2017 PROPOSED PLAN AND EXECUTIVE BUDGET SUMMARY

CITY OF MILWAUKEE

STATE OF WISCONSIN

Tom Barrett
Mayor

Department of Administration
Budget and Management Division

Sharon Robinson
Administration Director

Mark Nicolini
Budget and Management Director

Budget and Management Staff

Thomas J. Bell
Jackie Q. Carter
William Christianson
Crystal E. Ivy
Molly King
Monique Lofton
Eric C. Pearson
Dore Marie Rozwadowski
Bryan J. Rynders
Dennis Yaccarino

GUIDE TO BUDGET DOCUMENTS

PLAN AND BUDGET SUMMARY

A document containing a fiscal summary of the 2017 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.city.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 10th*	Plans and Budget Requests Due
August 16th	Mayor's Public Hearing on Plans and Budgets
July - September	Mayor's Executive Plan and Budget Review
September 26th**	Plan and Budget Submitted to Common Council
October	Legislative Hearings
October 28th	Finance and Personnel Committee Budget Amendment Day
November 4th***	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 ..... Ashanti Hamilton

DISTRICT	ALDERMEN
First	Ashanti Hamilton
Second	Cavalier Johnson
Third	Nik Kovac
Fourth	Robert J. Bauman
Fifth	James A. Bohl, Jr.
Sixth	Milele A. Coggs
Seventh	Khalif J. Rainey
Eighth	Robert G. Donovan
Ninth	Chantia Lewis
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 2017 Proposed City Budget: Improved Sustainability Continues but Structural Challenges Persist 1

Budget Summary Tables

2017 Proposed Budget and Tax Rate Compared to Prior Year 7

Comparison by Budget Sections Between 2017 Proposed Budget Versus 2016 Adopted and 2017 Requested Budgets, Revenues, Tax Levies, and Resulting Changes 8

Property Tax Rate and Levy Comparison (Graphs) 11

General City Purposes Spending and Authorized Positions (Graphs) 12

Change in Positions 13

Estimated Full Time Equivalents O&M Funded 14

Estimated Full Time Equivalents Non-O&M Funded 15

Estimated Full Time Equivalents All Funding Sources 16

Comparison of 2017 Proposed Expenditures and Funding Sources with Prior Years 17

Summary of Borrowing Authorizations (Including School Purposes) 22

City of Milwaukee Organization Chart 23

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 176

C. Capital Improvements 188

D. City Debt 197

F. Common Council Contingent Fund 201

Special Revenue Funds

G. Parking Fund 204

H. Grant and Aid Fund 209

I. Economic Development Fund 211

J. Water Works 213

K. Sewer Maintenance Fund 218

M. County Delinquent Tax Fund 223

Borrowing Authorizations General Obligation Bonds or Short Term Notes 225

Clarification of Intent 226

Tax Levy to Rate Conversion Table 228

ALPHABETICAL LISTING

2017 Proposed Budget and Tax Rate Compared to Prior Year 7

Administration, Department of 29
Annuity Contribution, Employer's Share 176
Assessor's Office 39

Board of Zoning Appeals (Special Purpose Account) 159
Borrowing Authorizations (General Obligation Bonds or Short Term Notes) 225

Capital Improvements 188
Change in Positions 13
City Attorney 43
City Debt 197
City Treasurer 166
Clarification of Intent 226
Common Council City Clerk 55
Common Council Contingent Fund 201
Comparison of 2017 Proposed Expenditures and Funding Sources With Prior Years 17
Comparisons by Budget Sections Between 2017 Proposed Budgets Versus 2016 Adopted Budgets and 2017 Requested Budgets, Revenues, Tax Levies, and Resulting Changes 8
Comptroller 59
County Delinquent Tax Fund 223

Deferred Compensation Plan 183
Department of City Development 47

Economic Development Fund (Special Revenue Account) 211
Election Commission 62
Employee Health Care Benefits (Special Purpose Account) 161
Employee Relations, Department of 66
Employes' Retirement System 179
Estimated Full Time Equivalents O&M Funded 14
Estimated Full Time Equivalents Non-O&M Funded 15
Estimated Full Time Equivalents All Fund Sources 16

Fire and Police Commission 73
Fire Department 80
Fringe Benefit Offset 169

General City Purposes Spending (Graphs) 12
Grant and Aid Fund (Special Revenue Account) 209

Health Department 85
Housing Authority of the City of Milwaukee (HACM) 53

ALPHABETICAL LISTING Continued

Library 97

Mayor's Office....106
Milwaukee Economic Development Corporation (MEDC)....54
Municipal Court 112

Neighborhood Improvement Development Corporation (NIDC) 54
Neighborhood Services, Department of....117

Organization Chart, City of Milwaukee....23

Police Annuity and Benefit Fund 176
Police Department....124
Port of Milwaukee....131
Positions Ordinance, Reference 227
Property Tax Rate and Levy Comparison (Graphs) 11
Property Tax Supplemented Funds Summary of Expenditures (Under Control of the Common Council)....25
Provision for Employes' Retirement Fund (Pensions)....176
Public Works, Department of
- Administrative Services Division 135
- Infrastructure Services Division....138
- Operations Division (Buildings and Fleet, Forestry, and Sanitation) 148
- Parking Fund (Special Revenue Account)....204
- Sewer Maintenance Fund (Special Revenue Account) 218
- Water Works (Special Revenue Account)....213

Redevelopment Authority of the City of Milwaukee (RACM) 53
Revenues, Detailed Listing....173

Salary Ordinance, Reference....227
Source of Funds for General City Purposes....170
Special Purpose Accounts Analysis 156
Special Purpose Accounts Summary 157
Special Revenue Funds Summary....203
Summary of Borrowing Authorizations (Including School Purposes) 225

Tax Levy to Rate Conversion Table 228
Tax Stabilization Fund Withdrawal....173
The 2017 Proposed City Budget: Improved Sustainability Continues but Structural Challenges Persist....1

Worker's Compensation (Special Purpose Account)....164

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 2017 Proposed City Budget: Improved Sustainability Continues but Structural Challenges Persist

> *"… we find that the City of Milwaukee's financial condition and outlook have improved significantly since our last examination in 2009. Credit is due to city leaders for their responsible approach to financing their pension obligations, restructuring their health care offerings, and downsizing the city's workforce in the face of some enormous fiscal challenges. Also, the fact that those challenges were accommodated without depleting reserves or substantially deferring capital repair needs is further evidence of effective financial management."*

Public Policy Forum, *City of Milwaukee's Fiscal Condition*; September, 2016.

Overview: The City's Budget Sustainability Strategy

Structural balance refers to a government's capacity to fund existing expenditures over time with its projected ongoing revenues. A shortfall 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 challenged 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. In addition, a $13.7 million reduction to state intergovernmental aid in 2012, on top of an $11 million decrease in 2004, have contributed to what the Public Policy Forum has termed a "broken revenue system" which makes a sustainable budget structure exceedingly difficult to achieve.

The city's strategy to achieve structural balance has been multi-faceted. The strategy can be summarized as follows:

- **Resizing**: City government will need to operate on a smaller overall scale. Between 2008 and 2016, the city budget experienced a net reduction of approximately 430 Full Time Equivalents (FTEs) positions for a decrease of approximately $35 million to the annual "budget base". The city has used enhanced technology and equipment, improved deployment, and staff development to improve productivity to avoid declines in service quality.

- **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 approximately $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, diversifying revenues through user charges, and decreasing the reliance on levy supported debt to finance 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 employee health benefit cost sharing, the decision to self-fund all health benefit costs, incentives for utilization of quality providers, and the return on investment in wellness have enabled a 2017 appropriation that is $23.4 million lower than 2011 actual expenditures. User charges for solid waste services, snow and ice operations, and storm water management in the Department of Public Works offsets the cost of approximately 520 FTE positions, while making available more than $65 million in property tax revenue for

services, such as public safety, libraries, and public health. Most of the forestry capital program is now funded via cash from the storm water charge, avoiding levy supported debt of $3.6 million in 2017.

- **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 2015, the city added $440 million of real estate value to its tax base due to development, redevelopment, and other construction investments in real property. This 1.72% increase in "net new construction" was the third highest rate of increase among the 19 Milwaukee County communities. Milwaukee's net new construction increase was also 15% higher than the rate of change in the state of Wisconsin 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 over $1 billion 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.

Progress on Sustainability

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, the following changes from a 2013 baseline contributed to achieving structural balance to the city's 2016 budget:

- Property tax revenues: $6.4 million;
- Other general fund revenues: $17 million;
- Departmental expense reductions from 2013 baseline: $18 million;
- Employee health care benefit and workers compensation cost reductions: $6.7 million, plus approximately $40 million in trend line decreases; and
- Pension cost reductions due to contribution pre-payment: $4.3 million annually.

This improvement over the last four years incorporated sustainable approaches that will continue to yield future benefits. This is crucial given the emerging challenges to structural budget balance.

Financial Performance Measures

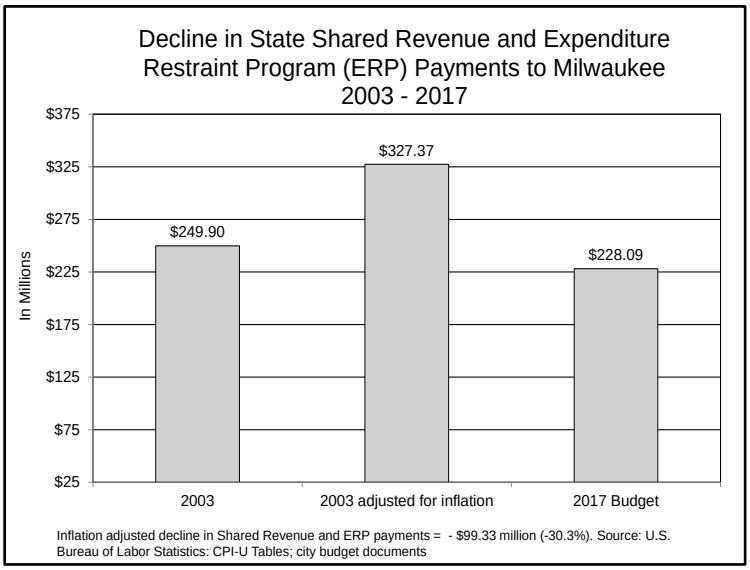
Effective financial planning begins with objectives and identifies factors that pose challenges and opportunities to structural budget balance. The Administration's two primary financial objectives are:

- 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.

BMD has identified the following primary challenges to the city's ability to meet these objectives on an ongoing basis:

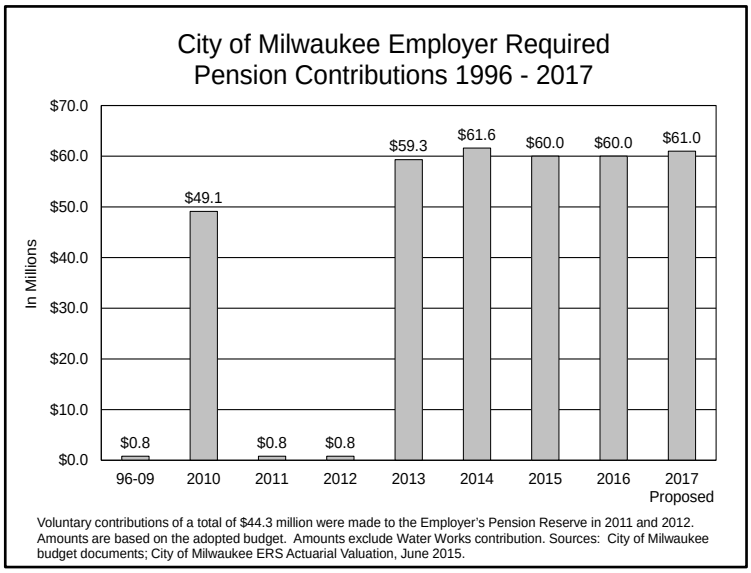
1. State intergovernmental aid funding reductions have reduced the city's fiscal capacity significantly. As Figure 1 illustrates, shared revenue (including expenditure restraint program aid) has declined $99.3 million in inflation adjusted terms since 2003 ($21.8 million in nominal terms). This decline has resulted in an increased proportion of the city's operating budget to be financed from local sources. For example, in 2003, state aids were essentially equal to the combined operating budgets of the Police and Fire departments. By 2017, these aids are expected to be $195 million less than these same two budgets. The city's state aid reductions stand in stark contrast to the 59% increase ($6.32 billion) in state general purpose revenues (GPR) during this same period.

Figure 1



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 pension contributions. However, the 2007-2008 Global Financial Crisis (GFC) altered CMERS finance for the foreseeable future. Beginning in 2010, the city resumed making an employer contribution for pensions. This places considerable pressure on structural balance, especially given the aforementioned impacts of the state's shared revenue policy.

Figure 2



Currently, tax levy contributions equivalent to approximately 17.3% of covered payroll ($61 million in 2017) are required under the stable contribution policy and will continue at this level through the 2017 plan year. This equates to approximately 23% of the 2017 total tax levy.

Recent developments in the financial markets may have a significant bearing on employer contributions beginning with the 2018 plan year. A major factor in the calculation of the employer contribution is the assumed rate of investment return. This rate is used to discount the amount of future benefit obligations into the present. A relatively higher rate results in relatively lower annual contributions, compared to a relatively lower discount rate. Currently, the CMERS deploys an 8.25% discount rate, which is scheduled to return to the previously established rate of 8.5% in 2018. The average discount rate used in 2015 by 150 large Public Employee Retirement Systems (PERS) is 7.6%.

Some financial market analysts have questioned the feasibility of PERS achieving their assumed rates of return over the next ten years. The Annuity and Pension Board determines the various actuarial assumptions,

including the assumed rate of investment return, for CMERS. The board will reset these assumptions for the 2018 plan year. A modest modification of 25 basis points could add at least $6 to $8 million to the city's annual employer contribution. This amount is equal to the amount of tax levy increase proposed for 2017. The impact of larger discount rate decreases would be very destabilizing, and similar in effect to the post-2003 decline in state intergovernmental aids.

In addition, the CMERS plan assets have a high risk exposure, given the 55% allocation to public equities. Since 1900, 32 "bear markets" have occurred in the United States. This condition is defined as a situation in which securities prices fall and widespread pessimism causes the stock market's downward spiral to be self-sustaining. A rather "garden variety" bear market loss of 20% would generate a $1 billion loss on a mark-to-market basis. Although asset gains and losses are smoothed over a five year period to avoid destabilizing the city budget, such a loss could cause an annual contribution increase approaching $10 million initially, with the potential to grow considerably higher until a positive rebound occurred. The city's primary response to such an event would of necessity be severe budget reductions.

Figure 3

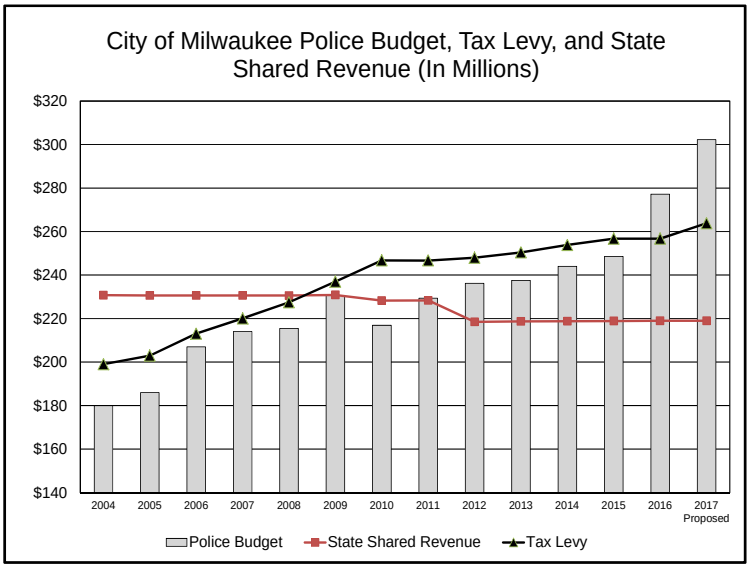
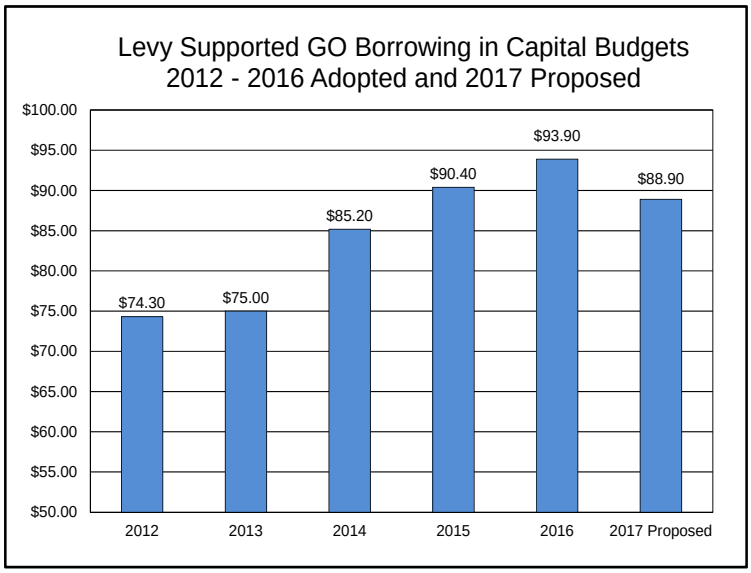


Figure 4



1. Between 2005 and 2012, the amount of annual new budget authorizations for levy supported debt remained at an essentially stable level of between $72 and $74 million. However, the need to finance two large facilities projects (City Hall foundation and the Police Administration Building), combined with the Strong Neighborhoods Plan and the continuing commitment to improved infrastructure and neighborhood libraries, resulted in a $93.9 million level in 2016. The 2017 debt service levy of $65.3 million consumes 25% of the total proposed 2017 levy. There is a need to manage the level of new authorizations so that the tax levy for debt service remains manageable.

   The 2017 proposed budget reduces new levy supported authorization to $88.9 million. The administration's Capital Improvements Plan gradually lowers these annual amounts until the city hall and police facilities projects are completed. The Budget and Management Division projects that resetting the recurring "new authority" level to approximately $75 million by 2022 is sustainable given current revenue estimates. This will require difficult choices among competing priorities.

4. Milwaukee's drinking water is clean and safe to drink. But lead can dissolve from lead plumbing. Lead is not found in Milwaukee's source water, Lake Michigan, and it is not found in water as it leaves the drinking water treatment plants. Milwaukee's water meets all Environmental Protection Agency standards for water quality.

   Years ago, lead was used in paint, plumbing, and other products. The most common source of lead is from paint in older homes. Guidance from the United States Environmental Protection Agency (EPA) indicates that it is likely that the federal lead and copper safety rule will develop more prescriptive mandates requiring the removal of lead plumbing lines that serve drinking water customers.

While lead is not found in Milwaukee's treated water, lead may be introduced into the water from lead service lines and plumbing fixtures owned by our customers, especially when water stands unused for several hours. To control lead dissolving into the water, Milwaukee Water Works (MWW) treats the water with a compound that forms a protective coating inside pipes.

The EPA rule revision is expected to provide for a timeline for the removal of lead service lines. The 2017 proposed budget includes approximately $3.9 million for the lead service line replacement program. This includes $3.6 million for replacement of the utility owned portion of approximately 600 service lines. The remaining $300,000 will fund one new position to coordinate programming for service line replacement, one chemist position for additional sampling, and will cover costs of filters and bottled water for properties experiencing service disruption as a result of work related to lead service lines.

Future years will involve a significantly greater budget commitment. Combined with the need to continue an ambitious water mains replacement program, lead service line removal will have a substantial impact on the MWW capital budgets for decades. In addition, city subsidies to assist property owners with the cost of replacing the privately owned service lines represent a new financial commitment. In total, the implications of capital investments in MWW, and assistance to their customers, will generate significant pressure on both water rates and city tax levies.

BMD has also identified positive factors that it will use to manage these challenges in a fiscally responsible manner.

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 2017 projected expenditures that are $23.4 million lower than the 2011 actual expenditures. Annual increases going forward are projected to be 3% to 4%, compared to 9% prior to 2012.

2. Recent collective bargaining agreements have resulted in all police and fire sworn employees becoming responsible for their entire 7% member contribution for pensions. Previously the city made these payments on behalf of the affected employees. This change will result in an annual $14 million reduced tax levy for retirement provisions. While the collective bargaining agreements included partial wage offsets associated with this change, the resulting arrangement makes ongoing pension financing somewhat less imposing.

3. The city's reserves are in sound condition and will assist in making the transition to more challenging budget conditions. The proposed reserve use in 2017 is less than that of 2016, and preserves the entire existing balance of the Employer's Pension Reserve for future budgets.

2017 Budget Bottom Line

The 2017 proposed budget provides for a tax levy increase of 2.7%, $7 million over 2016. The proposed tax rate will increase seven cents, or about 7/10 of 1%. Under the proposed budget, the owner of an average valued residential property will experience an estimated city government tax levy increase of $26.40, compared with 2016. The

proposed tax levy increase is needed primarily to fund the ongoing costs of maintaining police strength, financing the city's increased capital budget commitments, and funding pension costs (the fundamental driver of which is police) responsibly.

The 2017 municipal service fees will increase by $10.86 for the typical residential owner. On a combined basis, the 2017 levy and municipal service charge combined changes result in an estimated increased cost of approximately $37.26, or 2.5%, to the typical residential property owner with one garbage cart, compared with 2016. This cost for the typical homeowner is within the parameters of the administration's financial objective.

Conclusion

The 2017 proposed budget capitalizes on the city's improved structural budget balance while delivering on key priorities to taxpayers. The restructuring of health care benefits and pension finance has generated a stabilizing influence on the annual budget. Moderate reserve use will assist in resolving future years' budget challenges.

2017 PROPOSED BUDGET AND TAX RATE COMPARED TO PRIOR YEAR

PURPOSE OF EXPENDITURE AND FUNDING SOURCE	2016 ADOPTED BUDGET	2017 PROPOSED BUDGET	CHANGE 2017 MINUS 2016 ADOPTED	2016 ADOPTED BUDGET	2017 ADOPTED BUDGET	CHANGE 2017 MINUS 2016 ADOPTED
A. GENERAL CITY PURPOSES						
1. Budget (Expenditure Authority)	$615,568,884	$632,043,859	$16,474,975			
2. Non Tax Levy Funding	507,572,351	517,523,392	9,951,041			
3. Tax Levy Funding	107,996,533	114,520,467	6,523,934	$4.46	$4.63	$0.17
B. EMPLOYEE RETIREMENT						
1. Budget (Expenditure Authority)	$117,606,039	$105,225,776	$-12,380,263			
2. Non Tax Levy Funding	35,973,156	27,243,415	-8,729,741			
3. Tax Levy Funding	81,632,883	77,982,361	-3,650,522	$3.37	$3.15	$-0.22
C. CAPITAL IMPROVEMENTS						
1. Budget (Expenditure Authority)	$169,604,000	$150,429,000	$-19,175,000			
2. Non Tax Levy Funding	168,655,000	149,429,000	-19,226,000			
3. Tax Levy Funding	949,000	1,000,000	51,000	$0.04	$0.04	$0.00
D. CITY DEBT						
1. Budget (Expenditure Authority)	$278,007,848	$282,285,613	$4,277,765			
2. Non Tax Levy Funding	216,847,483	217,012,408	164,925			
3. Tax Levy Funding	61,160,365	65,273,205	4,112,840	$2.53	$2.64	$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	$0.20	$-0.00
SUBTOTAL (A+B+C+D+E+F)						
1. Budget (Expenditure Authority)	**$1,185,786,771**	**$1,174,984,248**	**$-10,802,523**			
2. Non Tax Levy Funding	**929,047,990**	**911,208,215**	**-17,839,775**			
3. Tax Levy Funding	**256,738,781**	**263,776,033**	**7,037,252**	**$10.61**	**$10.66**	**$0.06**
G. PARKING FUND						
1. Budget (Expenditure Authority)	$50,994,064	$47,520,574	$-3,473,490			
2. Non Tax Levy Funding	50,994,064	47,520,574	-3,473,490			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
H. GRANT AND AID						
1. Budget (Expenditure Authority)	$42,285,325	$45,199,364	$2,914,039			
2. Non Tax Levy Funding	42,285,325	45,199,364	2,914,039			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
I. DEVELOPMENT FUND						
1. Budget (Expenditure Authority)	$9,843,361	$11,418,033	$1,574,672			
2. Non Tax Levy Funding	9,843,361	11,418,033	1,574,672			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
J. WATER DEPARTMENT						
1. Budget (Expenditure Authority)	$140,227,440	$131,237,000	$-8,990,440			
2. Non Tax Levy Funding	140,227,440	131,237,000	-8,990,440			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
K. SEWER MAINTENANCE FUND						
1. Budget (Expenditure Authority)	$108,544,383	$108,889,344	$344,961			
2. Non Tax Levy Funding	108,544,383	108,889,344	344,961			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
M. COUNTY DELINQUENT TAXES FUND						
1. Budget (Expenditure Authority)	$9,500,000	$8,215,000	$-1,285,000			
2. Non Tax Levy Funding	9,500,000	8,215,000	-1,285,000			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
SUBTOTAL (G+H+I+J+K+M)						
1. Budget (Expenditure Authority)	**$361,394,573**	**$352,479,315**	**$-8,915,258**			
2. Non Tax Levy Funding	**361,394,573**	**352,479,315**	**-8,915,258**			
3. Tax Levy Funding	**0**	**0**	**0**	$0.00	$0.00	$0.00
TOTAL (A thru M)						
1. Budget (Expenditure Authority)	**$1,547,181,344**	**$1,527,463,563**	**$-19,717,781**			
2. Non Tax Levy Funding	**1,290,442,563**	**1,263,687,530**	**-26,755,033**			
3. Tax Levy Funding	**256,738,781**	**263,776,033**	**7,037,252**	**$10.61**	**$10.66**	**$0.06**

Tax Rates and Assessed Value - 2017 rate column is based on an estimated assessed value of: $24,735,575,914 as of August 17, 2016.

COMPARISONS BY BUDGET SECTIONS BETWEEN 2017 PROPOSED BUDGET VERSUS 2016 ADOPTED AND 2017 REQUESTED BUDGETS, REVENUES, TAX LEVIES, AND RESULTING CHANGES

	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
A. General City Purposes					
Appropriations					
Salaries and Wages	$378,679,190	$400,030,179	$391,694,051	$13,014,861	$-8,336,128
Fringe Benefits	187,542,614	183,910,155	185,768,325	-1,774,289	1,858,170
Operating Expenditures	75,996,828	80,994,091	77,912,593	1,915,765	-3,081,498
Equipment Purchases	6,695,346	8,807,723	7,970,064	1,274,718	-837,659
Special Funds	10,474,938	12,161,416	12,086,049	1,611,111	-75,367
Special Purpose Account Miscellaneous*	16,332,102	14,561,102	17,431,102	1,099,000	2,870,000
Workers Compensation Special Purpose Accounts	12,000,000	12,000,000	11,000,000	-1,000,000	-1,000,000
Employee Health Care Special Purpose Accounts	115,390,480	115,500,000	113,950,000	-1,440,480	-1,550,000
Fringe Benefit Offset	-187,542,614	-183,910,155	-185,768,325	1,774,289	-1,858,170
Total Appropriations	$615,568,884	$644,054,511	$632,043,859	$16,474,975	$-12,010,652
Funding Sources					
General City Revenues	$486,485,351	$478,823,271	$489,118,392	$2,633,041	$10,295,121
Tax Stabilization Fund Withdrawal	21,087,000	21,100,000	28,405,000	7,318,000	7,305,000
Property Tax Levy	107,996,533	144,131,240	114,520,467	6,523,934	-29,610,773
Total Revenues	$615,568,884	$644,054,511	$632,043,859	$16,474,975	$-12,010,652
B. Employee Retirement					
Total Appropriations	$117,606,039	$105,844,768	$105,225,776	$-12,380,263	$-618,992
Funding Sources					
Non-Property Tax Revenue	$35,973,156	$27,313,907	$27,243,415	$-8,729,741	$-70,492
Property Tax Levy	81,632,883	78,530,861	77,982,361	-3,650,522	-548,500
Total Revenues	$117,606,039	$105,844,768	$105,225,776	$-12,380,263	$-618,992
C. Capital Improvements					
Total Capital Improvements Program					
Appropriations	$169,604,000	$177,375,000	$150,429,000	$-19,175,000	$-26,946,000
Funding Sources					
1. Borrowing (General Obligation)					
a. New	$93,907,000	$116,554,000	$88,920,000	$-4,987,000	$-27,634,000
b. Carryover					
2. Borrowing (Tax Incremental Districts)					
a. New	$53,900,000	$44,000,000	$44,000,000	$-9,900,000	$0
b. Carryover					
3. Special Assessments (Internal Borrowing)					
a. New	$1,548,000	$1,367,000	$917,000	$-631,000	$-450,000
4. Cash Financed					
a. From Revenues	$19,300,000	$15,165,000	$15,592,000	$-3,708,000	$427,000
c. From Tax Levy	949,000	289,000	1,000,000	51,000	711,000
d. Total Cash Financed	20,249,000	15,454,000	16,592,000	-3,657,000	1,138,000
Total Revenues (Capital Improvements)	$169,604,000	$177,375,000	$150,429,000	$-19,175,000	$-26,946,000
D. City Debt					
Total Appropriations					
(Includes Borrowing for Milwaukee Public Schools)	$278,007,848	$284,285,613	$282,285,613	$4,277,765	$-2,000,000

		2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
	Funding Sources					
	Revenues	$37,710,291	$33,804,652	$33,804,652	$-3,905,639	$0
	TID Increments	22,237,062	28,373,966	28,373,966	6,136,904	0
	Delinquent Tax Revenue	30,900,130	28,833,790	28,833,790	-2,066,340	0
	Offset and Premium	126,000,000	126,000,000	126,000,000	0	0
	Property Tax Levy	61,160,365	67,273,205	65,273,205	4,112,840	-2,000,000
	Total Revenues	$278,007,848	$284,285,613	$282,285,613	$4,277,765	$-2,000,000
F.	**Common Council Contingent Fund**					
	Total Appropriations	$5,000,000	$5,000,000	$5,000,000	$0	$0
	Funding Sources					
	Total Revenue (Property Tax Levy)	$5,000,000	$5,000,000	$5,000,000	$0	$0
	Subtotals (Items A through F)					
	City Budget Appropriations	$1,185,786,771	$1,216,559,892	$1,174,984,248	$-10,802,523	$-41,575,644
	Less: Non-Property Tax Revenues	$929,047,990	$921,335,586	$911,208,215	$-17,839,775	$-10,127,371
	Property Tax Levies	$256,738,781	$295,224,306	$263,776,033	$7,037,252	$-31,448,273
	Special Revenue Accounts (Items G through M)					
G.	**Parking**					
	Total Appropriations	$50,994,064	$50,673,642	$47,520,574	$-3,473,490	$-3,153,068
	Funding Sources					
	Current Revenues	$23,006,000	$22,892,400	$23,290,574	$284,574	$398,174
	Capital Improvements from Reserves	5,000,000	5,000,000	5,000,000	0	0
	Withdrawal from Reserves	2,208,064	4,755,242	0	-2,208,064	-4,755,242
	Citation Revenue and Processing	19,000,000	17,000,000	17,500,000	-1,500,000	500,000
	New Borrowing	1,780,000	1,026,000	1,730,000	-50,000	704,000
	Total Revenues	$50,994,064	$50,673,642	$47,520,574	$-3,473,490	$-3,153,068
H.	**Grant and Aid**					
	Total Appropriations	$42,285,325	$48,944,949	$45,199,364	$2,914,039	$-3,745,585
	Funding Sources					
	Grantor Share	$42,285,325	$48,944,949	$45,199,364	$2,914,039	$-3,745,585
	Total Revenues	$42,285,325	$48,944,949	$45,199,364	$2,914,039	$-3,745,585
I.	**Economic Development**					
	Total Appropriations	$9,843,361	$10,518,033	$11,418,033	$1,574,672	$900,000
	Funding Sources					
	BID Assessment/Excess TID Revenue	$9,843,361	$10,518,033	$11,418,033	$1,574,672	$900,000
	Total Revenues	$9,843,361	$10,518,033	$11,418,033	$1,574,672	$900,000
J.	**Water Works**					
	Appropriations					
	Operating Budget	$82,162,440	$81,454,124	$89,178,000	$7,015,560	$7,723,876
	Capital Improvements Program	25,650,000	29,210,000	29,210,000	3,560,000	0
	Debt Service (Principal and Interest)	5,587,000	5,587,000	5,587,000	0	0
	Capital Funding from Borrowing and Other Sources	12,852,000	0	0	-12,852,000	0
	Capital Funding from Retained Earnings	13,976,000	29,200,000	7,262,000	-6,714,000	-21,938,000
	Total Appropriations	$140,227,440	$145,451,124	$131,237,000	$-8,990,440	$-14,214,124

