of Public Works Infrastructure Division Rent	222,896	234,202	222,000	222,000	0
Comptroller Rent	172,795	164,859	164,000	164,000	0
Department of City Development Rent	0	0	0	0	0
Other Miscellaneous	1,811,922	1,004,490	1,014,300	791,600	-222,700
Insurance Recovery	350,518	1,874,752	346,000	408,700	62,700
Potawatomi	5,444,526	5,282,165	5,300,000	5,400,000	100,000

	2013 Actual Expenditures	2014 Actual Expenditures	2015 Adopted Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted Budget
Harbor Commission Transfer	1,360,000	1,378,000	1,581,700	1,501,900	-79,800
Vehicle Registration Fee	750,000	6,446,525	6,300,000	6,400,000	100,000
Greendale Water Payment	6,338,316	0	0	0	0
Total Miscellaneous Revenue	$37,422,774	$37,533,094	$35,733,600	$35,790,300	$56,700
Fringe Benefits					
Fringe Benefit Offset	$24,466,050	$22,025,870	$24,300,000	$23,000,000	$-1,300,000
Total Fringe Benefits	$24,466,050	$22,025,870	$24,300,000	$23,000,000	$-1,300,000
Total General Fund Revenue	$476,470,894	$483,672,229	$482,636,869	$486,177,395	$3,540,526
Amount to be Raised Pursuant to 18-02-6	$116,810,199	$111,717,287	$130,964,667	$129,218,142	$-1,746,525
Less:					
Tax Stabilization Fund Withdrawal (Sustainable)	$14,900,000	$20,000,000	$16,700,000	$21,087,000	$4,387,000
Tax Stabilization Fund Withdrawal (Revenue Anticipation)	$0	$0	$0	$108,000	$108,000
Property Tax Levy	$101,910,199	$91,717,287	$114,264,667	$108,023,142	$-6,241,525
Total Sources of Fund for General City Purposes	$593,281,093	$595,389,516	$613,601,536	$615,395,537	$1,794,001

B. PROVISION FOR EMPLOYES' RETIREMENT FUND

EXECUTIVE SUMMARY

MISSION: Provide for the secure payment of retirement benefit obligations in a manner that avoids destabilizing city operations and that limits the transfer of financial responsibility to future generations.

OBJECTIVES: Remain in the top five of the annual RV Kuhns Public Fund Universe Analysis for net assets as a percentage of pension benefit obligations.

STRATEGIES: Use the Employer's Reserve Fund to stabilize future city pension contributions.

SUMMARY OF EXPENDITURES

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Firemen's Pension Fund						
Employer's Pension Contribution	$31,387	$36,000	$0	$0	$-36,000	$0
Lump Sum Supplement Contribution	77,500	70,000	50,000	50,000	-20,000	0
Subtotal	$108,887	$106,000	$50,000	$50,000	$-56,000	$0
Policemen's Pension Fund						
Employer's Pension Contribution	$227,796	$206,000	$330,000	$190,000	$-16,000	$-140,000
Lump Sum Supplement Contribution	30,000	30,000	21,500	21,500	-8,500	0
Subtotal	$257,796	$236,000	$351,500	$211,500	$-24,500	$-140,000
Employees' Retirement Fund						
Employer's Pension Contribution	$61,600,000	$60,000,000	$60,000,000	$60,000,000	$0	$0
Administration	20,595,947	28,397,088	26,643,423	26,643,423	-1,753,665	0
Annuity Contribution Tax Levy	4,576,913	2,000,000	5,200,000	5,200,000	3,200,000	0
Annuity Contribution Employer's Reserve Fund	13,400,000	10,400,000	7,000,000	7,000,000	-3,400,000	0
Subtotal	$100,172,860	$100,797,088	$98,843,423	$98,843,423	$-1,953,665	$0
Social Security Tax	$18,136,303	$17,822,252	$18,100,000	$18,100,000	$277,748	$0
Former Town of Lake Employees' Fund						
Employer's Pension Contribution	$7,273	$7,300	$7,300	$7,300	$0	$0
Subtotal	$7,273	$7,300	$7,300	$7,300	$0	$0
Deferred Compensation Plan	$1,357,496	$1,549,299	$1,866,745	$370,485	$-1,178,814	$-1,496,260
Total	$120,040,615	$120,517,939	$119,218,968	$117,582,708	$-2,935,231	$-1,636,260
Revenues						
Fringe Benefits Pensions	$1,137,924	$1,232,096	$1,345,759	$1,345,759	$113,663	$0
Charges for Service Employees' Retirement System	20,238,942	27,986,148	26,261,912	26,261,912	-1,724,236	0
Charges to Other Funds	1,732,605	730,000	830,000	904,000	174,000	74,000
Charges for Service Deferred Compensation	1,357,496	1,549,299	1,866,745	370,485	-1,178,814	-1,496,260
Property Tax Levy	85,965,660	78,532,396	81,823,552	81,609,552	3,077,156	-214,000
Employer's Reserve Fund	13,400,000	10,400,000	7,000,000	7,000,000	-3,400,000	0
Miscellaneous Employees' Retirement System	82,600	88,000	91,000	91,000	3,000	0
Total	$123,915,227	$120,517,939	$119,218,968	$117,582,708	$-2,935,231	$-1,636,260

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 eleven members (three elected by active system members, one by city retirees, three appointed by the President of the Common Council, three appointed by the Mayor, 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 26,840 members in the system as of December 31, 2014.

The Policemen's Annuity and Benefit Fund (PABF) administers pensions for city Police Officers employed prior to 1947. There were 43 members as of January 1, 2015.

Funds in the Firemen's Pension Fund are provided for retired Fire Fighters who were employed prior to 1947. This fund had 25 members as of January 2015.

The Former Town of Lake Employes' Retirement Fund provides retirement benefits to former Town of Lake employees who became city employees when the Town of Lake was annexed. There are currently two members.

ERS also oversees the city's contribution for payment of the employer's share of social security tax. The Deferred Compensation Board is responsible for administration of the city's Deferred Compensation Plan.

STRATEGY IMPLEMENTATION

The former employer annuity contribution policy was hyper responsive to each year's investment results, which is not conducive to budget planning and is inconsistent with the reality of market cycles. Addressing these issues led to the development of a stable contribution policy that was adopted in 2013. The stable contribution policy is based on a blended rate representing the total employer contribution rate which results from adding the proportionately weighted rates of the three employee groups. The blended rate is comprised of 8.48% for general city, 22.63% for Police and 24.83% for Fire. The stable contribution policy addresses the following objectives:

- Budget annually for the normal cost (funds can go to reserve if funded status allows);
- Reduce unfunded liability;
- Maintain asset coverage equal or greater than retired lives' liabilities;
- Achieve stable and predictable contribution levels over five year periods;
- Review adequacy of contributions as part of a five year cycle;
- No change to member contributions; and
- Eliminate full funding limit.

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

SERVICES

Annuity Contribution/Employee's Share: The 2016 proposed budget provides a total of $12.2 million for the employee's share of the annuity contribution that is paid by the city. Of that amount, $5.2 million for the city's share of employees' annuity contributions is provided from the annuity account and $7 million from the Employer's Pension Reserve Fund. This is a decrease of $0.2 million over the total amount provided for this purpose in 2015.

Part of the State of Wisconsin Supreme Court decision on ACT 10 on July 31, 2014 included a ruling on general city employee pension payments made by the city on behalf of the general city employee. The court ruled that making this payment was an issue of statewide concern and the general city employee must pay the employee contribution instead of the city. The change requires the general city employees to pay the 5.5% employee pension contribution, and for elected officials with 2.5% multipliers to pay 7%. Member contributions for protective service employees are subject to collective bargaining.

Social Security Payments: In the 2016 proposed budget, $18.1 million is provided for social security payments.

Administration: In the 2016 proposed budget, ERS administrative costs are $26.6 million.

Employer's Reserve Fund: An expected balance of approximately $15.2 million will remain in the Employer's Reserve Fund at the end of 2015. The 2016 proposed budget includes the use of $7 million from the reserve fund to smooth the property tax levy impact of an employer pension contribution of $60 million.

Employer's Pension Contribution (PABF): The 2016 proposed budget includes a $190,000 contribution for the former Policemen's Annuity and Benefit Fund.

Lump Sum Contribution for Firemen's Annuity and Benefit Fund (FABF): A total of $50,000 is provided in the 2016 proposed budget for a pension supplement to remaining members of this fund. This will provide a supplement fund payment per member that is roughly equivalent to the payment received in 2015.

Lump Sum Contribution for Policemen's Annuity and Benefit Fund (PABF): There is $21,500 provided in the 2016 proposed budget to provide a pension supplement.

EMPLOYES' RETIREMENT SYSTEM

EXECUTIVE SUMMARY

MISSION: Administer the retirement plan as provided under the city charter and protect the funds of the Employes' Retirement System through prudent investment.

OBJECTIVES: Achieve an 8.25% annual rate of return on invested funds.

Distribute pension checks in a timely and accurate manner.

STRATEGIES: Monitor and analyze all investment activities and provide oversight of the investment portfolio to obtain the highest return consistent with the level of risk taken.

Maintain and update the Milwaukee Employee Retirement Information Technology Solutions system to provide effective and efficient pension administrative services.

Improve member communication through the Employes' Retirement System website, pre-retirement counseling seminars, brochures, and newsletters.

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	43.50	43.50	43.50	43.50	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	54	55	55	58	3	3
Expenditures						
Salaries and Wages	$2,552,355	$2,737,992	$2,803,664	$2,803,664	$65,672	$0
Fringe Benefits	1,137,924	1,232,096	1,345,759	1,345,759	113,663	0
Operating Expenditures	16,786,431	23,958,000	22,290,000	22,290,000	-1,668,000	0
Equipment	119,237	469,000	204,000	204,000	-265,000	0
Special Funds	0	0	0	0	0	0
Total	$20,595,947	$28,397,088	$26,643,423	$26,643,423	$-1,753,665	$0
Revenues						
Charges for Services	$20,238,942	$27,986,148	$26,261,912	$26,261,912	$-1,724,236	$0
Miscellaneous	82,600	88,000	91,000	91,000	3,000	0
Total	$20,321,542	$28,074,148	$26,352,912	$26,352,912	$-1,721,236	$0

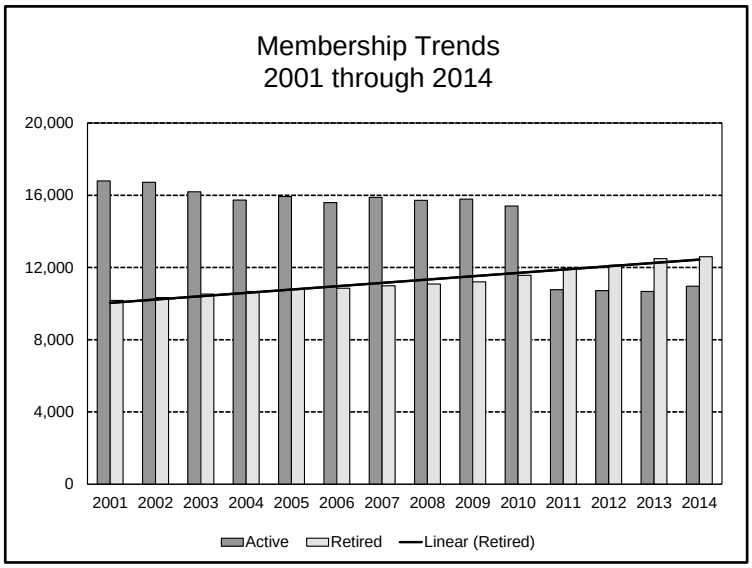
DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Optimize the amount of tax levy funding needed to support the Employes' Retirement System consistent with the risk assumed by the investment policy.
   - Effectively manage the pension funds under its control.
   - Provide high quality service to its customers.

The Employes' Retirement System (ERS) contributes to the city's fiscal stability and capacity by effectively managing the pension funds under its control. Effective management of these funds optimizes the amount of tax levy funding needed to support ERS and the pensions it manages. It also ensures that the city's long term financial obligations to retirees and their beneficiaries are adequately funded. ERS also administers the enrollment in and contributions for the Group Life Insurance program and health care for city retirees, including COBRA health and dental plans. As of December 2014, there were 26,840 members in the ERS, of which 59% were retirees or inactive members (see Figure 1).

Figure 1



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

Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Annualized excess return above the blended benchmark index, gross of fees (over the past five years).	0.5%	0.5%	0.5%
Exceed 95% favorable rating on customer satisfaction survey.	100%	95%	95%

STRATEGY IMPLEMENTATION

The actuarial accrued liabilities on behalf of ERS members are $4.94 billion as of January 1, 2015. Market volatility in recent years has made it complicated to maintain an adequately funded retirement system. In 2014, the fund earned a net of fee return of 5.1%. The fund's allocations to Private Equity, Real Estate, and U.S. equity generated net of fee returns of 15.4%, 12.4%, and 11.2% in 2014. The fund's allocations to Fixed Income and International equity generated net of fee returns of 3.9% and -3.9% in 2014.

Despite recent fluctuations, the fund's asset value has grown significantly since the 2008-2009 financial crises (see Figure 2). In order to maintain pension payments in future years, keep an adequate funded ratio of assets to liabilities, and comply with city charter requirements, the 2016 proposed budget includes a $7 million withdrawal from the Employee Pension Reserve Fund. The city's stable contribution policy moderates fluctuations in the city's annual funding cost for employee retirement.

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

- Russell 3000 Stock Index,
- Barclays Capital U.S. Aggregate Bond Index,
- Morgan Stanley Capital International EAFE (Europe, Australasia, and Far East) Stock Index,
- NCREIF Property Index, and
- Russell 3000 + 3%.

The blended benchmark is weighted according to the asset allocation strategy adopted by the Annuity and Pension Board. This strategy takes advantage of long term investment and market trends that occur over the life of an investment cycle. The long term objective is for the fund to outperform the blended benchmark by 0.5%.

As seen in Figure 3, the fund's return of 5.1% underperformed its benchmark by 0.9%, net of fees in 2014. The underperformance can be attributed to overweight exposures to U.S. small cap equities and non-U.S. bonds. While these exposures are expected to benefit the risk and return characteristics of the fund over the long term, the exposures did not benefit the fund in 2014 as large cap equities outperformed small cap equities and the U.S. dollar appreciated against most currencies, causing non-U.S. bonds to decline in value.