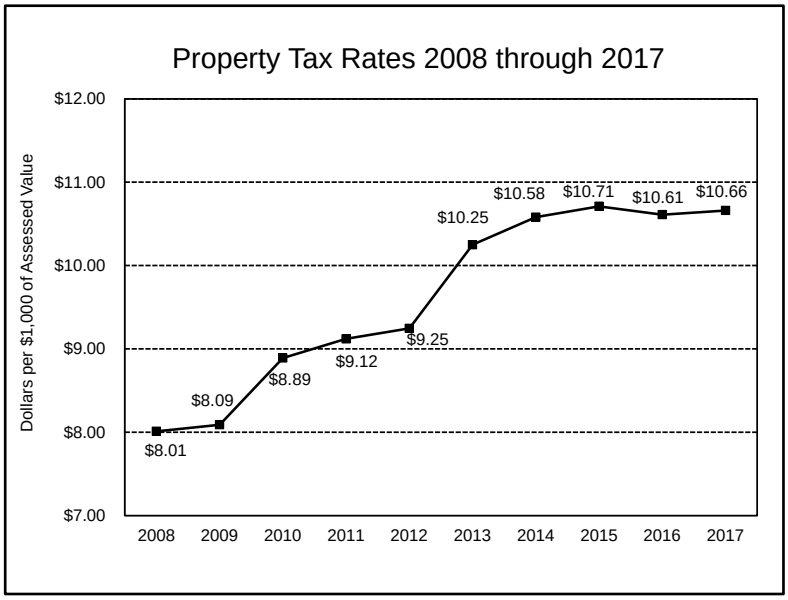
	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Funding Sources					
Current Operating Revenues	$87,320,000	$92,402,000	$92,402,000	$5,082,000	$0
Non-Operating Revenues	6,535,000	6,635,000	9,635,000	3,100,000	3,000,000
Proceeds from Borrowing	12,842,000	0	21,938,000	9,096,000	21,938,000
Use of Retained Earnings	33,530,440	46,414,424	7,262,000	-26,268,440	-39,152,424
Total Revenues	$140,227,440	$145,451,424	$131,237,000	$-8,990,440	$-14,214,424
K. Sewer Maintenance					
Appropriations					
Operating Budget	$64,140,383	$68,930,637	$70,175,344	$6,034,961	$1,244,707
Capital Improvements Program	44,404,000	41,714,000	38,714,000	-5,690,000	-3,000,000
Total Appropriations	$108,544,383	$110,644,637	$108,889,344	$344,961	$-1,755,293
Funding Sources					
Sewer User Fee	$29,802,218	$28,700,600	$29,802,218	$0	$1,101,618
Storm Water Management Fee	30,630,609	31,246,300	32,162,140	1,531,531	915,840
Charges for Services	1,686,500	1,658,700	1,686,500	0	27,800
Miscellaneous Revenue and Retained Earnings	7,045,056	12,539,037	11,738,486	4,693,430	-800,551
Proceeds from Borrowing	39,380,000	36,500,000	33,500,000	-5,880,000	-3,000,000
Total Revenues	$108,544,383	$110,644,637	$108,889,344	$344,961	$-1,755,293
M. County Delinquent Taxes					
Appropriations					
Operating Budget	$9,500,000	$8,215,000	$8,215,000	$-1,285,000	$0
Total Appropriations	$9,500,000	$8,215,000	$8,215,000	$-1,285,000	$0
Funding Sources					
Operating Revenue	$9,500,000	$8,215,000	$8,215,000	$-1,285,000	$0
Total Revenues	$9,500,000	$8,215,000	$8,215,000	$-1,285,000	$0
Subtotals Special Revenue Account Budgets (Items G through M)					
Total Budgets	$361,394,573	$374,447,385	$352,479,315	$-8,915,258	$-21,968,070
Total Revenues (Non-Property Tax)	$361,394,573	$374,447,685	$352,479,315	$-8,915,258	$-21,968,370
Grand Totals (Items A through M)					
Budget Appropriations	$1,547,181,344	$1,591,007,277	$1,527,463,563	$-19,717,781	$-63,543,714
Less: Non-Property Tax Revenues	$1,290,442,563	$1,295,782,971	$1,263,687,530	$-26,755,033	$-32,095,441
Property Tax Levies	$256,738,781	$295,224,306	$263,776,033	$7,037,252	$-31,448,273

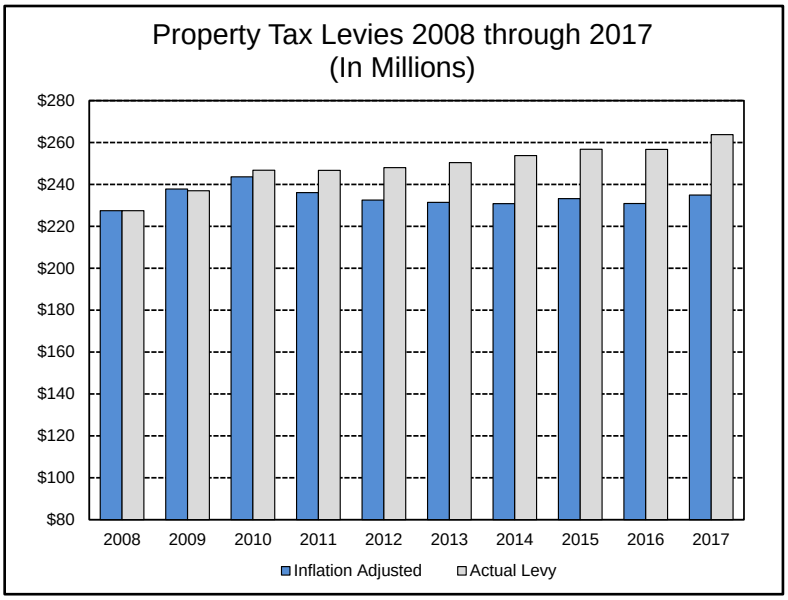
Note: All adopted budgets for governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance reserved for tax stabilization. For budget purposes, the fund balance reserved for tax stabilization is reflected as other financing 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 2008 through the 2017 budget. The 2017 tax rate of $10.66 is $0.05 lower than the 2016 rate of $10.61. The 2017 tax levy of $263.8 million is $7 million higher than the 2016 levy. The property tax rate has increased by $2.65 from $8.01 in 2008 to the 2017 rate of $10.66. During this same period, the "real" or inflation adjusted property tax levy has increased by $7.4 million.

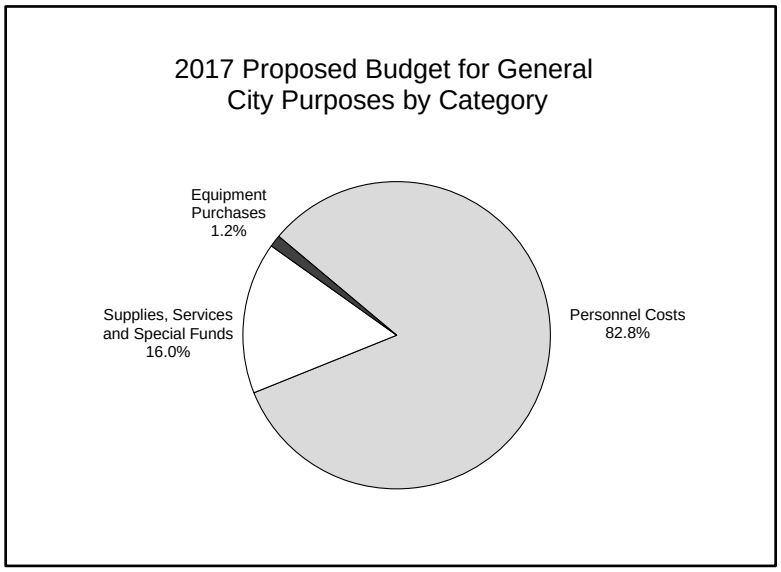




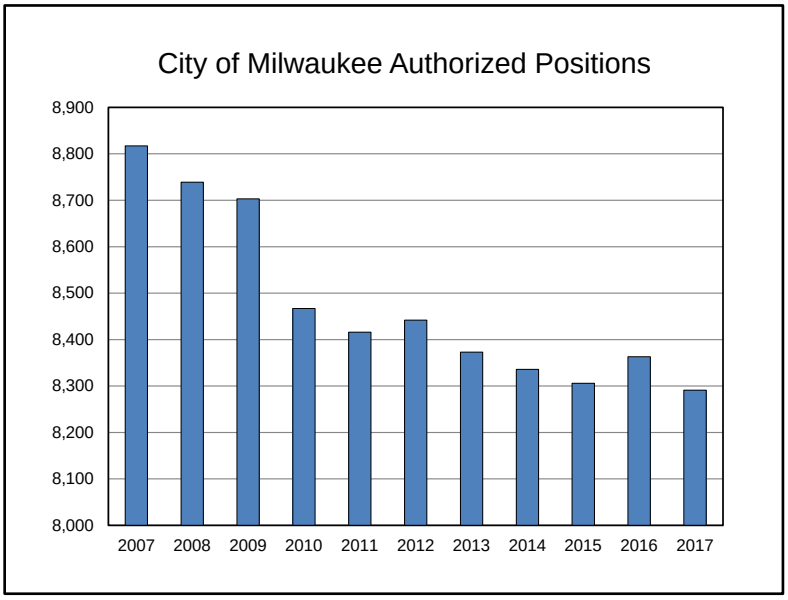
GENERAL CITY PURPOSES SPENDING

The pie chart below depicts the proportions of general city purposes spending allocated to personnel costs (82.8%), supplies, services, and special funds (16.0%), and equipment purchases (1.2%) in the 2017 budget.

It should be noted that the 2017 budget also funds approximately $8.1 million of major equipment purchases in the capital budget.



The following bar graph indicates changes in authorized positions from 2007 to 2017. Funding for personnel costs (which include salary and wages) relates directly to the number of positions authorized citywide. Excluding temporary and seasonal staff, the 2017 budget reflects a net decrease of 72 positions from 2016 levels (8,363 in 2016 to 8,291 in 2017).



CHANGE IN POSITIONS

	2016 Adopted Budget	2017 Requsted Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Proposed
General City Purposes					
Administration, Department of	146	147	154	8	7
Assessor's Office	57	57	57	0	0
City Attorney	65	65	65	0	0
City Development, Department of	133	121	121	-12	0
Common Council City Clerk	128	125	124	-4	-1
Comptroller's Office	65	65	65	0	0
Election Commission	2,473	820	820	-1,653	0
Employee Relations, Department of	81	69	64	-17	-5
Fire and Police Commission	22	25	24	2	-1
Fire Department	1,007	1,012	943	-64	-69
Health Department	252	252	252	0	0
Library	358	367	364	6	-3
Mayor's Office	15	17	16	1	-1
Municipal Court	41	40	40	-1	0
Neighborhood Services, Department of	293	287	289	-4	2
Police Department	2,839	2,842	2,828	-11	-14
Port of Milwaukee	37	37	37	0	0
Public Works, Department of **(Total)**	**(2,276)**	**(2,288)**	**(2,290)**	**(14)**	**(2)**
Administrative Services Division	49	49	43	-6	-6
Infrastructure Services Division	790	802	804	14	2
Operations Division	1,437	1,437	1,443	6	6
Special Purpose Account	11	11	11	0	0
Treasurer's Office	59	59	59	0	0
General City Purposes Total	**10,358**	**8,706**	**8,623**	**-1,735**	**-83**
General City Purposes Total *	**7,896**	**7,897**	**7,814**	**-82**	**-83**
Pensions					
Deferred Compensation	2	3	2	0	-1
Employees' Retirement System	58	58	58	0	0
Pensions Total	**60**	**61**	**60**	**0**	**- 1**
Special Revenue Funds					
Parking Fund	121	122	118	-3	-4
Sewer Maintenance Fund	146	145	145	-1	0
Water Works	381	392	395	14	3
Special Revenue Funds Total	**648**	**659**	**658**	**10**	**-1**
Subtotal Budgeted Positions	**11,066**	**9,426**	**9,341**	**-1,725**	**-85**
Less Temporary Positions	2,703	1,050	1,050	-1,653	0
Total Budgeted Positions	**8,363**	**8,376**	**8,291**	**-72**	**-85**

*Does not include Election Commission temporary election workers (2,462 in 2016 and 809 in 2017) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
O&M Funded

	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
General City Purposes					
Administration, Department of	99.17	104.80	104.10	4.93	-0.70
Assessor's Office	47.80	49.00	49.00	1.20	0.00
City Attorney	59.00	60.25	60.00	1.00	-0.25
Common Council City Clerk	101.50	101.50	102.40	0.90	0.90
Comptroller's Office	50.40	50.20	50.20	-0.20	0.00
Department of City Development	46.40	51.40	51.72	5.32	0.32
Election Commission *	8.00	8.00	8.00	0.00	0.00
Employee Relations, Department of	49.43	45.57	40.57	-8.86	-5.00
Fire and Police Commission	13.60	14.90	13.90	0.30	-1.00
Fire Department	1,013.07	1,022.05	954.05	-59.02	-68.00
Health Department	139.18	139.25	138.25	-0.93	-1.00
Library	289.26	290.62	290.12	0.86	-0.50
Mayor's Office	11.75	14.00	13.75	2.00	-0.25
Municipal Court	32.00	34.00	33.20	1.20	-0.80
Neighborhood Services, Department of	219.60	218.35	205.10	-14.50	-13.25
Police Department	2,730.27	2,742.27	2,729.27	-1.00	-13.00
Port of Milwaukee	20.00	20.50	20.50	0.50	0.00
Public Works, Department of **(Total)**	(1,026.47)	(1,091.57)	(1,077.36)	(50.89)	(-14.21)
Administrative Services Division	42.00	49.00	37.17	-4.83	-11.83
Infrastructure Services Division	309.19	367.29	367.29	58.10	0.00
Operations Division	675.28	675.28	672.90	-2.38	-2.38
Special Purpose Accounts	4.50	4.50	4.50	0.00	0.00
Treasurer's Office	29.23	29.23	29.23	0.00	0.00
General City Purposes Total	**5,990.63**	**6,091.96**	**5,975.22**	**-15.41**	**-116.74**
Pensions					
Deferred Compensation	2.00	3.00	2.00	0.00	-1.00
Employees' Retirement System	43.50	43.50	43.50	0.00	0.00
Pensions Total	**45.50**	**46.50**	**45.50**	**0.00**	**-1.00**
Special Revenue Funds					
Parking Fund	118.75	118.75	116.25	-2.50	-2.50
Sewer Maintenance Fund	102.85	102.40	101.40	-1.45	-1.00
Water Works	349.48	356.45	358.95	9.47	2.50
Special Revenue Funds Total	**571.08**	**577.60**	**576.60**	**5.52**	**-1.00**
Grand Total	**6,607.21**	**6,716.06**	**6,597.32**	**-9.89**	**-118.74**

*Election Commission does not include temporary election workers (68.87 FTEs in 2016 and 26.58 FTEs in 2017) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
Non-O&M Funded

	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
General City Purposes					
Administration, Department of	38.67	35.74	35.95	-2.72	0.21
Assessor's Office	1.20	0.00	0.00	-1.20	0.00
City Attorney	2.00	2.00	2.00	0.00	0.00
Common Council City Clerk	3.50	1.50	1.60	-1.90	0.10
Comptroller's Office	7.60	7.80	7.80	0.20	0.00
Department of City Development	56.10	41.60	41.28	-14.82	-0.32
Election Commission	0.00	0.00	0.00	0.00	0.00
Employee Relations, Department of	5.60	5.56	5.56	-0.04	0.00
Fire and Police Commission	0.80	0.50	0.50	-0.30	0.00
Fire Department	2.80	3.95	3.95	1.15	0.00
Health Department	102.65	102.80	102.80	0.15	0.00
Library	18.28	17.66	17.66	-0.62	0.00
Mayor's Office	1.00	0.00	0.00	-1.00	0.00
Municipal Court	0.00	0.00	0.00	0.00	0.00
Neighborhood Services, Department of	46.15	43.65	50.15	4.00	6.50
Police Department	46.44	46.44	46.44	0.00	0.00
Port of Milwaukee	0.00	0.00	0.00	0.00	0.00
Public Works, Department of **(Total)**	(360.74)	(345.35)	(352.73)	(-8.01)	(7.38)
Administrative Services Division	4.83	3.83	4.83	0.00	1.00
Infrastructure Services Division	305.35	290.96	290.96	-14.39	0.00
Operations Division	50.56	50.56	56.94	6.38	6.38
Special Purpose Accounts	0.00	0.00	0.00	0.00	0.00
Treasurer's Office	0.30	0.69	0.69	0.39	0.00
General City Purposes Total	**693.83**	**655.24**	**669.11**	**-24.72**	**13.87**
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	12.15	11.80	12.60	0.45	0.80
Water Works	19.94	20.97	20.97	1.03	0.00
Special Revenue Funds Total	**32.09**	**32.77**	**33.57**	**1.48**	**0.80**
Grand Total	**725.92**	**688.01**	**702.68**	**-23.24**	**14.67**

ESTIMATED FULL TIME EQUIVALENTS
All Funding Sources

	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
General City Purposes					
Administration, Department of	137.84	140.54	140.05	2.21	-0.49
Assessor's Office	49.00	49.00	49.00	0.00	0.00
City Attorney	61.00	62.25	62.00	1.00	-0.25
Common Council City Clerk	105.00	103.00	104.00	-1.00	1.00
Comptroller's Office	58.00	58.00	58.00	0.00	0.00
Department of City Development	102.50	93.00	93.00	-9.50	0.00
Election Commission *	8.00	8.00	8.00	0.00	0.00
Employee Relations, Department of	55.03	51.13	46.13	-8.90	-5.00
Fire and Police Commission	14.40	15.40	14.40	0.00	-1.00
Fire Department	1,015.87	1,026.00	958.00	-57.87	-68.00
Health Department	241.83	242.05	241.05	-0.78	-1.00
Library	307.54	308.28	307.78	0.24	-0.50
Mayor's Office	12.75	14.00	13.75	1.00	-0.25
Municipal Court	32.00	34.00	33.20	1.20	-0.80
Neighborhood Services, Department of	265.75	262.00	255.25	-10.50	-6.75
Police Department	2,776.71	2,788.71	2,775.71	-1.00	-13.00
Port of Milwaukee	20.00	20.50	20.50	0.50	0.00
Public Works, Department of **(Total)**	(1,387.21)	(1,436.92)	(1,430.09)	(42.88)	(-6.83)
Administrative Services Division	46.83	52.83	42.00	-4.83	-10.83
Infrastructure Services Division	614.54	658.25	658.25	43.71	0.00
Operations Division	725.84	725.84	729.84	4.00	4.00
Special Purpose Accounts	4.50	4.50	4.50	0.00	0.00
Treasurer's Office	29.53	29.92	29.92	0.39	0.00
General City Purposes Total	**6,684.46**	**6,747.20**	**6,644.33**	**-40.13**	**-102.87**
Pensions					
Deferred Compensation	2.00	3.00	2.00	0.00	-1.00
Employees' Retirement System	43.50	43.50	43.50	0.00	0.00
Pensions Total	**45.50**	**46.50**	**45.50**	**0.00**	**-1.00**
Special Revenue Funds					
Parking Fund	118.75	118.75	116.25	-2.50	-2.50
Sewer Maintenance Fund	115.00	114.20	114.00	-1.00	-0.20
Water Works	369.42	377.42	379.92	10.50	2.50
Special Revenue Funds Total	**603.17**	**610.37**	**610.17**	**7.00**	**-0.20**
Grand Total	**7,333.13**	**7,404.07**	**7,300.00**	**-33.13**	**-104.07**

*Election Commission does not include temporary election workers (68.87 FTEs in 2016 and 26.58 FTEs in 2017) due to staffing fluctuations between election and non-election years.

COMPARISON OF 2017 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

	2014 Actual** Expenditures	2015 Actual** Expenditures	2016 Adopted Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted Budget
A. General City Purposes					
1. Budgets for General City Purposes					
Administration, Department of	$11,094,430	$11,316,081	$12,822,568	$13,713,494	$890,926
Assessor's Office	4,468,165	4,562,164	4,840,478	4,768,408	-72,070
City Attorney	7,662,424	7,486,695	7,947,579	7,617,505	-330,074
City Development, Department of	3,741,897	3,734,731	4,781,490	5,017,952	236,462
City Treasurer	2,802,481	2,933,682	3,079,646	3,070,162	-9,484
Common Council City Clerk	8,197,437	8,279,346	9,317,681	9,311,928	-5,753
Comptroller	4,935,457	4,957,121	5,190,001	5,137,455	-52,546
Election Commission	2,444,647	1,861,714	2,878,719	1,397,836	-1,480,883
Employee Relations, Department of	4,748,821	4,674,705	5,004,998	4,144,335	-860,663
Fire and Police Commission	1,641,507	1,470,059	1,765,343	2,242,749	477,406
Fire Department	102,677,571	101,974,784	111,311,820	121,513,669	10,201,849
Health Department	11,936,261	12,483,466	13,619,554	13,318,230	-301,324
Library	21,636,591	21,596,238	23,527,408	23,601,494	74,086
Mayor's Office	1,245,967	1,258,775	1,290,281	1,453,404	163,123
Municipal Court	3,265,063	3,226,349	3,272,768	3,246,142	-26,626
Neighborhood Services, Department of	20,163,360	20,067,440	21,893,171	20,227,833	-1,665,338
Police Department	255,620,660	295,808,513	277,233,534	302,252,254	25,018,720
Port of Milwaukee	4,459,274	4,740,261	4,801,671	5,975,792	1,174,121
Public Works Department **(Total)**	(127,350,270)	(122,916,439)	(125,676,658)	(125,880,253)	(203,595)
Administrative Services Division	3,555,501	3,695,008	3,720,222	3,177,829	-542,393
Infrastructure Services Division	39,359,808	39,607,062	38,655,825	39,669,916	1,014,091
Operations Division	84,434,961	79,614,369	83,300,611	83,032,508	-268,103
Special Purpose Accounts	139,166,118 *	132,186,255 *	162,856,130	143,921,289	-18,934,841
Fringe Benefit Offset	-160,341,772	-170,862,733	-187,542,614	-185,768,325	1,774,289
Total Budgets for General City Purposes	$578,916,629 **	$596,672,085 **	$615,568,884	$632,043,859	$16,474,975

* 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	$21,659,925	$17,979,406	$17,978,800	$17,698,600	$-280,200
Licenses and Permits	16,033,762	16,630,087	16,067,300	15,792,300	-275,000
Intergovernmental Revenue	260,886,428	263,349,243	262,677,600	265,035,200	2,357,600
Charges for Services	120,974,842	126,813,815	126,811,395	126,629,792	-181,603
Fines and Forfeitures	4,558,308	4,110,140	4,060,000	3,703,000	-357,000
Miscellaneous Revenue	37,533,094	37,032,756	35,890,256	37,259,500	1,369,244
Fringe Benefits	22,025,870	21,393,005	23,000,000	23,000,000	0
Total Revenues	$483,672,229	$487,308,452	$486,485,351	$489,118,392	$2,633,041
Tax Stabilization Fund Withdrawals	$20,000,000	$16,700,000	$21,087,000	$28,405,000	$7,318,000
Property Tax Levy	91,717,287	114,264,667	107,996,533	114,520,467	6,523,934
Total Financing for General City Purposes	$595,389,516	$618,273,119	$615,568,884	$632,043,859	$16,474,975
B. Employees' Retirement					
1. Budgets for Employees' Retirement					
Firemen's Pension Fund					
Pension Contribution	$31,387	$0	$0	$0	$0
Lump Sum Supplement Contribution	77,500	67,500	50,000	40,000	-10,000

	2014 Actual** Expenditures	2015 Actual** Expenditures	2016 Adopted Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted Budget
Policemen's Pension Fund					
Pension Contribution	$227,796	$207,199	$190,000	$320,000	$130,000
Lump Sum Supplement Contribution	30,000	30,000	21,500	10,000	-11,500
Employees' Retirement Fund					
Pension Contribution	$61,600,000	$60,000,000	$60,000,000	$61,000,000	$1,000,000
Administration	20,595,947	19,802,111	26,643,423	24,983,109	-1,660,314
Employers' Share of Employees' Annuity Contribution	4,576,913	1,805,914	5,217,531	0	-5,217,531
Annuity Contribution Employer's Reserve Fund	13,400,000	10,400,000	7,000,000	0	-7,000,000
Social Security					
Social Security Tax	$18,136,303	$17,283,366	$18,105,800	$18,500,000	$394,200
Former Town of Lake Employees' Retirement Fund					
Pension Contribution	$7,273	$7,273	$7,300	$7,300	$0
Deferred Compensation	1,357,496	1,380,364	370,485	365,367	-5,118
Total Budgets for Employees' Retirement	$120,040,615 **	$110,983,727 **	$117,606,039	$105,225,776	$-12,380,263
2. Source of Funds for Employees' Retirement					
Fringe Benefits Pension	$1,137,924	$1,076,400	$1,345,759	$1,283,620	$-62,139
Charges to Retirement Fund	20,238,942	19,163,339	26,261,912	24,598,428	-1,663,484
Charges to Deferred Compensation	1,357,496	1,380,364	370,485	365,367	-5,118
Charges to Other Governmental Units	1,732,605	940,655	904,000	996,000	92,000
Miscellaneous Revenue/Reserve Fund	13,482,600	10,400,000	7,091,000	0	-7,091,000
Property Tax Levy	85,965,660	78,532,396	81,632,883	77,982,361	-3,650,522
Total Financing for Employees' Retirement	$123,915,227	$111,493,154	$117,606,039	$105,225,776	$-12,380,263
C. Capital Improvements					
1. Budgets for Capital Improvements					
Special Capital Projects or Purposes	$1,363,067	$1,174,204	$8,512,000	$8,539,000	$27,000
Administration, Department of	1,617,352	1,084,297	4,340,000	3,045,000	-1,295,000
Assessor's Office	0	29,960	556,000	350,000	-206,000
City Attorney	1,130	0	0	0	0
City Development, Department of	21,516,751	55,598,366	61,830,000	53,217,000	-8,613,000
Common Council City Clerk	170,554	163,588	225,000	438,000	213,000
Election Commission	0	460,473	0	0	0
Fire Department	1,862,461	3,962,526	3,179,000	2,948,000	-231,000
Health Department	107,977	622,312	745,000	731,000	-14,000
Library	5,490,462	6,378,713	5,800,000	2,844,000	-2,956,000
Municipal Court	132,066	11,915	0	384,000	384,000
Neighborhood Services, Department of	1,571,700	2,357,839	2,925,000	2,900,000	-25,000
Police Department	9,191,831	4,449,049	9,070,000	7,589,000	-1,481,000
Port of Milwaukee	237,916	250,030	4,400,000	640,000	-3,760,000
Public Works, Department of **(Total)**	(90,078,486)	(76,647,628)	(68,022,000)	(66,804,000)	(-1,218,000)
Infrastructure Services Division	65,259,292	62,744,608	58,067,000	56,894,000	-1,173,000
Operations Division	24,819,194	13,903,020	9,955,000	9,910,000	-45,000
Total Budgets for Capital Improvements (Other than Parking, Water Works and Sewer Maintenance)	$133,341,753 **	$153,190,900 **	$169,604,000	$150,429,000	$-19,175,000
2. Source of Funds for Capital Improvements					
General Obligation Borrowings					
New Borrowing	$111,141,556	$96,549,266	$93,907,000	$88,920,000	$-4,987,000

	2014 Actual** Expenditures	2015 Actual** Expenditures	2016 Adopted Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted Budget
Tax Increment District Public Improvements					
New Borrowing	$15,271,109	$49,218,955	$53,900,000	$44,000,000	$-9,900,000
Anticipated Special Assessments					
New Authorizations	$1,657,128	$1,722,502	$1,548,000	$917,000	$-631,000
Capital Improvement Revenues					
Cash Revenues	$4,427,824	$5,294,039	$19,300,000	$15,592,000	$-3,708,000
Property Tax Levy	844,136	406,138	949,000	1,000,000	51,000
Total Financing for Capital Improvements					
(Other than Parking, Water Works and Sewer Maintenance)	$133,341,753 *	$153,190,900 *	$169,604,000	$150,429,000	$-19,175,000
* Does not include School Board expenditures.					
D. City Debt (Including School Purposes)					
1. Budget for City Debt					
Bonded Debt (Principal)	$269,152,320	$259,453,674	$240,153,434	$241,592,239	$1,438,805
Bonded Debt (Interest)	37,322,341	36,606,000	43,337,090	45,233,105	1,896,015
Bonded Debt (Fees)	0	0	230,000	280,000	50,000
Bonded Debt (Issuance Expenses)	882,754	1,180,000	1,706,200	1,786,200	80,000
Subtotal	$307,357,415	$297,239,674	$285,426,724	$288,891,544	$3,464,820
Less: Prepayment					
Prepayment Deduction (PDAF)	$-5,000,000	$-5,500,000	$-7,000,000	$-6,500,000	$500,000
Special Assessment	-1,397,319	-2,646,000	-418,876	-105,931	312,945
Total Budget for City Debt	$300,960,096 **	$289,093,674 **	$278,007,848	$282,285,613	$4,277,765
2. Source of Funds for City Debt					
Revenues	$68,877,204	$48,442,700	$37,710,291	$33,804,652	$-3,905,639
TID Increments from Prior Year	25,520,905	28,160,000	22,237,062	28,373,966	6,136,904
Delinquent Tax Revenues	31,971,658	30,011,000	30,900,130	28,833,790	-2,066,340
Offsets and Premium	110,000,000	125,000,000	126,000,000	126,000,000	0
Property Tax Levy	61,806,985	57,832,996	61,160,365	65,273,205	4,112,840
Total Financing for City Debt	$298,176,752	$289,446,696	$278,007,848	$282,285,613	$4,277,765
F. Common Council Contingent Fund					
1. Budget for Common Council Contingent Fund					
Common Council Contingent Fund	[$4,877,522] *	[3,797,914] *	$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)	$1,133,259,093	$1,149,940,386	$1,185,786,771	$1,174,984,248	$-10,802,523
Non-Tax Levy	$910,489,180	$921,367,672	$929,047,990	$911,208,215	$-17,839,775
Tax Levy	$245,334,068	$256,036,197	$256,738,781	$263,776,033	$7,037,252
Subtotal Financing for (Estimated Revenues) Common Council Controlled Budgets					
(Except Water and Special Revenue Accounts)	$1,155,823,248	$1,177,403,869	$1,185,786,771	$1,174,984,248	$-10,802,523
Special Revenue Accounts Sections G through M					
G. Parking					
1. Budget for Parking Program					
Operating and Maintenance Expense	$26,041,115	$23,250,840	$27,614,108	$27,580,574	$-33,534
Transfer to General Fund	17,425,000	17,000,000	16,599,956	16,600,000	44

	2014 Actual** Expenditures	2015 Actual** Expenditures	2016 Adopted Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted Budget
Capital Improvement Program	1,486,330	1,353,606	6,780,000	3,340,000	-3,440,000
Total Budget for Parking Program	$44,952,445 **	$41,604,446 **	$50,994,064	$47,520,574	$-3,473,490
2. Source of Funds for Parking Operations					
Parking Permits	$4,055,331	$4,087,152	$4,034,000	$4,139,500	$105,500
Meters	4,996,818	5,140,894	5,152,500	4,768,200	-384,300
Rental and Lease of Facilities	6,855,565	8,119,923	7,219,500	7,484,700	265,200
Towing of Vehicles	4,292,339	4,370,544	4,200,000	4,300,000	100,000
Vehicle Disposal	1,332,753	1,370,743	1,200,000	1,200,000	0
Miscellaneous	1,184,190	1,464,576	1,200,000	1,398,174	198,174
Subtotal Financing of Parking Operations	$22,716,996	$24,553,832	$23,006,000	$23,290,574	$284,574
Other Funding Sources					
Withdrawal from Reserves	$0	$0	$2,208,064	$0	$-2,208,064
Citation Revenue	19,466,196	18,643,025	19,000,000	17,500,000	-1,500,000
Capital Improvements to be Financed from Available:					
Cash Reserves	$0	$0	$5,000,000	$5,000,000	$0
New Borrowing	1,486,330	0	1,780,000	1,730,000	-50,000
Subtotal Other Funding Sources	$20,952,526	$18,643,025	$27,988,064	$24,230,000	$-3,758,064
Total Financing for Parking	$43,669,522	$43,196,857	$50,994,064	$47,520,574	$-3,473,490
H. Grants and Aids Projects (Except Capital Projects)					
1. Budget for Grants and Aids Projects					
Grantor Share (Non-City)	$50,007,469	$44,738,407	$42,285,325	$45,199,364	$2,914,039
Total for Grants and Aids Projects	$50,007,469 **	$44,738,407 **	$42,285,325	$45,199,364	$2,914,039
2. Source of Funds for Grants and Aids Projects					
Grantor Share (Non-City)	$50,007,469	$44,738,407	$42,285,325	$45,199,364	$2,914,039
Total Financing for Grants and Aids Projects					
(Except Capital Projects)	$50,007,469	$44,738,407	$42,285,325	$45,199,364	$2,914,039
I. Economic Development Fund					
1. Budget for Economic Development Fund					
Business Improvement Districts	$9,357,039	$9,696,475	$9,843,361	$11,418,033	$1,574,672
Total Budget for Economic Development Fund	$9,357,039	$9,696,475	$9,843,361	$11,418,033	$1,574,672
2. Source of Funds for Economic Development Fund					
Business Improvement District Assessments/Excess TID Revenue	$9,357,039	$9,696,475	$9,843,361	$11,418,033	$1,574,672
Total Source of Funds for Economic Development Fund	$9,357,039	$9,696,475	$9,843,361	$11,418,033	$1,574,672
J. Water Works					
1. Budget for Water Works, Department of Public Works					
Operating Budget	$82,011,743	$78,022,672	$87,749,440	$94,765,000	$7,015,560
Capital Improvements Program	23,930,090	23,041,073	25,660,000	29,210,000	3,550,000
Retained Earnings, Borrowing and Other Accounts	25,270,051	33,051,134	26,818,000	7,262,000	-19,556,000
Total Expenditures and Deposits	$131,211,884 **	$134,114,879 **	$140,227,440	$131,237,000	$-8,990,440
2. Source of Funds for Water Works					
Operating Revenue	$82,663,634	$91,459,569	$87,320,000	$92,402,000	$5,082,000
Non-Operating Revenue	6,242,960	7,215,258	6,525,000	6,625,000	100,000
Proceeds from Borrowing	1,311,125	10,000,000	12,842,000	21,938,000	9,096,000
Retained Earnings/Miscellaneous	40,994,165	25,440,046	33,540,440	10,272,000	-23,268,440
Total Source of Funds for Water Works	$131,211,884	$134,114,873	$140,227,440	$131,237,000	$-8,990,440

	2014 Actual** Expenditures	2015 Actual** Expenditures	2016 Adopted Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted Budget
K. Sewer Maintenance					
1. Budget for Sewer Maintenance					
Operating Budget	$46,307,473	$45,703,254	$64,140,383	$70,175,344	$6,034,961
Capital Budget	34,258,728	35,926,874	44,404,000	38,714,000	-5,690,000
Deposit to Retained Earnings	13,097,336	16,135,268	0	0	0
Total Budget for Sewer Maintenance	$93,663,537 **	$97,765,396 **	$108,544,383	$108,889,344	$344,961
2. Source of Funds for Sewer Maintenance					
Sewer User Fee	$29,973,660	$31,585,122	$29,802,218	$29,802,218	$0
Storm Water Fee	27,428,385	29,115,332	30,630,609	32,162,140	1,531,531
Charges for Services	1,714,366	17,915	1,686,500	1,686,500	0
Miscellaneous Revenue	20,268	-106,395	84,900	27,600	-57,300
Retained Earnings	0	0	4,636,156	9,396,886	4,760,730
Proceeds from Borrowing/Grants/Developer	34,526,858	37,153,422	41,704,000	35,814,000	-5,890,000
Total Source of Funds for Sewer Maintenance	$93,663,537	$97,765,396	$108,544,383	$108,889,344	$344,961
M. Delinquent County Taxes					
1. Budget for Delinquent County Taxes					
Delinquent County Taxes and Tax Certificate Purchases	$9,381,481	$8,213,958	$9,500,000	$8,215,000	$-1,285,000
Total Budget for Delinquent County Taxes	$9,381,481	$8,213,958	$9,500,000	$8,215,000	$-1,285,000
2. Source of Funds for Delinquent County Taxes					
Purchase of Milwaukee County Delinquent Taxes	$9,381,481	$8,213,958	$9,500,000	$8,215,000	$-1,285,000
Total Source of Funds for Delinquent County Taxes	$9,381,481	$8,213,958	$9,500,000	$8,215,000	$-1,285,000
Subtotal Budget Authorization for Special Revenue Accounts	$338,573,855	$336,133,561	$361,394,573	$352,479,315	$-8,915,258
Subtotal Estimated Revenues for Special Revenue Accounts	$337,290,932	$337,725,966	$361,394,573	$352,479,315	$-8,915,258
Total All Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,471,832,948	$1,486,073,947	$1,547,181,344	$1,527,463,563	$-19,717,781
Total Financing Revenues of Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,493,114,180	$1,515,129,835	$1,547,181,344	$1,527,463,563	$-19,717,781

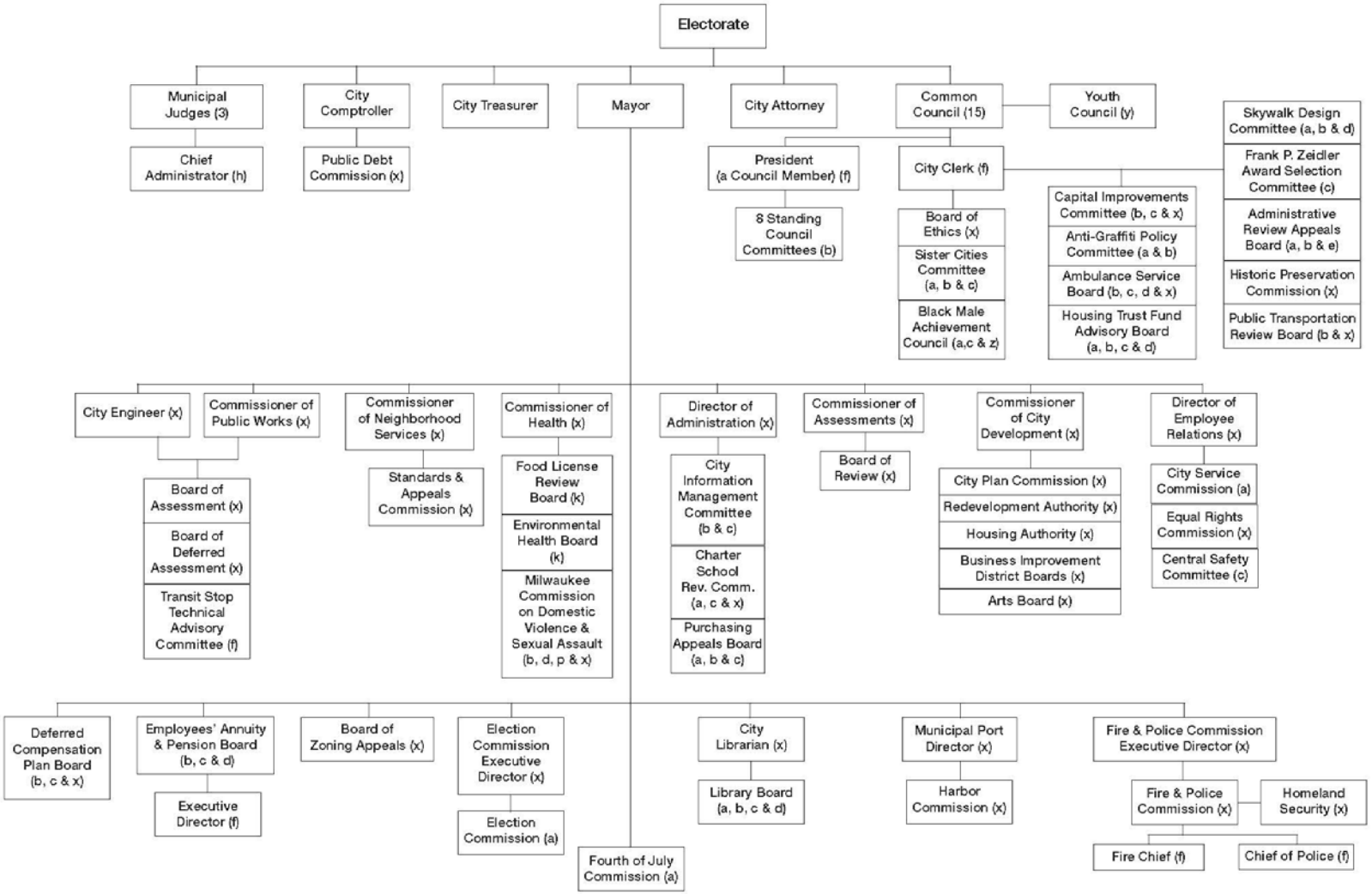
** Expenditures include funding carried over from prior year.

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

	2015	2016	2017
General Obligation Bonds or Short Term Notes			
New Borrowing			
General City Purposes	$92,713,000	$95,687,000	$90,650,000
Schools	2,000,000	2,000,000	2,000,000
Subtotal	**$94,713,000**	**$97,687,000**	**$92,650,000**
Special Assessment Borrowing			
New Borrowing	$2,440,000	$1,548,000	$917,000
Subtotal	**$2,440,000**	**$1,548,000**	**$917,000**
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	$16,500,000	$53,900,000	$44,000,000
Subtotal	**$16,500,000**	**$53,900,000**	**$44,000,000**
Delinquent Taxes Borrowing			
New Borrowing	$37,000,000	$37,000,000	$37,000,000
Subtotal	**$37,000,000**	**$37,000,000**	**$37,000,000**
Revenue Anticipation Borrowing			
New Borrowing	$400,000,000	$400,000,000	$400,000,000
Subtotal	**$400,000,000**	**$400,000,000**	**$400,000,000**
Water Works Borrowing			
New Borrowing	$10,736,000	$12,842,000	$21,938,000
Subtotal	**$10,736,000**	**$12,842,000**	**$21,938,000**
Sewer Maintenance Fund Borrowing			
New Borrowing	$39,650,000	$39,380,000	$38,714,000
Subtotal	**$39,650,000**	**$39,380,000**	**$38,714,000**
Total All Borrowing			
New Borrowing	$801,039,000	$842,357,000	$835,219,000
Total	**$801,039,000**	**$842,357,000**	**$835,219,000**

CITY OF MILWAUKEE ORGANIZATION CHART

Source: City Clerk's Office • September 2016



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

This Page Intentionally Left Blank

I. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

PROPERTY TAX SUPPLEMENTED FUNDS
SUMMARY OF EXPENDITURES

Expense Category	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
A. General City Purposes	$596,672,085	$615,568,884	$644,054,511	$632,043,859	$16,474,975	$-12,010,652
B. Employees' Retirement	110,983,727	117,606,039	105,844,768	105,225,776	-12,380,263	-618,992
C. Capital Improvements	153,190,900	169,604,000	177,375,000	150,429,000	-19,175,000	-26,946,000
D. City Debt	289,093,674	278,007,848	284,285,613	282,285,613	4,277,765	-2,000,000
F. Contingent Fund	[3,797,914] *	5,000,000	5,000,000	5,000,000	0	0
Total	$1,149,940,386	$1,185,786,771	$1,216,559,892	$1,174,984,248	$-10,802,523	$-41,575,644

*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.

This Page Intentionally Left Blank

A. GENERAL CITY PURPOSES

1. BUDGET APPROPRIATIONS AND EXPENDITURES

This Page Intentionally Left Blank

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: Increase training and employment opportunities for Milwaukee residents.

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.

Improve citywide information technology customer service.

Improve energy efficiency.

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.

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

BUDGET SUMMARY

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	94.50	99.17	104.80	104.10	4.93	-0.70
FTEs - Other	29.85	38.67	35.74	35.95	-2.72	0.21
Total Positions Authorized	150	146	147	154	8	7
Expenditures						
Salaries and Wages	$5,951,212	$6,320,086	$6,718,252	$6,582,931	$262,845	$-135,321
Fringe Benefits	2,436,628	3,033,641	3,023,213	2,962,319	-71,322	-60,894
Operating Expenditures	1,329,274	1,591,473	1,776,716	2,006,444	414,971	229,728
Equipment	29,790	125,300	63,100	31,800	-93,500	-31,300
Special Funds	1,569,177	1,752,068	2,179,174	2,130,000	377,932	-49,174
Total	$11,316,081	$12,822,568	$13,760,455	$13,713,494	$890,926	$-46,961
Revenues						
Charges for Services	$164,720	$171,500	$80,500	$80,500	$-91,000	$0
Miscellaneous	346,738	561,000	342,200	342,200	-218,800	0
Total	$511,458	$732,500	$422,700	$422,700	$-309,800	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

Goals

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

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

Objectives

1. Increase training and employment opportunities for Milwaukee residents.
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. Improve citywide information technology customer service.
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	2015 Actual	2016 Projected	2017 Planned
Combined percentage increase from prior year of changes to the property tax levy and municipal service charges on the average valued residential property.	1.9%	0.3%	2.5%
Percent of tax levy allocated to debt service and employer pension contribution.	45.9%	47.4%	47.9%
Combined number of jobs created and persons trained and placed in jobs through CDBG and HOME funded projects.	551	450	450
Number of firms receiving SBE certification.*	63	60	60
RPP hours worked as a percentage of total project hours.**	41%	40%	40%
Average speed time for response at Unified Contact Center {minutes: seconds}.	:33	:30	:30
Days needed to resolve IT service requests.	6.5	6	6
Number of homes receiving energy efficiency upgrades via Me2.	20	40	75
Number of manufacturing firms receiving Me3 grants.	6	5	5

* The number of certifications reported represents both new and renewal certifications. Only new certifications were reported in previous budgets.

** Refers to RPP participation on private development agreements, not city-let contracts as reported by the Department of Public Works Administrative Services Division.

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 added to expenditure pressure.

Over the last two years 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, has enabled the annual appropriation level for employee health care benefits to remain below the 2015 appropriation level for 2016 and 2017. This has been a major factor in 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 2017 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, 2016 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 to $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 approximately $20 million over five years.

Intergovernmental Relations Division (IRD): In 2017, Milwaukee will continue to face a challenging political environment. As a result, 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 provides strong representation at the local, state, and federal levels and supports the ability of local leaders to make decisions that address their constituents' needs.

IRD's lobbying efforts are defined through the city's state and federal legislative packages which contain hundreds of issue items. The items are chosen and prioritized by working closely with the Mayor and Common Council. The focus in 2017 includes furthering job creation and workforce development initiatives, securing funds for public works infrastructure including local streets and water service lines, advocating for policies that prevent juvenile violence and improve the justice system, improving educational outcomes for Milwaukee's youth, and advancing legislation to address residential property issues like foreclosures and problem landlords.

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. Over the past five years, Milwaukee has become a net contributor to the state's tax base. IRD will continue to advance the message that Milwaukee's health is a return worthy of more investment by the state and federal governments.

Purchasing Division: DOA's Purchasing Division is the city's centralized buying and supply management agency responsible for procuring approximately $85 million in goods and services annually and administering guidelines for the disposal of the city's surplus, obsolete, and confiscated goods. Purchasing staff manage the procurement process and negotiate costs savings for more than 700 requisitions received from city departments annually in a transparent, socially conscious, and ethical manner.

A core function of the Purchasing Division is to maximize cost savings. Mandating the use of recycled printer toner generated $250,000 in costs savings in 2015. In 2017, Purchasing will continue to administer its remanufactured toner initiative and anticipates costs savings of over $200,000.

The Purchasing Division relies on technology solutions to achieve greater efficiency in daily operations. The 2017 proposed budget includes funding to continue the use of BonFire, a web based solution that streamlines the Purchasing Division's request for proposal (RFP) process. The use of BonFire reduces the time needed to process and score proposals and make the RFP process more efficient. The RFPs included in the 2015 pilot experienced a 48% decrease in processing time and a 30% decrease in time spent evaluating proposals.

Office of Small Business Development: The Office of Small Business Development (OSBD) helps small businesses succeed by providing small business enterprise (SBE) certifications and access to resources such as the revolving loan program. In 2015, loans totaling more than $50,000 were issued to small businesses with another $122,000 available for 2016 and $90,000 available for 2017. In addition, OSBD hosts the annual Milwaukee Small Business Week which includes events such as the Small Business Sustainability Conference. The week of events provides opportunities for small business owners to make vital connections with other area businesses and organizations, and gain insight on achieving sustainable success.

OSBD works with the Department of City Development to track and report on the performance of the residents preference program (RPP) on private development agreements. Private development projects that obtain more than $1 million in combined city financial assistance are required to provide employment for residents. In 2015, RPP workers completed 296,000 hours of work, or 41% of the total work hours, on eight private development projects.

In 2016, the Common Council changed the city's RPP and SBE governing ordinances as a result of recommendations made by the Workforce Organizational Reform Committee (WORC). As a participant on the WORC, OSBD played a key role in developing those recommendations which included removal of the five year limit on RPP certification for residents that continue to meet the other eligibility criteria. Another key change is the requirement that 25% of RPP work hours be performed by residents from the most impoverished zip codes of the city. This allows the program to target residents that most need assistance in training and employment

opportunities. City departments that administer the RPP will provide a comprehensive annual report on overall program performance beginning in 2017.

In 2017, OSBD will continue to improve program administration and outcomes for both the SBE and RPP programs.

Leveraging City Assets: 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.

In 2016, the city secured its first deal through the MCPI. In an agreement with Verizon Wireless, the city will rent space on streetlight poles for the placement of small cell technology that will improve 3G, 4G, and Wi-Fi coverage in Verizon's wireless network. This deal will generate nearly $500,000 in revenue over the next five years with options to extend the agreement for four additional five year terms. This type of agreement could be negotiated with other telecommunications companies that provide cellular service in the area in the future.

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.

In 2013, the city established the Black Male Achievement Advisory Council (BMAAC) 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, the Milwaukee Fatherhood Initiative (MFI), and other racial equity and inclusion programs and goals including the Community Engagement and Achievement Collaborative (CEAC) and Equal Rights Commission (ERC).

Investments in the BMAAC, MBK, CEAC, MFI, and ERC 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".

Children's Savings Accounts: The Children's Savings Account (CSA) working group was formed in response to a Milwaukee Growing Prosperity Plan action item to investigate national children's savings account models that change aspirations of students of low income families. Members included representatives from government, education, financial institutions, philanthropy, and community based organizations. In 2016, the group completed a concept paper that detailed the findings of their research and outlined a proposed model for a CSA program in Milwaukee.

The Milwaukee CSA program will be launched in the 2017-2018 school year, starting with Milwaukee Public Schools (MPS) kindergarteners. The goal is to offer every Milwaukee child a CSA upon entry to kindergarten. Each child enrolled will receive a $25 seed deposit that families can contribute to and receive matches of comparable amounts. The intent of the program is to ensure that all children, especially the most vulnerable, have the opportunity to plan for a future that includes post-secondary education. Data provided in a 2016 Milwaukee Promise report on employment and income, shows that students from high income families are more likely to attend college than those from lower income families; however establishing a CSA program can help to reduce this disparity. Research cited in the Milwaukee Children's Savings Account program concept paper shows that with a small amount for college savings, $500 or less, low and moderate income students are three times more likely to enroll in college and four times more likely to graduate. In addition to seed deposits and matching incentives, the program will provide families with access to financial education tools.

The Milwaukee CSA program is a public private partnership involving city government, MPS, the Greater Milwaukee Foundation, United Way, and other community stakeholders. The 2017 proposed budget includes a new Children's Savings Accounts special purpose account funded at $50,000 to assist with the program's implementation and administrative costs. Seed deposits, matching and savings incentives will be provided by partnering organizations.

Environmental Collaboration Office: The Environmental Collaboration Office (ECO), formerly the Office of Environmental Sustainability, strives to make Milwaukee a world class eco-city. ECO develops practical solutions that improve people's lives and the economy while working to protect and restore the natural ecosystems that are integral to our long term prosperity. ECO collaborates with the community, develops global partnerships, and implements award winning programs, and the city's *Refresh Milwaukee* sustainability plan. *ReFresh Milwaukee* 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.

ECO also operates several core programs that meet the direct needs of Milwaukeeans. These include the *Milwaukee Shines* solar program, *Me3* sustainable manufacturing program, *Me2* home energy efficiency program, property assessed clean energy (PACE) financing program for commercial buildings, HOME GR/OWN vacant lot conversion program, and Milwaukee's participation in the Department of Energy's *Better Buildings Challenge.*

ECO chairs the Mayor's Energy Reduction Team, which is tasked with reducing energy usage from city facilities by 20% from a 2009 baseline as part of the national *Better Buildings Challenge*. Since 2009, this strategy has helped city facilities reduce energy usage by 11%. With support from a U.S. Department of Energy grant, ECO is expanding the *Better Buildings Challenge* to include a comprehensive energy efficiency program for commercial building owners.

The Milwaukee Energy Efficiency (Me2) program provides affordable loans to Milwaukee homeowners for energy efficiency insulation, windows, and heating and cooling systems. Since 2011, Me2 has improved over 1,300 homes with energy saving projects such as insulation and efficient furnaces and boilers. The property assessed clean energy (PACE) financing program has leveraged private capital to finance over $10 million in commercial energy efficiency projects since 2013. The U.S. Department of Energy has designated Milwaukee's PACE program as a "national implementation model".

A Community Workforce Agreement ensures that the jobs created through both Me2 and PACE benefit people who live in the city. All commercial and residential contractors are committed to hiring city residents and paying family supporting wages. Additionally, minority owned and operated Milwaukee firms have collectively completed hundreds of Me2 projects.

ECO 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. In 2016, the Me3 program supported the largest rooftop solar installation in the City of Milwaukee, a 372kw system at Jonco Industries. The 2017 proposed budget includes $35,000 of tax levy funding to continue this program.

The *Milwaukee Shines* solar program makes purchasing solar panels easy and affordable for homeowners by offering a "group buy" program, streamlining solar permitting, and offering financing. Through 2015, *Milwaukee Shines* has helped 92 homeowners install solar.

ECO contributes to the city's vacant lot beautification efforts through its HOME GR/OWN program. 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, HOME GR/OWN converted 21 vacant lots into green infrastructure, pocket parks, orchards, and community gardens. The program won an international design award for its designs and collaboration with the community. HOME GR/OWN has focused on engaging community residents in the creation and maintenance of pocket parks. In 2015 and 2016, HOME GR/OWN partnered with neighborhood non-profits including Walnut Way Conservation Corp, Groundworks Milwaukee, and the Riverworks Development Corporation to give community residents job opportunities in building and beautifying their neighborhood. In 2016 and 2017, HOME GR/OWN is concentrating its vacant lot beautification efforts on commercial corridors.

ECO is also developing a *Water Centric City* initiative, exploring "smart cities" technologies that link technical innovation with environmental sustainability, sponsoring events to educate and engage the public on sustainability, and engaging in global partnerships that showcase Milwaukee's leadership on sustainability.

The city continues to reap the benefits of the ECO's intervention in the 2014 WE Energies rate case. As a result, WE Energies created a new rate tariff that saves the city $800,000 annually on electricity costs for streetlights.

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 assists lower income families, removes blight, increases access to job training and placement services. In 2015, the combined number of jobs created and persons trained and placed in jobs through Community Development Block Grant (CDBG) and HOME funded projects was 551 with another 450 planned for 2016 and 2017.

Improving the Effectiveness and Efficiency of Information Technology: DOA's Information Technology Management Division (ITMD) provides service to departments such as desktop support, password recovery, major deployments of citywide and departmental IT systems, and server maintenance. These functions were previously housed within individual departments. In 2016, the consolidation of IT services, staffing, and the majority of purchasing for all cabinet level departments with the exception of the Police and Fire departments, which purchase and maintain their own IT assets, was completed. The 2017 proposed budget moves $198,000 in IT funding from the Department of Neighborhoods Services (DNS) to ITMD for a net savings of over $40,000. IT staff from DNS transferred to ITMD in 2016.

Restructuring efforts support a more centralized approach to enterprise system implementation and maintenance and 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.

In 2016, ITMD worked with the Department of Neighborhood Services, Department of City Development, Department of Public Works, Health Department, and the City Clerk's Office to implement a new Land

Management System (LMS). Once fully implemented, the LMS will allow the decommissioning of several older applications with one unified system supported by ITMD. Implementation will be completed in 2017. In 2016, other projects included the upgrading of the Human Resources Management System (HRMS) and planning for the implementation of the City Treasurer's new tax collection system in 2017.

The 2017 proposed capital budget provides $2.9 million for ITMD projects. Funding will upgrade the PeopleSoft Financial System (FMIS), update the city's corporate database hardware and software, and replace outdated core city network equipment. Other projects include an Open Data Dashboard and Analytics tool and the first phase in a series of projects to modernize the operations of the City Assessor's Office.

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, management initiatives and operational changes including multi-channel offerings have improved UCC's overall effectiveness. Multi-channel offerings allow citizens to choose the option that best accommodates their needs while enabling staff to better prioritize more urgent requests which are more likely to be received via calls to 286-CITY. During the first half of 2016, service and information requests from the Click for Action and other web channels accounted for nearly 40% of the total interactions, an increase of 5% compared to the first half of 2014. During that same time period, the percentage of abandoned calls decreased from 7% to 4.6%. Other recent operational changes include an upgrade to the UCC's Lagan system, funded in the 2016 capital budget. The upgrade will support integration with the phone system to improve data accuracy and reduce duplication of records.

The UCC handles more than 90% of parking information, permission, and complaint calls. The UCC has made progress with other departmental calls, including the creation of "virtual" call coordination with the city hall operator 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. The UCC also provides critical assistance to the Election Commission during local and national elections by receiving overflow calls and ensuring that voters are accurately informed and routed appropriately for further assistance.

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 workforce data across development agreements with RPP requirements. In 2016, other city departments began using the software after the Common Council required that all contracts with RPP requirements be tracked through the LCPTracker system to standardize data collection, tracking, and reporting. The 2017 proposed budget includes $33,000 for continued citywide use of the LCPTracker.

Improving Accessibility: The city is committed to providing services and operating facilities that are accessible to all citizens and continues efforts to ensure compliance with the Americans with Disabilities Act (ADA). The 2017 proposed budget includes $310,000 in an ADA compliance special fund to procure an independent licensed architect (ILA) and provide training for employees that regularly come into contact with disabled individuals as part of their job duties. The ILA will impartially survey city facilities and confirm with the U.S. Department of Justice that any identified ADA violations have been remediated. The department's ADA Coordinator is responsible for planning and managing compliance projects and completing Department of Justice mandated reporting.

Emergency Communications: As the largest city in the state with the highest volume of emergency calls, Milwaukee has invested substantial financial resources to maintain its emergency communications and radio systems. As these systems become more complex, it is necessary to consider matters such as budgeting, planning,

and oversight from a citywide perspective. The department's Emergency Communications Policy Director in collaboration with a newly formed governance committee will determine an optimal organizational structure for radio and emergency communications and manage policy and budget decisions. The Director also serves as the city's primary contact and represents the city at intergovernmental committees as these responsibilities relate to emergency communications.

Land Management System: The 2017 proposed budget includes the first year of annual maintenance costs for the new Land Management System (LMS). LMS will be used by multiple city departments and replace several older systems previously used by single departments. Annual maintenance costs for 2017 are funded in ITMD at $366,000.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
	-0.20	0.20	ADA Coordinator	20% of salary charged to capital projects.
	-1.00		Administrative Services Specialist	Position unfunded.
1	1.00		Administrative Specialist Senior	Position updated.
	0.20		Graduate Intern	Assistance for ECO sustainability projects.
-1	-1.00		Legislative Fiscal Manager Senior	Positions reclassified in IRD.
-1	-1.00		Legislative Fiscal Manager	
2	2.00		Intergovernmental Policy Manager	
-1			Systems Analyst/Project Leader	Positions reclassified in ITMD.
1	1.00		Project Coordinator	
7			Equal Rights Commission	Moved from Department of Employee Relations.
	0.90	-0.90	Various Positions	Previously grant funded positions in ECO.
	2.53	-2.02	Various Positions	Miscellaneous adjustments in ITMD.
	0.50		Various Positions	Correction from 2016 budget for purchasing positions.
8	**4.93**	**-2.72**	**Totals**	

ASSESSOR'S OFFICE

EXECUTIVE SUMMARY

MISSION: Establish 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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	47.98	47.80	49.00	49.00	1.20	0.00
FTEs - Other	0.00	1.20	0.00	0.00	-1.20	0.00
Total Positions Authorized	57	57	57	57	0	0
Expenditures						
Salaries and Wages	$2,893,997	$2,940,188	$2,963,755	$2,948,557	$8,369	$-15,198
Fringe Benefits	1,201,704	1,411,290	1,333,690	1,326,851	-84,439	-6,839
Operating Expenditures	411,363	383,000	403,000	403,000	20,000	0
Equipment	15,100	0	0	0	0	0
Special Funds	40,000	106,000	106,000	90,000	-16,000	-16,000
Total	$4,562,164	$4,840,478	$4,806,445	$4,768,408	$-72,070	$-38,037
Revenues						
Charges for Services	$842,786	$913,200	$805,500	$850,500	$-62,700	$45,000
Total	$842,786	$913,200	$805,500	$850,500	$-62,700	$45,000

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. This includes estimating the market value of all locally assessable property, producing an annual assessment roll, and listing all taxable property as of January 1st of each year. The city seeks to deliver services in a

manner that achieves customer satisfaction and distributes the cost of service as equitably as possible. Accurate assessments ensure that all areas of the city and classes of property pay an equitable share of taxes based on their value.

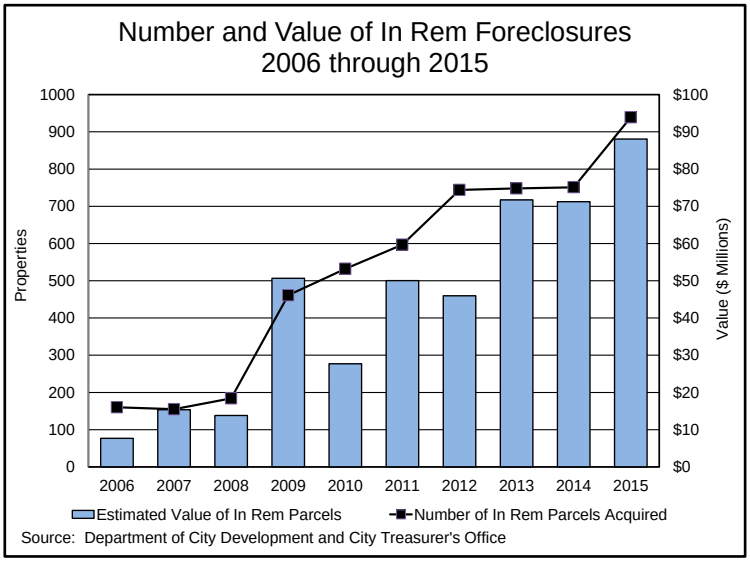
Using technology has dramatically increased the availability of property information via the internet, helping both potential buyers and sellers of property and has significantly reduced the number of telephone inquiries. Recent technology improvements have focused on providing public information and assistance. These efforts will continue in 2017 as the Assessor's Office is set to complete 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. Additional components to the new system will help to streamline the process and provide more detailed information both to city employees and the public.