Figure 2

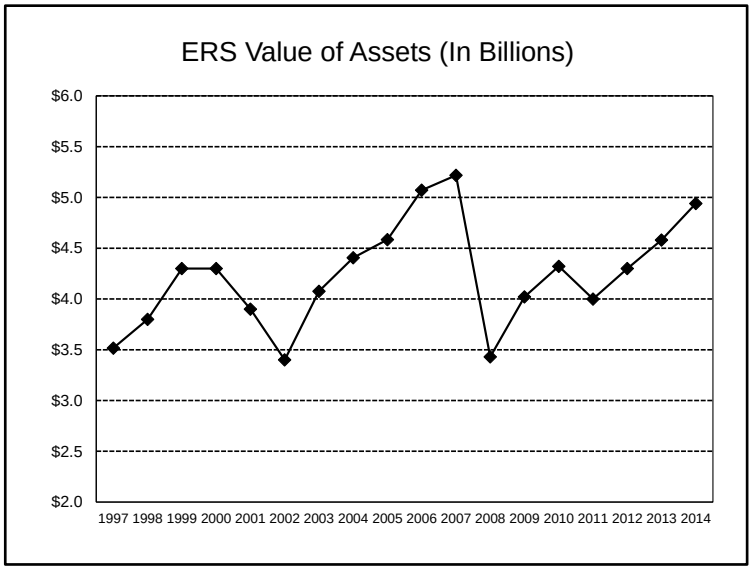
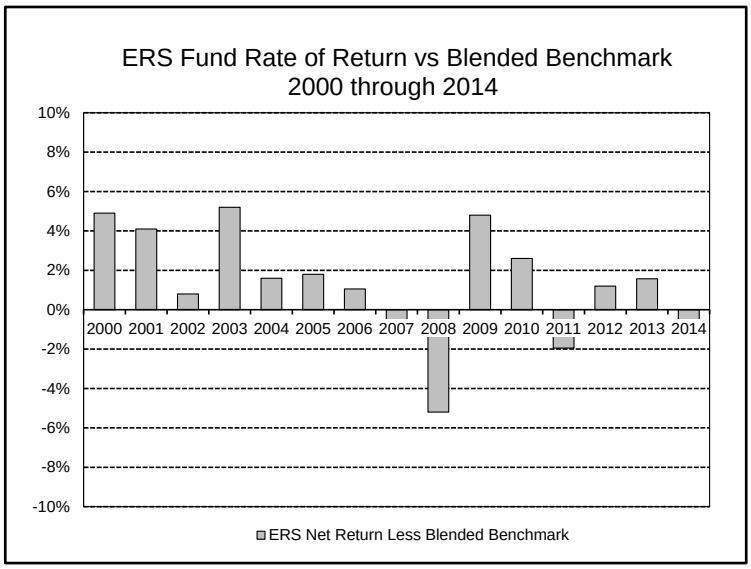


Figure 3



Customer Service: ERS provides enhanced customer service through a series of membership awareness projects and counseling on a variety of benefits, including pension, disability, separation, and death. ERS is also responsible for administering group life insurance and retiree health insurance for the City of Milwaukee and certain city agencies. A monthly retiree newsletter and annual newsletter to active members keep them informed on a variety of issues, including fund performance, tax issues, and health insurance issues. Letters, counseling sessions, and phone conversations inform individuals of their rights, options, and answers to their questions. ERS conducts community presentations and pre-retirement seminars for its members on a regular basis. ERS member handbooks, brochures, and website also improve customer service delivery. Reception cards are used to evaluate timely servicing of walk-ins and appointments. ERS also uses exit surveys to measure the quality of its counseling services.

RESIZE, RESTRUCTURE, AND REINVEST

ERS' budget is funded almost entirely by Pension Trust Fund assets, as approved by the Annuity and Pension Board. Because funds allocated to ERS administration and management are not available for investment, ERS aims to minimize expense growth and operate with maximum cost effectiveness.

The 2016 proposed budget decreases by 6.2% or $1.7 million. Most of the decreases are in the operating expenditures account, which decreases by $1.6 million or 7% from the 2015 budget. Expenditure decreases are primarily due to a decrease in assumed performance fees paid to investment managers as a result of the termination of one manager and a reduced allocation to two other managers with performance fee schedules.

ERS continues to upgrade and replace existing information technology equipment and to upgrade its network, which supports the information systems managing retirement benefits. The 2016 proposed budget includes $204,000 for these items, a decrease of $265,000 or 56.5% from the 2015 budget. This is due to the anticipated completion of the Filenet P8 implementation/upgrade, which is the ERS' scanning, imaging, and workflow software, thus reducing the need for additional professional services for major application upgrades for the remainder of the year. This project ensures that the ERS line of business application (MERITS) and its subsystems are currently up to date and on a supportable version.

Effective January 2014, ERS established a new custody agreement with Northern Trust. The agreement provides $225,000 of projected annual net savings over the next five years. While custody fees increase, ERS will receive a greater share of securities lending revenue, 80% compared to 75%, and the $50 fee for third party foreign exchange transactions is eliminated. A $200,000 increase in custody fees is more than offset by the expected savings from increased securities lending revenue and the elimination of third party foreign exchange fees.

In 2014, ERS created a new 5% allocation to Absolute Return strategies. The goal of the Absolute Return allocation is to generate, over the long term, a positive return between that of public equities and fixed income with a low correlation to public equities. ERS hired three managers to implement this 5% allocation; Allianz, an option based strategy; Newton, a tactical allocation strategy; and UBS, a hedge fund strategy. The purpose of this new allocation is to better diversify the fund, enabling ERS to meet its investment target while lowering overall risk. The 5% allocation came from a reduction in U.S. and non-U.S. equity holdings.

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			Pension Specialist Senior	Unfunded Auxiliary positions added for future staffing transition.
1			Management Accountant Senior	
1			ERS Chief Financial Officer	
3	**0.00**	**0.00**	**Totals**	

DEFERRED COMPENSATION PLAN

EXECUTIVE SUMMARY

MISSION: To facilitate and help City of Milwaukee employees save assets adequate and appropriate to enable them to retire at the desired time, to retire with dignity, and to enjoy sufficient income throughout retirement via a tax deferred savings plan under Section 457(b) of the Internal Revenue Code.

OBJECTIVES: Provide a range of tax deferred investment options responsive to employee-participant demographics, risk tolerances, time horizons, and retirement needs at better than retail and maximally efficient prices.

STRATEGIES: Support well informed investment and retirement planning decisions by employee participants.

Utilize industry best practices, academic research, and the Plan's partnerships with financial sector experts to consistently improve the Plan's investment line-up, performance analysis, and employee participation and savings rates.

Vigilantly monitor investment management and administrative fees and clearly disclose same to participants on an annual basis.

Educate participants regarding the relative benefits and risks between a long term investment perspective and trading in response to short term market volatility, as well as other varied financial planning topics including the benefits of diversification.

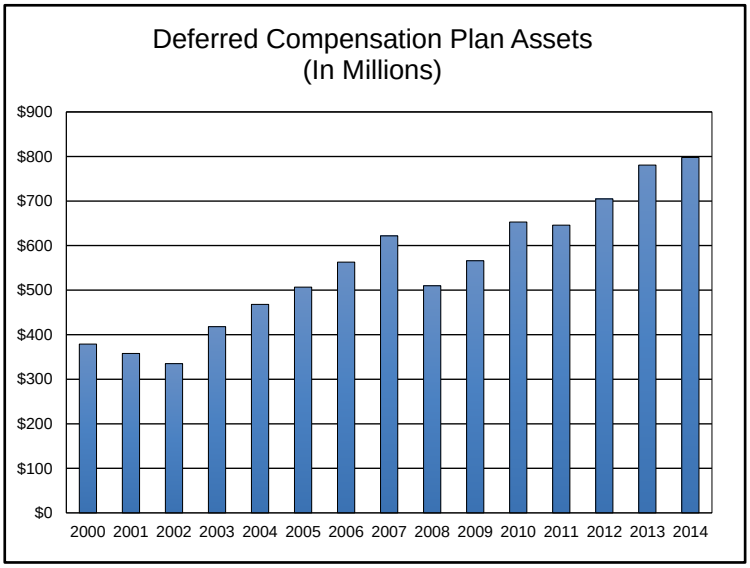
Administer the Plan in accordance with applicable regulations to maintain the Plan's tax deferred status.

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	2.00	2.00	2.00	2.00	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	2	2	2	2	0	0
Expenditures						
Salaries and Wages	$129,674	$129,733	$149,699	$170,608	$40,875	$20,909
Fringe Benefits	63,139	74,986	71,856	81,892	6,906	10,036
Operating Expenditures	1,164,683	1,269,580	1,565,190	37,985	-1,231,595	-1,527,205
Equipment	0	0	5,000	5,000	5,000	0
Special Funds	0	75,000	75,000	75,000	0	0
Total	$1,357,496	$1,549,299	$1,866,745	$370,485	$-1,178,814	$-1,496,260
Revenues						
Charges for Services	$1,357,496	$1,549,299	$1,866,745	$370,485	$-1,178,814	$-1,496,260
Total	$1,357,496	$1,549,299	$1,866,745	$370,485	$-1,178,814	$-1,496,260

BACKGROUND

Figure 1



Section 5-50 of the Milwaukee City Charter authorizes the establishment of a deferred compensation plan under Section 457(b) of the Internal Revenue Code ("Code"). The city created its 457(b) plan in 1974 and was opened to all employees in 1977. As a governmental plan, the city's Deferred Compensation plan is not governed by the Employee Retirement Income Security Act of 1974 or related Department of Labor regulations and guidance.

The Plan allows city employees to set aside a portion of their income before federal and state taxes are withheld. The income is not taxed until it is withdrawn from the Plan, usually at retirement when an individual's marginal tax rate may be lower. The Plan also permits after-tax contributions under the Roth 457 code provision. In 2014, the Plan was modified to allow members to borrow from their individual accounts. Finally, participants may request unforeseeable emergency hardship distributions under applicable code provisions and IRS Revenue Rulings.

The Deferred Compensation Plan does not impact the city's property tax levy. Plan operating expenses are paid entirely by Plan participants, who contribute to the Plan via payroll and rollover contributions, as well as earnings on those contributions. Under Section 5-50(4), the Plan is supervised by a nine member fiduciary board, which hires retirement industry experts to perform nearly all key Plan operations, including participant enrollment, recordkeeping, contribution and allocation processing, investment earnings allocation, administration, participant communication, payment of deferred compensation and other distributions, consulting, investment management, benchmarking, performance and fee analysis, and financial education programming. The Plan also employs an Executive Director and an Executive Administrative Assistant, whose work focuses on vendor management, board governance, participant services, payroll contribution reconciliations, records management, monitoring of the deferred compensation legal landscape and market innovations, financial statement preparation, and oversight of the annual audit processes.

The assets of the Plan have grown steadily over time, notwithstanding the significant market correction in 2008 and the resulting recession, as Figure 1 demonstrates.

In general, participation rates have remained steady since 2010. As of December 31, 2014, active and retired participants totaled 7,488 (a 57% participation rate) and Plan assets equaled $798 million.

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Plan's mission, to assist city employees in saving assets adequate and appropriate to enable them to retire at the desired time, to retire with dignity, and to enjoy sufficient income throughout retirement, supports the community more broadly by supporting the financial stability, health, and retirement readiness of its employees, as well as their overall financial literacy.

STRATEGY IMPLEMENTATION

The Plan's strategies are implemented by the Plan's fiduciary trustees, its Executive Director and Executive Administrative Assistant, its legal counsel, and its private sector partners. Importantly, because of the growing size

of the city's plan and the increasing complexity of the deferred compensation market, it is necessary for the Board and staff to partner with industry experts and consultants to ensure that the Plan is adopting industry best practices, effectively monitoring fee efficiency, appropriately benchmarking investment performance, and evolving to meet the needs of its participants by incorporating innovations from the deferred compensation marketplace that are maximally beneficial to participants.

The Board meets quarterly and its Executive Finance Committee meets monthly and each receive regular reports from all Plan vendors, its legal counsel, and its Executive Director. These meetings are generally open to the public and noticed in advance.

Board trustees are encouraged to seek out industry education and best practices training, as well as training regarding their fiduciary obligations.

Plan trustees, staff, and its private sector partners seek to offer a wide range of tax deferred investment options, responsive to employee participant demographics, risk tolerances, time horizons, and retirement needs at better-than-retail and maximally efficient prices. Critically, investment performance net of administrative and asset management fees is routinely monitored. Plan trustees and staff look to reduce fees through contract renegotiations and by market testing current pricing arrangements through regularized Requests for Proposal processes.

In addition, the Plan and its partners provide a wide array of in-person, on-line, and written financial educational information, as well as retirement planning tools and ongoing workshops to assist plan participants in making informed investment decisions. Information on deferred compensation is also provided at new employee orientations.

Plan participants allocate their payroll or rollover contributions, as well as earnings on those contributions, among seven different investment account options and four model portfolio options, in addition to participant controlled brokerage accounts with Schwab. These investment options, their one year, three year, and five year rate of return net of investment management fees, as well as their benchmarks as set by the Plan's investment guidelines, and market values as of June 30, 2015, are listed in the table below.

Investment Option Performance as of June 30, 2015*				
		% Rate of Return**		
Investment Option	**Market Value as of 6-30-15 in $ Millions**	**One Year**	**Three Year**	**Five Year**
Actively Managed Equity	$218.6	5.10	16.36	14.34
AMEA Benchmark		4.84	16.12	15.58
Balanced Socially Conscious	$32.5	4.79	12.21	11.21
BSCA Benchmark		5.10	11.22	10.99
Actively Managed Income	$48.2	0.31	2.95	4.47
AMIA Benchmark		1.86	1.84	3.34
Stable Value	$208.3	1.37	1.15	1.43
SVA Benchmark		0.12	0.05	0.03
Passive Int'l Equity	$49.9	(4.56)	9.61	8.09
Vanguard FTSE All-World ex US		(4.38)	9.78	8.26
Passive US Equity	$156.4	6.98	17.44	17.28
Vanguard Total Stock Market Index		7.25	17.73	17.61
Conservative Portfolio	$7.2	1.99	4.86	5.12

Investment Option Performance as of June 30, 2015*				
		% Rate of Return**		
Investment Option	**Market Value as of 6-30-15 in $ Millions**	**One Year**	**Three Year**	**Five Year**
Conservative Benchmark		2.10	4.28	4.90
Accumulator Portfolio	$5.3	3.01	8.84	8.73
Accumulator Benchmark		3.25	8.15	8.77
Wealth Builder Portfolio	$6.6	3.32	10.73	11.06
Wealth Builder Benchmark		3.34	10.09	10.34
Aggressive Portfolio	$6.9	3.27	12.07	12.08
Aggressive Benchmark		3.36	11.40	11.52
Schwab Brokerage Window^	$49.5	n/a	n/a	n/a

* Data provided by Callan Associates, Inc. except as to the brokerage window.
** If period > 1 year, the rate of return is annualized.
^ Returns are not reportable, as earnings will vary depend on the particular investments selected by each participant.

PROGRAM CHANGES

Significant achievements in 2014 and 2015 include:

- Issuing an expedited request for information for custodial services; contracting and transitioning to a new custodial bank.
- Contracting and transitioning to a new stable value investment manager and the significant reduction of cash allocations in the stable value account, after an extensive RFP process, including the retention of an expert stable value consultant to help guide the RFP process.
- Issuance of a RFP for third party administrator services (first RFP for TPA services in over 15 years), which will result in significant fee savings in 2016.
- Completion of the interview and selection process for investment managers for each of the Plan's underlying investment strategies, who will be on-board in 2016, creating significant fee savings.
- Completion of the interview and selection process for a target date fund investment manager. Target date funds, the "state of the art" solution for "hands-off" participant investing, will replace the model portfolio options listed above in 2016.
- Implementation of industry standard and best-practices daily net asset value calculations.
- Implementation of industry standard and best-practices daily administrative fee allocations.
- Master Agreement amendments to permit domestic relations order distributions, to permit participant borrowing, and to permit contributions into a Roth post-tax investment account.
- Implementation of a loan program.
- Streamlining of the unforeseeable emergency hardship application and appeal process.
- Hiring of a new Executive Director with extensive financial sector and legal experience, with a post graduate degree in mathematical economics.

Moreover, the budgeting approach for the Plan is significantly improved for 2016. Specifically, since the Plan is entirely self-funded, all professional fees and other operating expenses will no longer appear in the city's budget, except where necessary. The payment of professional fees and other operating expenses will no longer run through city accounts. To ensure transparency, the Plan's board approved internal budget, reflecting all Plan professional fees and operating expenses, will be presented to the Finance and Personnel Committee during the

city's annual budget process. Changes in budgeting and invoice payment practices were endorsed by the Plan's partners and consultants, as well as the Comptroller.