Key Performance Measures

Measure	2015 Actual	2016 Projected	2017 Planned
Objections to assessments as a percentage of taxable parcels.	1.24%	1.21%	1.5%
Appeals to the Board of Review as a percentage of taxable parcels.	0.66%	0.35%	0.35%
Assessment ratio (assessed value:sale price) for properties sold during the year.	95%	98%	98%

STRATEGY IMPLEMENTATION

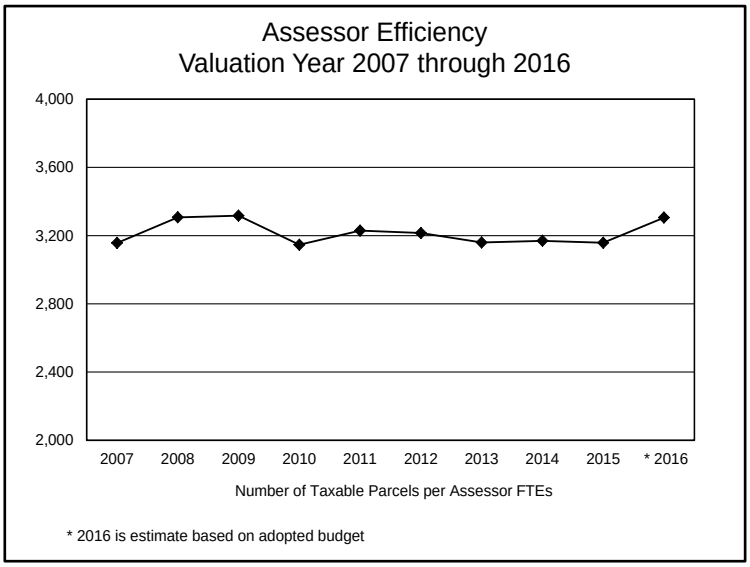
Figure 1



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 2015. Since 2008, a historic increase in foreclosures has presented serious challenges to accurate and equitable assessments. 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. Increases in foreclosures and non-arms-length transactions complicate the housing market and the assessment process. 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. These additional efforts help to ensure valuations are not affected by the disparity in sales prices between foreclosures and traditional arms-length sales. The assessment ratio of 96.6% in 2015 reflects continued assessment accuracy in a complicated housing market.

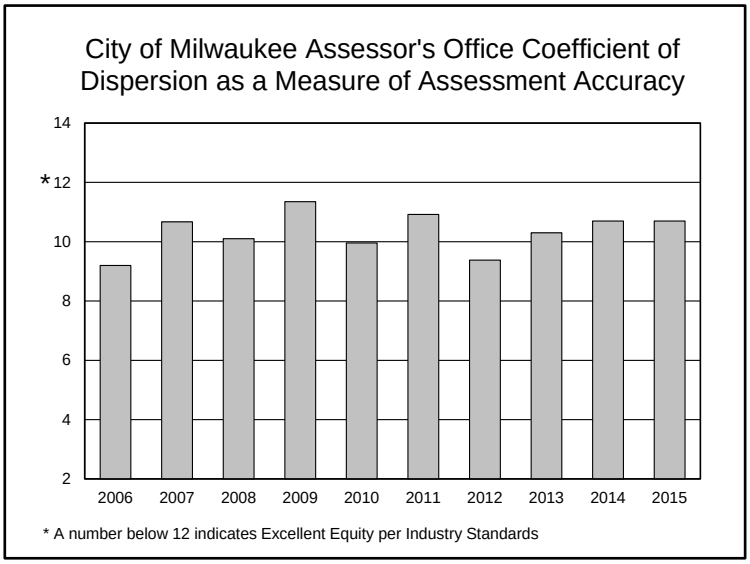
The department used technology, strong recordkeeping, and other efficiency improvements to increase productivity by 7% between the 2007 and 2016 assessment years (see Figure 2). The Assessor's Office also increased parcels per FTE by 6% during the same period, without a demonstrable decrease in accuracy or increase in contested assessments.

Figure 2



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 2015 valuation year, the Assessor's Office coefficient of dispersion was 10.7 for the residential and condominium property class.

Figure 3



The PRD measures whether assessments favor one class of homeowners over another. If the PRD is greater than 1, the assessment is regressive (advantageous to those with higher property values); if it is less than 1, the assessment is progressive (advantageous to those with lower property values). The Assessor's Office had a PRD of 1.04 for the 2015 assessment cycle, indicating a high degree of accuracy and fairness in valuing property.

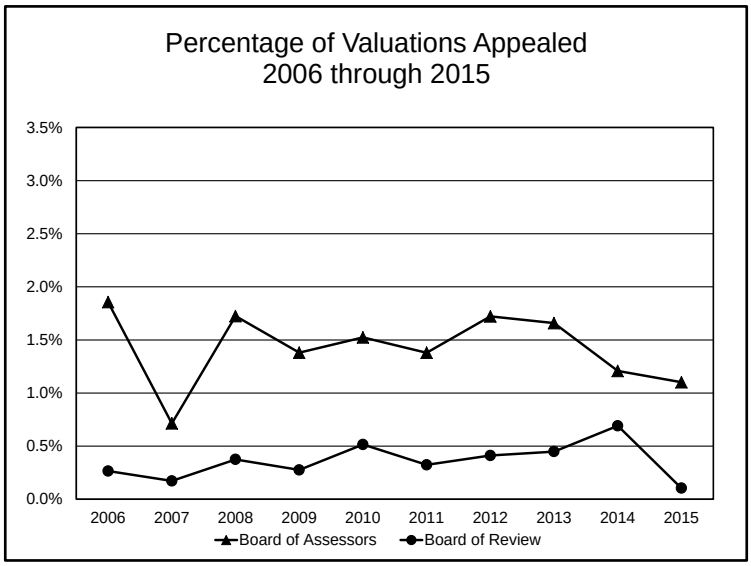
The Board of Assessors and the Board of Review hear assessment appeals, allowing property owners to voice concerns or contest an assessment. The Assessor's Office continues efforts to improve assessment accuracy, provide public information, and educate the public. Increased access to assessment and sales 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 department's valuations have substantially stood in the cases decided to date, litigation requires considerable resources and labor hours. In 2015, nearly 17% of the department's operating budget was spent on objections, appeals, and s. 74.37 cases.

The City of Milwaukee had 9,846 tax exempt properties in 2015 with an estimated exempted value of nearly $5.5 billion. To protect the city's tax base, the department 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 will decrease 1.5% from the 2016 adopted budget. The Assessor's Office had previously experienced high turnover with the Property Appraiser position. In an effort to attract and retain individuals with the skills needed to maintain the standards of accuracy and efficiency, staff worked with the Department of Employee Relations to develop and implement a career ladder for Property Appraisers. The career ladder addresses pay progression by providing salary increases for Property Appraisers who meet pre-determined standards. The standards include earning or maintaining certifications required to take on additional responsibilities. This has allowed the Assessor's Office to make salary offers above the minimum of the pay range to qualified candidates. The career ladder will continue to be an important recruitment and retention tool as more Property Appraisers become eligible for retirement.

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 2017, the Assessor's Office will complete a three year project to upgrade to a Computer Assisted Mass Appraisal (CAMA) system. The CAMA is a capital improvement project and 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
	1.20	-1.20	Various Positions	Eliminate capital deduction for salaries.
0	**1.20**	**-1.20**	**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.

Number of assessment appeals defended successfully.

Reduce nuisances that detract from neighborhood quality of life.

Number of successful prosecution of nuisance properties.

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 and coordinated among the different departments.

Maintain exceptional standards of integrity and legal expertise through continuing education, competitive recruitment and professional opportunities.

Continue to implement neighborhood revitalization legal services including housing and foreclosure crisis response, nuisance abatement, community prosecution, and strategic code enforcement.

BUDGET SUMMARY

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	54.07	59.00	60.25	60.00	1.00	-0.25
FTEs - Other	1.21	2.00	2.00	2.00	0.00	0.00
Total Positions Authorized	64	65	65	65	0	0
Expenditures						
Salaries and Wages	$4,900,422	$4,996,810	$4,928,545	$4,917,245	$-79,565	$-11,300
Fringe Benefits	1,966,405	2,398,469	2,217,845	2,212,760	-185,709	-5,085
Operating Expenditures	572,019	405,300	410,500	405,500	200	-5,000
Equipment	47,849	87,000	87,500	82,000	-5,000	-5,500
Special Funds	0	60,000	0	0	-60,000	0
Total	$7,486,695	$7,947,579	$7,644,390	$7,617,505	$-330,074	$-26,885
Revenues						
Charges for Services	$1,252,359	$878,100	$793,700	$818,700	$-59,400	$25,000
Total	$1,252,359	$878,100	$793,700	$818,700	$-59,400	$25,000

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. Support the city's interests and policy initiatives.
3. Develop and sustain legal strategies to promote respect for individual civil liberties and the rule of law.
4. Sustain 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 departments, boards, commissions, and other city governmental agencies including the Housing Authority, Redevelopment Authority, and Milwaukee Public Schools. 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.

Key Performance Measures

Measure	2015 Actual	2016 Projected	2017 Planned
Number of assessment appeals successfully defended.	Opened - 22 Dismissed - 15 Pending - 7	Opened - 21 Dismissed - 0 Pending - 21	Opened - TBD Dismissed - TBD Pending - TBD
Number of successful prosecutions of nuisance properties.	Opened - 6 Dismissed - 1 Pending - 5	Opened - 3 Dismissed - 1 Pending - 2	Opened – TBD Dismissed - TBD Pending - TBD

STRATEGY IMPLEMENTATION

The City Attorney's Office improves the quality of life in neighborhoods by prosecuting ordinance violations and abating public nuisance conditions. The Neighborhood Revitalization Section of the City Attorney's Office collaborates with other city departments and governmental agencies, community based organizations, and residents to address housing and foreclosure related problems, abate nuisance properties, and prosecute problem licensed premises. The Neighborhood Revitalization Section also provides staff to support the Strong Neighborhoods Plan and housing related initiatives of the Mayor, Common Council, and city agencies. This includes interceding and advocating for better practices in Milwaukee County Courts on stalled mortgage foreclosure cases involving properties in the city.

The Real Estate and Development Section and the Legal Services Section of the City Attorney's Office provide legal services that manage the city's risk and liabilities. The Real Estate and Development Section works with other city departments and elected officials to facilitate sales of city owned property for development, tax incremental and other financing necessary to facilitate development, implementation of workforce development programs for city

funded development, and enforcement of tax foreclosure proceedings and to represent the city in bankruptcy cases where the city is a creditor. The Legal Services Section provides general legal services to city departments including drafting of contracts, navigating the city's purchasing requirements, addressing zoning and other land use issues, advising departments and city officials on the public records and open meetings laws, and defending tax assessment cases.

In the past year, the City Attorney's Office successfully defended the following assessment challenges: Ballering, Metropolitan South, Clear Channel, and Marathon Petroleum. The combined amounts involved exceed $10 million. Appeals have been filed by the taxpayers in the latter three cases, which will likely not be decided until 2017. Several new suits were filed recently and the City Attorney's Office plans to aggressively defend them.

Figure 1

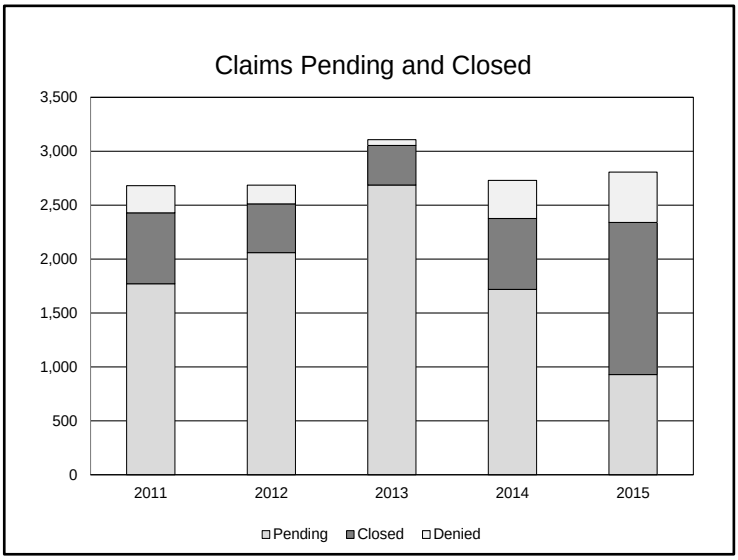
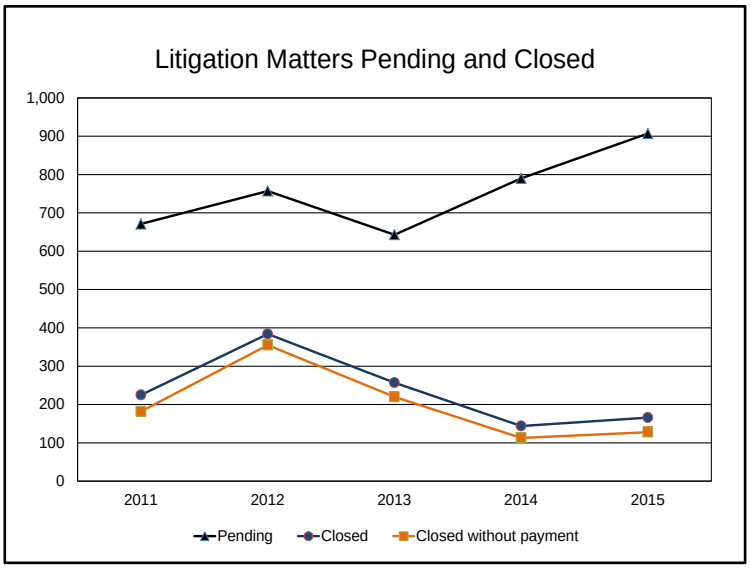


Figure 2



The Litigation/Labor/Employment Section of the City Attorney's Office handles litigation and employment matters for the city. Figure 1 shows the trend in claims activity between 2011-2015. Figure 2 shows the trend in litigation activity between 2011-2015. Based on negotiations in 2015, the city approved and administered a group settlement agreement which terminated a large number of police stop, search, and arrest cases in 2016. The settlement provided a total of $5 million for 74 plaintiffs and claimants, and ended litigation in 14 lawsuits pending in federal court. The settlement provided approximately $2.3 million in attorney fees and costs and $2.7 million in compensation to the plaintiffs. Due to the group approach utilized in this particular settlement, the agreement required the plaintiffs to pay or seek compromise of almost $900,000 in child support, restitution, and other documented debts. The settlement also permitted the city to avoid the continuing defense costs involved in these cases, including the cost of outside counsel due to the unusual number of cases pending simultaneously.

The city continues to experience an increase in police liability exposure, including two significant matters commenced in 2016, the Estate of Dontre Hamilton v. Christopher Manney, regarding the police shooting death of Dontre Hamilton in Red Arrow Park on April 30, 2014, and the Estate of Derek Williams v. City of Milwaukee, regarding the death in custody of Derek Williams subsequent to his arrest on July 6, 2011.

RESIZE, RESTRUCTURE, AND REINVEST

Staff Restructuring: The 2017 proposed budget continues the merit pay plan for Assistant City Attorneys. Salary adjustments for merit shall not exceed 4% of an eligible employee's salary. The merit pay plan was implemented in 2015 and replaced the annual merit pay plan incorporated in prior bargaining agreements. Merit adjustments are contingent upon the availability of funds.

In 2017, the City Attorney intends to use the DER Auxiliary Resource Program to hire a part time Graduate Intern through the State Bar of Wisconsin Diversity Clerkship program. This program provides first year Wisconsin law school students with diverse backgrounds a full time summer clerkship experience with public sector legal organizations

Innovation and Collaboration: The City Attorney's Office is working collaboratively with the City Clerk's Office to automate and improve the claims review process through the use of GovQA. GovQA is a customer service system and work management tool currently used by the City Clerk's Office.

Technology: The City Attorney's Office completed a major update of their hardware and software in 2016. In addition, desktop PCs were replaced, representing the completion of a two year replacement plan. The 2017 proposed budget provides $10,000 for replacement of antiquated printers for ancillary equipment. Technology funding is reduced by $25,000 to reflect terminating a contract for consulting services, as these duties will be assigned to the IT Support Specialist Senior.

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 2017 proposed budget provides $1,225,000 for the damages and claims fund for anticipated liability exposure and $1,125,000 for the collection contract account. The insurance fund, which provides policy premiums for the local government insurance fund, is funded at $655,000, an increase of $55,000 from 2016. Major premium increases in the state sponsored Local Government Property Insurance Fund (LGPIF) program at the end of 2015 led the City Attorney's Office to explore alternative coverage in the private market. The outside counsel/expert witness special purpose account is used to prepare for upcoming lawsuits and is funded at $850,000, the same amount as in 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
	1.00		Various Positions	Experience adjustment.
0	**1.00**	**0.00**	**Totals**	

DEPARTMENT OF CITY DEVELOPMENT

EXECUTIVE SUMMARY

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

OBJECTIVES:

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

Increase total employment and develop quality employment in the city.

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

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

Increase commerce and neighborhood vitality in 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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	48.17	46.40	51.40	51.72	5.32	0.32
FTEs - Other	51.10	56.10	41.60	41.28	-14.82	-0.32
Total Positions Authorized	135	133	121	121	-12	0
Expenditures						
Salaries and Wages	$2,351,292	$2,888,203	$3,201,058	$3,213,105	$324,902	$12,047
Fringe Benefits	1,075,701	1,386,337	1,440,476	1,445,897	59,560	5,421
Operating Expenditures	162,582	256,950	256,950	148,950	-108,000	-108,000
Equipment	0	0	0	0	0	0
Special Funds	145,156	250,000	210,000	210,000	-40,000	0
Total	$3,734,731	$4,781,490	$5,108,484	$5,017,952	$236,462	$-90,532
Revenues						
Taxes & PILOTS	$729,615	$690,000	$700,000	$700,000	$10,000	$0
Charges for Services	8,983	8,000	9,500	9,500	1,500	0
Licenses and Permits	66,200	50,000	60,000	60,000	10,000	0
Miscellaneous	15,626	50,000	10,000	10,000	-40,000	0
Total	$820,424	$798,000	$779,500	$779,500	$-18,500	$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	2015 Actual	2016 Projected	2017 Planned
Net new construction (% of equalized value).	1.12%	1.11%	1.72%
Sales, transfers, and dispositions of tax foreclosed property.	530	400	400
Percentage increase in value of property for closing tax increment districts.	418%	745%	481%
Projected number of strong homes loans disbursed.	90	110	120

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.

Support to potential businesses and developers has led to many development projects throughout Milwaukee, including more than 16,000 citywide housing units since 2004.

Mayor Barrett's Strong Neighborhoods Plan: In 2014, the City of Milwaukee began a major citywide effort to reduce the number and mitigate the impacts of tax foreclosed properties. The 2017 proposed budget includes funding to continue Mayor Barrett's Strong Neighborhoods Plan 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.

As part of the Strong Neighborhoods Plan, DCD administers programs that focus primarily on revitalization and renewal efforts, including the sale of city owned properties to responsible private owner occupants and investors. In 2015, DCD sold 530 improved properties and 246 vacant lots. Of the improved properties sold, nearly 60% were purchased for owner occupancy.

Lease-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. The program provides both financial and technical assistance.

Strong Homes Loan Program: The strong homes loan program includes funding to assist homeowners who face one or more of the following challenges:

- Have a mortgage balance that exceeds the value of the home.
- Unable to access conventional financing needed to make repairs.
- Live on a monthly fixed income.

The strong homes loan program will continue in 2017 as a citywide program. The program will also complement existing targeted housing rehabilitation programs as part of concentrated neighborhood and housing efforts.

Challenge Fund: The challenge fund provides incentives for developers, non-profits, and other organizations to buy and renovate city owned properties in a targeted area. DCD collaborates with neighborhood organizations that assist in pairing development and organizing activities to maximize impact. In 2016, two partnerships were implemented, a collaboration between the Housing Authority of the City of Milwaukee and the Harambee Neighborhood Association to renovate properties in the Harambee area, and a venture between Northwest Side Community Development Corporation with the Century City Neighborhood Association to renovate properties near the 30th Street Industrial Corridor.

Real Estate Broker Partnership: Selling city owned properties to responsible owners and investors is a priority. In 2015, staff sold 530 *in rem* properties, of which 59% are owner occupied. DCD works with local real estate brokers specializing in foreclosed properties to help market the properties. In 2015, broker sales accounted for over 25% of *in rem* property sales. This successful partnership continues in 2017.

Accelerated In Rem Filings: In 2016, efforts to maintain the city's tax base 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 works 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.

Art & Resource Buildings Program: The Art & Resource Buildings program is a pilot loan program that encourages the purchase of *in rem* properties to be used as artistic studios, live and work spaces, or community resource centers. The intent of the program is to place community resources in neighborhoods and areas where services do not currently exist. DCD is working with Common Council members to identify potential community partners who would qualify for the program.

Vacant Lot Loan Program: This program offers the opportunity for residents to purchase *in rem* vacant lots to build owner occupied single family homes. Residents who purchase the lots for $1 will be eligible for a $10,000 forgivable loan to assist with construction costs. Purchasers must live in the home for seven years. Sale efforts will focus on central city development areas such as Walnut Circle. However, any city owned vacant lot is eligible.

The 2017 proposed capital budget includes more than $7.4 million for the strong neighborhoods plan. Collaborative efforts in multiple city departments have reduced demolition backlogs and placed foreclosed properties back in the hands of responsible owners. 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. 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. From February 2015 when Kiva Zip Milwaukee launched through July 2016, 80 loans totaling $450,000 have been made to support small businesses.

Commercial Revitalization and Business Investment: The commercial corridor staff serves 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 2015:

- Jobs created: 1,787
- Jobs retained: 1,180
- New housing constructed: 1,264 units

DCD will continue to 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. The development projects that DCD works to attract to these commercial areas stimulate the local economy and attract jobs. In 2015, Century City I, the first of two 53,000 square foot manufacturing buildings, was completed on West Capitol Drive. DCD estimates that approximately 100 jobs could result from this project. Development at the Reed Street Yards is also underway with plans that include a new building for Zurn Industries LLC's headquarters and an office building for businesses that offer water related products and services.

Earn & Learn Program: DCD works with Employ Milwaukee (formerly known as Milwaukee Area Workforce Investment Board) to administer the Earn & Learn program. The program 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 2015, DCD and Employ Milwaukee placed 3,016 youth in city, private sector, and non-profit internships.

RESIZE, RESTRUCTURE, AND REINVEST

Elimination of Neighborhood Stabilization Program (NSP) funding in 2017 required DCD to reevaluate staffing needs. Positions previously funded with NSP dollars would create a significant increase in the operating budget. One vacant position was eliminated and funding for several others was reallocated. A reduction was made to the Land Management special purpose account to reduce the levy impact of the loss of NSP funding.

DCD will continue to administer residential and commercial property programs as part of citywide efforts to reduce the impact of foreclosures. Staff are reviewing changes to how real estate programs are administered to increase opportunities for owner occupants to purchase tax foreclosed properties, and ensure that investor owners complete required repairs on properties to create safe housing for potential tenants.

In 2017, DCD's strategy will include employing current programs and efforts in a limited geographic area to achieve measurable positive change. A number of factors will be considered in identifying potential areas for this concentrated effort. DCD will be working with other city departments to coordinate resources that contribute to healthier neighborhoods.

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 $350,000 in 2017, 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.

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.

Business Improvement District Fund ($150,000): This is a flexible source of financing for larger-scale development activity in neighborhood commercial districts.

Tax Increment Districts: The 2017 budget provides the following TID borrowing authority:

- **New Borrowing for Potential New TIDs ($40 million):** Provides authority for potential new TIDs. TIDs must be approved through the Joint Review Board, Mayor, and Common Council.

- **Developer Revenues ($3.5 million):** Provides authority to pay the increment on current developer financed TIDs. There are offsetting revenues for these payments.
- **Capitalized Interest ($4 million):** Provides 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. It makes necessary improvements to housing that currently is not habitable but worthy of rehabilitation and either historically or architecturally significant. This prevents further deterioration of properties with potential for resale and renovation and reduces negative impacts of such properties on neighborhoods.

***In Rem* Property Maintenance ($1,550,000):** 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 2017 proposed budget includes funds to rehabilitate properties in the city's rent-to-own program, renovation funds that will be lent to buyers of city owned properties, and innovative rehab purchase programs with community partners. Funding for the *in rem* property maintenance program includes $350,000 in TID increments for housing.

Rental Housing Rehabilitation Program: Funding was provided in the 2015 budget to support a new rental housing rehabilitation program. This program supports efforts to address foreclosure by providing affordable rental units from the city's property inventory. DCD has contracted with Friends of Housing for renovation and management services, and Quorum Architects for scope writing and construction supervision.

Commercial *In Rem* Program ($250,000): Since 2010, the City of Milwaukee has acquired more than 250 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 ($1,100,000): Formerly known as the façade program, this program helps keep neighborhood commercial corridors viable. Funding supports façade improvement and white box grants to businesses throughout the city. City funding leverages investment from property and business owners.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	1.00		Business and Development Liaison	New position added.
-1		-1.00	Administrative Assistant	Vacant position eliminated.
	-1.00	1.00	Real Estate Coordinator	Changes in funding allocation.
	3.65	-3.65	Various Positions	NSP funding eliminated.
	1.67	0.83	Various Positions	Changes in grant and reimbursable funding.
-12		-12.00	Various Positions (HACM)	Positions eliminated.
-12	**5.32**	**-14.82**	**Totals**	

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

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

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

HACM activities include:

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

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE

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

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

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

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

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

MILWAUKEE ECONOMIC DEVELOPMENT CORPORATION

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

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

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

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

NEIGHBORHOOD IMPROVEMENT DEVELOPMENT CORPORATION

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

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

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

COMMON COUNCIL CITY CLERK

EXECUTIVE SUMMARY

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

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

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

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

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

BUDGET SUMMARY

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	87.26	101.50	101.50	102.40	0.90	0.90
FTEs - Other	0.70	3.50	1.50	1.60	-1.90	0.10
Total Positions Authorized	115	128	125	124	-4	-1
Expenditures						
Salaries and Wages	$5,263,528	$5,645,149	$5,692,322	$5,679,788	$34,639	$-12,534
Fringe Benefits	2,116,609	2,709,672	2,561,545	2,555,905	-153,767	-5,640
Operating Expenditures	855,211	865,725	991,800	978,700	112,975	-13,100
Equipment	25,644	40,100	45,500	45,500	5,400	0
Special Funds	18,354	57,035	57,035	52,035	-5,000	-5,000
Total	$8,279,346	$9,317,681	$9,348,202	$9,311,928	$-5,753	$-36,274
Revenues						
Charges for Services	$5,178,038	$5,050,700	$5,225,400	$5,225,400	$174,700	$0
Licenses and Permits	5,365,071	5,348,700	4,952,500	4,952,500	-396,200	0
Total	$10,543,109	$10,399,400	$10,177,900	$10,177,900	$-221,500	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

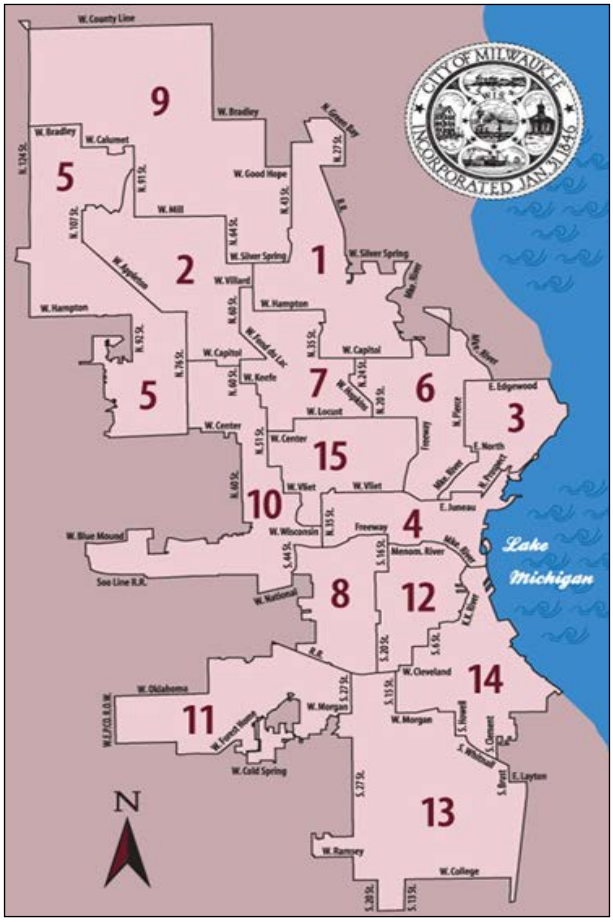
The mission of city government is to enhance the safety, prosperity, and quality of life of Milwaukee's citizens. Departments support this mission through the legislation and regulations enacted by the Common Council and using the resources the Council provides through the annual budget.

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 City Clerk's Office supports the council and other general operations of city government through five areas:

- Central Administration Division
- Public Information Division
- Legislative Reference Bureau
- License Division
- City Records Center

Map 1 City of Milwaukee Aldermanic Districts



Central Administration staff provides administrative support functions for the department, staffs council and committee meetings, and assists Council members in their work with constituents. The Public Information Division produces public relations materials and operates the city's cable television channel, City Channel 25. 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. The City Records Center, formerly Document Services, consists of the city's mailroom and records center, which provide departments with records services, information management, mail services, and ensures legal compliance with local, state, and federal record laws, as well as United States Postal Service mail standards and regulations.

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 2017 proposed operating budget totals $9.3 million. A reduction in the fringe benefit rate for the 2017 budget offsets increases in salaries, operating, and equipment costs for a small decrease from the 2016 budget. Changes from the 2016 budget include increases in operating costs and salaries for the City Records Center due to changes in billing practices for internal service delivery, increased costs related to aldermanic communications due to the lifting of restrictions put in place for the 2016 elections, and reductions in software matinenance costs. Equipment funding in the 2017 proposed budget will replace an outdated editing computer and the van used to transport City Channel equipment and staff.

City Channel Digital Conversion: The 2016 capital funding was used to complete 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. Upgrading to digital equipment from the previous analog system will help to ensure compatibility with the systems used by the entities that carry the city's programming and avoid difficulties with replacing costly, outdated analog equipment.

Legislative Reference Bureau Remodeling: The 2017 proposed capital budget includes $438,000 to provide necessary improvements to the Legislative Reference Bureau's office space. The project will include upgrades to lighting, HVAC, carpeting, ceiling tiles, and employee workstations.

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. In 2016, the License Division began implementing the LBAT's recommendations, including simplifying and automating processes, addressing language barriers, and public education. The Red Tape Rescue program was created to continue efforts to improve processes and opportunities for businesses to thrive in Milwaukee. The goals of the Red Tape Rescue program are efficiency, effectiveness, and long term sustained improvements. The License Division has also changed its staffing structure to better suit its operations and improve service delivery, including the addition of bi-lingual staff. Staffing changes include the reclassifications of the additional License Coordinator added in the 2016 budget to a Business Systems Specialist and one License Specialist II to a Customer Service Representative II.