For 2016, professional fees including staff salaries and benefits are estimated to be $1.37 million or approximately 1.7 basis points of total plan assets, reflecting a $60,000 decrease in actual professional expenses from 2015. Professional expenses include recordkeeping (Nationwide Retirement Solutions), consulting (Callan Associates, Inc.), custodial banking (Northern Trust), fiduciary liability insurance (Hays Companies), auditing (Clifton Larson Allen), and outside legal fees, as well as staff salaries and benefits. Investment management fees are not included with these professional administrative expenses, since such fees are directly allocated to the relevant investment option, resulting in lower net returns. Plan professional expenses increased approximately 3.3% in 2013, 4.4% in 2014, and 11.7% in 2015. These increases, particularly the large increase in 2015, are substantially attributable to higher consulting and other professional and legal fees, necessitated by the issuance of numerous complex RFPs, as well as a wholesale review and "best practices" updating of Plan operations and investment structure, which required the Plan trustees and staff to partner with deferred compensation industry experts.

Significant additional reductions in professional expenses are likely to be realized in 2015 when the Plan's new investment structure is put into place and the TPA RFP process concludes. These savings should reduce the Plan's administrative costs to pre-2013 levels.

Operating expenses are estimated to be approximately $38,000 in 2016, an increase of approximately $24,000 over actual comparable operating expenses in 2015. This increase is largely attributable to the potential payment for legal services rendered by the City Attorney's Office, who in the past, has provided legal services to the Plan at no cost.

Since the Plan is self-funded, its budget includes a $75,000 contingency to avoid using the tax levy supported Common Council Contingent Fund to cover unanticipated expenses. Funds in this contingency can only be released by the Plan's fiduciary board.

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

C. CAPITAL IMPROVEMENTS

EXECUTIVE SUMMARY

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

OBJECTIVES: Improve core infrastructure condition.

Improve the efficiency of city operations.

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

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

Stage project funding over multiple years.

Continue increasing budgets for most core infrastructure.

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The 2016 proposed capital improvements budget represents the initial year of a six year capital improvements plan. The budget and plan identify the city's capital funding needs and provide funding sources to support these needs. Capital improvements generally include projects to reconstruct, rehabilitate, or otherwise restore an existing system or facility to full functionality or add to its useful life. They may also include projects to construct a new or more expansive facility to meet increased demands or to enhance economic development through job creation, business formation, and housing production. Capital investment may include technology or system enhancements that aid the city in increasing efficiency and productivity in its operating budget.

HIGHLIGHTS

The 2016 proposed general city capital improvements budget totals $169.5 million, an increase of $39.6 million from the 2015 budget. The tax levy supported portion of the capital budget, which includes tax levy cash resources as well as tax levy supported general obligation (GO) debt, totals $94.9 million. This is an increase of $3.3 million or 3.6% from the 2015 budget.

One of the city's long term goal is to provide tax levy supported borrowing authorizations that equate to tax levy debt retirements in order to control future increases in the debt service tax levy. Previous budgets have converted debt supported programs which mitigate stormwater to cash financing through the Sewer Maintenance Fund and the Stormwater Fee. The city has also utilized lease payments from the Sewer Maintenance Fund and Water Works for the Tower Facility to pay GO debt service. These financing changes increase the city's capacity to invest in infrastructure prudently, using long term debt within debt limit constraints.

Continuing high levels of investment in core city infrastructure projects was a priority in development of the 2016 proposed budget. Core infrastructure programs including streets, bridges, street lighting, and sewers total $78.9 million in the 2016 proposed budget. Figure 1 shows improvements made in core infrastructure funding from 2004 to 2016. Since 2004 funding for core infrastructure has increased by $36 million, nearly 84%. The 2016 proposed capital budget includes a scaling down of the Local Bridge program, which is the primary reason for the

$4.6 million reduction in core infrastructure programs from 2015 to 2016. The reduction reflects the very favorable bridge system condition and the need to allocate $13 million to the City Hall Foundation Repair project.

The 2016 proposed budget includes a significant increase in the amount allocated for city facilities. Facility improvement projects total $27.1 million, a 30% increase from the 2015 budget. The City Hall Foundation Repair project is the main driver of this increase, with $13 million included in the 2016 proposed budget for this project.

The 2016 proposed budget limits use of tax levy cash for capital improvements. Funding of $1 million of cash from the tax levy is used for capital improvements in 2016. Minor IT upgrades and replacements, the Department of City Development's Advanced Planning Fund, and the Municipal Art Fund are funded with tax levy cash in the 2016 proposed budget.

Functional Categories: General city funded capital improvement projects are categorized in six functional categories, including:

- Surface Transportation
- Environment
- Health and Public Safety
- Economic Development
- Culture and Recreation
- General Government

Figure 2 illustrates the portion of the capital budget allocated to each functional area (water, parking, sewer relief and relay, and grant and aids are excluded).

Figure 1

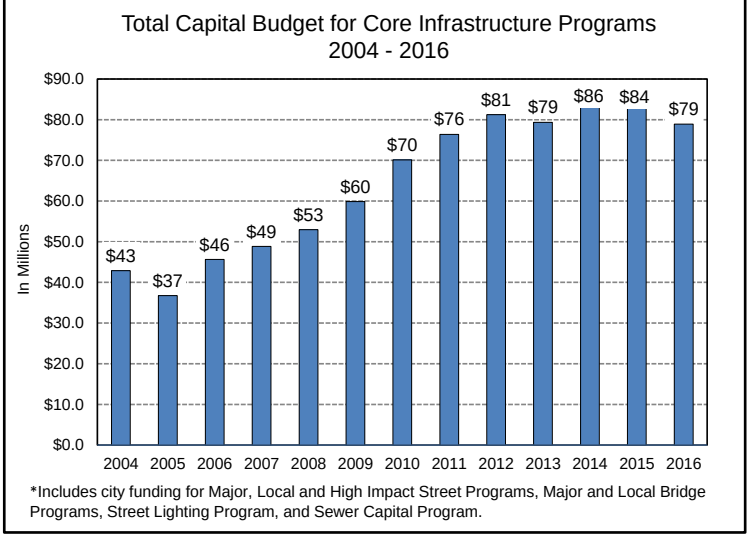
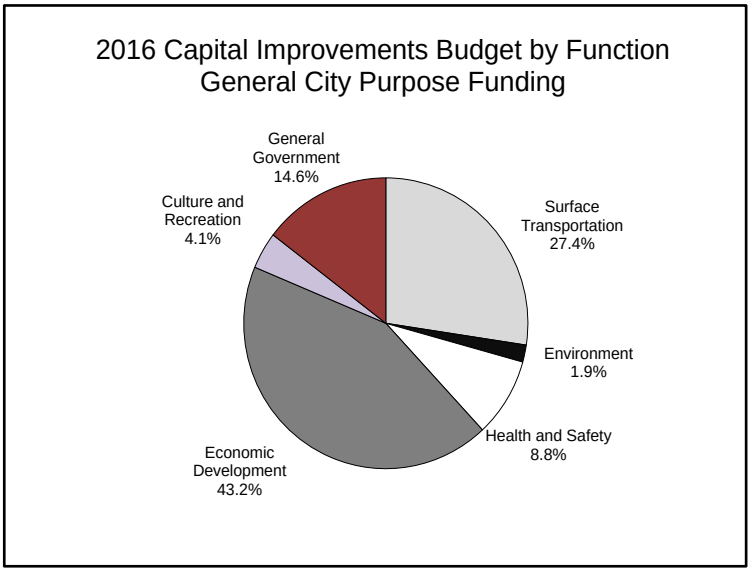


Figure 2



Economic development is the largest capital functional area at $63.6 million or 43.2% of the general city funded capital budget. New borrowing for economic development in 2016 is increased by $29.9 million compared to 2015. Borrowing for Tax Incremental Districts (TID's) totals $56.9 million, a $37.4 million or 192% increase from the 2015 budget. This includes $3 million for developer funded TID's. Several development projects currently underway or expected to begin in 2016 require this increase in borrowing authority.

Surface transportation projects constitute the second largest functional category, which is 27.4% of the general city funded capital budget or $40.3 million. Including grant and aids, total surface transportation spending is $73.9 million, down from $87.5 million in 2015.

The general government project category constitutes the third largest functional area with $27.9 million or 14.6% of total funding provided for this purpose. This is a net increase of $6.3 million from 2015. This category consists of buildings, non-Police IT projects, and major capital equipment.

The health and safety project category comprises 8.8% of the 2016 general city funded capital budget. This includes Fire Department, Police Department, and Health Department capital programs. Environment programs include the expansion of sewer capacity and Infiltration and Inflow reduction programs included in the Sewer Maintenance Fund since 2008. These projects are 1.9% of the city funded capital budget. Culture and recreation projects include a $6.1 million increased investment in library maintenance and construction. The culture and recreation project category represents 4.1% of the city funded capital budget.

Funding Sources: The 2016 proposed capital budget is financed through several funding sources including the property tax levy, tax levy supported general obligation debt, Tax Incremental Districts, special assessments, cash revenues, and grants and aids. Figure 3 shows funding sources for the 2016 city funded capital budget (excluding grant and aids).

Figure 3

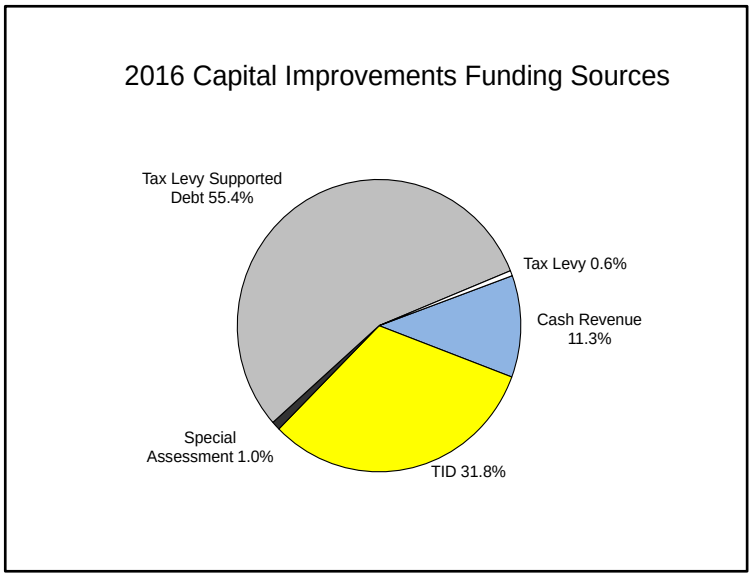
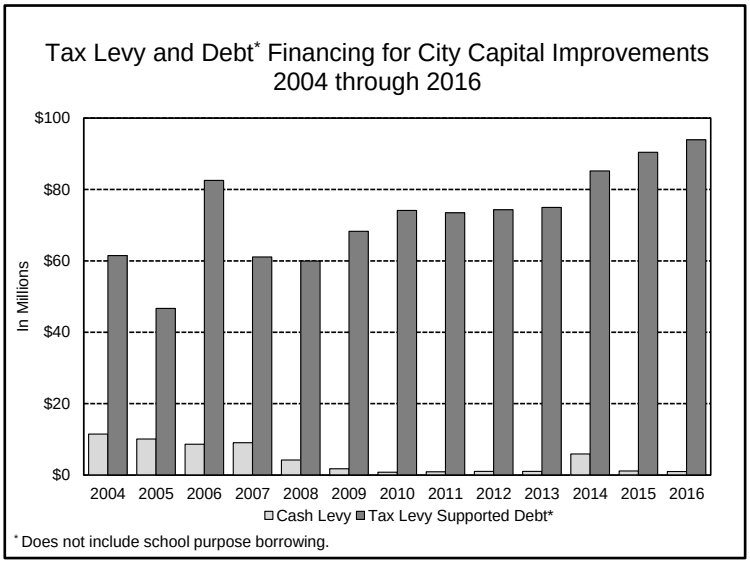


Figure 4



For 2016, the largest funding source is tax levy supported debt financing. Levy supported GO borrowing in the 2016 proposed capital budget is $93.9 million, up from $90.4 million in 2015. Given the life expectancy of the facilities to be constructed or equipment to be purchased, borrowing is the best way to both maximize the city's capital investments and spread the cost of long term investments to all beneficiaries. It is worth noting that similar to the overall budget, the buying power of this level of debt has decreased over time due to inflation and remains nearly the same as it was in 2004.

Another major source of funding for capital projects is TID borrowing, with $53.9 million or 31.8% of total funding sources. TID borrowing is considered self-supporting because the improvements made within these districts are financed through property tax revenue generated from the incremental values resulting from the improvements. TID borrowing should increase in 2016 and coming years as several large TIDs, including Northwestern Mutual Life's new headquarters, incur expenses.

In addition to TID financing, other self-supporting funding sources include $19.1 million of cash revenues, which is 11.3% of the total and $1.6 million of special assessments, which represent 1% of the total. Not included in Figure 3

are capital grant and aids for street reconstruction and bridge rehabilitation, which are anticipated to be $31.8 million in 2016.

In addition to levy supported GO debt, the tax levy is the other non-self-supporting funding source for capital. Direct levy funding for capital improvements reduces the long term interest cost of financing short lived assets and immediate small cost improvements. Tax levy financing, while it has fluctuated, has generally declined from the peak of $17 million in 2002 to just over $1 million in 2015. The 2014 budget was a departure from that trend, increasing tax levy financing to $5.3 million. The 2016 proposed budget returns tax levy financing nearer to the 2015 level at $1 million.

2016 HIGHLIGHTS AND CHANGES

Strong Neighborhoods Plan: The Department of Neighborhood Services (DNS), working with the Department of Public Works crew funded in the operating budget, will demolish or deconstruct 207 vacant properties in 2016, an increase from the 152 funded in 2015. The capital budget funds approximately 107 of these DNS demolitions, plus implementation of a lower impact hybrid deconstruction program, at a total cost of $2.2 million

The Department of City Development has allocated capital funds totaling $3.5 million to fund renovation and redevelopment of city owned residential and commercial property through a number of incentive and direct programs. Efforts continuing in 2016 will be the city's Strong Homes Loan program, a partnership with ACTS housing to convert vacant homes to owner occupancy, and the Commercial *In Rem* Property program which looks to reinvigorate foreclosed retail spaces in commercial districts.

City Facility and IT Projects: The 2016 proposed budget includes $27.1 million in capital funding for projects to upgrade or construct city facilities and $8.9 million for IT related capital projects. When feasible, projects are funded over two or more years in order to preserve funding for traditional core infrastructure investments, such as streets and bridges. These types of projects are less visible to the public but are crucial to city operations and service delivery.

Of the $27.1 million included in the 2016 proposed budget for city facility projects, $5.8 million is composed of ongoing replacement of several branch libraries as well as improvements to Milwaukee Public Library's Central Library. The 2016 proposed budget includes $4.8 million for projects to replace branch libraries. This includes funding for the final year of a multi-year project to replace the Forest Home and Mill Road libraries. Capital improvements to Central Library in the 2016 proposed budget total $1 million and include masonry repairs in the annex and interior upgrades in the Business and Science section.

The most costly single facility project in the 2016 proposed budget is the City Hall Foundation Repair project at $13 million. This amount will fund the first phase of a multi-year construction project to stabilize the building's foundation and the repair is expected to extend the projected life of the foundation by 100 years. For a more detailed project description, please refer to the *Department of Public Works Infrastructure Services Division* section of the *2016 Proposed Plan and Executive Budget Summary*.