Position Reclassifications: A new Community Economic Development Director position was created in the 2016 budget to monitor the city's resident preference program (RPP), recruit residents for employment in projects with RPP employment goals, and assist residents in obtaining training in various in-demand construction trades. The position was retitled in 2016 to Workforce Development Coordinator with no anticipated change in duties. The 2017 proposed budget reflects the new title. The 2017 proposed budget also includes the reclassification of one Administrative Specialist to a Community Outreach Liaison. This position will serve as a liaison to other city departments, elected officials, community groups, and coordinate community outreach activities and programs such as Bronzeville Week, Girls' Day at city hall, MKE Peace Project and *MKE Plays.*

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 Specialist	Positions reclassified.
1	1.00		Administrative Assistant II	
-1	-1.00		Office Assistant IV	
1	1.00		Community Outreach Liaison	
-1		-1.00	Community Economic Development Director	
1	1.00		Workforce Development Coordinator	
-1	-1.00		License Specialist II	
1	1.00		Business Systems Specialist	
-1	-1.00		Legislative Coordinator Senior	
1	1.00		Intergovernmental Policy Manager	
-4	-1.00		Document Services Assistant	Position eliminated.
	0.90	-0.90	Various City Records Center Positons	Funding changes for mail services.
-4	**0.90**	**-1.90**	**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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	48.15	50.40	50.20	50.20	-0.20	0.00
FTEs - Other	5.59	7.60	7.80	7.80	0.20	0.00
Total Positions Authorized	65	65	65	65	0	0
Expenditures						
Salaries and Wages	$3,314,013	$3,269,595	$3,261,011	$3,261,011	$-8,584	$0
Fringe Benefits	1,332,718	1,569,406	1,467,455	1,467,455	-101,951	0
Operating Expenditures	304,703	341,000	341,000	315,989	-25,011	-25,011
Equipment	5,687	10,000	93,000	93,000	83,000	0
Special Funds	0	0	0	0	0	0
Total	$4,957,121	$5,190,001	$5,162,466	$5,137,455	$-52,546	$-25,011
Revenues						
Charges for Services	$698,565	$580,000	$625,000	$625,000	$45,000	$0
Total	$698,565	$580,000	$625,000	$625,000	$45,000	$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	2015 Actual	2016 Projected	2017 Planned
Percentage of actual revenues to revenue estimate.	100.8%	100% - 102%	100% - 102%
Internal audit work products.	13	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).	Aa3	Aa3	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 2015, general fund revenues exceeded the Comptroller's estimate by $3.7 million or 0.8%. This additional revenue contributes to the TSF balance for 2017 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.

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 keeps 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 Governmental Accounting Standards Board accounting requirements, changes in auditing standards, increased grant financial administration, increased demand for both financial analysis and internal audits, and the growing complexity of the bond market.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&MFTEs	Position Title	Reason
	-0.20	0.20	Various Positions	Miscellaneous adjustments.
0	**-0.20**	**0.20**	**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 2017.

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.

Provide trained and competent election workers at all voting sites.

Collaborate with community partners to promote the public's 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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	10.56	76.87	34.58	34.58	-42.29	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	823	2,473	820	820	-1,653	0
Expenditures						
Salaries and Wages	$708,844	$1,984,829	$945,001	$887,133	$-1,097,696	$-57,868
Fringe Benefits	216,019	214,665	203,778	200,703	-13,962	-3,075
Operating Expenditures	436,851	679,225	342,747	310,000	-369,225	-32,747
Equipment	500,000	0	0	0	0	0
Total	$1,861,714	$2,878,719	$1,491,526	$1,397,836	$-1,480,883	$-93,690

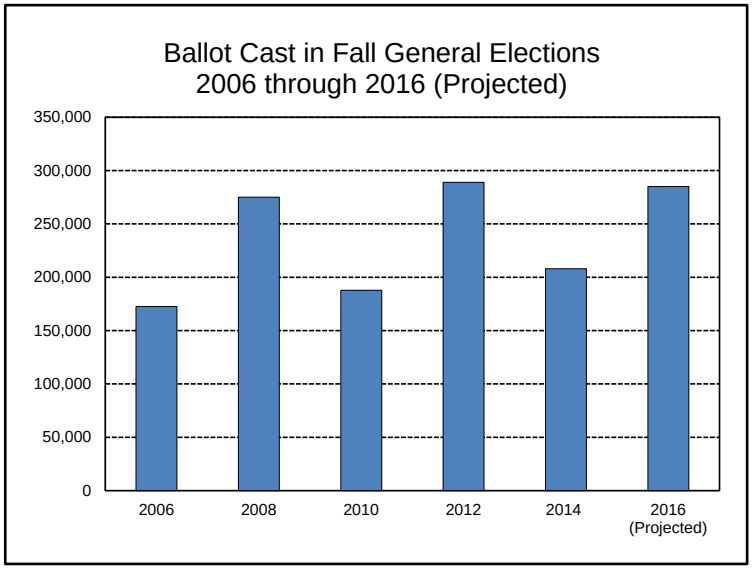
DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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 maintaining accurate 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 trained election workers, including bilingual election workers to ease language barriers at voting sites.
   - Effectively address voter's observations and concerns.
   - Maintain 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 335,000 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. This includes 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.

Figure 1



The following elections are scheduled in 2017:

- Spring Primary
- Spring Election
- Milwaukee School Board
- Districts 4, 5, 6 and 7
- Municipal Judge, Branch 1
- Circuit Court
- State Superintendent
- Supreme Court Justice

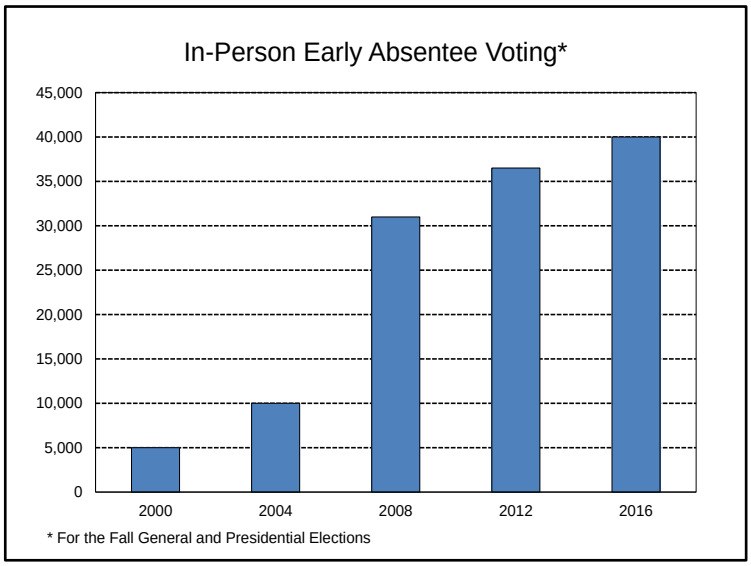
Key Performance Measures

Measure	2015 Actual	2016 Projected	2017 Planned
Enter 100% of voter registrations in a prompt and timely manner.	100%	100%	100%
Number of disenfranchised and provisional ballot voters.	10	<150	5
Mail all absentee ballot requests within 72 hours of receipt.	100%	100%	100%
Maintain an average wait time at voting sites of less than 15 minutes.	100%	80%	100%
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%	94%	100%

STRATEGY IMPLEMENTATION

The Election Commission recruits and retains a pool of poll workers to assist with elections. In 2016, the commission added one 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 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. Retooling efforts will continue throughout 2017.

Figure 2



The City of Milwaukee is subject to Section 203 Bilingual Election Worker and Materials requirements of the Voting Rights Act. These requirements have been met successfully since implementation in 2012. The commission is increasing recruitment and retention efforts for bilingual election workers.

Milwaukee uses neighborhood based voting to encourage accessible elections for city residents. The commission uses data gathered from voters and community members regarding the location and appropriateness of voting sites and facilitates adjustments where necessary.

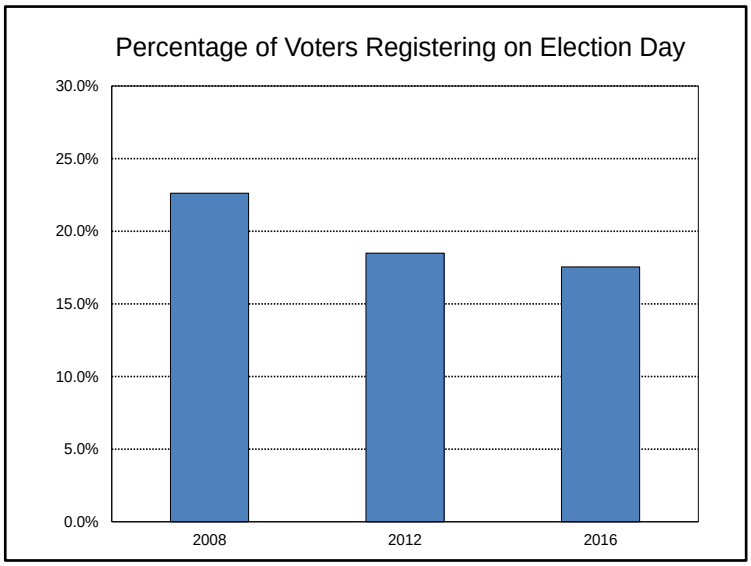
RESIZE, RESTRUCTURE, AND REINVEST

In recent years, numerous changes have been made to the Wisconsin State Statutes that govern election administration and continue to have an effect throughout the 2017 election cycle.

The most recent changes include the eliminating the Special Registration Deputy program in 2017. The elimination of this program will have a significant impact to voter registration efforts in large urban areas, like Milwaukee.

The Election Commission will work diligently with community groups to promote new online voter registration opportunities as well as other mechanisms that may emerge to assist members of the public with the voter registration process.

Figure 3



In 2017, the Wisconsin Elections Commission will implement a new voter registration data maintenance system through the Electronic Registration Information Center (ERIC). The Election Commission will monitor these systems to ensure the integrity of the city's voter registration data and to avoid the incorrect purging of any valid voter registration records.

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
-1,653	-42.29		Various Positions	Change in temporary staffing based on estimated 2017 election workload and compliance with State Statutes.
-1,653	**-42.29**	**0.00**	**Totals**	

DEPARTMENT OF EMPLOYEE RELATIONS

EXECUTIVE SUMMARY

MISSION: Recruit, develop, and retain a high performing and diverse workforce while delivering quality customer service.

OBJECTIVES: 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.

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

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 workplace injuries, increasing management's accountability for employee safety, and controlling costs.

BUDGET SUMMARY

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	50.76	50.43	45.57	40.57	-9.86	-5.00
FTEs - Other	5.29	5.60	5.56	5.56	-0.04	0.00
Total Positions Authorized	80	81	69	64	-17	-5
Expenditures						
Salaries and Wages	$2,888,275	$3,063,519	$2,808,740	$2,575,186	$-488,333	$-233,554
Fringe Benefits	1,299,724	1,470,489	1,263,933	1,158,834	-311,655	-105,099
Operating Expenditures	371,045	386,990	304,315	304,315	-82,675	0
Equipment	26,907	2,000	2,000	2,000	0	0
Special Funds	88,754	82,000	104,000	104,000	22,000	0
Total	$4,674,705	$5,004,998	$4,482,988	$4,144,335	$-860,663	$-338,653
Revenues						
Charges for Services	$166,597	$167,000	$178,800	$178,800	$11,800	$0
Miscellaneous	205,082	408,700	210,000	210,000	-198,700	0
Total	$371,679	$575,700	$388,800	$388,800	$-186,900	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Develop and deliver innovative human resource policies, programs, and services that support the city's mission by recruiting, developing, and retaining a high performing and diverse workforce 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 services 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.

Key Performance Measures

Measure	2015 Actual	2016 Projected	2017 Planned
Turnaround time between notification of position vacancy and establishment of eligible list.	118	120	120
Percentage of candidates referred who are minorities.	37%	65%	40%
Percentage of candidates referred who are women.	45%	55%	50%
Health care cost per contract.	$9,684	$11,443	$11,901
Worker's compensation expenditures.	$10,102,568	$11.5 million	$11 million

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 (CSC) and the Fire and Police Commission. In 2015, DER processed 5,867 applications, conducted 183 exam sessions, and referred 1,508 individuals for interviews.

In 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.

Funding was provided in 2016 to add a new rater's module to the JobAps system. The new module supports DER's efforts to increase efficiencies by allowing examination raters to complete rating work offsite. This streamlines processes associated with reviewing and scoring examination components and reduces the timeline from examination request to creation of eligible list and referral.

In 2016, the staffing division is working on a targeted workforce planning initiative. The goal of the initiative is to help departments align their strategic and operational goals with the workforce they will need in the future to achieve those goals. This is critical in understanding and closing the gap between current and projected talent needs. The initiative relies on department specific data and metrics to create staffing plans that anticipates staffing needs, challenges, and opportunities. The plan includes department specific strategies for recruiting, retaining, and developing employees.

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 replaced former pay progression policies that were based on "time in grade" considerations. These career ladders are designed to recognize and reward employees for the acquisition and application of skills, job related credentials, and meeting performance standards. Departments that have implemented career ladders have reported positive results in employee morale and a decrease in turnover in these positions. Because of the city's limited financial resources, DER continues 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 positions or contract expenditures; and
- Demonstrate a backlog reduction and an improved repair/response turnaround times.

In 2015, DER received Common Council approval and funding to implement pay progression practices for positions that are not part of career ladders. Specific pay administration provisions and standards were created for two different groups of employees. Pay progression based on performance and merit was implemented for management, supervisory, and professional positions. Administrative, technical, maintenance and service positions pay progression is based on an employee assessment that requires the employee to be in good standing to be eligible. Under both programs, salary adjustments are designed to accelerate pay towards the midpoint of the pay ranges for lower wage earners and address the pay compression challenges stemming from limited wage increases over the last several years.

The implementation of such pay progression practices requires departments to develop performance and competency based standards for assessing employee's eligibility for a salary adjustment. These performance management tools provide excellent opportunities for employee development and succession planning.

In 2016, DER conducted a review of the emergency communication support positions in the Fire and Police departments. This review stemmed from the need to create a classification structure that better aligned job

responsibilities with departmental needs. The recommendations foster a cross trained and flexible workforce career development and promotional opportunities for critical civilian positions in those departments.

DER continues to review the classification and pay structure of a number of entry level positions in the city, including administrative support positions. Recommendations regarding the consolidation of titles and restructured pay ranges will be made in 2016 and 2017.

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. The program encourages college graduates to remain or migrate to Milwaukee after graduation and apply their professional skills locally. To date, approximately 67%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: Act 10 has resulted in increased reliance by employees and employee representatives on staff to clarify, interpret, and enforce certain terms and conditions of employment. The department'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 worked with the City Attorney's Office to revamp the city's ADA policy and guidelines and developed compliance training for human resources personnel covering:

- EEOC guidance on English only rules in the workplace.
- Unpaid suspensions for FLSA exempt employees.
- Common Council action related to Alternative Work Arrangements (AWAs).
- CSC rule changes related to leave of absence and separation.
- Legal mandate to provide space for breastfeeding mothers.
- Wisconsin Bone Marrow and Organ Donation Leave Act (July 1, 2016).
- EEOC administrative rulings regarding rights of transgender employees in the workplace.
- OSHA guidance on restroom access for transgender employees.

DER will continue offering such trainings and updates. Internal resources will be deployed to ensure appropriate staffing levels and responses. DER will continue training programs to build capacity to address difficult and sensitive employee relations issues and will work with the City Attorney's Office to identify and address problem areas that generate unnecessary and costly litigation.

Health Care and Wellness: Comprehensive health and wellness programming improves the health of city employees. DER fosters employee awareness of available health and wellness services and establishes a workplace culture that enhances employees' lives and offers tools for better health. Health, wellness and safety programs have a positive impact on employee health and health care costs, injury claims and worker's compensation costs, productivity and performance and employee retention/turnover.

No health care benefit plan design changes are planned for 2017. The city will continue to offer the UHC Choice and Choice Plus plans and a HDHP to employees along with prescriptions through OptumRx. The workplace clinic continues to be a success and hours have expanded to 40 per week. The clinic is staffed by a nurse practitioner and a medical assistant. Services include the diagnosis and treatment of minor illness and injuries as well as physical exams and health screenings. In 2015, the clinic had 1,900 patient visits with over 50% of visitors coming from outside the city hall complex. The workplace clinic, along with employee's smarter health care utilization choices, have led to six years of flat employee health care premiums, decreased emergency room visits and hospital admissions, and increases in preventive care visits.

In 2016, the city opened a pilot onsite early intervention physical therapy clinic to address pains and strains before they become a worker's compensation or health care claim. Increased utilization led the clinic to double its hours and be open two days a week.

Wellness programming expanded its services to city departments with ongoing blood pressure checks, year round coaching, and traveling wellness center sites with services that fit the needs of departments. Phase I of the three step health appraisal process continues to have high participation by employees and spouses. The city has seen improvements in the area of high blood pressure, tobacco usage, and blood glucose management. Phase II, the "*Healthy Rewards*" outcomes based wellness component, has seen participation increase over 70% from 2015 to 2016. Opportunities to earn points expanded to include mental wellness and financial wellness components.

The *Healthy Rewards* program is voluntary and provides members with an opportunity to earn $250 for reaching certain biometric and activity related goals. Eligibility for the $250 incentive requires completing the initial three step health appraisal process. Employees and spouses can participate regardless of whether they take the city's health insurance.

DER works with *Health e(fx*) to comply with the Affordable Care Act (ACA) and monitor employee eligibility for medical benefits coverage including reporting both to the employees and the Internal Revenue Service regarding coverage. The contract with *Health e(fx)* helps the city meet all ACA reporting requirements accurately and correctly and avoids significant penalties for non-compliance.

Worker's Compensation: In September 2015, the Common Council authorized DER to explore the use of a third party administrator (TPA) for worker's compensation services. A TPA provides access to comprehensive utilization review interventions, clinical management tools, and predictive analytics to better understand and prevent risks and management costs.

The city selected Gallagher Bassett (GB) as the TPA. GB will utilize an integrated approach to provide:

- Timely and compassionate care and interaction with injured workers,
- Clinical management tools to identify and work with outcomes based networks for employees to use to take care of their injuries,
- Predictive analytics to assess claim risks and control cost drivers, and
- Identify loss trends, recommend and help implement the appropriate interventions.

The transition to Gallagher Bassett will be completed in the fall of 2016. Under the contract, claim intake, processing, and adjudication as well as case management and investigations will be performed by a unit within GB. One of the most critical changes being implemented is "priority care 365", a nurse triage line to report claims. This will provide the employee with immediate access to:

- Timely and compassionate care.
- Options for effective and appropriate medical treatment.
- Guidance on best available providers based on nature of the injury and employee's preferences.
- Guidance on appropriate emergency room or urgent care utilization.
- A medical awareness card to assist providers with employee injury information.
- Immediate access to medications prescribed to treat a work related injury without out of pocket expenses for the employee.

In 2017, four worker's compensation staff will oversee the contract, provide centralized loss control safety services, coordinate and support all disability management placement activities. The remaining ten positions from the division have been placed in other sections of DER or are in the process of being placed in other city positions.

RESIZE, RESTRUCTURE, AND REINVEST

DER works 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 2017 include:

- Designing a video based onboarding process to replace the new employee orientation program.
- Assessing the feasibility of subcontracting FMLA administration functions to a current vendor with the appropriate capabilities.
- Establishing a centralized and coordinated recruitment function to increase the city's efforts in attracting and retaining quality and diverse applicants.
- Designing and implementing an integrated approach to employee health and wellbeing.

In addition to increased effectiveness, DER's transition to TPA services requires staffing changes. Four positions remain in the worker's compensation section to provide contract oversight and support functions. Ten positions are eliminated in the 2017 proposed budget. Many of the employees impacted by the changes have been placed in other city positions or will be placed by the end of 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
-7			Equal Rights Commission	Moved to Department of Administration.
-1	-0.96		Fiscal and Risk Manager	Position reclassifications to reflect changes in duties.
-1	-1.00		Budget and Management Analyst Senior	
-1	-1.00		Employee Benefits Director	
1	1.00		Employee Benefits and Risk Management	
-1	-1.00		Employee Assistance Coordinator	
1	1.00		Employee Assistance and Resource Coordinator	
1	1.00		Health and Wellness Coordinator	
1	1.00		Business Operations Analyst	
-1	-1.00		Management Services Adjuster	Eliminated and reclassified positions resulting from worker's compensation transition to third party administrator.
-2	-2.00		Claims Adjuster Specialist	
-2	-2.00		Claims Adjuster Senior	
-3	-3.00		Claims Adjuster	
-1	-1.00		Claims Representative	
-1	-1.00		Administrative Services Assistant	
-1	-1.00		Office Assistant III	
-2	-2.00		Claims Processor II	
1	1.00		Disability Compliance Coordinator	
1	1.00		Loss Control and Prevention Coordinator	
1	1.00		Program Assistant I	
	0.10	-0.04	Various Positions	Miscellaneous adjustment.
-17	**-9.86**	**-0.04**	**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 complaints are resolved within 90 days of filing.

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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	16.90	13.60	14.90	13.90	0.30	-1.00
FTEs - Other	0.39	0.80	0.50	0.50	-0.30	0.00
Total Positions Authorized	21	22	25	24	2	-1
Expenditures						
Salaries and Wages	$693,385	$856,536	$976,855	$938,234	$81,698	$-38,621
Fringe Benefits	313,899	411,137	439,585	422,205	11,068	-17,380
Operating Expenditures	334,357	295,000	779,300	531,310	236,310	-247,990
Equipment	2,670	2,670	17,734	7,000	4,330	-10,734
Special Funds	125,748	200,000	345,770	344,000	144,000	-1,770
Total	$1,470,059	$1,765,343	$2,559,244	$2,242,749	$477,406	$-316,495

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 complaints are resolved within 90 days of filing
   - 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 part time citizen Commissioners and a full time professional staff led by an Executive Director. The 2017 proposed budget includes two additional Commissioners for a total of nine. 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. Commissioners participate in extensive training pursuant to City Ordinance 314-2-b-2.

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	2015 Actual	2016 Projected	2017 Planned
Average time to resolve formal complaints.	41 days	45 days	50 days
Average time to resolve disciplinary appeals.	140 days	120 days	160 days
Number of outreach events and community contacts.	113	130	255

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).

The commission partners with a professional consultant to conduct an ongoing analysis of the Milwaukee Police Department's (MPD) use of force incidents. This analysis 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 to analyze MPD policies, procedures, and

training. The commission provides periodic summaries of officer involved shootings and an evaluation of Taser deployment and usage. The commission provides additional reports and issue papers to increase the amount of information available to the public.

Citizen Complaints: The commission provides a viable citizen complaint process and has authority to independently investigate and charge department employees with discipline up to and including termination from employment for misconduct. Complaints may be filed directly with the commission 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 can refer complaints to the citizen board or Police Department for disciplinary action when rule violations are identified.

Figure 1

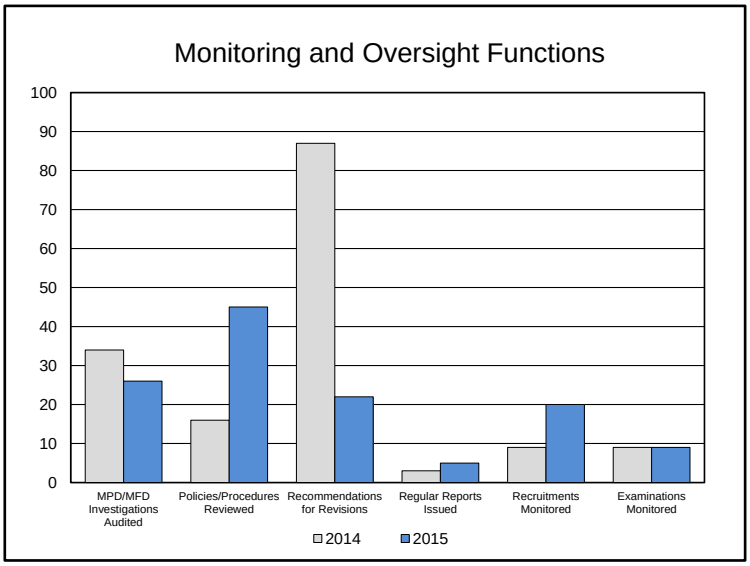
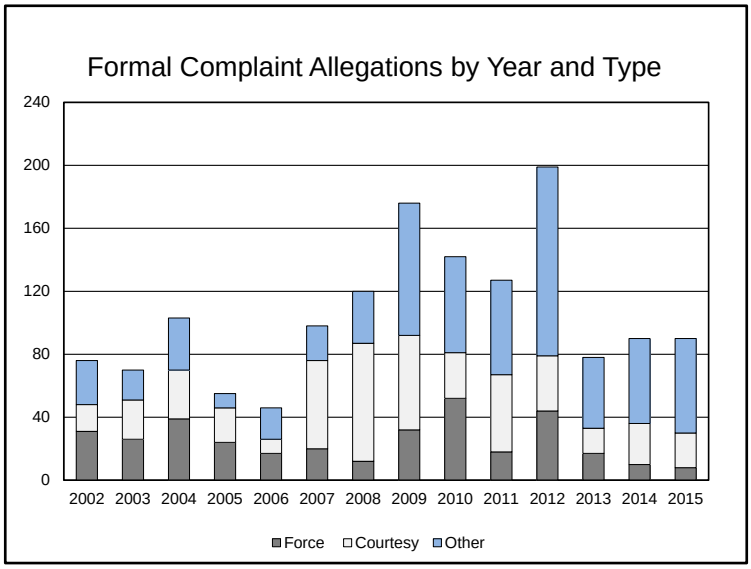


Figure 2



The citizen complaint process has five goals:

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

The current complaint process has significantly shortened the time needed to resolve a complaint from an average of 270 days in 2008 to 41 days in 2015, surpassing the goal of 90 days or less. The complaint process includes an initial review and conversation with the complainant and an evaluation to determine the correct course of action.

Cases may be resolved through alternatives to the traditional complaint process when appropriate. Alternatives include rapid resolution and mediation through the Milwaukee Mediation Center, a non-profit community organization. Both processes give the citizen an opportunity to address and resolve questions and concerns directly with the employee and can contribute to better community relations. Rapid resolution involves investigation of questionable conduct that does not appear to be a rule violation and can result in disciplinary action. If the citizen and employee agree to mediation, there is no citizen board trial or disciplinary action taken against the employee.

If a complaint does not qualify for mediation or rapid resolution and the commission's investigation determines that enough evidence exists to find that an employee violated a department rule, absent conciliation, the complaint is referred to a citizen board trial. The citizen board trial is a quasi-judicial process in which witnesses are sworn, testimony is taken, and evidence is presented. Each party may question the other, call witnesses, present exhibits, and testify. The citizen board, composed of FPC Commissioners, reviews the evidence and makes its findings and final decision.

In March 2015, the commission's research committee studied the complaint process and made recommendations for improvements. As a result, complaint forms have been translated into Spanish and Hmong, a new "fillable form" will be available on the FPC's website, and a notary signature will only be required if a finding of a rule or conduct violation is found. The commission has also updated its network of advocates and community partners to provide additional assistance and advice to individuals who file complaints. The commission is working to improve response rates on periodic citizen surveys of complainants and investigating the use of *pro bono* attorneys to assist complainants at hearings.

The commission continuously monitors and audits all complaint investigations including those filed 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 and those that are 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

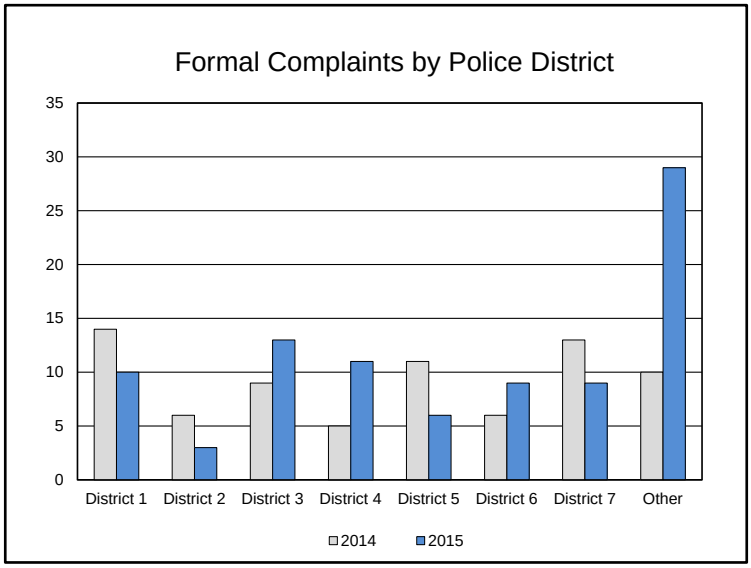
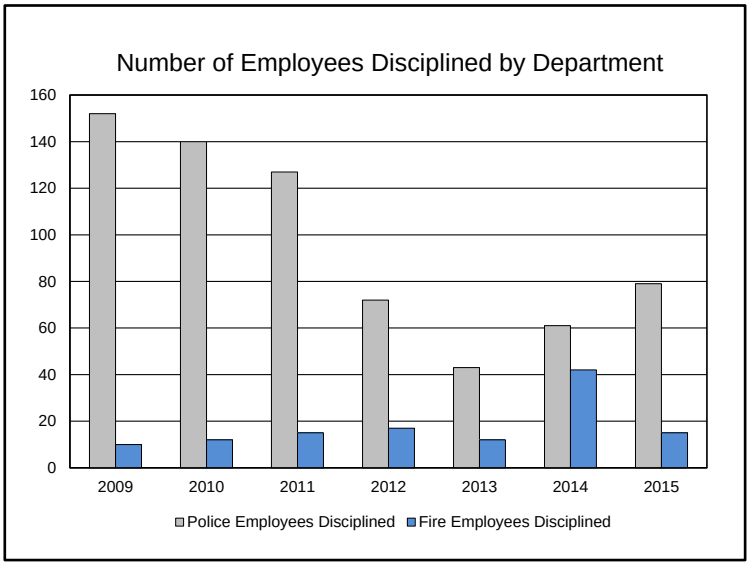


Figure 4



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.

Community Relations: A critical strategy of the commission is to expand community outreach and education efforts. The commission's outreach plan focuses on coordinating efforts with other city departments and building public-private partnerships. The commission engages in regular interaction with the public by hosting and attending meetings held in community locations. The commission takes an active role in organizing and sponsoring events, including facilitating donations of items and volunteers for community organizations. In addition, commission staff are visible at events including district meetings, community brainstorming, walking and outdoor events, and vigils.

Past events that the commission has hosted include community meetings, rapid response meetings for current events, youth summits co-sponsored with My Brother's Keeper and Milwaukee Public Schools, CampHERO with the Girl Scouts, recruiting events, and listening sessions. In 2016 and 2017, the commission along with Pastors United and other community partners will host scenario training for public safety personnel and community members to improve public interactions during critical events. This training may be expanded to include emergency communications staff in the future. Other events for 2017 include partnered events with the Sojourner Family Peace Center, the Department of Justice, the Housing Authority, My Brother's Keeper, Department of Administration, Office of Violence Prevention, the Health Department, and private corporations such as Harley Davidson.

Diversity: The commission is committed to making the public safety workforce representative of the Milwaukee community it serves. Hiring and recruitment practices are reviewed to ensure that opportunities to apply for and participate in the hiring process are fair. In addition, the Fire Cadet and Police Aide programs provide opportunities to further diversify the candidate pools for future Fire Fighter and Police Officer classes, as the classes for these programs have been more diverse. For the 2015-2016 class, demographic groups that were underrepresented in MPD's sworn force accounted for a larger portion of the police aide class. For example, 41.8% of the 2015-2016 police aide class was identified as African American compared to less than 20% of MPD's sworn force at the time.

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 2017.