Opportunities for increased efficiency and the need to upgrade existing systems result in increased funding for IT projects in 2016. Nearly $8.9 million in capital funding is directed to IT related upgrades and improvements. The Police Department's capital budget totals $5.6 million, including $1.1 million for the Records Management System, $1.3 million to upgrade its CAD System, and $1.9 million for an upgrade to the Police Department's Radio Dispatch Consoles. A new tax collection system and a new assessment system are funded at $1.15 million and $556,000 respectively to replace outdated technology and improve functionality for internal and public users. The 2016 proposed capital budget also includes $1 million for an upgrade to the city's Human Resources Management System (HRMS). Upgrading HRMS in 2016 will avoid $360,000 in annual costs for tax updates that would no longer be provided free of charge if the system was not upgraded.

Major Capital Equipment: Major capital equipment accounts in the Fire Department and Department of Public Works (DPW) fund the purchase of durable equipment with an original unit cost of $50,000 or more. In 2016, the DPW Operations Division will use $6.7 million to replace major fleet equipment, and the Fire Department will use $1.5 million to replace engines and ambulances.

Sewer Maintenance Fund Transfer to Support Various Forestry Programs: Through a Common Council Amendment to the 2009 proposed budget, funding for maintaining the city's tree canopy and brush collection was moved from the tax levy to the Stormwater Management Fee. This was done as a transfer payment from the Sewer Maintenance Fund to the general fund. This policy was expanded in 2010 and 2011 and continues in 2016 with a $3.2 million transfer payment made to capital improvements to support the Emerald Ash Borer Readiness and Response, Tree Planting and Production programs, stump removal, as well as a portion of the Environmental Remediation program in DPW facilities. This transfer is represented as cash revenue in the line item budget. For information on these projects, see the *Department of Public Works Operations Division* section of the *2016 Proposed Plan and Executive Budget Summary.*

2016 LARGE SCALE STREET PROJECTS FUNDING BY SOURCE

		Construction	Traffic Control	Conduit and Manholes	Project Total
Major Streets					
West Vliet Street - North 27th Street to North 12th Street	**Grantor Share**	$2,501,984	$96,000	$0	$2,597,984
	City/Assessable	775,496	24,000	0	799,496
	Total	$3,277,480	$120,000	$0	$3,397,480
West Wisconsin Avenue - North 35th Street to North 20th Street					
	Grantor Share	$3,576,400	$144,000	$0	$3,720,400
	City/Assessable	1,094,100	36,000	100,000	1,230,100
	Total	$4,670,500	$180,000	$100,000	$4,950,500
North 92nd Street - West Capitol Drive to West Hampton Avenue					
	Grantor Share	$3,747,706	$100,000	$0	$3,847,706
	City/Assessable	1,236,926	25,000	84,000	1,345,926
	Total	$4,984,632	$125,000	$84,000	$5,193,632
North Teutonia Avenue - West Garfield Avenue to West Groeling Avenue	**Grantor Share**	$2,281,416	$180,000	$0	$2,461,416
	City/Assessable	720,354	45,000	85,000	850,354
	Total	$3,001,770	$225,000	$85,000	$3,311,770
West Highland Avenue - North 27th Street to North 12th Street	**Grantor Share**	$3,560,100	$200,000	$0	$3,760,100
	City/Assessable	209,900	0	0	209,900
	Total	$3,770,000	$200,000	$0	$3,970,000

Summary of Departmental Appropriations

Overview of 2016 Proposed Capital Budget General City Purposes

	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
City Funded					
Special Projects	$9,587,000	$8,087,000	$8,512,000	$-1,075,000	$425,000
Administration, Department of	3,260,000	4,315,000	4,415,000	1,155,000	100,000
Assessor's Office	555,000	556,000	556,000	1,000	0
City Attorney	0	3,120,000	0	0	-3,120,000
City Development, Department of	26,350,000	34,833,000	61,580,000	35,230,000	26,747,000
Common Council City Clerk	150,000	2,578,000	225,000	75,000	-2,353,000
Election Commission	1,530,000	0	0	-1,530,000	0
Fire Department	1,898,000	22,543,000	3,179,000	1,281,000	-19,364,000
Health Department	366,000	405,000	745,000	379,000	340,000
Library	8,750,000	5,800,000	5,800,000	-2,950,000	0
Municipal Court	504,000	55,000	0	-504,000	-55,000
Neighborhood Services, Department of	2,244,000	2,226,000	2,925,000	681,000	699,000
Police Department	8,200,000	24,316,000	9,070,000	870,000	-15,246,000
Port of Milwaukee	1,000,000	4,850,000	4,400,000	3,400,000	-450,000
Public Works, Department of	65,559,000	92,608,000	68,122,000	2,563,000	-24,486,000
Subtotal City Funded	$129,953,000	$206,292,000	$169,529,000	$39,576,000	$-36,763,000
Grants and Aids Funding					
Port of Milwaukee	$800,000	$800,000	$800,000	$0	$0
Public Works, Department of	37,607,907	34,141,000	31,838,000	-5,769,907	-2,303,000
Subtotal Grants and Aids Funding	$38,407,907	$34,941,000	$32,638,000	$-5,769,907	$-2,303,000
Enterprise Funds					
Parking	$2,292,000	$2,466,000	$1,780,000	$-512,000	$-686,000
Sewer Maintenance	44,200,000	45,550,000	44,404,000	204,000	-1,146,000
Water	24,950,000	30,450,000	26,828,000	1,878,000	-3,622,000
Subtotal Enterprise Funds	$71,442,000	$78,466,000	$73,012,000	$1,570,000	$-5,454,000
Total Capital Plan	$239,802,907	$319,699,000	$275,179,000	$35,376,093	$-44,520,000

2016 CAPITAL IMPROVEMENTS FINANCED BY CATEGORY

	Tax Levy	General Obligation	TID	Special Assessments	Cash Revenues	City Budget Total	Grant and Aid Financing	Project Total
Special Capital Projects								
Grant and Aid								
Budget	$0	$0	$0	$0	$8,000,000	$8,000,000	$0	$8,000,000
Municipal Art Fund								
Budget	25,000	0	0	0	0	25,000	0	25,000
Housing Trust Fund								
Budget	0	400,000	0	0	0	400,000	0	400,000
Capital Improvements Committee								
Budget	87,000	0	0	0	0	87,000	0	87,000
Total	**$112,000**	**$400,000**	**$0**	**$0**	**$8,000,000**	**$8,112,000**	**$0**	**$8,512,000**
Department of Administration								
IT Upgrades								
Budget	$300,000	$0	$0	$0	$0	$300,000	$0	$300,000
UCC Lagan Upgrade								
Budget	0	220,000	0	0	0	220,000	0	220,000
Corporate Database Server Upgrade								
Budget	0	270,000	0	0	0	270,000	0	270,000
Tax Collection System								
Budget	0	1,150,000	0	0	0	1,150,000	0	1,150,000
CSWAN-COMON Upgrade								
Budget	0	500,000	0	0	0	500,000	0	500,000
Better Buildings Challenge								
Budget	0	400,000	0	0	0	400,000	0	400,000
HRMS Upgrade								
Budget	0	1,000,000	0	0	0	1,000,000	0	1,000,000
Public Facility Communications								
Budget	0	575,000	0	0	0	575,000	0	575,000
Total	**$300,000**	**$4,115,000**	**$0**	**$0**	**$0**	**$4,415,000**	**$0**	**$4,415,000**
Assessor's Office								
Assessment System								
Budget	$0	$556,000	$0	$0	$0	$556,000	$0	$556,000
Total	**$0**	**$556,000**	**$0**	**$0**	**$0**	**$556,000**	**$0**	**$556,000**
Department of City Development								
Advance Planning								
Budget	$150,000	$0	$0	$0	$0	$150,000	$0	$150,000
Tax Increment Financed Urban Renewal Projects (Including Grant Funded Projects)								
Budget	0	0	53,900,000	0	3,000,000	56,900,000	0	56,900,000
In Rem Property Program								
Budget	0	1,000,000	0	0	330,000	1,330,000	0	1,330,000
Strong Homes Loan Program								
Budget	0	1,000,000	0	0	500,000	1,500,000	0	1,500,000
Commercial In Rem Property								
Budget	0	250,000	0	0	0	250,000	0	250,000
Housing Infrastructure Preservation Fund								
Budget	0	450,000	0	0	0	450,000	0	450,000
Commercial Investment Program								
Budget	0	500,000	0	0	0	500,000	0	500,000
Brownfield Program								
Budget	0	500,000	0	0	0	500,000	0	500,000
Total	**$150,000**	**$3,700,000**	**$53,900,000**	**$0**	**$3,830,000**	**$61,580,000**	**$0**	**$61,580,000**
Common Council City Clerk								
Channel 25 Digital Conversion								
Budget	$225,000	$0	$0	$0	$0	$225,000	$0	$225,000
Total Budget	**$225,000**	**$0**	**$0**	**$0**	**$0**	**$225,000**	**$0**	**$225,000**

	Tax Levy	General Obligation	TID	Special Assessments	Cash Revenues	City Budget Total	Grant and Aid Financing	Project Total
Fire Department								
Fire Facilities Maintenance Program								
Budget	$0	$725,000	$0	$0	$0	$725,000	$0	$725,000
Major Capital Equipment								
Budget	0	1,504,000	0	0	0	1,504,000	0	1,504,000
RMS System								
Budget	0	550,000	0	0	0	550,000	0	550,000
Digital Radio System								
Budget	0	400,000	0	0	0	400,000	0	400,000
Total	**$0**	**$3,179,000**	**$0**	**$0**	**$0**	**$3,179,000**	**$0**	**$3,179,000**
Health Department								
Lead Paint Prevention/Abatement								
Budget	$0	$340,000	$0	$0	$0	$340,000	$0	$340,000
Health Facilities Capital Projects								
Budget	65,000	340,000	0	0	0	405,000	0	405,000
Total	**$65,000**	**$680,000**	**$0**	**$0**	**$0**	**$745,000**	**$0**	**$745,000**
Library								
Central Library								
Central Library Improvements Fund								
Budget	$0	$1,000,000	$0	$0	$0	$1,000,000	$0	$1,000,000
Neighborhood Libraries								
Branch Library Construction								
Budget	0	4,800,000	0	0	0	4,800,000	0	4,800,000
Total	**$0**	**$5,800,000**	**$0**	**$0**	**$0**	**$5,800,000**	**$0**	**$5,800,000**
Neighborhood Services								
Concentrated Blight Elimination								
Budget	$0	$2,200,000	$0	$0	$0	$2,200,000	$0	$2,200,000
Conversion of Water Tower Garage								
Budget	0	225,000	0	0	0	225,000	0	225,000
Code Compliance Loans								
Budget	0	500,000	0	0		500,000	0	500,000
Total	**$0**	**$2,925,000**	**$0**	**$0**	**$0**	**$2,925,000**	**$0**	**$2,925,000**
Police Department								
Remodel Administration Building Offices								
Budget	$0	$2,100,000	$0	$0	$0	$2,100,000	$0	$2,100,000
Server and Storage Replacement								
Budget	0	225,000	0	0	0	225,000	0	225,000
District Station Repairs								
Budget	0	500,000	0	0	0	500,000	0	500,000
CAD System Upgrade								
Budget	0	1,300,000	0	0	0	1,300,000	0	1,300,000
Mobile Data Computer Upgrades								
Budget	0	758,000	0	0	0	758,000	0	758,000
Radio Dispatch Console Upgrade								
Budget	0	1,900,000	0	0	0	1,900,000	0	1,900,000
RMS System								
Budget	0	1,100,000	0	0	0	1,100,000	0	1,100,000
911 Network Upgrade								
Budget	72,000	0	0	0	0	72,000	0	72,000
Uninterruptable Power Supply								
Budget	0	425,000	0	0	0	425,000	0	425,000
Interview Room Camera Upgrade								
Budget	0	250,000	0	0	0	250,000	0	250,000
Radio and Communications Upgrades								
Budget	0	440,000	0	0	0	440,000	0	440,000
Total	**$72,000**	**$8,998,000**	**$0**	**$0**	**$0**	**$9,070,000**	**$0**	**$9,070,000**
Port of Milwaukee								
Rail Track and Service Upgrades								
Budget	$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
Crane								
Budget	0	0	0	0	4,000,000	4,000,000	800,000	4,800,000
Total	**$0**	**$400,000**	**$0**	**$0**	**4,000,000**	**$4,400,000**	**$800,000**	**$5,200,000**
Public Works, Department of								
Infrastructure Services Division								
Bridge Construction								
Bridge State and Federal Funded								
Budget	$0	$277,000	$0	$0	$0	$277,000	$1,050,000	$1,327,000
Bridge Reconstruction Local								
Budget	0	4,100,000	0	0	0	4,100,000	0	4,100,000
Total	**$0**	**$4,377,000**	**$0**	**$0**	**$0**	**$4,377,000**	**$1,050,000**	**$5,427,000**
Street Paving Construction								
Street Reconstruction City Contribution to State and Federally Aided Projects								
Budget	$0	$8,136,000	$0	$473,000	$0	$8,609,000	$30,788,000	$39,397,000
Street Reconstruction or Resurfacing Regular City Program								
Budget	0	7,000,000	0	600,000	0	7,600,000	0	7,600,000
High Impact Street Program								
Budget	0	7,500,000	0	0	0	7,500,000	0	7,500,000
Alley Reconstruction Program								
Budget	0	500,000	0	100,000	0	600,000	0	600,000
New Street Developer								
Budget	0	0	0	0	100,000	100,000	0	100,000
Street Improvements Sidewalk Driveway and Gutter Replacement								
Budget	0	1,425,000	0	475,000	0	1,900,000	0	1,900,000
Street Improvements Street Lighting								
Budget	0	9,120,000	0	0	0	9,120,000	0	9,120,000
Street Improvements Traffic Control Facilities								
Budget	0	520,000	0	0	0	520,000	0	520,000
Street Improvements Underground Conduit and Manholes								
Budget	0	736,000	0	0	0	736,000	0	736,000
Underground Electrical Manhole Reconstruction								
Budget	0	1,225,000	0	0	0	1,225,000	0	1,225,000
Total	**$0**	**$36,162,000**	**$0**	**$1,648,000**	**$100,000**	**$37,910,000**	**$30,788,000**	**$68,698,000**
Building Projects								
Space Planning Facilities								
Budget	$0	$400,000	$0	$0	$0	$400,000	$0	$400,000
MKE Plays Initiative								
Budget	0	250,000	0	0	0	250,000	0	250,000
Facility Systems Program								
Budget	0	540,000	0	0	140,000	680,000	0	680,000
Environmental Remediation Program								
Budget	50,000	50,000	0	0	50,000	150,000	0	150,000
ADA Compliance Program								
Budget	0	200,000	0	0	0	200,000	0	200,000
Facilities Exterior Upgrades Program								
Budget	0	1,000,000	0	0	0	1,000,000	0	1,000,000
Hartung Park Landfill Closure								
Budget	0	100,000	0	0	100,000	200,000	0	200,000
City Hall Foundation Repair								
Budget	0	13,000,000	0	0	0	13,000,000	0	13,000,000
Total	**$50,000**	**$15,540,000**	**$0**	**$0**	**$290,000**	**$15,880,000**	**$0**	**$15,880,000**
Infrastructure Services Division Total	**$50,000**	**$56,079,000**	**$0**	**$1,648,000**	**$390,000**	**$58,167,000**	**$31,838,000**	**$90,005,000**
Operations Division								
Fleet Section								
Major Capital Equipment								
Budget	$0	$6,725,000	$0	$0	$0	$6,725,000	$0	$6,725,000
Total	**$0**	**$6,725,000**	**$0**	**$0**	**$0**	**$6,725,000**	**$0**	**$6,725,000**

	Tax Levy	General Obligation	TID	Special Assessments	Cash Revenues	City Budget Total	Grant and Aid Financing	Project Total
Forestry Section								
Concealed Irrigation and General Landscaping								
Budget	$0	$250,000	$0	$0	$0	$250,000	$0	$250,000
Production and Planting Program								
Budget	0	0	0	0	1,400,000	1,400,000	0	1,400,000
Stump Removal								
Budget	0	0	0	0	500,000	500,000	0	500,000
Emerald Ash Borer Readiness and Response								
Budget	0	0	0	0	980,000	980,000	0	980,000
Total	**$0**	**$250,000**	**$0**	**$0**	**$2,880,000**	**$3,130,000**	**$0**	**$3,130,000**
Sanitation Section								
Brine Makers								
Budget	$0	$100,000	$0	$0	$0	$100,000	$0	$100,000
Total	**$0**	**$100,000**	**$0**	**$0**	**$0**	**$100,000**	**$0**	**$100,000**
Operations Division Total	**$0**	**$7,075,000**	**$0**	**$0**	**$2,880,000**	**$9,955,000**	**$0**	**$9,955,000**
Public Works, Department of Total	**$50,000**	**$63,154,000**	**$0**	**$1,648,000**	**$3,270,000**	**$68,122,000**	**$31,838,000**	**$99,960,000**
Capital Projects Grand Total	**$974,000**	**$93,907,000**	**$53,900,000**	**$1,648,000**	**$19,100,000**	**$169,529,000**	**$32,638,000**	**$202,167,000**

D. CITY DEBT

EXECUTIVE SUMMARY

MISSION: Manage and control outstanding debt through equitable financing of capital improvements.