RESIZE, RESTRUCTURE, AND REINVEST

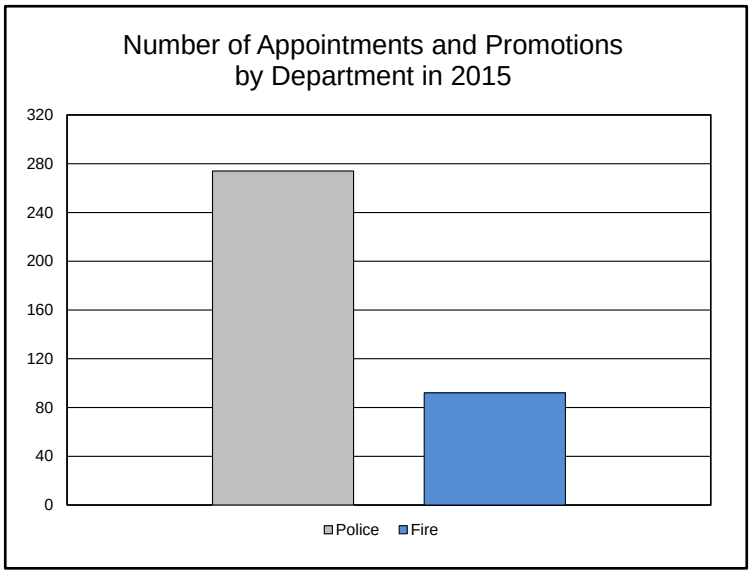
Funding provided within operating accounts for the 2017 proposed budget totals $531,000 and is allocated as follows:

- Exam costs: $340,000
- Non-exam related professional services: $70,000
- Outsourcing background investigations: $56,000
- Recruitment, outreach, and staff development: $30,000
- IT costs: $23,000

- Routine operating expenses (office supplies, etc.): $12,000

Recruitment, Testing, and Hiring: The commission is required by statute to recruit and secure the most qualified personnel for each department. The commission approves all appointments made to any position on the Police force and in the Fire Department.

Figure 5



The commission develops and administers a variety of validated 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.

The 2017 proposed budget includes $340,000 in operating funds to administer new exams for several positions including Police Aide, Police Officer, Fire Cadet, and Fire Fighter. Exam funding covers costs related to professional exam development and scoring, testing materials, and temporary staff to assist in the administration of the exam. The 2017 proposed budget also includes $284,000 in a special fund for costs related to pre-employment drug testing, medical screening, and psychological evaluations.

The 2017 proposed budget includes $56,000 for the FPC to enter into a contract with the vendor used by the Department of Employee Relations to conduct background investigations for prospective MFD and MPD employees. Retired MPD officers currently conduct background investigations for both departments. The current process can take up to ten days to complete for each candidate. Outsourcing this function to the vendor will shorten this process to three to four days. This will improve the overall efficiency of the hiring process and ensure that each step is completed in a timely manner. MPD will continue to have a role in the background investigation process by completing any necessary follow-up to the vendor's report and conducting interviews with candidates.

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	-0.30	Homeland Security Director	Reduction in grant funding.
2			Fire and Police Commissioner	Increase number of commissioners.
-1	-1.00		Community Relations Manager	Positions reclassified.
1	1.00		Operations Manager	
-1	-1.00		Examinations Supervisor	
1	1.00		Fire and Police Commission Staffing Services Manager	
2	**0.30**	**-0.30**		

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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	1,004.49	1,013.07	1,022.05	954.05	-59.02	-68.00
FTEs - Other	2.80	2.80	3.95	3.95	1.15	0.00
Total Positions Authorized	993	1,007	1,012	943	-64	-69
Expenditures						
Salaries and Wages	$67,163,697	$66,953,278	$69,051,968	$75,725,731	$8,772,453	$6,673,763
Fringe Benefits	28,543,996	38,163,369	35,216,504	38,620,123	456,754	3,403,619
Operating Expenditures	5,440,097	5,444,573	6,093,866	6,003,866	559,293	-90,000
Equipment	560,494	473,600	707,679	604,179	130,579	-103,500
Special Funds	266,500	277,000	559,770	559,770	282,770	0
Total	$101,974,784	$111,311,820	$111,629,787	$121,513,669	$10,201,849	$9,883,882
Revenues						
Charges for Services	$6,651,837	$6,688,300	$6,695,000	$6,795,000	$106,700	$100,000
Total	$6,651,837	$6,688,300	$6,695,000	$6,795,000	$106,700	$100,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

The Milwaukee Fire Department (MFD) contributes to safe and healthy neighborhoods through fire prevention 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 Marine Teams (Dive Rescue and Boat Team), Hazardous Materials (HazMat), Incident Command Post (ICP), Tactical Emergency Medicine Paramedics (TEMP) 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.

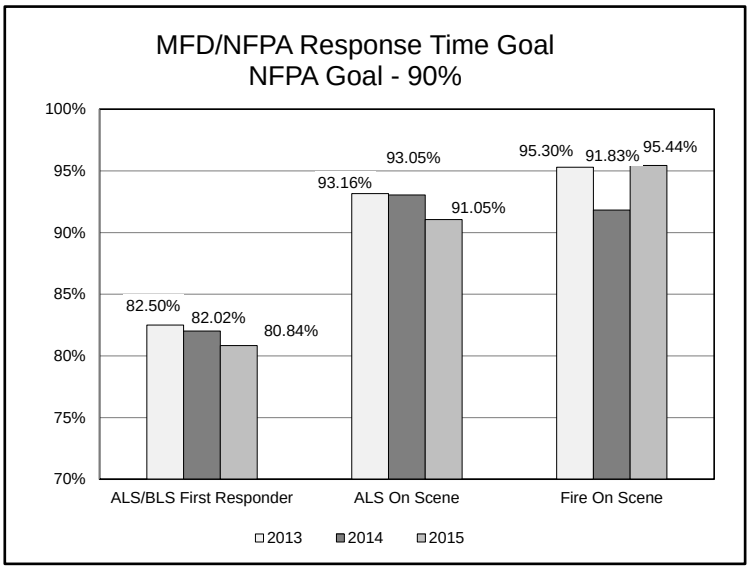
Key Performance Measures

Measure	2015 Actual	2016 Projected	2017 Planned
Limit fire related deaths to less than ten per year.	10	5	0
Maintain a 95% recovery rate from penetrating trauma.	91%	95%	95%
Install 2,500 smoke detectors.	1,814	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 education, fire 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.

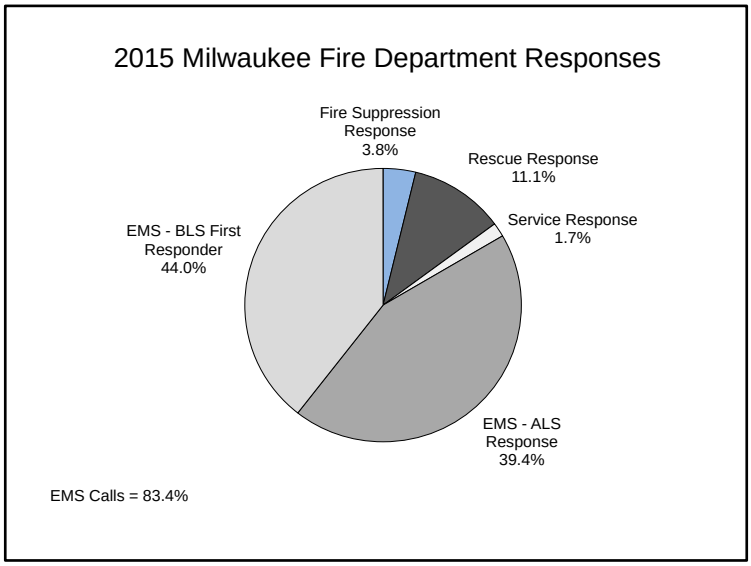
Figure 1



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 0 seconds in 2015 and is 2 minutes 52 seconds through June of 2016.

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. For incidents treated by responders in 2015, stabbing victims had a recovery rate of 98.5% and 88.4% of gunshot victims survived.

Figure 2



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

In 2015, the department made 6,817 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 3 million residents in 2015. These programs teach children and adults how to react when there is a fire in the home, including proper escape procedures and calling 9-1-1.

RESIZE, RESTRUCTURE, AND REINVEST

The department is restructuring and resizing through a new labor contract with Milwaukee Professional Fire Fighters' Association, Local 215. Included in the new contract is a change in average work week from 49.8 hours to 53 hours. This change in work week will save the city approximately $3 million annually. Also included in the contract is all members of Local 215 will make the employee pension contribution. Prior to this contract the city paid the employee pension contribution, which is 7% of pensionable wages, on behalf of the employee. The employee pension contribution for members of Local 215 is estimated at approximately $4 million annually. Members of Local 215 received wage increases to offset a portion of the impact of the employee paying the employee pension contribution.

The department is restructuring and reinvesting in the FOCUS program to encompass the entire city through the Community Risk Reduction program. The program will provide a proactive and community oriented approach to fire education and fire safety while building and enhancing community relationships. The expanded program will visit each home and business every five years with the following goals:

- Installing ten year lithium ion battery powered smoke detectors as a tool for fire risk reduction.
- Building relationships in fire companies' first in response 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. Although the department has reduced the number of companies operating over the last five years, these budget reductions have not affected service levels.

Additional restructuring efforts are underway to create more inclusive mutual aid agreements with municipalities in the County of Milwaukee. These agreements will provide better service throughout the community through lower response times. The agreements are also anticipated to achieve savings through the elimination of duplicated services and reduced prices on equipment through joint purchasing agreements. In 2015, the department went on 161 shared service fire calls. Through June 2016, the department has gone on 88 shared service fire calls.

The Fire Department continues reinvesting through the Fire Cadet program. The 2017 proposed budget includes funding for a total of 52 cadets. The expanded program increases diversity and creates career opportunities for Milwaukee's youth.

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. Since the beginning of the program in 2009 injury claims have been reduced by 28% and lost time injuries has been reduced by 54%. In 2016, the department will hire an athletic trainer to further expand the fitness, injury prevention, and injury rehabilitation program. In 2017, the athletic trainer will manage the day to day operations of the department's fitness program, the fire fighter injury rehabilitation program, and early intervention clinic. In addition, the department is also reinvesting $85,000 for two new civilian positions that will improve the departments payroll processing, paramedic billing, and supervision of dispatch staff.

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. 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. During 2016 an initial pilot program focused on proactively visiting frequent 9-1-1 callers at scheduled times to assist the patient through the health care system. The data collected in the pilot program showed an overall decrease in 9-1-1 usage for the majority of enrolled patients. Reducing 9-1-1 calls and assisting citizens through the health care system provides several benefits:

- Resources are available for the core mission of responding to emergencies;
- Citizens are navigated to the correct health care resources; and
- Assisting citizens reduces their dependency on using 9-1-1 and helps them to manage their health on their own.

In addition, 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 2017 proposed capital budget supports the major equipment and facilities maintenance needs of the Fire Department. The proposed capital budget includes $1,680,000 for major equipment replacement, $700,000 for additional facility upgrades, $483,000 for a Fire Repair Shop Renovations, and $85,000 for the Auxiliary Power Supply 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		Fire Captain	Decommission one engine in 2017.
-2	-2.00		Fire Lieutenant	
-9	-9.00		Fire Fighter	
-3	-3.00		Heavy Equipment Operator	
-51	-51.00		Fire Fighter	Implement 53 hour work week.
1	1.00		Fire Dispatch Supervisor	New positions in 2017.
1	1.00		Program Assistant III	
	6.13		Fire Cadet	Increase funding for full year for 13 positions added in 2016.
	-1.15	1.15	Various Positions	Adjustments based on experienced.
-64	**-59.02**	**1.15**	**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 by providing nursing and social support to at-risk families.

BUDGET SUMMARY

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	143.70	139.18	139.25	138.25	-0.93	-1.00
FTEs - Other	73.16	102.65	102.80	102.80	0.15	0.00
Total Positions Authorized	252	252	252	252	0	0
Expenditures						
Salaries and Wages	$7,203,746	$7,648,911	$7,694,097	$7,650,848	$1,937	$-43,249
Fringe Benefits	3,053,984	3,671,477	3,462,344	3,442,882	-228,595	-19,462
Operating Expenditures	1,894,585	1,887,736	1,914,484	1,845,500	-42,236	-68,984
Equipment	870	5,000	5,000	5,000	0	0
Special Funds	330,281	406,430	407,430	374,000	-32,430	-33,430
Total	$12,483,466	$13,619,554	$13,483,355	$13,318,230	$-301,324	$-165,125
Revenues						
Charges for Services	$1,084,294	$902,300	$1,045,200	$1,045,200	$142,900	$0
Licenses and Permits	228,459	264,400	215,400	215,400	-49,000	0
Total	$1,312,753	$1,166,700	$1,260,600	$1,260,600	$93,900	$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 (MHD) 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 University of Wisconsin Milwaukee Zilber School of Public Health.

Key Performance Measures

Measure	2015 Actual	2016 Projected	2017 Planned
Number of immunizations administered for the city and Milwaukee Public Schools (MPS).	10,561	9,000	8,000
Number of clients seen at STD clinics.	5,817	6,000	6,000
Percentage of all food inspections with one or more critical risk violations.	26%	20%	20%
Percentage of children with high blood lead level.	11.6%	10.0%	9.0%
Infant mortality rate per 1,000 births. [A.]	9.9	9.9	9.4

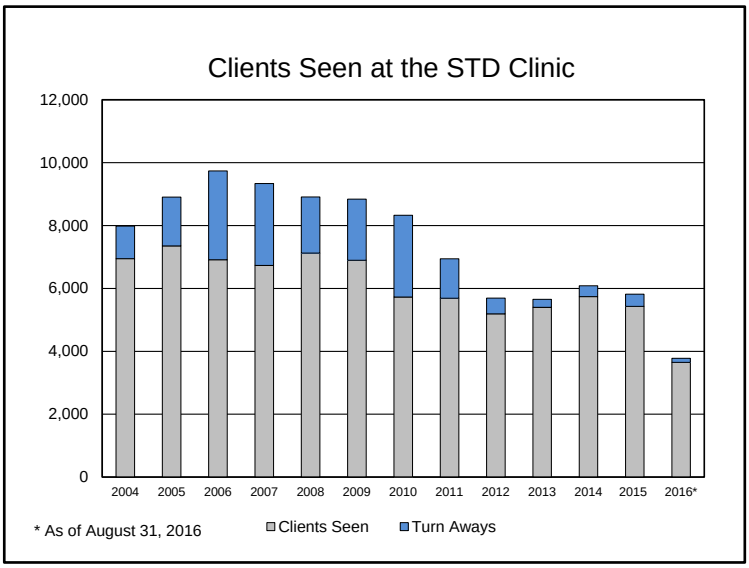
[A] Note: 2015 data is preliminary.

STRATEGY IMPLEMENTATION

Childhood Immunizations: Sustaining high childhood immunization rates in the city along with reducing disparities within racial groups remain primary objectives of the 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 schools and daycares to increase compliance with Wisconsin immunization law in coordination with the Milwaukee County District Attorney's Office. In 2014, the *Immunize Milwaukee!* coalition was formed and continues to broaden partnerships and advocacy for improving both child and adult immunization rates within the city and surrounding region. The city is currently 90% compliant with state standards.

Figure 1



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 who are either uninsured or underinsured and are at high risk for transmission of STI's in the community (see Figure 1). 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.

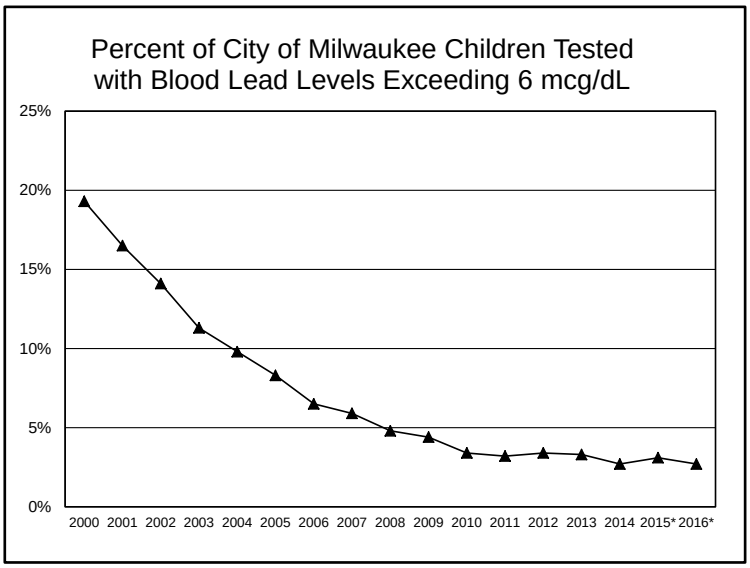
The department works closely with the State of Wisconsin Division of Public Health (DPH) on targeted initiatives involving high risk groups. During 2015, this included partnership with both the AIDS Resource Center of Wisconsin (ARCW) and Diverse & Resilient Inc. (D&R) to address an increase in both 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. In 2016, these efforts will continue through funding of the Milwaukee AIDS Initiative (MAI) and expanded collaboration with MSM peer oriented organizations.

During 2016, the department is continuing to focus on HIV/AIDS prevention within the young black MSM population and in partnership with other community based organizations including ARCW and D&R. Strategies include partnering with D&R in developing alternative screening and testing venues at the Northwest Health Center, use of social media for risk messaging, evaluating accessibility to pre-exposure prophylaxis (PrEP), and outreach to high risk negative individuals. In 2016, MHD increased funding for Diverse and Resilience by $35,000 an increase that is maintained in 2017.

Investigation of reported STI and HIV cases are conducted by Disease Intervention 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 health care for screening and testing, and initiation of field delivered antibiotic therapy. Case investigation is integrated with clinical services to provide a comprehensive approach to STI prevention and control. MHD was chosen by the CDC to participate in a three year project looking at antibiotic resistant gonorrhea starting in 2016.

The project provides support to the department's lab and funds two additional Disease Intervention Specialist positions.

Figure 2



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. The 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 codes have resulted in a sustained reduction of lead poisoning prevalence in children. As shown in Figure 2, the percentage of children less than six years of age with elevated blood lead levels declined dramatically between 1997 and 2015 and is attributable to this multi-faceted strategy.

In 2017, the 2014 HUD 36 month $3.4 million grant ends and the implementation of the 2016 HUD $3.4 million award begins. In addition to the goal of abating 600 housing units, the grant funds the healthy homes assessment and the remediation of 60 residential homes in the expanded target area of zip codes 53204 and 53215, which have a high number of lead poisoned children.

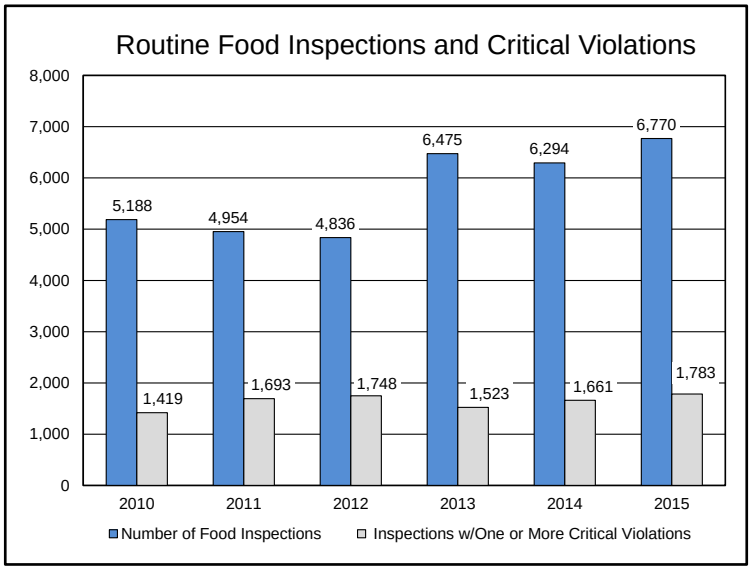
During 2017, the childhood lead poisoning prevention program will leverage funding from HUD and CDGA to create 325 lead safe housing units within the city. Increasing the number of lead safe residences in the city is critical to reducing lead poisoning in young children and subsequent adverse chronic health effects later in life.

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, served as the lead partner in a $400,000 U.S. Department of Justice (USDOJ) 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 2014. The city was awarded additional Justice for Families program funding in 2016 from the USDOJ to continue operation of the Milwaukee Visitation Center. This new grant includes an expansion of services to assist low income victims of domestic violence, sexual assault, stalking, and non-offending

parents in their efforts to achieve safety and independence from abuse with free civil legal assistance through a new partnership with Legal Action of Wisconsin. The Milwaukee Visitation Center will continue to facilitate onsite visitation and exchange for 20 hours per week. The center provides onsite domestic abuse advocacy and connects families to community resources for children and families impacted by abuse and assault. This is the only site in the city that offers free exchange and visitation services and provides the security features essential for the safety and security of victims and children.

Figure 3



Domestic Violence Response: The commission, in partnership with Sojourner Family Peace Center and Latina Resource Center, conducted multiple trainings for 200 employees and residents of the Housing Authority to share information on the dynamics of domestic violence and available resources as well as to ensure agency compliance with the Violence Against Women Act. The coordinator also conducted trainings with businesses in Milwaukee Police District 3 on domestic violence in the workplace. The commission coordinator is currently convening with multiple organizations to advocate for high risk teams to intervene in high scoring cases, as identified by the lethality assessment program.

Sexual Assault Outreach: The sexual assault awareness partnership, known as Denim Day, focused on men and boys as victim/survivors, allies, and their role in prevention during its 2016 campaign. Planning for the 2017 campaign is underway, and the commission continues to participate in this effort. Members of the commission testified in support of the Victim Accompaniment Legislation (2015 Wisconsin Act 351), which was enacted in April, 2016. The Sexual Assault Subcommittee of the Commission and the Sexual Assault Response Team, of which the commission coordinator is a member, are planning for the local infrastructure to support this legislation

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, domestic violence case, 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 practice 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

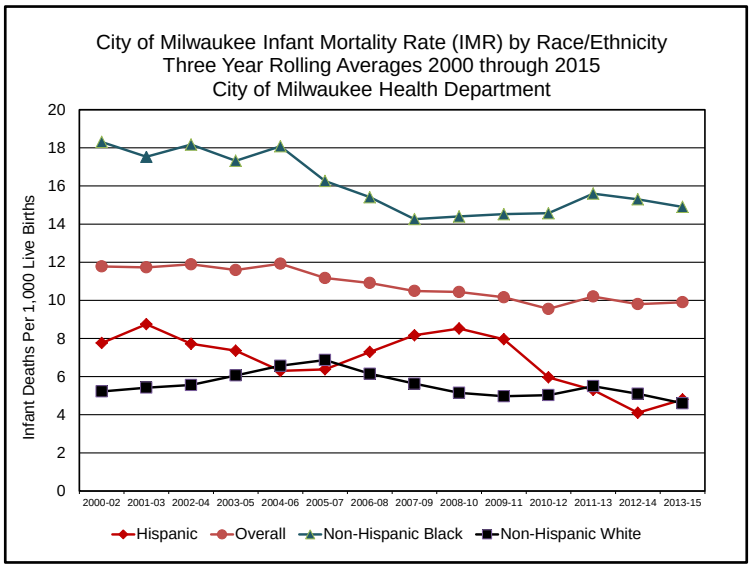
Consumer Environmental Health: The Consumer Environmental Health division works to prevent foodborne illness and to assure the safety of food sold in city food establishments (grocery stores, convenience stores, restaurants, food trucks, and taverns). In 2015, 6,770 routine inspections were performed. Critical violations which are likely to result in foodborne illness were identified at 26% of those routine inspections (see Figure 3). 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 2015, the department performed a total 9,236 food inspections, identifying and mitigating 11,092 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 upgrade food inspection software, 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 2017.

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 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.

Figure 4



Maternal and Child Health: The infant mortality rate (IMR), the number of babies who die before their first birthday per 1,000 live births, is an important indicator of a community's overall social and economic wellbeing. Based on 2013-2015 the department's preliminary figures, the overall IMR for Milwaukee is 9.9. This means that nearly 10 babies died for every 1,000 live births in the city during this time period. There are significant racial and ethnic disparities in the IMR. For non-Hispanic White babies it was 4.6, compared to 14.9 for non-Hispanic Black babies and 4.8 for Hispanic babies. The disparity in IMR by race/ethnicity indicates that Black babies die at a rate that is 3.2 times higher than White babies. This disparity has been present for many years (see Figure 4).

As a part of its infant mortality reduction strategy, the department manages four home visiting programs that emphasize healthy birth outcomes and improving parenting skills: These programs are as follows:

- Empowering Families of Milwaukee
- Nurse Family Partnership
- Parents Nurturing and Caring for their Children
- The Direct Assistance for Dads project

Empowering Families of Milwaukee (EFM): 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 2015, 96% of mothers gave birth to full term babies and approximately 80% of mothers initiated breastfeeding at birth.

Nurse Family Partnership (NFP): The Nurse Family Partnership aims to improve birth outcomes, children's health and development, and 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. If fidelity to the NFP model is maintained 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.

NFP has enrolled 535 families since its inception. In 2015, 84% of mothers delivered full term babies and 71% of new mothers initiated breastfeeding. In 2016, the department received notice of less grant funding than anticipated for this program for 2017 which could reduce the number of intensive nurse home visitation services to low income, first time pregnant women.

Parents Nurturing and Caring for their Children (PNCC): The Parents Nurturing and Caring for their Children program provides prenatal care coordination to pregnant mothers and their families during pregnancy and until the infant turns two months old. In 2015, PNCC achieved healthy birth outcomes, with more than 90% of babies born full term and 100% of mothers initiated breastfeeding after delivery.

Direct Assistance for Dads (DAD) Project: The Direct Assistance for Dads project provides intensive, 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 (LIHF) 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 enrolled 34 clients. In 2016, it is anticipated to serve over 50 fathers.

Strong Baby Sabbath: In October 2015, the department hosted 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.

"Strong Baby Sanctuary": In 2015, the department partnered with Columbia St. Mary's, United Way of Greater Milwaukee and Waukesha counties, 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 2015, ten churches were trained and opened their doors as "Strong Baby Sanctuaries" and in 2016 ten additional churches will be trained. 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. Trained ambassadors and sanctuaries complete a short assessment and then provide the families with referrals to community resources that meet their individual needs. The goal is to teach families about pre-term labor and the importance of prenatal care and to reduce maternal stress by connecting families to resources such as the Women, Infants, and Children (WIC) program, home visitation, FoodShare, BadgerCare, and the Cribs for Kids program.

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 (LIHF) and the State of Wisconsin will provide more communitywide media campaigns featuring images of local strong babies. These images will appear on buses, bus shelters, and billboards throughout the city. The department anticipates the release of a campaign to highlight the benefits of home visiting to be release before the end of 2016 and a campaign to call attention to the dangers of second hand smoke to be released in early 2017.

So far in 2016 the Health Department's Cribs for Kids Program has distributed 400 cribs (Pack 'n Plays) to families who cannot afford to purchase cribs.

Reducing Teen Pregnancy: The City of Milwaukee under Mayor Barrett's leadership is taking action to reduce the teen birth rate for females 15-17 years old. A decade ago, Milwaukee had the second highest teen birth rate in the nation. In 2007, Mayor Barrett and the Health Department partnered with United Way of Greater Milwaukee and the Center for Urban Population Health (CUPH) to announce a goal of reducing Milwaukee's teen birth rate to 30 births per 1,000 females 15-17 years old by 2015, a 46% reduction. The city surpassed this goal in 2012. In 2014, Mayor Barrett announced a new goal, to reduce the teen birth rate by another 50% by 2023.

Reducing teen birth rates is a collaborative effort among partners led by the Teen Pregnancy Prevention Initiative at the United Way of Greater Milwaukee and Waukesha County. The Teen Pregnancy Prevention Initiative focuses on strategies around public awareness, parent involvement, fund development in support of positive community programming and resources, and faith based and school partnerships.

The MHD supports reducing teen pregnancy through its Plain Talk program, a community based initiative that assists parents and other influential adults in developing the skills and tools needed to communicate effectively with youth and children about abstinence, healthy relationships, and sexuality. The city also participated in the Personal Responsibility Education Program (PREP), a federal initiative that helps young people avoid teen pregnancy and sexually transmitted infections, which includes career and financial planning goals. During 2015, the Plain Talk/PREP Talk for Youth programs reached more than 20,000 households. The department is also a partner in the Milwaukee Adolescent Pregnancy Prevention program, which works with medical providers and promotes the availability of health insurance services for reproductive health.

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's environmental health programs include testing to support lead poisoning and prevention programs, monitoring food borne diseases, drinking and beach water safety, gastrointestinal and respiratory disease surveillance, and outbreak investigations. In 2015, MHDL performed over 55,000 tests for a variety of users and agencies, and received fee-for-service or reimbursement of laboratory tests, generating more than $500,000 in revenue. MHDL initiatives included:

- 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.
- In 2015 and 2016, emerging public health threats were addressed as the laboratory completed special safety training and procedures for handling Ebola virus specimens and received CDC training for Zika virus testing.
- In 2017, community access to garden soil analysis through innovative analytical methods for testing lead and nutrients in soil will be implemented.

Health Care Access: The MHD has been working to improve access to health care. The Community Healthcare Access Program (CHAP) has used targeted marketing and outreach to enroll the uninsured in BadgerCare Plus and the Affordable Care Act (ACA) marketplace. CHAP successfully assisted clients in choosing and paying for health insurance with a success rate of 82% in 2015 versus 64% in 2014. Since the first ACA open enrollment period, there has been a 32% reduction in the County of Milwaukee uninsured rate.

RESTRUCTURE, RESIZE, AND REINVEST

Beach Water Quality and Advisory Program: The 2016 budget included an additional $34,000 for the beach water quality monitoring program in partnership with the University of Wisconsin Milwaukee, Zilber School of Public Health to purchase and install water monitoring equipment at McKinley and South Shore public beaches. A water monitoring buoy has been deployed at Bradford beach and has been gathering data since early July 2016. Similar buoys will be deployed as a trial run during the 2016 beach season and will be used to help assess health risk at beaches during the 2017. This equipment provides real time monitoring of physical and biological water quality parameters for the purposes of improving water quality predictive modeling and health risk assessment. Timely and accurate water quality data supports departmental issuance of relevant daily water quality advisories at each of the beaches and their availability for public access in 2017. The department continues to be in a leadership role on the Wisconsin Coastal Beaches Workgroup. This workgroup focuses on issues such as advisory communications, predictive modeling, and bacterial source identification at beaches.

Lead in Water Testing: In 2016, the department hired an Environmental and Disease Control Specialist dedicated to testing lead in water, community liaison and outreach, data collection and analysis, and reporting on issues between the Health Department and the Water Works. This position will work with daycares, utility and DPW construction projects at a full year cost of approximately $70,000.

Youth Violence Prevention: 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', the Milwaukee Brighter Futures Initiative, and 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. In 2017, *Coming Together* will continue to collaborate to engage youth in being part of the solution through its outreach, education, and program development opportunities.

Tides Foundation Grant, Office of Violence Prevention: The Health Department received $180,000 from the Center for Youth Engagement for violence prevention efforts. The funding supports youth engagement, violence prevention, staff development, and efforts to prevent violence against women and girls. The funds will contribute to violence prevention activities led by the Office of Violence Prevention and will supplement existing city and grant support. A significant portion of this grant will be used to advance recommendations in the Sexual Assault Community Readiness Assessment conducted in 2014.

SAMSHA ReCast Milwaukee Grant: In 2016, the Office of Violence Prevention received a federal grant through the Substance Abuse and Mental Health Services Administration (SAMHSA) providing $5 million over five years. The funding will support a Resiliency in Communities After Stress and Trauma (ReCAST) program that will assist high risk youth and families and promote resilience and equity through implementation of evidence based violence prevention and community youth engagement programs.