OBJECTIVES: Limit annual growth in the debt service tax levy to 1% or less.

STRATEGIES: Stabilize the debt service property tax levy by developing a comprehensive debt policy for debt capacity and capital financing to reduce the amount of debt issued annually.

Ensure compliance with debt policy by developing a working debt forecast model that analyzes the impact of debt financing in future years.

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

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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

Milwaukee has aging infrastructure and comparably lower income levels than surrounding areas. The city's strength is in its strong financial management, sizable fund balances, and moderate debt levels. The city's overall capacity to meet its financial obligations remains strong.

The city has maintained a high quality bond rating for general obligation debt. Recently, Moody's Investors Services rated them Aa3 stable and Standard & Poor's rated them AA stable. Table 1 details the city's performance on several commonly used debt indicators.

Table 1

City Debt Indicators Relationship to Standard & Poor's Debt Benchmarks

Debt Indicators		S & P Rating
Economic		
Income as Percent of 2010 National Average	73.0%	Adequate
Market Value Per Capita	$43,775	Adequate
Taxpayer Concentration (Top Ten Taxpayers)	4.5%	Very Diverse
Financial		
Unreserved General Fund Balance	8.5%	Strong
Debt		
Direct Debt Per Capita	$1,074	Low
Direct Debt Percent of Market Value	2.5%	Low
Debt Maturing Within Ten Years	84.0%	Standard is 50.0%

OVERVIEW

The 2016 debt expenditures total $278 million, a decrease of $1.9 million from 2015. Table 2 shows expenditures for self-supporting and tax levy supported city debt while Table 3 illustrates the distribution of their funding sources. Highlights of the major changes in city debt expenditures and funding sources follow.

CITY DEBT EXPENDITURES AND SOURCES OF FUNDS

General City Excluding Schools and Revenue Anticipation Notes (RAN): Debt service associated with city borrowing for capital improvement projects, not including RAN borrowing, is $203.8 million in 2016, an increase of $5.8 million from 2015. The property tax levy for debt service is $61.1 million, an increase of $3.3 million from 2015.

Table 2

CITY DEBT EXPENDITURES	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	31,807,885	30,900,130	30,900,130	-907,755	0
MPS Loans, ADA and Information System	8,100,448	6,681,053	6,681,053	-1,419,395	0
Parking	2,058,593	1,956,425	1,956,425	-102,168	0
Sewer Maintenance Fund	6,206,326	5,033,212	5,033,212	-1,173,114	0
Special Assessments	738,556	418,876	418,876	-319,680	0
Tax Increment Districts	24,272,361	22,237,062	22,237,062	-2,035,299	0
Water Works	3,128,336	2,304,263	2,304,263	-824,073	0
Subtotal	$77,375,844	$70,594,360	$70,594,360	$-6,781,484	$0
Tax Levy Debt					
General City	$198,044,656	$203,805,521	$203,805,521	$5,760,865	$0
RANs City and MPS	862,500	862,500	862,500	0	0
Schools	8,000,000	8,228,143	8,228,143	228,143	0
Subtotal	$206,907,156	$212,896,164	$212,896,164	$5,989,008	$0
Total Debt Needs	$284,283,000	$283,490,524	$283,490,524	$-792,476	$0
Fees and Issuance Costs	1,862,840	1,936,200	1,936,200	73,360	0
Deduction for PDAF Prepayment	-5,500,000	-5,500,000	-7,000,000	-1,500,000	-1,500,000
Deduction for Segregated S.A.	-738,556	-418,876	-418,876	319,680	0
Total	$279,907,284	$279,507,848	$278,007,848	$-1,899,436	$-1,500,000

Table 3

CITY DEBT SOURCE OF FUNDS	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	31,807,885	30,900,130	30,900,130	-907,755	0
MPS Loans, ADA and Information System	8,100,448	6,681,053	6,681,053	-1,419,395	0
Parking	2,058,593	1,956,425	1,956,425	-102,168	0
Sewer Maintenance Fund	7,006,326	5,833,212	5,833,212	-1,173,114	0
Tax Increment Districts	24,272,361	22,237,062	22,237,062	-2,035,299	0
Water Works	4,328,336	3,504,263	3,504,263	-824,073	0
Subtotal	$78,637,288	$72,175,484	$72,175,484	$-6,461,804	$0
General Obligation Debt Financing					
Other Revenues	$143,437,000	$136,171,999	$144,671,999	$1,234,999	$8,500,000
Tax Levy	57,832,996	71,160,365	61,160,365	3,327,369	-10,000,000
Subtotal	$201,269,996	$207,332,364	$205,832,364	$4,562,368	$-1,500,000
Total Debt Needs	$279,907,284	$279,507,848	$278,007,848	$-1,899,436	$-1,500,000

Milwaukee Public Schools (MPS): The debt service cost for school borrowing will be $8.2 million in 2016, an increase of $0.2 million from 2015. Since 1989, the city has provided MPS with $182.3 million in tax levy supported borrowing authority for school improvements.

Tax Incremental Districts (TIDs): The incremental property taxes collected on the value increment portion of the property retire the debt incurred for city funded district improvements. In the 2016 proposed budget, debt service for TIDs is $22.2 million with revenues from tax increments supporting that debt service cost.

Delinquent Taxes: The 2016 proposed budget includes $30.9 million to finance delinquent tax borrowing which is $0.9 million less than 2015. Estimates of sources of funds from the collection of delinquent taxes and interest penalties are $30.9 million in 2016 a decrease of $0.9 million from 2015. Delinquent tax borrowings have begun to decrease, reflecting the decline in foreclosures and unemployment in the city.

Parking Debt: A transfer from the Parking Fund, equivalent to the amount of annual outstanding debt service, entirely offsets parking related debt service costs. In the 2016 proposed debt budget, the Parking Fund provides $2 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 2016 proposed debt budget includes approximately $0.4 million to finance debt service costs associated with special assessment borrowing.

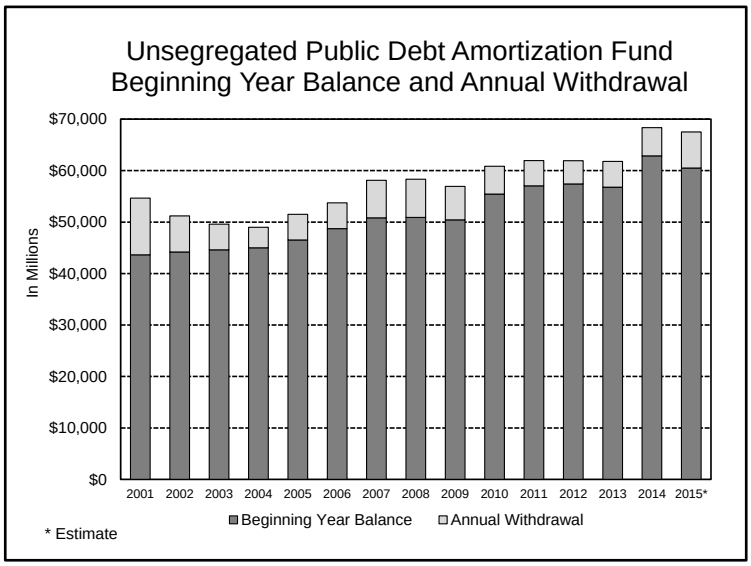
Water Works: The 2016 proposed debt budget includes $2.3 million for Water Works' debt service costs. The Water Works' uses annual earnings to pay water related debt service costs. Future Water Works' borrowings may be converted to revenue bonds.

Sewer Maintenance: Approximately $5 million in debt service for 2016 relates to sewer capital projects, a decrease from 2015 of $1.2 million. As sewer debt shifts to revenue bonds, the amount of funding in the city debt fund will continue to decrease.

Miller Park Project: The 2016 proposed budget includes $1.1 million in revenue to offset debt service costs related to the Miller Park Stadium Project. This amount reflects an agreement with the Milwaukee Economic Development Corporation and the Southeastern Wisconsin Professional Baseball Park District.

Field Operations Facility Lease Payment: The city constructed a new facility for the Sewer Maintenance Fund and Water Works' at the Tower Automotive site. Annual rental payments from the Sewer Maintenance Fund and Water Works' will offset this debt. In 2016, the rental payment is $2.3 million.

Figure 1



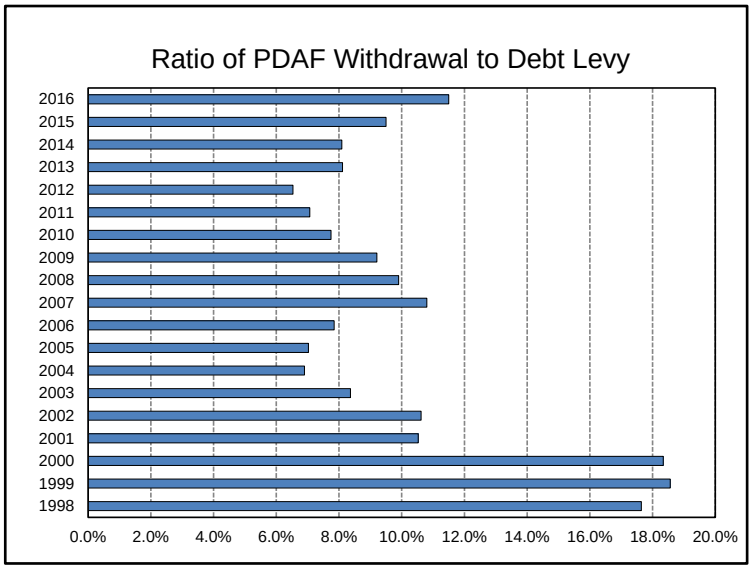
DEBT TAX LEVY STABILITY

The city has structural budget problems created by limited revenue sources and substantial wage, health care benefit, and pension cost commitments.

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 $70 million in property tax levy supported debt annually.

The Comptroller's Office and the Budget and Management Division determined that a draw of $8.5 million in 2016 in unassigned fund balance from the city's debt service fund was a prudent way to reduce the overall debt service levy.

Figure 2



PUBLIC DEBT AMORTIZATION FUND

The Public Debt Commission oversees the use of the Public Debt Amortization Fund (PDAF). The primary sources of revenue for the fund are one-third of earnings on city investments and earnings on the fund's investments.

The PDAF withdrawal for the 2016 proposed budget is $7 million, an increase of $1.5 million from the 2015 withdrawal. The annual withdrawal balances the competing goals of reducing the tax levy for debt service versus maintaining a sufficient reserve balance. Figure 1 illustrates how the unsegregated balance of the PDAF dipped to approximately $43.6 million in 2001. Since 2001, the fund balance has grown from a low of $43.6 million to the current balance of $61.9 million, despite a low interest rate environment.

The 2016 PDAF withdrawal reflects the need to use the fund to control the debt service property tax levy. Figure 2 shows the ratio of the PDAF withdrawal to the debt tax levy. The 2016 proposed budget maintains an 11.5% ratio.

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

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Common Council Contingent Fund	[$4,877,522]	$5,000,000	$5,000,000	$5,000,000	$0	$0
Total	[$4,877,522]	$5,000,000	$5,000,000	$5,000,000	$0	$0

SOURCE OF FUNDS

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Property Tax Levy	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$0	$0
Total	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$0	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Common Council Contingent Fund provides funding for emergency situations that require expenditures above budget authorizations. Requests must be approved by three-quarters of the Common Council before funds can be used. Requests 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

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Parking Fund	$44,952,445	$52,236,350	$51,439,989	$50,894,108	$-1,342,242	$-545,881
Grant and Aid Project Fund	50,007,469	49,759,391	42,285,325	42,285,325	-7,474,066	0
Economic Development Fund	9,357,039	11,100,755	9,840,594	10,090,594	-1,010,161	250,000
Water Works	131,211,884	135,484,403	149,984,390	140,227,440	4,743,037	-9,756,950
Sewer Maintenance Fund	93,663,537	104,005,490	109,012,081	108,544,383	4,538,893	-467,698
Delinquent County Taxes Fund	9,381,481	10,530,000	9,500,000	9,500,000	-1,030,000	0
Total	$338,573,855	$363,116,389	$372,062,379	$361,541,850	$-1,574,539	$-10,520,529

This section of the budget includes funds supported by revenues other than the city property tax levy. Revenues other than the city property tax offset the appropriations in this section. Any property tax levies related to these special revenue funds are provided in other sections of the city's budget.

G. PARKING FUND

EXECUTIVE SUMMARY

MISSION: Leverage city parking assets and programs to support city goals and diversify the city's financial base.

OBJECTIVES: Maintain parking assets to ensure clean and safe on- and off-street parking.

Ensure the best possible customer experience.

Ensure parking is appropriately priced and effectively collect parking revenues.

Maintain a sustainable annual transfer to the general fund of $15 million.

STRATEGIES: Utilize technology to enhance customer service and increase cost effectiveness.

Maintain competitive and economically efficient pricing for parking facilities.

Make payment simple and accessible and maximize revenue collections.

Minimize administrative and operating costs and maintain current asset-to-liability ratio over 2.0.

Mitigate risk and provide safe conditions for public parking and tow facilities.

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	117.75	118.75	118.75	118.75	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	120	121	121	121	0	0
Expenditures						
Salaries and Wages	$4,376,260	$4,846,535	$4,962,729	$4,899,803	$53,268	$-62,926
Fringe Benefits	1,991,564	2,617,129	2,679,874	2,008,919	-608,210	-670,955
Operating Expenditures	14,305,000	14,340,000	14,784,000	14,759,000	419,000	-25,000
Equipment	197,250	475,400	447,100	437,100	-38,300	-10,000
Special Funds	5,171,041	5,665,286	5,100,286	5,509,286	-156,000	409,000
Transfer to General Fund	17,425,000	17,000,000	16,000,000	16,500,000	-500,000	500,000
Total Operating	$43,466,115	$44,944,350	$43,973,989	$44,114,108	$-830,242	$140,119
Capital Projects	$1,486,330	$7,292,000	$7,466,000	$6,780,000	$-512,000	$-686,000
Total Budget	$44,952,445	$52,236,350	$51,439,989	$50,894,108	$-1,342,242	$-545,881

STATEMENT OF REVENUES

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Operating Revenues						
Structures	$6,821,100	$6,981,000	$7,179,500	$7,179,500	$198,500	$0
Meters	4,996,818	4,950,000	5,152,500	5,152,500	202,500	0
Permits	4,055,331	4,031,300	4,034,000	4,034,000	2,700	0
Towing	4,292,339	4,000,000	4,200,000	4,200,000	200,000	0
Lots	34,465	32,000	40,000	40,000	8,000	0
Parking Citation Revenue	19,466,196	20,702,300	18,500,000	19,000,000	-1,702,300	500,000
Miscellaneous	1,184,190	1,100,000	1,200,000	1,200,000	100,000	0
Vehicle Disposal	1,332,753	1,100,000	1,200,000	1,200,000	100,000	0
Sale of Real Property	0	0	0	0	0	0
Withdrawal From Reserves	0	2,047,750	2,467,989	2,108,108	60,358	-359,881
Total Operating Revenues	$42,183,192	$44,944,350	$43,973,989	$44,114,108	$-830,242	$140,119
Capital Financing						
Proceeds from Borrowing	$1,486,330	$2,292,000	$2,466,000	$1,780,000	$-512,000	$-686,000
Retained Earnings	0	5,000,000	5,000,000	5,000,000	0	0
Total Capital Financing	$1,486,330	$7,292,000	$7,466,000	$6,780,000	$-512,000	$-686,000
Total Source of Funds	$43,669,522	$52,236,350	$51,439,989	$50,894,108	$-1,342,242	$-545,881

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

The Parking Fund is an enterprise fund administered by the Department of Public Works (DPW) and finances the city's on- and off-street parking expenses through revenues received from these services. The Parking Fund's responsibilities include:

- Managing city owned parking structures and lots,
- Vehicle towing, storing, and disposal,
- Parking enforcement,
- Information desk operations, and
- Citation processing.

The Parking Fund operates five parking structures, operates and maintains approximately 6,800 on-street parking spaces, manages approximately 45 parking lots, issues over 700,000 parking citations each year, annually tows approximately 27,000 illegally parked and abandoned vehicles to the city's tow lot, and issues approximately 150,000 night parking permits each year. These activities provide convenient, efficient, and cost effective on- and off-street parking for Milwaukee's residents, businesses, and visitors.

Key Performance Measures

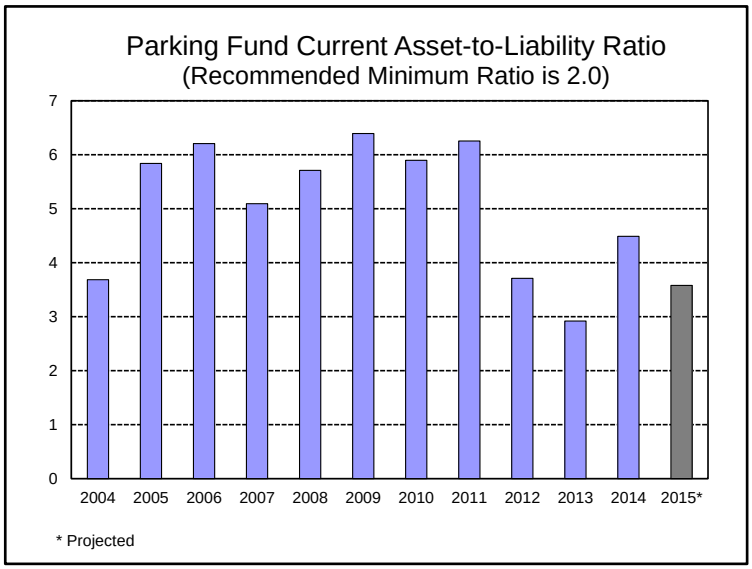
Measure	2014 Actual	2015 Planned	2016 Planned
Percent of revenue collected by credit card at multi-space meters.	72.2%	71.8%	70.0%
Percentage of towed vehicles returned to owners.	90%	90%	90%
Average number of days vehicles stored before returned to owners.	1.82	1.85	1.85

STRATEGY IMPLEMENTATION

Financial Management: The Parking Fund's financial goal is to maintain at least a 2:1 ratio of current assets to current liabilities. At the end of 2014, the fund's ratio was 4.4:1 and the 2015 projected ratio is 3.5:1 (see Figure 1). Current liabilities have remained relatively constant in recent years and expenses have been managed through restructuring of functions and process improvements.

The fund's strength results from its diverse revenue streams (see Figure 2). This diversity provides financial stability because if one type of revenue underperforms in any given year, the impact is limited. The largest revenue source is citations, which generated about $19.5 million in 2014 and is expected to generate approximately $19 million in 2016. Citation revenue is driven by issuance, which has been reduced due to economic factors and greater compliance.

Figure 1



Technology Improvements: The multi-space meter project began in 2007 and currently covers over 3,000 parking spaces. Each meter controls multiple parking spaces and are most effective in areas with six or more metered spaces. Multi-space meters offer customers flexible payment options and accept coins, credit, and debit card payments. The Parking Fund continues to investigate and test single space meters that will provide the same flexible payment options.

The Parking Fund has increased payment flexibility with the implementation of MKE Park, a mobile payments solutions system. MKE Park offers customers the ability to pay for parking using a smart phone, by voice, or any internet based device. Costs for MKE Park are covered by users in the form of a convenience fee. MKE Park was implemented in April of 2015.

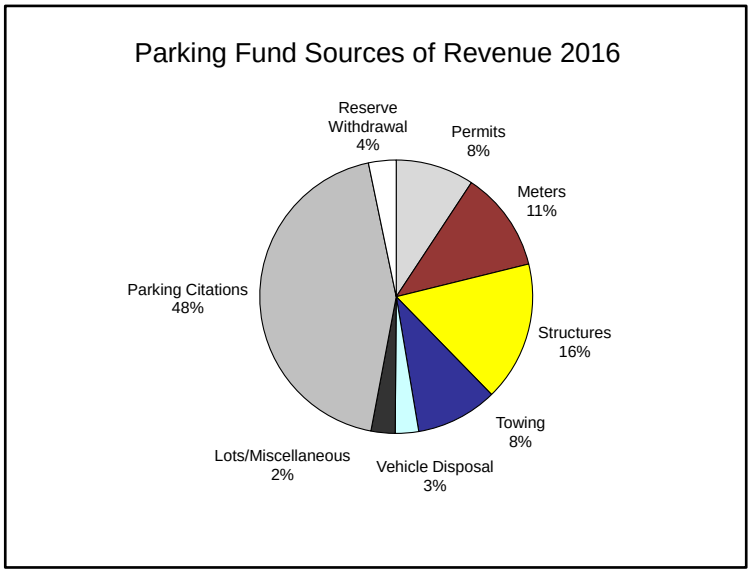
Overnight on-street parking in the city requires a permit. Previously, physical permits were purchased online and in person at any Police District Station and displayed in the rear window of the vehicle. In 2013, Parking added new technology to approximately 28 enforcement vehicles, allowing night parking permits to be issued and tracked electronically. The need for physical permits has been eliminated which saves printing, staff, and maintenance

costs and increases enforcement productivity. Kiosks remain in service to accept payment and sell permits but the permit printing and issuance function is no longer required.

Outstanding Parking Revenue Collection Strategies: DPW takes a proactive approach to increase the collection of unpaid parking citations and outstanding towing and storage fees. Various initiatives have increased the collection of outstanding fees.

- **Citation Management Contract:** In 2009, DPW entered into a citation processing and management agreement with Duncan Solutions. This contract has reduced citation processing fees by nearly 20%. Costs associated with citation collections were 15.8% of citation revenues in 2014.

Figure 2



- **Tax Revenue Intercept Program (TRIP):** The city began participating in the TRIP program in 2002. Beginning in 2009, all persons with vehicles registered in Wisconsin who have unpaid parking citation balances exceeding $40 are certified with the Wisconsin Department of Revenue. Since inception of the TRIP program, over $37 million in outstanding parking debt has been collected by the city. TRIP collections were nearly $2.5 million in 2014 and are estimated to be about $2.5 million in 2016.

- **Citation Payment Plans:** The citation processing contract allows persons seeing the Citation Review Manager to pay their citations over a period up to one year without having to schedule a hearing in Municipal Court. Since July 2010, approximately 5,700 customers have utilized this service, covering 32,000 citations.

RESIZE, RESTRUCTURE, AND REINVEST

The 2016 proposed budget includes a $16.5 million transfer to the general fund a $500,000 reduction from 2015. This transfer provides a meaningful level of relief to property taxpayers and preserves the long term stability of the fund.

Two major spending pressures on the Parking Fund are debt service and future payments toward accrued pension liability. As an enterprise operation, Parking must fund these costs, which will add $3.4 million to the Parking budget in 2016. Debt and pension costs and constraints on revenue growth may require the Parking Fund to reduce the general fund transfer to $15 million in coming years to maintain adequate reserves. This transfer amount provides long term certainty for both the Parking Fund and the General Fund.

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

H. GRANT AND AID FUND

EXECUTIVE SUMMARY

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

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

Identify and obtain new grant funding sources.

Assist departments in identifying and applying for potential grant funding.

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Grantor Share (Non-City)	$50,007,469	$49,759,391	$42,285,325	$42,285,325	$-7,474,066	$0
TOTAL	$50,007,469	$49,759,391	$42,285,325	$42,285,325	$-7,474,066	$0

The Grant and Aid Fund is a "parent" account that accumulates grant funds prior to allocation on a project-by-project basis during the fiscal year. In order to expend funds, a Common Council resolution is adopted that authorizes a specific project, creates a sub-account, and allocates specific funding from the "parent" account. The fund provides expenditure authority for both planned and potential or unanticipated grants.

OTHER SERVICE AND BUDGET CHANGES

The 2016 Grant and Aid budget is $42.3 million, a $7.5 million decrease from 2015. Unanticipated grant funding remains at $8 million; the same funding level as 2015 (see Table 1). Reduced grant funding projected for 2016 reflects an overall decrease in grant funding available to the City of Milwaukee.

Community Development Grants Administration (CDGA): The Community Development Grants Administration anticipates receiving approximately $20.6 million in grant funds. This is an increase of $195,829 or 1% from the 2015 budget. There are no anticipated changes in either the Community Development Block Grant or the HOME program grant, which together provide $18.7 million in grant funding. There is an anticipated increase in the Emergency Shelter grant program ($200,000 or 20%), and a small decrease in the Housing Opportunities for Persons with AIDS grant ($636) and the Continuum of Care grant ($3,535).

The 2016 proposed budget includes $150,000 in CDBG reprogramming funds for Demolition in the Department of Neighborhood Services, $50,000 in CDBG reprogramming funds for the Driver License Recovery and Employability program and $28,850 in CDBG reprogramming funds for the Equal Rights Commission.

Department of City Development grant funding increases by $225,000 (29.6%) to $985,000. There is $500,000 provided through the Wisconsin Economic Development Corporation grant, which will support environmental enhancements of industrial and commercial development sites. There is a reduction to the Economic Development grant ($-250,000 or 71.4%) and there is no funding for the Cities of Service Impact Volunteering Fund grant

($-25,000). There is no change to the Economic Development Initiatives, Coastal Management, or Arts Board grants.

Fire Department grant funding stays approximately the same as in 2015. The department anticipates receiving one grant, the EMS Funding Assistance program grant, with anticipated 2016 funding of $60,000.

The Fire and Police Commission grant funding in 2016 is anticipated to be the same as in 2015. No changes in grant funding are anticipated for the Southeast Wisconsin State Communications Interoperable Plan Coordinator grant, Urban Areas Security Initiative Planning grant, and the State and Local Implementation Grant Program Coordinator grant.

Table 1

Comparison of Projected Grant Activity (Grantor Share)

Department	2015	2016	Difference
Administration	$20,426,538	$20,622,367	$195,829
City Development	760,000	985,000	225,000
Fire	59,663	60,000	337
Fire & Police Commission	280,585	280,585	0
Health	11,232,350	6,899,200	-4,333,150
Library	1,063,437	1,064,997	1,560
Police	5,549,558	2,434,074	-3,115,484
Public Works	2,387,260	1,939,102	-448,158
Unanticipated	8,000,000	8,000,000	0
Totals	$49,759,391	$42,285,325	$-7,474,066

Health Department grant funding decreases by $4.3 million (38.6%) to $6.9 million. There are increases to several grants, including the Direct Assistant for Dads grant ($136,000), the Empowering Families Milwaukee grant ($100,000), the Preventive Health grant ($50,000), and the Maternal and Child Health grant ($11,000). Reduced grant funding is anticipated in several grants, including the Lead Hazard Reduction grant ($3.9 million), the Refugee Screening grant ($242,200), the HIV Risk Reduction grant ($100,000), the HIV Seek, Test, Treat grant ($95,000), the HIV Women's grant ($80,500), and the Medical Assistance grant ($58,000).

Library grants in 2016 stays approximately the same as in 2015, with a small ($1,560) increase. The Library receives two grants, the Interlibrary Loan Services grant ($96,297) and the Talking Book and Braille Library grant ($968,700).

Police Department grant funding decreases by $3.1 million (56%) to $2.4 million. However, this reduction is the result of an accounting change that converts several prior grant agreements into reimbursable agreements for additional law enforcement services that are offset by revenue paid into the general fund. These agreements involve payment by entities to the Police Department for additional law enforcement services, primarily overtime, including overtime at the Bradley Center, Miller Park, and Milwaukee Public Schools. Excluding these changes, grant funding for the Police Department in 2016 increases by $300,016 (14%) from 2015. Changes include an anticipated $53,092 increase in the High Intensity Drug Trafficking Area grant and anticipated increases in various traffic safety ($128,000) and equipment grants ($257,517).

Department of Public Works grant funding in 2016 is anticipated to decrease by $448,158 or 18.8% from 2015. The decrease is primarily the result of reduced funding through the State of Wisconsin Recycling grant, which is anticipated to be decreased by $450,000, providing a total of $1.85 million in grant funding. State mandated tipping fees are now almost $1.2 million greater than the recycling grant. Funding for the Miles of Travel Monitoring grant is approximately the same as in 2015.

Unanticipated grant funding is $8 million, the same funding level as provided in 2015.

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, refer to the *Capital Improvements* section of the *2016 Proposed Plan and Executive Budget Summary*.

I. ECONOMIC DEVELOPMENT FUND

EXECUTIVE SUMMARY

MISSION: Provide expenditure authority for economic development purposes.

OBJECTIVES: Promote development in commercial areas.

STRATEGIES: Provide owner financed development.

Work cooperatively with local businesses to improve the appearance of business and neighborhood districts.

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Business Improvement Districts	$7,910,369	$9,100,755	$9,340,594	$9,340,594	$239,839	$0
Excess TID Revenue	1,446,670	2,000,000	500,000	750,000	-1,250,000	250,000
Total	$9,357,039	$11,100,755	$9,840,594	$10,090,594	$-1,010,161	$250,000

STRATEGY IMPLEMENTATION

The Economic Development Fund supports the goal of increasing investment and economic vitality throughout the city. The 2016 proposed budget for the Economic Development Fund is $9.8 million. There is no tax levy impact in this fund. Revenue of $10.1 million will be received from BID assessments and excess TID revenue to finance budgeted expenses.

Business Improvement Districts (BIDs) are special assessment districts created at the petition of local commercial property owners. In accordance with s. 66.608 Wis. Stats., the city has established over 40 Business Improvement Districts. Each year the BIDs work with the city to develop a plan and budget. This budget is the basis for an assessment charged to businesses in the BID area. Because the BIDs do not have taxing authority, the city collects the assessment on their behalf. Through an appropriation in the city budget, the city provides the dollars it collects to the BIDs.