Comprehensive Violence Prevention Plan: Public safety is directly related to a city's quality of life, economic health, and potential growth. There is an urgent need and opportunity to develop an actionable, long term violence prevention plan for the City of Milwaukee, based on the shared vision and direction of multiple sectors and stakeholders who are essential partners in ensuring community safety. OVP will engage national and local partners to provide consultation, facilitation, and technical support to planning effort. The plan will be rooted in community culture, community wisdom, and best practices, to acknowledge, address, and prevent high rates of

interpersonal and structural violence and community trauma. The planning process will be designed to engage partners in a transparent process that engenders collaboration, win-win solutions, and action. OVP has begun laying the groundwork for the planning process, and an asset map of relevant programs/activities has been created. OVP received $93,000 from the Advancing a Healthier Wisconsin Endowment at Medical College of Wisconsin to engage the prevention institute to provide consultation, facilitation, and technical support to OVP and assist with development of the violence prevention blueprint.

Neighborhood Violence Prevention Initiative: The 2016 budget included a new safe zone initiative special purpose account funded at $75,000. Two safe zones were contracted through a request for proposal and are being implemented in the Garden Homes and Franklin Heights neighborhoods beginning in July and through October 2016. OVP plans to pursue expansion of a comprehensive violence interruption model in 2017.

Crisis Response for Trauma Informed Care Counseling (TICC): The Milwaukee Trauma Response Team (TRT) is an initiative aimed at preventing long term effects of untreated youth exposed to traumatic events by connecting with and offering services to youth and families who have been exposed to potentially traumatic events. The goal is to make contact with youth and their families within 48 hours of the traumatic event in hopes of breaking the cycle of potential long term damage that results from untreated trauma in the crucial hours after the event. The initiative is a collaboration between the Health Department, Milwaukee Police Department District 7, and Wraparound Milwaukee's Mobile Urgent Treatment Team (MUTT). The project was piloted in District 7 with the goal and intent to incrementally expand the project to additional districts over time.

As of July 2016, the Mobile Urgent Treatment Team (MUTT) has received a total of 199 referrals since the start of the TRT project in June of 2015. There are currently 33 active cases and 166 closed cases. The Mobile Urgent Treatment Team successfully made contact with 94% of the youth and families referred to the Trauma Response Team project. Training for officers is ongoing and planning for expansion to District 5 is underway.

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. The MHD uses the national standards to identify performance improvement opportunities, improve management, develop leadership and improve community relationships.

The completion of a community health assessment (CHA) along with the development and implementation of a community health improvement plan (CHIP), a workforce development plan, and a performance management and quality improvement plan serve as foundational elements needed in order to achieve public health accreditation. In 2016, the MHD completed a comprehensive CHA and is in the process of completing a CHIP. The community health improvement process, which has been branded "MKE Elevate", will complete a community survey to identify health, prioritize, and implement a photo voice campaign identifying community assets and needs. A community coalition will convene to draft a CHIP in 2017.

In 2016, the MHD completed a core public health competency assessment with all staff to identify training needs. The competency assessment will serve as the foundation for a multi-year training plan and will inform the department's workforce development plan. Also completed in 2016 was a culture of quality improvement assessment and a performance management assessment. The purpose of these two assessments were to gain a better understanding of the current culture within the department related to quality improvement and performance management, identifying strengths and areas for improvement, and prioritizing key actions to further progress. The findings will be compiled into a quality improvement and performance management plan for the

department. The department intends to begin the process of submitting its application for accreditation by the end of 2017.

Career Ladder Initiative: The Public Health Nurse Career Ladder was developed in 2015 and implemented in 2016 as an investment in public health nursing workforce quality and retention. In 2016-2017, the nurse career ladder will be evaluated and amended to ensure that its goal of maximizing overall operational efficiencies through the creation of a productive workforce and positive environment are met. Utilization of the public health nurse career ladder provides the best nursing practice while maintaining current systems and programs that create consistency and excellence in client and community care through direct and indirect nursing services.

Position Changes: In 2016, a Public Health Nurse and a Health Project Assistant, previously assigned to the school readiness initiative, were eliminated resulting in salary savings of approximately $100,000. The change does not impact the number of Health Department sponsored childhood immunization clinics planned for the 2015-2016 school year. In the 2017 proposed budget a vacant Program Assistant II is eliminated.

CAPITAL PROJECTS

The 2017 proposed budget provides $731,000 in capital funding for the following projects:

- Installation and modernization of the Keenan Center elevator ($200,000);
- A ventilation system for the lab ($26,000); and
- Replacement of two lab equipment's (MagPix Regeant and S5 Thermo Fisher Scientific/Illumina) ($165,000).

The capital budget also includes an additional $340,000 to continue support of the lead abatement subsidy to property owners. This funding provides an additional 55 lead safe housing units to supplement approximately 230 units per year funded through federal grants. In 2014, the department was awarded a three year lead hazard reduction grant that allowed strategic lead abatement in target zip codes of 53206, 53208, 53209, 53210, 53212 and 53216 which includes 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
-49	-30.00	-19.00	Public Health Nurse	Reclassification of Public Health Nurses.
14	7.00	7.00	Public Health Nurse Coordinator	
35	23.00	12.00	Public Health Nurse	
1		1.00	Nutritionist (X)(C)(Q)	New position.
1		1.00	Environmental and Disease Control Specialist	Position added to test lead in water.
-9	-1.00	-8.00	Communicable Disease Specialist (X)(F)(BBB)(B)	Reclassification.
9	1.00	8.00	Disease Intervention Specialist (X)(B)(F)(BBB)	
-2		-2.00	Disease Intervention Specialist (X)(B)(F)(BBB)	Elimination of grant funded positions due to reduction in STD grant funding.
1	0.40	0.60	Consumer Environmental Health Coordinator (X)(Y)(SS)	Creation of new partial grant position due to grant budget reallocation.
-1		0.25	Public Health Nurse (X)(G)(E)(EEE)	Increase in grant funds.
	-0.30	0.30	Health Interpreter Aide (X)(HH)(AA)	Change in grant funding.
		-1.00	Public Health Nurse (X)(G)(J)	
	-1.00		Program Assistant II (X)	Position eliminated.
	-0.03		Various Positions	Miscellaneous adjustments.
0.00	**-0.93**	**0.15**	**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 through increased participation in reading and literacy programs.

Anchor healthy and vibrant neighborhoods through increased use of library facilities, services, and programs.

Reduce the digital divide through access to technology and electronic resources.

STRATEGIES: Reading and Research Services

- Provide information and literary resources in formats in demand by residents.
- Seek funding to 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 Library 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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	270.90	289.26	290.62	290.12	0.86	-0.50
FTEs - Other	13.62	18.28	17.66	17.66	-0.62	0.00
Total Positions Authorized	371	358	367	364	6	-3
Expenditures						
Salaries and Wages	$11,977,016	$12,577,933	$12,784,535	$12,731,816	$153,883	$-52,719
Fringe Benefits	4,927,471	6,037,408	5,753,041	5,729,318	-308,090	-23,723
Operating Expenditures	2,770,787	2,888,498	2,980,985	2,930,985	42,487	-50,000
Equipment	1,907,782	2,010,387	2,160,193	2,160,193	149,806	0
Special Funds	13,182	13,182	13,182	49,182	36,000	36,000
Total	$21,596,238	$23,527,408	$23,691,936	$23,601,494	$74,086	$-90,442
Revenues						
Charges for Services	$1,092,225	$1,120,000	$1,072,600	$1,087,600	$-32,400	$15,000
Total	$1,092,225	$1,120,000	$1,072,600	$1,087,600	$-32,400	$15,000

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, outreach to youth serving agencies, 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.

A key objective of MPL is to create a city of readers, which is accomplished through a wide range of services. The Library helps develop adult literacy skills to improve employability, job retention, and basic literacy. Volunteers assist the library in providing drop-in tutoring programs and have special materials to develop basic reading skills. 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, arts, literature, STEM related topics, history and genealogy, and business.

Key Performance Measures

Measure	2015 Actual	2016 Projected	2017 Planned
Patrons served by early literacy programs.	32,246	34,000	34,000
Patrons served by school age programs.	78,689	62,000	70,000
Summer reading program participation.	25,265	28,000	30,000
Public computer hours.	360,454	500,000	315,000
Digital materials circulation.	158,776	140,000	185,000
Job lab computer centers attendance.	1,716	4,700	4,700
Adult programs attendance.	17,490	19,110	20,130

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 $1.75 million ($2.91 per capita) is allocated to fund materials purchased for Central Library, the 12 branch libraries, and one express library. These funds will be used to purchase books, media, electronic databases, serials, e-books, and other resources. This is an increase of $98,000 or 5.9% from 2016. The Library has prioritized increases to this budget item to offset inflationary reductions in purchasing power that began in 2000 and to provide needed and in-demand resources. The use of e-books has increased 4.8% and the use of downloadable audio books has increased by 45.5% in the first six months of 2016 compared to 2015. Demand for digital formats continues to grow, while print materials continue to comprise the majority of total circulation.

Research and Reference: All libraries offer one-on-one reference and research guidance and referral. Librarians and paraprofessionals at the Central Library curate and make available unique research collections and also assist in matching resources to individual information needs. Central Library serves as the resource library to the Milwaukee County Federated Library System and provides 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 licensed teachers into libraries after school to help children complete homework assignments and focus on their studies. The program helps students improve their academic skills and classroom performance. Teachers also provide support, counseling, and advocacy to parents and caregivers of participating children. This program operated 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 libraries. The program has been funded through the Community Development Block Grant (CDBG) and in 2017 $100,000 in CDBG reprogramming is allocated to the program.

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 2016, total attendance for *Ready to Read* was 2,740 children and 928 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, established in 1999, 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 583 participating child care Books2Go card holders. 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 2016, the program served 25,258 youth including 8,641 youth served at 111 school age youth servicing agencies and 3,000 pre-school children at child care centers.

In 2017, the Library will continue to extend the *Super Reader* program 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 supports outreach to youth serving agencies and schools throughout the year, costs approximately $317,000. This is primarily funded through the Milwaukee Public Library Foundation.

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 2015-2016 school year, MPL issued 1,415 cards to first graders and spoke to 4,258 first graders during visits to 80 schools. In 2016-2017, 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 as part of the ConnectEd Library Card Challenge, which began with two pilot schools in 2015.

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 the Library and its partners 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 and Trowbridge School of Great Lakes Studies in September 2015. By the completion of the 2016-2017 school year, all MPS students in Milwaukee will have a library account to access books and learning resources available at the library during and after school.

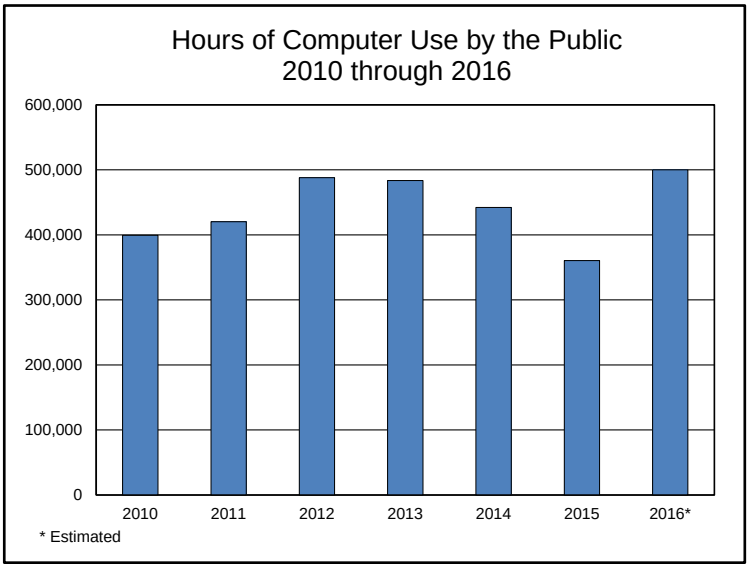
Technology and Digital Inclusion

MPL provides a range of technology related 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 2017, MPL expects to receive $145,578 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.

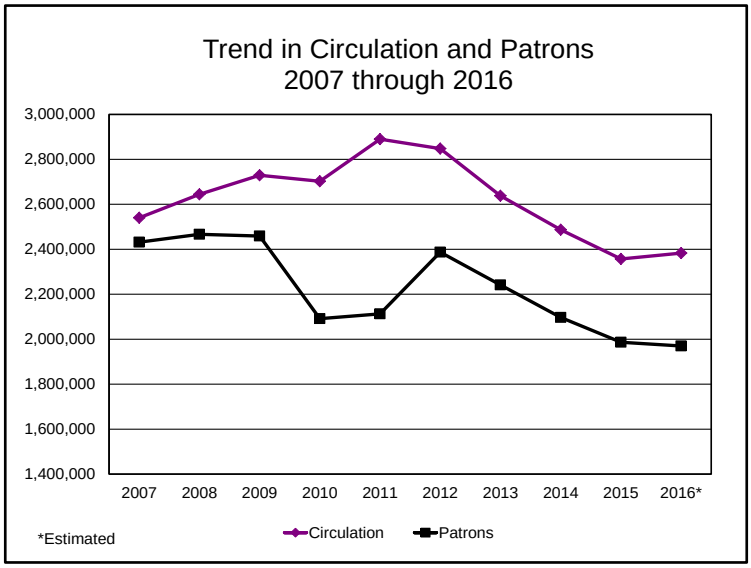
Technology Training: The 2017 proposed budget continues to fund six Library Technology Specialist (LTS) positions that were originally created through the Broadband Technology Opportunities grant. These staff members provide technology skills training to city

Figure 1



residents at all libraries and continually develop new curricula to address evolving community needs. The LTS staff manage laptops, teach computer and software classes, and provide individual and small group digital literacy instruction in English and Spanish. In 2015, MPL offered 430 computer classes that provided 2,515 participants with computer skills. Through July of 2016, 495 classes have been held with 2,233 attendees.

Figure 2



Computer and Internet Access: MPL provides Milwaukee residents with access to high speed broadband internet, PCs, and laptops. Through June 2016, compared to the same period in 2015, computer use decreased 43.2% and laptop checkout decreased 39.6%. 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 the library's WiFi system in 2016 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: In 2014, the first express library with a vending library machine was installed at Westlawn Gardens. The machine provides materials 24 hours per day through self-service technology. The vending library holds 400 items, including requested "holds", 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. The express library has improved access to materials for both residents of Westlawn Gardens and the surrounding neighborhood. Use of the machine has been steadily increasing since it first opened. An independent evaluation was completed earlier this summer and recommended ways to expand the reach and use of MPL Express. Based on this report, a plan of action and internal recommendations is being developed.

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, the Library contributes to economic and employment growth in Milwaukee. In 2016, the Library connected with 121 participants engaged in business and patent programs and 64 others through Money Smart Week programing. In 2017, MPL will continue to engage new users by forging partnerships with the business community and expanding its lineup of business and patent program offerings including the use of databases and resources for entrepreneurs, startups, and small businesses for all ages.

In 2016, four branch libraries served as host sites for the Health Insurance Enrollment Labs and contributed to Milwaukee's successful win in the Healthy Communities Challenge with President Obama. In 2017, the Library will contribute to Milwaukee's economic growth by creating a greater focus on the financial and health literacy needs of the community for all ages through new programming.

Job Labs: The Library hosts drop-in job help sessions to assist people who are unemployed and under employed, helping them effectively search and apply for jobs. Assistance is provided by Library Technology Specialists who rotate among all the branch libraries and provide help in preparing resumes, writing cover letters, searching for jobs, completing online job applications, and submitting materials online. In 2015, 1,716 participants utilized

drop-in labs. Through July 2016, 455 drop-in labs have been held with 1,633 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 staff by greeting library users, answering basic 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 772 volunteers have been recruited, donating over 17,367 hours valued at $504,000.

Awareness Campaign – Library Loud Events: With major support from the Milwaukee Public Library Foundation and corporate partners, the Library launched an awareness campaign this summer. The purpose of the campaign is to attract new users to the library by demonstrating its relevance. The campaign stems from the library's strategic plan and will take place over an 18 month period. Library Loud encourages attendance at events and are aimed at rebranding the library as a welcoming and inspiring place.

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's new Teen Education Specialist is leading the development and implementation of phase one of the program plan which features the use of "near peers" to work with a cohort of paid teen interns on interest based, tech oriented projects that help meet the strategic plan goals. The program is funded in part by the Milwaukee Public Library Foundation.

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). The Library is an anchor in communities throughout Milwaukee and renews the sense of "place" through services, programs, and facilities. Continued investment in Central and branch libraries creates and maintains library facilities as places of inspiration.

RESIZE, RESTRUCTURE, AND REINVEST

Resource Alignment and Organizational Development

The Library continually aligns resources to meet its objectives. Resource alignment is ongoing and the Library will look for additional opportunities to add value to direct public services by streamlining operations.

Increased Library Hours: The 2017 proposed budget maintains library hours at 2016 levels. The 2016 budget increased library hours at six branch libraries. This included adding six new reference positions. Central Library is open 54 hours per week. Five branch libraries (Bay View, East, Washington Park, Zablocki, Villard Square) are open 49 hours per week, Center Street library is open 50 hours per week, and six branch libraries (Atkinson, Capital, Forest Home, Martin Luther King, Mill Road, Tippecanoe) are open 47 hours per week. Visits to the

library reached 1,986,575 in 2015 and is expected to reach 1,970,121 in 2016. Circulation of physical collections reached 2,356,921 in 2015 and is expected to total approximately 2,383,270 in 2016.

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 74%. The RFID/self-check systems create operating efficiencies and streamline the processing of returned materials.

Branch Library Improvements: The 2017 proposed capital budget includes $1.95 million for several branch library improvements, including $1.6 million for ongoing branch library replacement programs. This includes $500,000 for the last year of funding for the Forest Home and Mill Road mixed use library programs and $1 million for renovation of the Capitol and Martin Luther King libraries. The plan is to replace the current facilities with mixed use buildings with enhanced amenities, including flexible meeting spaces that expand programming potential. 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. High quality facilities provide needed resources and encourage frequent use by neighborhood residents. An additional $350,000 is included for a space needs study for the Center Street library.

Central Library Improvements: The capital budget includes approximately $900,000 for Central Library improvements. This includes ongoing repair of the building's historic mosaic tile and scagliola, improvements to a staff area, roof replacement, masonry repairs, and planning for the replacement of three air handling units.

Other Operating Reductions: The 2017 proposed budget includes several reductions reflecting operational efficiencies, including a $10,000 decrease in general office expense, a $20,000 reduction in energy, a $20,000 reduction in services and supplies to reflect a change in the outsourcing of bindery services and elimination of the Library Driver position, which is no longer needed.

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		Marketing and Public Relations Officer	Position reclassified in CCFN 160407.
1	1.00		Community Relations and Engagement Director	
-1	-1.00		Electrical Mechanic	Position reclassified in CCFN 151873.
1	1.00		Municipal Services Electrician	
-1	-1.00		Administrative Specialist Senior	Position reclassified in CCFN 151533.
1	1.00		Management Librarian	
-1	-0.97		Library Driver	Position eliminated.
	-0.35	0.35	Various Positions	Increased salaries charged to capital projects.
	0.97		Library Branch Manager	Full year funding of staff added in 2016.
	0.74		Librarian III	
	0.97	-0.97	Librarian Education Outreach Specialist	Shift funding to operating budget.
-6	-3.00		Library Youth Educator	Staff restructuring to improve operations.
2	2.00		Librarian III	
1	0.50		Program Assistant II	
3			IT Support Specialist	Unfunded Auxiliary positions created in anticipation of staffing changes to be implemented as part of the Library's strategic plan.
1			Business Analyst	
1			Media Specialist	
-3			Librarian III	
3			Librarian V	
4			Librarian Intern	
1			Library Education Outreach Specialist	
6	**0.86**	**-0.62**	**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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	11.40	11.75	14.00	13.75	2.00	-0.25
FTEs - Other	0.88	1.00	0.00	0.00	-1.00	0.00
Total Positions Authorized	14	15	17	16	1	-1
Expenditures						
Salaries and Wages	$828,026	$843,433	$971,313	$971,313	$127,880	$0
Fringe Benefits	397,452	404,848	437,091	437,091	32,243	0
Operating Expenditures	33,297	42,000	45,000	45,000	3,000	0
Equipment	0	0	0	0	0	0
Total	$1,258,775	$1,290,281	$1,453,404	$1,453,404	$163,123	$0

Mayor Barrett's primary focus is on the creation of family supporting jobs and allowing residents to feel safe in their community. Residents feel safe in their community not only through the provision of an adequately staffed police force but also through programs that improve citizen health and provide residents with the hope of a better life.

Programs are often described individually but require a significant level of coordination with other programs. The Police Department can enforce laws to reduce crime. This does not address the underlining reasons for crime. Police efforts must be combined with employment and housing programs that give one a sense of the opportunity for a better life. Mayor Barrett has put in place many programs that work together to meet his goals.

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 developed and set in place a Youth Development and Violence Prevention initiative that will expand and enrich the city's focus on youth, 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 which is the eradication of youth violence through a variety of long term strategies. The plan will build on the strong foundation in place, 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.

In 2016, the Office of Violence Prevention received a federal grant through the Substance Abuse and Mental Health Services Administration (SAMHSA) providing $5 million over five years. The funding will support a Resiliency in Communities After Stress and Trauma (ReCAST) program that will assist high risk youth and families and promote resilience and equity through implementation of evidence based violence prevention and community youth engagement programs. It includes:

- Develop a strategic plan and complete the needs assessment for the ReCAST project.
- Increase capacity in the youth services sector to link youth and families with services and trauma informed behavioral health services.
- Use a mentoring and peer support model for parents to help encourage, support and provide leadership opportunities.
- Implement the Youth Works MKE program, which is a replication of Chicago's successful One Summer Plus program. The program has violence prevention impacts while linking youth with employment, social emotional learning, and mentoring.
- Have a community based organization implement an evidence based behavioral health and/or violence prevention intervention which directly addresses Milwaukee's greatest needs.
- Accomplish a broader community work to address trauma including, but not limited to, community events, youth led initiatives, or increasing resilience and restorative practices.
- Youth empowerment trainings utilizing poetry and spoken word approaches.
- Build a robust training program with multiple trainers, both local and national experts, around topics like trauma informed care, cultural competency, resilience, and more.

The Milwaukee Trauma Response Team (TRT) is an initiative aimed at preventing long term effects of untreated youth exposed to traumatic events by connecting with and offering services to youth and families who have been exposed to potentially traumatic events. The goal is to make contact with youth and their families within 48 hours of the traumatic event in hopes of breaking the cycle of potential long term damage that results from untreated trauma in the crucial hours after the event. The initiative is a collaboration between the Health Department, Milwaukee Police Department District 7, and Wraparound Milwaukee's Mobile Urgent Treatment Team (MUTT). The project was piloted in District 7 with the goal and intent to incrementally expand the project to additional districts over time.

As of July 2016, the Mobile Urgent Treatment Team (MUTT) has received a total of 199 referrals since the start of the TRT project in June of 2015. There are currently 33 active cases and 166 closed cases. The Mobile Urgent Treatment Team successfully made contact with 94% of the youth and families referred to the Trauma Response Team project. Training for officers is ongoing and planning for expansion to District 5 is underway.

***Compete Milwaukee*:** In 2017, Mayor Barrett and Employ Milwaukee 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 2017 proposed budget funds transitional jobs placements and provides training to those employed. The purpose is to present employees with a pathway to a permanent self-sustaining job.

The 2017 proposed budget will place approximately 80 individuals in transitional job placements delivering critical city services. The 2017 proposed budget includes the following funding for the *Compete Milwaukee* initiative:

- Continue participation in the transitional jobs program by providing city and CDBG funding for 50 jobs. Total funding provided is approximately $913,000.
- Provide $100,000 for a liaison to coordinate activity between city, state, and private organizations.
- Provide $201,000 for the police ambassador program to hire 20 police ambassadors.
- Provide $140,000 of carryover CDBG funding for a career pathway program that will provide those employed in the program with additional skilled needed for permanent employment.

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 the Milwaukee Police Department and participate in 4 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 Employ Milwaukee 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 in 2015:

- 388 city residents employed in manufacturing jobs.
- 110 unemployed job seekers 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, operating under Employ Milwaukee, 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 2015, 22,209 Milwaukee youth gained critical employment experience through the Earn & Learn program.

Lead Service Line Replacement: There are approximately 70,000 water service lines that are made with lead. Exposure to lead through water poses a risk to residents, especially to those that are pregnant and children under

six years old. Water filters can remove the lead from the water but are not a long term solution. The only way to permanently remove the lead is by replacing the water service line.

Milwaukee Water Works will begin full replacement of lead service lines in the fall of 2016. Daycares and schools will be the top priority. Funding of $1.6 million of principal forgiveness through the Safe Drinking Water Loan Program (SDWLP) will be for daycares and schools. An additional 300 leaking service lines will be replaced using an additional $1 million provided through the SDWLP.

In 2017 and 2018, the SDWLP will fund a total of 400 daycares and schools and partially fund the replacement of the private portion for approximately 300 properties with service line leaks. Another $1 million will be provided by the state in 2017 to replace an additional 300 service line leaks.

Overall, the replacement program for the lead service lines will take 50 years assuming no additional state or federal funding.

Strong Neighborhoods Plan: The 2017 proposed budget includes $13.9 million for the Strong Neighborhoods Plan. The 2017 proposed budget also 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.

The 2017 proposed budget also funds $2.6 million for demolition or deconstruction of 248 abandoned or foreclosed homes, of the total, 25 homes will be deconstructed. In addition, the state will provide $1.1 million in demolition funds to subsidize the city funding.

Infrastructure: Continuing high levels of investment in core city infrastructure projects is a priority in the 2017 proposed budget. Core infrastructure programs including streets, bridges, street lighting, and sewers total $72.2 million. Since 2004, funding for core infrastructure has increased by $29.3 million, nearly 68%. This is well above the inflation adjusted level of $54.4 million.

The high impact streets program uses a curb-to-curb asphalt resurfacing approach to extend street life and increase pavement quality. In the 2017 proposed budget, a portion of the local street program funding will apply the same approach to neighborhood streets. The 2017 proposed budget funds upgrades to 44 miles of neighborhood and commercial district streets through the local street and high impact street programs.

Environmental Sustainability: The Environmental Collaboration Office (ECO), formerly known as the Office of Environmental Sustainability, strives to make Milwaukee a world class eco-city. ECO develops practical solutions that improve people's lives and the economy while working to protect and restore the natural eco-systems that are integral to our long term prosperity. ECO collaborates with the community, develops global partnerships, and implements award winning programs and the city's *Refresh Milwaukee* sustainability plan.

The Milwaukee Energy Efficiency (Me2) program provides affordable loans to Milwaukee homeowners for energy efficiency insulation, windows, and heating and cooling systems. Since 2011, Me2 has improved over 1,300 homes

with energy saving projects such as insulation and efficient furnaces and boilers. The property assessed clean energy (PACE) financing program has leveraged private capital to finance over $10 million in commercial energy efficiency projects since 2013. The U.S. Department of Energy has designated Milwaukee's PACE program as a "national implementation model".

A Community Workforce Agreement ensures that the jobs created through both Me2 and PACE benefit people who live in the city. All commercial and residential contractors are committed to hiring city residents and paying family supporting wages. Additionally, minority owned and operated Milwaukee firms have collectively completed hundreds of Me2 projects.

ECO 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. In 2016, the Me3 program supported the largest rooftop solar installation in the City of Milwaukee, a 372kw system at Jonco Industries. The 2017 proposed budget includes $35,000 of tax levy funding to continue this program.

The *Milwaukee Shines* solar program makes purchasing solar panels easy and affordable for homeowners by offering a "group buy" program, streamlining solar permitting, and offering financing. Through 2015, *Milwaukee Shines* has helped 92 homeowners install solar.

ECO contributes to the city's vacant lot beautification efforts through its HOME GR/OWN program. This program helps build neighborhood pocket parks and green space and has helped revise city codes to make urban agriculture easier. In 2015, 21 vacant lots were converted into green infrastructure, pocket parks, orchards, and community gardens. The program won an international design award for its designs and collaboration with the community. HOME GR/OWN has focused on engaging community residents in the creation and maintenance of pocket parks. In 2016 and 2017, HOME GR/OWN is concentrating its vacant lot beautification efforts on commercial corridors.

ECO is also developing a *Water Centric City* initiative, exploring "smart cities" technologies that link technical innovation with environmental sustainability, sponsoring events to educate and engage the public on sustainability, and engaging in global partnerships that showcase Milwaukee's leadership on sustainability.

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	0.25		College Intern (0.25 FTE)	
1	1.00		Special Assistant to Executive Director	Transfer from RACM.
	0.50		Office Assistant III	Increased from part time to full time.
-1		-1.00	Housing Outreach Director	Transferred job responsibilities to Housing Policy Director.
	0.25		Various Positions	Miscellaneous adjustment.
1	**2.00**	**-1.00**	**Totals**	

MUNICIPAL COURT

EXECUTIVE SUMMARY

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

OBJECTIVES: Provide timely adjudication of cases.

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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	31.87	32.00	34.00	33.20	1.20	-0.80
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	43	41	40	40	-1	0
Expenditures						
Salaries and Wages	$1,860,775	$1,871,870	$1,902,512	$1,870,512	$-1,358	$-32,000
Fringe Benefits	771,279	898,498	856,130	841,730	-56,768	-14,400
Operating Expenditures	538,333	456,400	487,900	487,900	31,500	0
Equipment	6,000	6,000	6,000	6,000	0	0
Special Funds	49,962	40,000	40,000	40,000	0	0
Total	$3,226,349	$3,272,768	$3,292,542	$3,246,142	$-26,626	$-46,400
Revenues						
Charges for Services	$1,353,212	$1,514,000	$1,139,000	$1,139,000	$-375,000	$0
Forfeitures	4,110,140	4,060,000	3,703,000	3,703,000	-357,000	0
Total	$5,463,352	$5,574,000	$4,842,000	$4,842,000	$-732,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

The Municipal Court adjudicates city ordinance violations including traffic and building code cases. The Municipal Court has three elected Judges who preside over the court's three branches. The presiding Judge appoints the Chief Court Administrator who oversees the department'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 70,000 and 100,000 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 and the Center for Self-Sufficiency.

Key Performance Measures

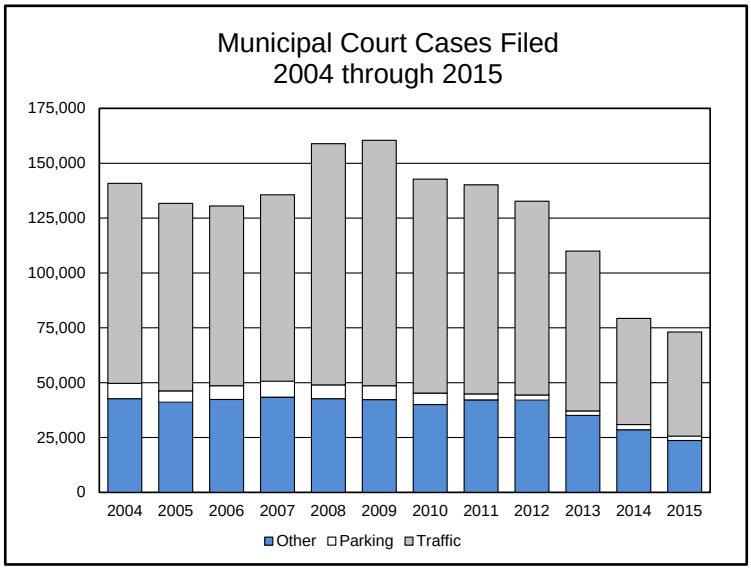
Measure	2015 Actual	2016 Projected	2017 Planned
Average days from filing to judgment.	38	34	30
Number of enforced driver license suspensions lifted.	7,360	10,250	8,000

STRATEGY IMPLEMENTATION

The Municipal Court's 2017 proposed budget is based on an estimated 70,000 cases. Case volume has been decreasing since 2010 but this decrease appears to be slowing. As of July 2016, case volume is 13.1% higher than in 2015. In 2015, filings decreased by 7.8% from 79,300 to 73,078. Traffic cases were almost 65% of total case filings in 2015, an increase from 61% in 2014 (see Figure 1).