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

SERVICES

There are 35 active BIDs and 3 active NIDs throughout Milwaukee; each is governed by a local board. Collectively, these BIDs and NIDs will raise over $9 million in 2016 for activities ranging from economic development and administration to streetscaping and public safety. The following is a list of active BIDs and NIDs for 2016 and their corresponding budgets as well as budget authority for new potential NIDs:

NID #1 (Brewery) - $215,513

NID #3 (Washington Park Partners) - $168,683

NID #4 (Sherman Park) - $218,295

Potential New NIDS - $100,000

BID #2 (Historic Third Ward) - $597,675

BID #3 (Riverwalk) - $0

BID #4 (Greater Mitchell Street) - $124,001

BID #5 (Westown) - $92,554

BID #8 (Historic King Drive) - $181,214

BID #9 (735 North Water - Riverwalk) - $0

BID #10 (Avenues West) - $141,287

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

BID #13 (Oakland Avenue) - $26,250.

BID #15 (Riverwalk) - $557,228

BID #16 (West North Avenue) - $155,425

BID #17 (Northwest Area Business) - $0

BID #19 (Villard Avenue) - $75,084

BID #20 (East North Avenue) - $231,741

BID #21 (Downtown Management District) - $3,415,067

BID #25 (Riverworks) - $217,882

BID #26 (The Valley) - $127,308

BID #27 (Burleigh) - $45,711

BID #28 (North Ave Gateway District) - $59,939

BID #29 (Teutonia, Capitol, Atkinson) - $83,763

Bid #31 (Havenwoods) - $216,475

BID #32 (North Ave Market Place) - $86,016

BID#35 (Becher/KK) - $27,242

BID#36 (Riverworks II) - $37,953

BID#37 (30th Street Industrial Corridor) - $173,401

BID#38 (Cesar East Chavez) - $26,775

BID#39 (Center St Market Place) - $61,460

BID#40 (Airport Gateway) - $351,181

BID#41 (Downer) - $81,166

BID#42 (Schlitz Park) - $118,650

BID#43 (South 27th Street) - $125,921

BID#44 (Kinnickinnic) - $53,288

BID#48 (Granville) - $403,712

BID#49 (Reed Street Yards) - $60,900

BID#50 (South 13th Street - Oklahoma Avenue) - $46,291

Potential New BIDs - $500,000

J. WATER WORKS

EXECUTIVE SUMMARY

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

OBJECTIVES: Improve the utility's rate of return while maintaining a strong competitive position in the regional water market.

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

Achieve 100% compliance with Safe Drinking Water Act standards.

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

Replace 15 miles of water main in 2016, increase to 20 miles per year by 2020.

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

Balance cost recovery with affordable and reasonable rates.

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	345.07	343.98	349.48	349.48	5.50	0.00
FTEs - Other	10.60	16.44	19.94	19.94	3.50	0.00
Total Positions Authorized	369	371	381	381	10	0
Expenditure Authorizations						
Salaries and Wages	$16,506,647	$18,658,500	$19,365,896	$19,070,896	$412,396	$-295,000
Fringe Benefits	7,155,754	9,051,503	9,400,994	9,251,194	199,691	-149,800
Operating Expenditures	48,862,495	48,256,700	49,830,500	49,353,500	1,096,800	-477,000
Equipment	1,743,997	2,517,700	3,110,000	2,686,850	169,150	-423,150
Special Funds	7,742,850	7,100,000	7,387,000	7,387,000	287,000	0
Total	$82,011,743	$85,584,403	$89,094,390	$87,749,440	$2,165,037	$-1,344,950

CAPITAL BUDGET SUMMARY

Capital Budget						
Mains Program	$8,542,248	$19,500,000	$19,510,000	$19,510,000	$10,000	$0
Plants and Other	15,416,678	5,450,000	10,940,000	6,150,000	700,000	-4,790,000
Total Capital Budget	$23,958,926	$24,950,000	$30,450,000	$25,660,000	$710,000	$-4,790,000
Capital Financing						
Retained Earnings/Cash	$23,930,090	$14,214,000	$30,440,000	$13,976,000	$-238,000	$-16,464,000
Bond Issue	1,311,125	10,736,000	0	12,842,000	2,106,000	12,842,000
Assessments	0	0	5,000	5,000	5,000	0
Developer Financed	28,836	0	5,000	5,000	5,000	0
Total Capital Financing	$25,270,051	$24,950,000	$30,450,000	$26,828,000	$1,878,000	$-3,622,000

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Revenues						
Operating	$82,663,634	$86,785,000	$87,320,000	$87,320,000	$535,000	$0
Non-Operating	6,242,960	6,700,000	6,525,000	6,525,000	-175,000	0
Developer Capital and Assessments	28,836	0	10,000	10,000	10,000	0
Bond Issue	1,311,125	10,736,000	0	12,842,000	2,106,000	12,842,000
Withdrawal From Retained Earnings	40,965,329	31,263,403	56,129,390	33,530,440	2,267,037	-22,598,950
Total Revenues	$131,211,884	$135,484,403	$149,984,390	$140,227,440	$4,743,037	$-9,756,950
Expenditure Authorizations						
Operating	$82,011,743	$85,584,403	$89,094,390	$87,749,440	$2,165,037	$-1,344,950
Capital Funding	25,270,051	24,950,000	30,450,000	26,828,000	1,878,000	-3,622,000
Deposit To Retained Earnings	23,930,090	24,950,000	30,440,000	25,650,000	700,000	-4,790,000
Total Authorizations and Deposits	$131,211,884	$135,484,403	$149,984,390	$140,227,440	$4,743,037	$-9,756,950

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

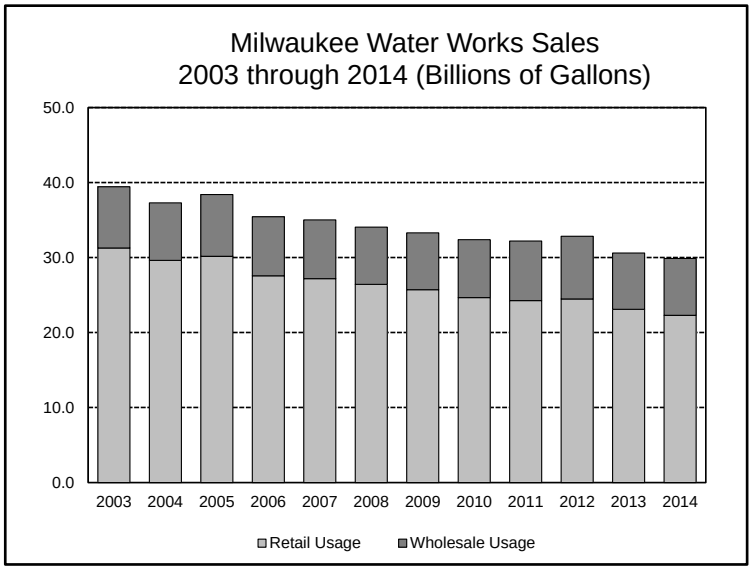
1. Increase investment and economic vitality throughout the city.
   - Ensure the quality and safety of drinking water supply.
   - Maintain a regular and effective replacement cycle for water mains.
   - Maintain competitive rates and generate an appropriate rate of return for the utility.
   - Ensure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

A safe, reliable supply of water is critical to public health and economic development. Milwaukee's advanced multi-barrier treatment process, which includes ozone disinfection, allows it to provide some of the cleanest water in the country. The Great Lakes are the world's largest source of fresh water and Milwaukee's proximity to Lake Michigan gives it an economic advantage over other areas of the country. A sustainable supply of drinking water supports Milwaukee's industries and promotes long term business and residential growth.

The Milwaukee Water Works (MWW) is a municipally owned water utility regulated by the State of Wisconsin Public Service Commission (PSC) and the Wisconsin Department of Natural Resources (DNR). From its Howard Avenue and Linnwood Plants, MWW pumps and treats water from Lake Michigan for distribution throughout the Milwaukee area. It delivers this water through 1,960 miles of mains to approximately 860,000 customers in the City of Milwaukee and 15 suburbs.

Consistent with recent trends, through July of 2015, water consumption decreased by 2.4% or 427 MG, from 17.4 to 17.0 billion gallons of water compared to the same period in 2014. However, revenue has increased by $4.2 million.

Figure 1



This is due to the water rate increase (11.4%) that was effective in November of 2014. Since 2004, metered water sales have declined 20%, mirroring national trends. Increased water efficiency, slower population growth, and a changing industrial customer base have reduced water sales for utilities nationwide. Figure 1 shows retail and wholesale water sales for MWW since 2003.

Despite consumption decreases, the Water Works' cost for electricity, chemicals, and construction and maintenance of the water distribution system does not decrease proportionally. From 2010 through 2014, electricity costs for the utility have increased by 19% or nearly $1 million.

RATES

The utility's cost structure directly affects water rates. Water rates are based on a Rate of Return established by the PSC. The rate formula allows the utility to recover operating costs and make investments in the upkeep of the treatment and distribution system. Continuing decreases in the volume of water sold since the mid-1970's have reduced revenue growth and put pressure on MWW to control spending and increase rates.

Milwaukee Water Works anticipates recovering approximately $85.8 million of revenue through fees for water service in 2015, in addition to $6.5 million of non-operating revenue. The average single family residential customer will pay approximately $220 in 2015 for a full year of water service.

Key Performance Measures

Measure	2014 Actual	2015 Projected	2016 Estimated
Rank of rate for 1 ccf of water residential customer among Class AB utilities in the seven county metro area.	3 of 21	17 of 21	17 of 21
Rate of Return.	1.67%	2.35%	1.76%
Percent of days in full compliance with water quality parameters of the Safe Drinking Water Act.	100%	100%	100%
Main breaks.	930	566	600

QUALITY AND RELIABILITY

In 2014, MWW achieved its goal of providing safe, high quality drinking water. The utility was in full compliance with the Safe Drinking Water Act all 365 days in 2014. The utility substantiated an extraordinarily low two water quality complaints that were attributable to water treatment activities.

Water Work's capital budget includes continued emphasis in funding for water main replacements, essential to the long term sustainability of the system and ensuring that MWW can fulfill its mission of providing high quality, healthy drinking water to its customers. The Capital Improvements Committee and Public Service Commission have endorsed this approach. As of August 31, 2015, eight miles of water mains has been installed, six miles are under contract, and an additional mile is ready to go out to bid. All 15 miles are projected to be installed and in service by December 31, 2015. This exceptional effort was achieved by a combination of increasing engineering staff, overtime for existing staff, and the use of contractors to assist in designing the water main replacements.

The 2016 proposed budget provides funding for 15 miles of water mains. Additionally, MWW will be transitioning with DPW Infrastructure to take responsibility for the inspection of water main replacement projects. Eleven new positions were approved in the Distribution and Engineering sections toward this goal and an additional five are proposed for 2016.

RESIZE, RESTRUCTURE, AND REINVEST

In addition to increased main replacement, MWW continually reinvests in its pumping system and treatment plants. The 2016 non-mains capital program, as well as recently completed and ongoing non-mains capital projects, reflects the department's commitment to sustaining high quality service delivery for the long term future.

Three critical and complex projects at the Linnwood Water Treatment Plant were completed in 2015. The Riverside tunnel, which delivers water from the plant to the Riverside Pumping Station, was dewatered, inspected, repaired and returned to service. Five isolation and bypass valves were installed in the pipelines that carry water through the treatment process to enable flow to bypass the ozone facilities in case of an emergency. Backup power generation will be operational by year end, to allow the major water treatment plant to treat water during local or regional power outages. Access gates at Linnwood were upgraded, improving security and officer safety at the plant. The consolidation of the two Meter Shops into one was completed, and the Meter Shop South is now used by the Election Commission, a mutually beneficial arrangement.

Milwaukee Water Works continues to look for ways to control costs in its day-to-day operations. The consolidation of the Water Meter facilities into one site on West Cameron Avenue allowed for greater flexibility of work assignments to staff and reduced operational costs. The South Kinnickinnic Avenue site was acquired by DPW and is occupied by the Election Commission. This gives the Election Commission ample space for their operation in a secure facility. MWW retained the use of the large meter test capability at the South Kinnickinnic Avenue location on an as needed basis. This allowed the Business Section to make reductions to operating accounts totaling $234,000.

In order to maintain the functionality and performance of its billing system, Milwaukee Water Works has allocated $1.3 million to upgrade the latest available version of the EnQuesta billing system, replace aging hardware, and expanding the storage capacity of its servers. Seamless operation of the billing system is crucial to several functions that Water Works performs, including billing, customer service, meter services and the wireless work order system. Upgrading the billing system significantly decreases the likelihood of system outages, which can significantly limit the ability of the MWW's business section to function properly. This upgrade also includes the first year payment for off site disaster recovery to back up MWW's records and data.

Projects in 2015 included painting of the west water storage tank at Lincoln, flood prevention at Riverside, pump improvements at the Texas station and Howard Avenue plant, and various roof replacements.

Projects funded in the 2016 proposed budget include painting of the east water storage tank at Lincoln, dewatering and inspection of the North Point tunnel, which delivers water from Linnwood to the North Point Pumping Station, various roof replacements, and chemical feed system projects.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
5	5.00		Engineering Technician IV	Enhanced Water Main Replacement program.
4	2.00		Water Utility Laborer (0.50 FTE) (Aux)	Auxiliary authority for peak workload.
1	1.00		Automation System Specialist	Part of ongoing effort to automate Howard Treatment Plant.
	-2.50	2.50	Various Positions	Increased capital deduction for Water Main Replacement program.
		1.00	Various Positions	Miscellaneous adjustments.
10	**5.50**	**3.50**	**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 and addressing nonpoint pollution sources.

Reduce the risk of property damage due to flooding and basement backups.

STRATEGIES: Maintain a 90 year sewer replacement cycle or better.

Reduce stormwater Infiltration and Inflow into sanitary sewer basins that the State of Wisconsin and Milwaukee Metropolitan Sewerage District have stipulated for correction.

Conduct and monitor projects for private lateral rehabilitation on private property to assess its effectiveness at reducing Infiltration and Inflow into the sanitary system.

Develop and implement a Capacity, Management, Operations, and Maintenance program to govern operations.

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Personnel						
FTEs - Operations and Maintenance	87.21	103.05	102.85	102.85	-0.20	0.00
FTEs - Other	8.38	11.95	12.15	12.15	0.20	0.00
Total Positions Authorized	146	146	146	146	0	0
Expenditures						
Salaries and Wages	$4,143,932	$4,908,218	$4,982,137	$4,924,825	$16,607	$-57,312
Fringe Benefits	2,037,174	2,306,862	2,513,488	2,484,574	177,712	-28,914
Operating Expenditures	6,992,997	6,904,000	7,163,500	7,138,500	234,500	-25,000
Equipment	821,809	730,000	735,000	650,000	-80,000	-85,000
Special Funds	32,311,561	44,956,410	48,067,956	48,942,484	3,986,074	874,528
O&M Total	$46,307,473	$59,805,490	$63,462,081	$64,140,383	$4,334,893	$678,302
Capital Projects	$34,258,728	$44,200,000	$45,550,000	$44,404,000	$204,000	$-1,146,000
Deposit to Retained Earnings	13,097,336	0	0	0	0	0
Total	$93,663,537	$104,005,490	$109,012,081	$108,544,383	$4,538,893	$-467,698
Revenues						
Sewer Maintenance Fee	$29,973,660	$29,802,218	$30,973,000	$29,802,218	$0	$-1,170,782
Stormwater Management Fee	27,428,385	28,626,737	27,480,000	30,630,609	2,003,872	3,150,609
Charges for Services	1,714,366	1,779,158	1,686,500	1,686,500	-92,658	0
Interest Revenue	3,830	163,813	84,900	84,900	-78,913	0
Miscellaneous Revenue	16,438	0	0	0	0	0
Developer Financed	4,675	0	0	0	0	0
Proceeds from Borrowing	34,259,126	39,650,000	36,000,000	39,380,000	-270,000	3,380,000
Grant and Aid	263,057	1,650,000	2,474,000	2,324,000	674,000	-150,000
Assessable	0	0	0	0	0	0
Withdrawal from Retained Earnings	0	2,333,564	10,313,681	4,636,156	2,302,592	-5,677,524
Total	$93,663,537	$104,005,490	$109,012,081	$108,544,383	$4,538,893	$-467,698

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

The core purpose of a sewer system is to deliver all sanitary sewer flows to treatment plants, minimize surface flooding, and reduce the risk of basement backups in homes. The City of Milwaukee maintains a sewer system of 2,450 miles of public sewers, which connect to hundreds of miles of privately owned sewer laterals and the Milwaukee Metropolitan Sewerage District (MMSD) system. The system transports sanitary sewage to MMSD facilities for treatment. By treating wastewater before returning it to rivers and Lake Michigan, the sewerage system reduces the risk of waterborne illnesses and protects water quality. The sewer system also plays a key role in protecting property by mitigating flooding.

The regional sewer system contributes to the goal to sustain, enhance, and promote Milwaukee's natural environmental assets. The integrated nature of the region's systems requires coordinated management strategies across various stakeholders. Milwaukee's regional sewer system operates much more effectively than systems in other major Great Lakes cities, as measured by the number of annual sewer overflows. However, leaky sewers and private laterals throughout the region, coupled with the increasing frequency of large storms, present enormous challenges to the regional sewer system. During large storms, when too much stormwater enters the sanitary sewer system, it must discharge stormwater and sewage, known as Sanitary System Overflows (SSOs), or basement backups will result.

Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Sanitary sewer overflows.	3	0	0
Number of basement backups reported.	25	0	0
Miles of sewers replaced or relined.	51	42	33

STRATEGY IMPLEMENTATION

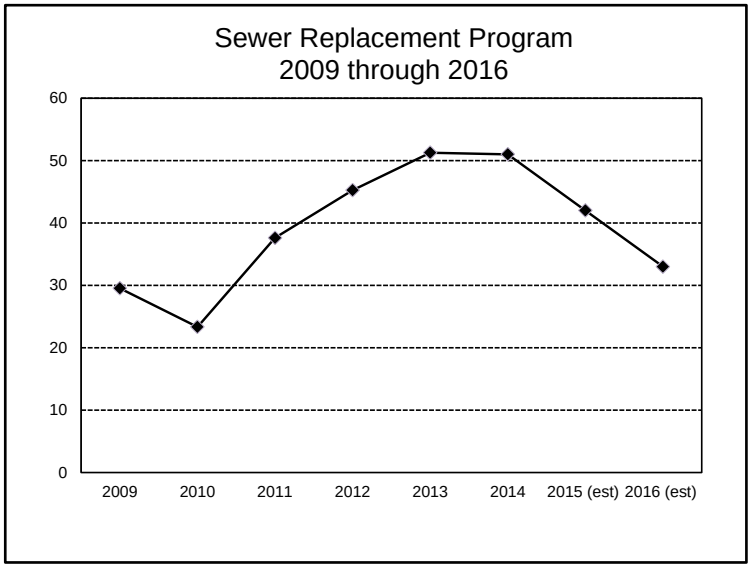
Replacing and lining sewers is a critical aspect of maintaining the sewer system and reducing the amount of rainwater that enters the sanitary sewer system. In order to maximize the probability of eliminating sanitary sewer overflows the city strives to have a sewer replacement cycle of 90 years or 27 replaced or lined miles a year. The 2016 proposed capital budget includes $30.6 million to replace and line 16 miles of sewer and an additional $6.6 million to line 17 miles of sewer. The Department of Public Works (DPW) will target this investment to the sewer sheds with the highest levels of Infiltration and Inflow and the greatest risk of basement backups. As Figure 1 shows, since 2009 the city has increased its commitment substantially to replace and line sewers.

Leaky sewer laterals located on private property are a major contributor to Infiltration and Inflow (I&I). The city's Flooding Study Task Force found that private property sources account for between 60% and 80% of the clear water that enters sanitary sewer systems. Since 2011, the city has completed several projects to address private property I&I. In 2012 and 2013, the city conducted two large scale projects that included inspecting lateral

connections and lateral rehabilitation at 885 homes. Data collected and analyzed shows a 47% decrease in flows following the lining of both the public main sewers and private laterals in this study area.

In 2015, the city completed a foundation drain disconnection pilot project in the Cooper Park neighborhood. In homes constructed prior to 1954, the foundation drain is connected to the sanitary sewer and results in clear water entering the sanitary system. The project involved disconnecting the foundation drain from the sanitary sewer for 25 homes and installing a sump pump to discharge this clear water to the property's yard. The sanitary sewer is being monitored to determine the effectiveness of foundation drain disconnection on the removal of clear water from the system.

Figure 1



The 2016 proposed Sewer Maintenance Fund's I&I capital budget includes an estimated $1.65 million in grants from MMSD for work on private property.

As DPW and MMSD phase in larger system improvements, extremely large storms will trigger the system's bypass pumps to discharge effluent from the system to reduce the risk of costly basement backups in residents' homes. The 2016 proposed capital budget includes $700,000 for rehabilitation of eight bypass pumps and one lift station. With the severity of storms increasing, bypass pumps and lift stations play a critical role in reducing the risk of basement backups.

Green infrastructure is a strategy to manage stormwater and improve water quality in a manner that uses natural processes. These projects help reduce the Total Daily Maximum Loads (TDMLs) of Total Suspended Solids (TSS), bacteria, and phosphorus. In 2016, the proposed capital budget includes $1.8 million for the installation of bio-infiltration facilities and other green infrastructure projects in conjunction with street repair projects.

In 2016, the department will initiate flood mitigation projects at Dineen Park and Copernicus Park neighborhoods. Over the past ten years these neighborhoods have experienced repeated flooding occurrences. The city is working with Milwaukee County and local residents to determine an effective and financially feasible stormwater management plan. The 2016 proposed capital budget includes $4.7 million for these projects.

RESIZE, RESTRUCTURE, AND REINVEST

Crew Operations: Sewer crews consist of Sewer Maintenance and DPW Fleet staff. DPW Fleet staff drives or operates the various large vehicles and equipment required by each crew. Sewer Maintenance reimburses DPW Fleet for this service. The use of sewer equipment is subject to the availability of Fleet staff. When DPW staff is unavailable, Sewer crews cannot perform their duties. In 2012, Sewer Crew Leaders began operating certain large vehicles and pieces of sewer maintenance equipment. The training provides Sewer Maintenance with the flexibility to operate some of their equipment when DPW Fleet staff is unavailable. The 2016 proposed budget continues this trend by reducing the payment to DPW Fleet by an additional $100,000 to $1.8 million.

Stormwater Management Fee: The 2016 proposed Stormwater Management Fee per quarter per Equivalent Residential Unit (ERU) will increase 7%, or $1.26, from $17.96 to $19.22. The annual impact on the typical residential user will increase $5.04 from $71.84 to $76.88. This will generate $30.6 million in 2016, $3.15 million

greater than in 2015. Charges for all one to four unit residential properties are for one ERU per quarter. Charges for other properties are determined based on their impervious surface (one ERU is equivalent to 1,610 square feet of impervious surface). Regular rate increases will be necessary in future years, particularly if the city further increases its investment in private property work and to pay for debt service related to the improved replacement cycle.

Local Sewerage Charge: The 2016 proposed Local Sewerage Charge rate will not increase but remain at $1.38 per 100 cubic feet of water (CCF). The quarterly impact on the typical residential user will remain at $23.32 for local service. The annual impact on the typical residential user will continue to be $93.28 for local service. This will generate $29.8 million in 2016.

Capital Financing: The Sewer Fund has successfully used the State of Wisconsin's Clean Water Fund to finance some debt. Clean Water Fund loans, issued as revenue bonds, provide below market interest rates to communities to finance replacement and lining of sanitary and combined sewer projects. General obligation (GO) debt or revenue bonds finance sewer capital projects that do not qualify for the Clean Water Fund. GO bonds typically have lower interest rates than revenue bonds and do not have "reserve" requirements. Sewer Fund revenues secure revenue bonds and are exempt from the city's GO debt limit, which is 5% of the city's equalized value. However, bondholders require that revenue bonds normally include a 10% debt service reserve. Historically, withholding reserves from the budgeted borrowing authority allowed the city to use either type of borrowing. The issuance of GO or revenue bond debt is determined by market conditions at the time of issuance. The 2016 proposed capital budget adds a reserve to each project requiring borrowing authority to allow for the proper reserves, while also fully funding the capital improvement. The reserve amounts remain unexpended for capital improvements.

In the 2016 proposed capital budget, the city will cash finance $2.7 million in sewer capital to improve fund sustainability. This cash financing will cover the pump replacement projects, salary, and fringe benefits associated with the design and project management of sewer capital projects, manhole inspection projects, and channel restoration projects.

Debt Fund Transfer: The 2016 proposed budget includes a $4.8 million transfer from the Sewer Maintenance Fund to the debt fund for sewer related general obligation (GO) debt service.

Payment to the General Fund: The Sewer Maintenance Fund makes an annual transfer to the general fund to pay for all tree care costs and pension payments associated with street sweeping, leaf collection, brush collection, and pruning services provided by the Department of Public Works Operations Division. Street trees help reduce stormwater flows by absorbing water through their root system. The 2016 proposed budget will transfer $2.8 million for street sweeping, $3.6 million for leaf and brush collection, and $11.7 million for pruning for a total transfer of $18.1 million. The transfer also includes $74,000 to fund the Health Department's Beach Water Quality and Advisory program. An additional $3.2 million transfer to the capital fund will support tree planting, the Emerald Ash Borer Prevention program, the Environmental Remediation program, and the Urban Forestry Training program.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
0	-0.20	0.20	Various Positions	Minor increase to capital services deduction.
0	**-0.20**	**0.20**	**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

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
Purchase of Delinquent County Taxes	$9,381,481	$10,530,000	$9,500,000	$9,500,000	$-1,030,000	$0
Total	$9,381,481	$10,530,000	$9,500,000	$9,500,000	$-1,030,000	$0

SOURCE OF FUNDS

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change 2016 Proposed Budget Versus 2015 Adopted	Change 2016 Proposed Budget Versus 2016 Requested
County Delinquent Taxes Collected	$9,381,481	$10,530,000	$9,500,000	$9,500,000	$-1,030,000	$0
Total	$9,381,481	$10,530,000	$9,500,000	$9,500,000	$-1,030,000	$0

In accordance with s. 74.83 Wis. Stats., the City of Milwaukee is authorized to enter into an agreement with Milwaukee County to purchase county delinquent personal property taxes and real estate tax certificates. The initial agreement was executed in December 1987.

The authority to collect county delinquent property taxes enables the City Treasurer to consolidate the collection of delinquent taxes. Consolidation of the delinquent taxes provides a more efficient and effective tax collection administration by eliminating the burden of duplicate collections by the city and county.

The city purchases the county's delinquent personal property and real estate taxes at the close of the current tax collection period each February. In addition, the city also purchases the county's real estate taxes that become delinquent during the installment collection cycle each month. The city acquires an asset, delinquent county property taxes receivable, and generates revenue by keeping the interest and penalty charges collected on the delinquent taxes outstanding.

This account is the city's mechanism to purchase the county's delinquent property taxes. It is related to other delinquent tax collection efforts in the city debt budget.

II. BORROWING AUTHORIZATIONS

General Obligation Bonds or Short Term Notes

	New 2016 Authortiy
A. Renewal and Development Projects	
1. For providing financial assistance to blight elimination, slum clearance, redevelopment and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335, 66.1337, and 66.1105.	
MEDC Loan Program.	
Subtotal Renewal and Development Projects.	$6,800,000
B. Public Improvements	
1. Public buildings for housing machinery and equipment.	$23,981,000
2. Harbor improvements.	400,000
3. Parking facility improvements.	1,780,000
4. All Fire borrowing.	3,179,000
5. All Police borrowing.	8,998,000
6. Bridge and viaduct.	4,377,000
7. Sewage disposal, sewer improvement, and construction.	0
8. Street improvements and construction.	36,737,000
9. Parks and public grounds.	500,000
10. Library improvements authorized under section 229.11 and 229.17.	5,800,000
11. Rubbish.	3,135,000
Subtotal General Obligation Bonds or Short Term Notes (Sections A and B).	$95,687,000
C. Contingent Borrowing	
Borrowing for a public purpose not contemplated at the time the budget was adopted.	
Contingent borrowing.	$200,000,000
Subtotal General Obligation Bonds or Short Term Notes.	$200,000,000
D. School Board Borrowing	
1. School purposes (1).	$2,000,000
Subtotal General Obligation Bonds or Short Term Notes.	$2,000,000
E. Borrowing for Special Assessments	
1. To finance public improvements in anticipation of special assessments levied against property.	
2. General city.	$1,648,000
Subtotal General Obligation Bonds or Local Improvements Bonds.	$1,648,000
F. Tax Incremental Districts	
1. For paying project costs in accordance with project plans for Tax Incremental Districts.	$53,900,000
Subtotal General Obligation Bonds, Short Term Notes, or Revenue Bonds.	$53,900,000
G. Borrowing for Delinquent Taxes	
To finance general city purposes for anticipated delinquent taxes.	$37,000,000
Subtotal General Obligation Bonds or Short Term Notes.	$37,000,000
H. Revenue Anticipation Borrowing	
To borrow in anticipation of revenue in accordance with Section 67.12 of the Wisconsin State Statutes.	$400,000,000
Subtotal General Obligation Bonds or Short Term Notes.	$400,000,000
I. Water Works Borrowing	
Water Works mortgage revenue bonds or general obligation bonds.	$12,842,000
Subtotal Revenue Bonds or General Obligation Bonds.	$12,842,000
J. Sewer Maintenance Fund Borrowing	
Sewer Maintenance Fund revenue bonds or general obligation bonds.	$39,380,000
Subtotal Revenue Bonds or General Obligation Bonds.	$39,380,000
Total General Obligation Bonds or Short Term Notes	**$842,457,000**

(1) 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 is provided in the Wages Supplement Fund.

Footnotes

Section 18-06-12 of the Milwaukee City Charter states that the adoption of the budget shall be the authority for the expenditure by a department for the purposes therein provided and of the amounts assigned to the department thereby and no further action by the Common Council shall be necessary to authorize any department to make such expenditures. The City Attorney has advised that footnotes contained in the line item budget are informational only and not controlling over expenditures unless a corresponding resolution specifying the footnote's intent is also adopted by the Common Council.

POSITIONS ORDINANCE AND SALARY ORDINANCE

The Positions Ordinance and the Salary Ordinance for the city may be obtained from the City Clerk's Office upon request. They have not been included in this publication.

TAX LEVY TO RATE CONVERSION TABLE

Assessed Value Used in Conversion Calculation as of August 6, 2015: $24,241,626,594

Tax Rate Per $1,000 of Assessed Valuation	Levy Change	Levy Change	Tax Rate Per $1,000 of Assessed Valuation
$0.01	$242,416	$5,000	$0.00
$0.05	$1,212,081	$10,000	$0.00
$0.10	$2,424,163	$50,000	$0.00
$0.25	$6,060,407	$100,000	$0.00
$0.50	$12,120,813	$500,000	$0.02
$1.00	$24,241,627	$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