Evening court sessions, begun in 2003, were offered on 12 dates in 2015. A total of 28 sessions were scheduled for 384 defendants on 564 cases in 2015, with 293 defendants or about 76.3% 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.

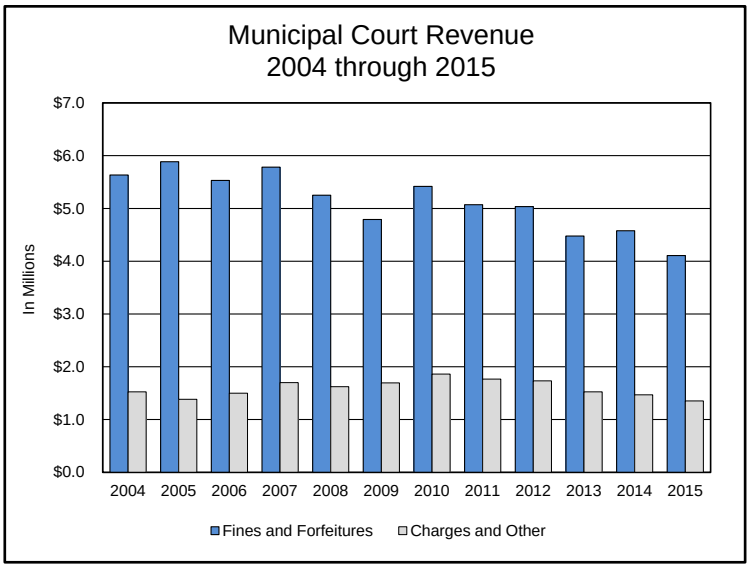
The Judges use these procedures to routinely assist citizens in the recovery of their driver's license. In 2015, the court lifted driver's license suspensions for 7,360 individuals.

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 2015 decreased by approximately $586,000 from 2014 a 9.7% decrease. Most of this decrease 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 13% ($732,000) in 2017.

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 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".

Figure 2



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 2015, of the 262 people who agreed to do community service in lieu of payment, 45% completed the program. Another 11% completed some of their community service, thereby reducing the debt owed to the city. Of the 70 people participating in a program related to AODA issues, 49% completed all requirements in lieu of payment. Of the 136 people with issues related to mental health, 63% completed all requirements in lieu of payment.

RESIZE, RESTRUCTURE, AND REINVEST

Improving Case Management: The electronic case file project allowed all case documents to be stored electronically and 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. Converting to electronic cases and automating court processes generates ongoing operational efficiencies. Return on the court's investment in technology began in 2011, with $50,000 in recurring annual 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 was not funded in 2016, saving another $34,700 in salaries. In 2017, annual recurring savings of more than $350,000 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 (CATS), 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 2017 proposed budget includes $384,000 to fully fund the project, which is anticipated to be completed in 2017.

Staffing Changes: The 2017 proposed budget reduces funding for one Municipal Court Clerk I by $32,000. With some changes in case scheduling, the Court may be able to function with one less Court Clerk position. This is a pilot effort, the feasiblity of which will be assessed in 2017. The 2017 proposed budget also eliminates one Court Services Assistant IV and restores funding for an Accounting Assistant III position that was removed in the 2016 budget. The 2017 proposed budget also reflects position reclassifications adopted in 2016, including replacing the Administrative Services Supervisor with a Court Administrative Coordinator and replacing a Court Services Assistant IV with a Customer Services Representative III.

MPS Driver's Education: The 2017 proposed budget provides $50,000 to continue the MPS Driver's Education special purpose account. This account supports a Milwaukee Public School (MPS) pilot initiative to offer free driver's education to some students. Driver's education should help these youth avoid traffic violations that result in suspened driver's licenses. This project is anticipated to start at four MPS schools in 2016.

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
-1	-1.00		Administrative Services Supervisor	Position reclassified in CCFN 160407.
1	1.00		Court Administrative Coordinator	
	1.00		Accounting Assistant III	Funding for position restored.
-1	-1.00		Court Services Assistant IV	Position eliminated.
-1	-1.00		Court Services Assistant IV (A)	Position reclassified in CCFN 151664.
1	1.00		Customer Service Representative III (A)	
	-0.80		Municipal Court Clerk I	Planned staffing reduction.
	2.00		Various Positions	Correction in FTE count.
-1	**1.20**	**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 and property 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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	212.14	219.60	218.35	205.10	-14.50	-13.25
FTEs - Other	29.19	46.15	43.65	50.15	4.00	6.50
Total Positions Authorized	283	293	287	289	-4	2
Expenditures						
Salaries and Wages	$11,565,871	$12,419,430	$12,393,989	$11,691,954	$-727,476	$-702,035
Fringe Benefits	4,756,191	5,961,326	5,577,295	5,261,379	-699,947	-315,916
Operating Expenditures	1,469,775	1,523,415	1,544,105	1,249,500	-273,915	-294,605
Equipment	6,796	0	15,000	15,000	15,000	0
Special Funds	2,268,807	1,989,000	2,010,000	2,010,000	21,000	0
Total	$20,067,440	$21,893,171	$21,540,389	$20,227,833	$-1,665,338	$-1,312,556
Revenue						
Charges for Services	$20,229,010	$18,484,000	$14,065,000	$16,165,000	$-2,319,000	$2,100,000
Licenses and Permits	8,722,254	8,323,200	8,398,600	8,428,600	105,400	30,000
Intergovernmental Aids	1,079,636	1,100,000	1,100,000	1,100,000	0	0
Total	$30,030,900	$27,907,200	$23,563,600	$25,693,600	$-2,213,600	$2,130,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

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

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

Housing conditions and trends affect the department's role in supporting and enhancing Milwaukee's neighborhoods. Milwaukee has approximately 258,000 housing units, the majority of which are single family homes, duplexes, and condominiums. Housing conditions and trends vary considerably throughout the city. While some areas, such as downtown, have seen a recent increase in housing units from new construction, other areas have experienced a decrease in housing units, due in part to deteriorating housing stock. In addition, housing values in some neighborhoods have recovered considerably since the recession, while housing values in other neighborhoods have recovered little, if at all, over the same time period.

Factors that affect the stability and quality of housing in the city's neighborhoods include housing age, ownership, and market conditions, among others. Like other cities, much of Milwaukee's housing stock is aging. Nearly half of the city's housing units were built before 1950 and many homes that are approaching 75 to 100 years old require significant maintenance and rehabilitation. In addition, a majority (57%) of Milwaukee's housing units are occupied by renters while owner occupancy rates have decreased a trend that is mirrored nationally. To compound this issue, most (58%) of Milwaukee's renters have a high housing cost burden, spending 30% or more of their income on housing cost.

Furthermore, foreclosures and related impacts, including boarded-up, vacant, and blighted properties, continue to impact Milwaukee's neighborhoods. While mortgage foreclosures have declined since their peak in 2009, the city continues to acquire hundreds of properties each year through tax foreclosure. In 2015, the city filed foreclosures against 1,507 tax delinquent properties and acquired 937, the highest number since the recession. Additionally, as of August 2016, there are approximately 4,450 known vacant properties in the city, many of which resulted from bank or tax foreclosures. These properties contribute to neighborhood blight and negatively affect public health, safety, and welfare.

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 2016, the average complaint response is 5.6 days. The violation goal is to close all violations within 45 days of the compliance date established by inspectors.

Key Performance Measures

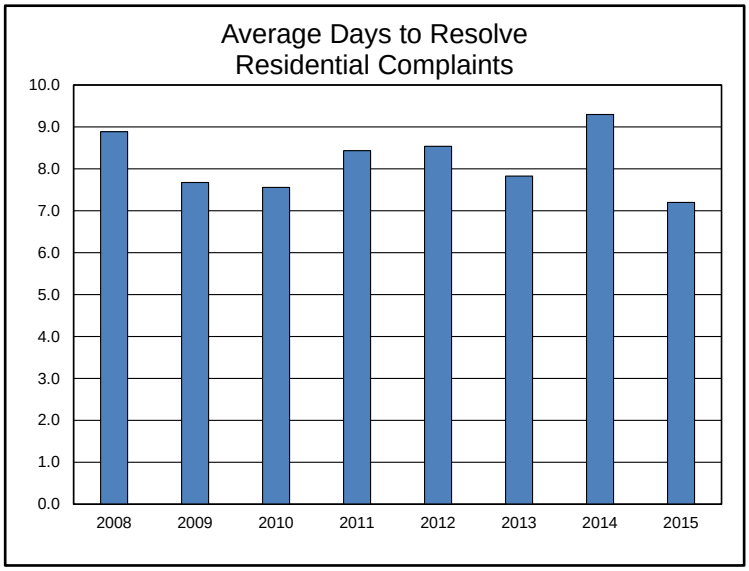
Measure	2015 Actual	2016 Projected	2017 Planned
Average days to respond to complaints.	5.6	8.0	8.0
Average days to confirm nuisance garbage abatement.	18.3	16.5	16.5
Percentage of development center review timelines met.	90.5%	95%	95%
Number of vacant building inspections.	51,999	53,000	52,000
Number of properties that received code compliance loans.	34	35	60

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 2015, average complaint response time for the residential section was 7.2 days (see Figure 1). Verified complaints result in orders to correct conditions that violate city ordinances. In 2015, 31,615 complaints were closed, 55,129 violation orders were closed, and 2,501 graffiti complaints were closed.

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.

Figure 1

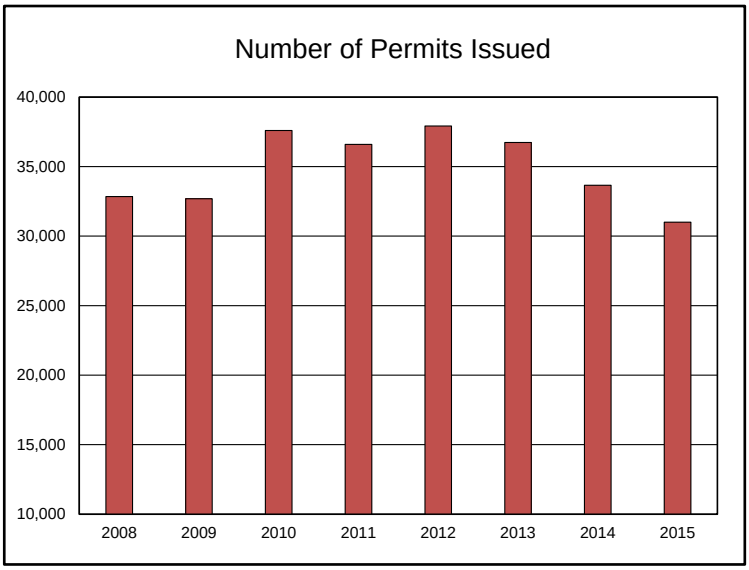


This program has provided more proactive and comprehensive inspection and monitoring of vacant properties. On an annual basis, the program conducts more than 50,000 inspections. Currently there are 4,339 known vacant properties in the city. Of those, 2,057 properties are in the registration program. 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 250 vacant properties will be added in 2016. In 2017, six positions support this program.

Foreclosures: Foreclosures represent a continuing challenge for the city. As of August 2016, there are 2,226 city properties in foreclosure and subject to the Residential Properties Pending Foreclosure ordinance. 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 2016, DNS has conducted 8,149 inspections of properties in pre-foreclosure.

Figure 2



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 2016, these timelines were met 92% of the time. Walk-in plan reviews are used for 38% of all projects and 96.6% of these reviews are completed within one day. The trend in the number of permits issued is shown in Figure 2.

RESTRUCTURE, RESIZE, AND REINVEST

Impact of 2015 Wisconsin Act 176: The State of Wisconsin enacted 2015 Wisconsin Act 176 on February 29, 2016. This legislation made significant changes in Wisconsin statutes, including various limitations and prohibitions on the authority of local governments regarding residential rental properties. Specific changes affecting the City of Milwaukee's inspection and enforcement activities include limitations on when local governments can inspect rental properties, limitations on the amount of any inspection fee charged to rental properties, and limitations on the registration of rental properties.

In order to comply with the newly enacted state statutes in 2015 Wisconsin Act 176, the city significantly amended its ordinances in Council File 160162. Ordinance changes include:

- Repealing the residential rental certificate program and fees,
- Repealing the certificate of code compliance program and fees,
- Repealing the chronic code violation nuisance program and fees,
- Modifying the property recording program,
- Changing the property registration information collected through the vacant building registration and registration of residential properties pending foreclosure programs, and
- Changing the re-inspection fee schedule and amounts.

While these changes reduce the city's ability to proactively address potential nuisance properties and limit its ability to ensure building and property codes are enforced, the changes are necessary to ensure compliance with state statutes governing residential rental properties.

These changes also result in the elimination of several positions that worked on the programs that have been repealed in order to comply with state law. This includes six Residential Code Enforcement Inspectors, two Special Enforcement Inspectors, and one Customer Service Representative I. An additional two Residential Code Enforcement Inspector positions have funding eliminated. Total reductions are $633,789, including salaries and fringe benefits.

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. The goal is to reduce the negative impact of non-compliant businesses on the surrounding neighborhoods. Inspection frequency is based on the type of business operation and the business' compliance history, with an estimated 1,500 annual periodic inspections occurring.

Demolition Funding: The 2017 proposed budget assumes $3.55 million in funding for demolitions, including $2.1 million in capital funding, $350,000 in CDBG funding, and $1.1 million from the State of Wisconsin, which complements the Mayor's effort to eliminate blight, build workforce and rebuild neighborhoods in Milwaukee. Funding will be used to demolish or deconstruct properties that have deteriorated beyond repair, present a safety hazard, or have an extensive history of criminal activity. Deconstruction and salvage in lieu of demolition will occur where this is financially feasible and provides benefits through the reuse of building materials. DNS 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 248 properties will be demolished or deconstructed in 2017, including residential and some smaller commercial properties. An estimated 498 properties will have outstanding demolition orders at the end of 2016.

Compliance Loan Program: The compliance loan program continues in 2017, with $800,000 in funding. The program was funded with $500,000 in 2016. 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 and not in foreclosure. The program allows property improvements to occur while enabling the property owners to avoid losing the property through tax foreclosure. Through July 2016, 36 loans have been approved, committing approximately $452,000. Given current applicants and demand, DNS anticipates expending all remaining funds in 2016. In 2017, approximately 60 loans will be awarded.

Arena Staffing: Construction on the new Milwaukee Bucks Basketball Arena and related buildings began in 2016 and will continue through 2017. Given the extensive plan review and inspection activity required for this major economic development project, the 2016 budget created five positions dedicated to the project. These positions will continue in 2017 and are funded by permit fees and additional charges paid by the Milwaukee Bucks. These positions will be eliminated when the project is completed.

Cross Connection Inspection Program: The 2017 proposed budget includes an expansion of the cross connection inspection program. Currently, DNS conducts inspections of commercial, industrial, and multi-family properties to verify that no cross connection contamination is occurring that threatens the safety of drinking water. If DNS identifies any problems, it issues an order to correct the deficiency and verifies that corrective action has eliminated the deficiency. DNS has been conducting these inspections on a ten year cycle. However, state regulations require a comprehensive cross connection control program implemented by municipal water systems to adopt a two year inspection cycle. The state has informed the city that the current cross connection control program is deficient because the inspections are not occurring at the required frequency. In order to provide the capacity to conduct inspections on a two year cycle, additional staff and resources are required. The 2017 proposed budget includes the creation of eight additional staff in DNS. All costs of this program are paid for by the Water Works on a reimbursable basis.

Elevator Inspection: DNS has four elevator inspectors but has faced difficulties recruiting and retaining inspection staff. The 2017 proposed budget retains position authority and funding for four elevator inspectors, but DNS may contract with a private vendor if needed in order to conduct all elevator inspections in a timely manner. The goal is to avoid delays in conducting elevator inspections while providing flexibility to increase or decrease the number of inspections conducted by the vendor as dictated by inspection workload.

Information Technology Consolidation: The 2017 proposed budget continues to consolidate information technology and management under the Department of Administration Information and Management Technology Division (ITMD). In 2016, two dedicated information technology positions and technology equipment previously in DNS were transferred to ITMD. In 2017, all operating funding related to information technology services in DNS, including funding for software maintenance and consultants, will transfer to ITMD. ITMD will provide technology support for DNS.

Other Position Changes: The 2017 proposed budget includes other position changes, including eliminating an Office Assistant IV and Special Enforcement Supervisor that were created for the residential mortgage loan in default registry program, a program that was not implemented, as well as eliminating an Office Assistant II and eliminating funding for an Office Assistant III. Another change includes creating an Operation Director and an Administrative Services Supervisor to replace a Building Codes Enforcement Manager and District Code Enforcement Supervisor. The Operations Director will assist the Commissioner in the management and oversight of the Development Center and Construction Trades Division. The Administrative Services Supervisor will supervise the residential division administrative staff and assist the remaining division manager with various administrative duties.

Remodel Anderson Lake Tower Facility: Capital funding of $650,000 was provided in prior years for remodeling 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. This project is anticipated to be completed in September 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		Neighborhood Services Operations Director	Restructure staffing to improve management.
-1	-1.00		Building Codes Enforcement Manager	
1	1.00		Administrative Services Supervisor	
-1	-1.00		District Code Enforcement Supervisor	
-1	-1.00		Office Assistant IV	Positions eliminated as a result of residential mortgage loan in default registry program not being implemented.
-1	-1.00		Special Enforcement Supervisor	
-1	-1.00		Office Assistant II	Position eliminated for budget savings.
		-1.00	Condemnation Program Coordinator	Funding for positions eliminated.
	-0.50	-0.50	Program Assistant II	
	-2.00		Residential Code Enforcement Inspector	Positions eliminated as a result of program eliminated under Wisconsin Act 176.
-6	-4.00		Residential Code Enforcement Inspector	
-1	-1.00		Customer Service Representative I	
-2	-2.00		Special Enforcement Inspector	
	-1.00		Office Assistant III	Funding eliminated for budget savings.
-2		-3.50	Residential Code Enforcement Inspector (0.5 FTE)	CDBG funding eliminated.
1		1.00	Plumbing Inspection Supervisor	Staff added for cross connection program to meet regulatory requirements.
6		6.00	Plumbing Inspector	
1		1.00	Office Assistant III	
-1	-1.00		Building Codes Enforcement Supervisor	Positions reclassified in CCFN 151873.
1	1.00		Housing Policy and Compliance Manager	
1	1.00		Administrative Specialist Senior	
-1	-1.00		Compliance Programs Coordinator	
1	1.00		Special Enforcement Supervisor	Positions reclassified in CCFN 151533.
-1	-1.00		Special Enforcement Inspector	
1			Building Construction Inspection Division	Unfunded Auxiliary positions added for succession planning.
1			Building Codes Enforcement Manager	
	-1.00	1.00	Various Positions	Charge demolition salaries to capital.
-4	**-14.50**	**4.00**	**Totals**	

POLICE DEPARTMENT

EXECUTIVE SUMMARY

MISSION: Create and maintain neighborhoods capable of sustaining civic life and safe public spaces.

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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	2,716.86	2,730.27	2,742.27	2,729.27	-1.00	-13.00
FTEs - Other	38.23	46.44	46.44	46.44	0.00	0.00
Total Positions Authorized	2,809	2,839	2,842	2,828	-11	-14
Expenditures						
Salaries and Wages	$185,208,101	$168,222,902	$192,664,252	$191,207,755	$22,984,853	$-1,456,497
Fringe Benefits	93,067,071	90,801,258	92,478,841	91,779,722	978,464	-699,119
Operating Expenditures	14,351,247	15,563,955	16,521,339	15,922,439	358,484	-598,900
Equipment	3,182,094	2,117,820	3,092,476	2,729,086	611,266	-363,390
Special Funds	0	527,600	527,600	613,252	85,652	85,652
Total	$295,808,513	$277,233,535	$305,284,508	$302,252,254	$25,018,719	$-3,032,254
Revenues						
Intergovernmental	$740,662	$673,600	$683,700	$1,006,200	$332,600	$322,500
Charges for Services	711,563	2,921,700	2,888,600	2,888,600	-33,100	0
Total	$1,452,225	$3,595,300	$3,572,300	$3,894,800	$299,500	$322,500

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.
   - 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	2015 Actual	2016 Projected	2017 Planned
Decrease total crime by 10% annually.	-4%	-1%	-10%
Achieve a 70% homicide clearance rate.	60%	70%	70%
Ratio of proactive policing to citizen complaints.	0.04%	0.04%	0.04%
Guns seized.	2,501	2,500	2,500

STRATEGY IMPLEMENTATION

The department uses strategic staffing practices to optimize patrol capacity. The 2017 proposed budget maintains sworn strength at 1,888. In order to maintain this sworn strength level, it is anticipated that at least 126 new officers will be hired during the end of 2016 and during 2017. 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 and methods to allocate staff where it is most likely to be needed and effective in crime prevention.

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

The Intelligence Fusion Center (IFC) is the basis for the department's Intelligence Led Policing efforts. 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.

Table 1

City of Milwaukee Uniform Crime Statistics

Summary Crime Counts 2007 - 2015 Comparison of January through December

	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	105	71	72	95	87	91	105	86	146	39.0%	105.6%	102.8%	53.7%	67.8%	60.4%	60.4%	69.8%
Aggravated Assault	5,170	4,989	3,924	3,737	3,256	4,507	4,408	4,876	5,252	1.6%	5.3%	33.8%	40.5%	61.3%	16.5%	16.5%	7.7%
Rape	502	408	388	299	347	396	404	399	437	-12.9%	7.1%	12.6%	46.2%	25.9%	10.4%	10.4%	9.5%
Robbery	3,543	3,249	3,181	2,947	3,093	3,105	3,294	3,563	3,756	6.0%	15.6%	18.1%	27.5%	21.4%	21.0%	21.0%	5.4%
Total Violent Crime	**9,320**	**8,717**	**7,565**	**7,078**	**6,783**	**8,099**	**8,211**	**8,924**	**9,591**	**2.9%**	**10.0%**	**26.8%**	**35.5%**	**41.4%**	**18.4%**	**18.4%**	**7.5%**
Burglary	6,217	6,350	6,578	6,207	7,080	7,039	6,500	5,952	5,484	-11.8%	-13.6%	-16.6%	-11.6%	-22.5%	-22.1%	-22.1%	-7.9%
Theft	7,752	6,541	4,875	4,329	4,562	4,812	4,387	6,654	7,380	-4.8%	12.8%	51.4%	70.5%	61.8%	53.4%	53.4%	10.9%
Auto Theft	24,402	23,795	23,479	21,231	19,028	18,590	16,138	14,944	12,742	-47.8%	-46.5%	-45.7%	-40.0%	-33.0%	-31.5%	-31.5%	-14.7%
Total Property Crime	**38,371**	**36,686**	**34,932**	**31,767**	**30,670**	**30,441**	**27,025**	**27,550**	**25,606**	**-33.3%**	**-30.2%**	**-26.7%**	**-19.4%**	**-16.5%**	**-15.9%**	**-15.9%**	**-7.1%**
Arson	349	320	359	249	272	309	292	280	223	-36.1%	-30.3%	-37.9%	-10.4%	-18.0%	-27.8%	-27.8%	-20.4%
Grand Totals	**48,040**	**45,723**	**42,856**	**39,094**	**37,725**	**38,849**	**35,528**	**36,754**	**35,420**	**-26.3%**	**-22.5%**	**-17.4%**	**-9.4%**	**-6.1%**	**-8.8%**	**-8.8%**	**-3.6%**

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 2007 through 2015. The Federal Bureau of Investigation (FBI) uniform crime reporting program is comprised of two different data collection systems, summary based reporting (SBR) and incident based reporting (IBR). The Milwaukee Police Department records and reports all data to the Office of Justice Assistance/FBI, and in the City of Milwaukee's COMPASS Map, in the IBR format. The Office of Justice Assistance converts this IBR data to SBR values, as seen in Table 1. IBR and SBR cannot be directly compared because IBR counts all the offenses that occurred in an incident and SBR counts the offense that is highest on the hierarchy list while the other offenses are ignored.

The Police Department has reduced crime through crime analysis, data driven deployments, and community engagement. The City of Milwaukee has experienced a 26% decrease in total crime from 2007 to 2015. Through July of 2016, violent crime has decreased 3% and property crime has decreased 1% for a total crime reduction of 1% from the same time period in 2015.

RESIZE, RESTRUCTURE, AND REINVEST

Labor Contract Agreements with Sworn Unions: Two unions represent sworn officers in the Police Department, the Milwaukee Police Association (MPA) and Milwaukee Police Supervisors' Organization (MPSO). In December 2015 the city and both unions entered voluntary agreements. The contract with the MPA covered years 2013-2017. The contract with the MPSO covered years 2015-2016. The wage adjustments included in the contracts is the primary reason the 2017 proposed salary budget is $23 million higher than the 2016 adopted budget. These salary increases were previously estimated based on the city's labor negotiation strategy and appropriated to the Wages Supplement Fund special purpose account and have been reallocated to the police budget. The agreements also include employee pension contributions for all sworn members. Prior to the agreement the city made the employee pension contribution, which is 7% of pensionable wages, on behalf of the employee. The employee pension contribution for all sworn police is estimated at approximately $10 million annually. Sworn members of the MPA and MPSO received wage increases to offset a portion of the impact of the employee paying the employee pension contribution.

Funded Strength and Recruit Class: The 2017 proposed budget funds an average annual sworn strength of 1,888, which maintains the 2016 budgeted average sworn strength. As of August 2016, the department estimates hiring between 126 and 156 new officers during the remainder of 2016 and 2017 to maintain the budgeted average sworn strength. However, the exact timing and size of recruit classes will depend on the actual attrition rate experienced in late 2016 and early 2017.

Community Oriented Police Services (COPS) Hiring Grant Program: In September of 2015, the department was award COPS funding for 15 officers. The grant provides an award total of $1,875,000. During 2016 the department is applying for a new COPS hiring grant. The 2017 proposed budget anticipates 15 of the new officers hired will be partially funded through the COPS hiring grant program. This grant will assist the department maintain average annual sworn strength.

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 cameras. During 2015 the city selected a preferred vendor and negotiated the most cost effective solution to deploy body worn cameras to all patrol officers.

In 2016, the department began phasing in the deployment of body worn cameras. The deployment is occurring 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 was developed by the department to ensure proper usage and video storage. The procedure was reviewed and approved by the Fire and Police Commission. The department is also partnering with the Urban Institute to study the implementation and effectiveness of body worn cameras. The studies goals are:

- Devise an implementation plan for the strategy that addresses the concerns of citizens and line officers.
- Determine how the strategy improves desired outcomes.
- Analyze the cost benefit of wearing body worn cameras.
- Generate and disseminate a report upon request on lessons that can inform law enforcement agencies nationwide on methods of camera use and deployment that achieve intended outcomes.

The 2017 proposed budget includes $1.05 million to fully fund the deployment of body worn cameras.

Gun Violence Memorandum of Agreement: In 2015, the city 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 Attorney Generals 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.

The grant funds are used to subsidize overtime investigating non-fatal shootings and during firearm search warrants and investigations related to non-fatal shootings and firearm related violent crimes. Based upon the demonstrated immediate and continued success of this program the department is hopeful additional funding will be made available in 2017.

Project Safe Neighborhoods: The department's Project Safe Neighborhoods (PSN) initiative utilizes a collaborative approach of resources. This U.S. Bureau of Justice Assistance grant award of $295,000 allows for a coordinated intelligence led policing, problem solving and accountability framework. There are three specific goals that PSN is concentrated on:

- Reduce the firearm related homicides and non-fatal shootings in Milwaukee.
- Improve the apprehension and prosecution of perpetrators of gun violence.
- Increase the intelligence available on prolific firearm offenders and associates.

The Project Safe Neighborhood has created a high value target list which identifies Milwaukee's most prolific gun offenders. All identified PSN high value targets will be focused on during the various initiatives that take place throughout the remainder of 2016 and continuing into 2017.

Milwaukee Joint Human Trafficking Task Force: The Milwaukee Police Department's Milwaukee Joint Human Trafficking Task Force, was awarded a grant of $600,000 from the U.S. Bureau of Justice Assistance. This task force employs a holistic and collaborative approach in combating this devastating and much underreported type of crime.

The law enforcement collaboration involves sworn officers from all levels of government. The task force has a two dedicated full time detectives. There is also a full time imbedded FBI Special Agent on the task force who brings both invaluable experience and additional federal resources and support when needed.

As a proven partner in the investigations of human trafficking in Milwaukee County and the State of Wisconsin, the department has partnered with the Sojourner Family Peace Center as the lead service provider for victim services. The purpose of this partnership between law enforcement and service providers is to ensure a victim centered, multi-disciplinary approach to addressing all forms of trafficking. A standardized training curriculum and plan and protocols has been developed and sets the standard for identifying and providing services to victims of all forms of trafficking. This systematic training educates service providers on the task force, law enforcement, and community members in order to identify trafficking victims.

Community Service Officers: Since 2015, the department has added 17 Community Service Officer (CSO) positions. The CSO's support police operations and functions by performing a variety of specialized duties not requiring the attention of a sworn police officer. The 2017 proposed budget includes $372,000 for these positions.

Civilianization as a Force Multiplier: The department strategically increases 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 66 positions. This allows 66 police officers, whose positions were assigned to administrative duties in 2004, to return to community policing activities. The 2017 proposed budget includes funding for civilian management positions in the Office of Management and Planning.

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 2017, 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 2017 proposed budget includes levy funded overtime of $14.33 million and contract reimbursed overtime of $1.35 million.

Computer Replacement Program: Prior to 2016, the department had approximately 1,000 computers that were over five years old. In order to limit the impact of replacing all computers past their useful life through a purchase program, the department is using a hybrid program of both leasing and purchasing computers. This method will enable the department to achieve a five year replacement cycle of all purchased computers by 2021. The 2017 budget includes $586,000 in two special funds for this effort.

Squad Car Replacement: Maintaining the condition of the police squad car fleet is critical to the day to day operations of the Police Department. From 2013 to 2016 the department averaged replacing approximately 25 squad cars annually. The 2017 proposed budget includes funding to replace 35 squad cars.

CAPITAL BUDGET

The 2017 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 2017 proposed budget includes $5.5 million for construction of Phase IV of the project.

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. Since 2013, a total of $5 million has been appropriated for this effort. In early 2016, a contract with the selected vendor was signed and executed and implementation began in the spring. The 2017 proposed budget includes $1.7 million to continue implementation. Project completion is expected in early 2018.

District Station Renovation Program: The 2017 proposed budget includes $280,000 for various repairs and upgrades at the district stations.

Uninterruptable Power Supply: Uninterruptable power supply systems provide the 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 2017 proposed budget includes $94,000 to replace systems at several locations that are beyond their useful life.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
3	3.00		Inspector of Police	Command staff reorganization.
-4	-4.00		Deputy Inspector of Police	
-1	-1.00		Inspector of Police	Eliminate position through attrition.
-1	-1.00		Captain of Police	
1	1.00		Police Planning and Policy Director	Positon created during 2016.
1	1.00		Open Records Legal Advisor	
1	1.00		Special Projects Manager	New positions created in 2017.
1			Records Retention Compliance Officer	
-1	-1.00		Police Alarm Operator	Positions reclassified and retitled.
-72	-72.00		Police Telecommunicator	
-54	-54.00		Police Dispatcher	
-6	-6.00		Lead Police Telecommunicator	
133	133.00		Communications Operator II	
1	1.00		MPD Safety Division Manager	
-1	-1.00		Safety Coordinator	
-1	-1.00		Information Systems Manager MPD	
1	1.00		Information Services Manager MPD	
-14			Office Assistant II	Unfunded positions eliminated.
-1	-1.00		Heroin and Opiate Victim Advocate	Eliminate position and fund through professional services contract.
-1	-1.00		Domestic Violence Victim Liaison	
1	1.00		Crime and Intelligence Manager	Position retitled and one position added.
3			Police Sergeant	New position authority.
-11	**-1.00**	**0.00**	**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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	19.12	20.00	20.50	20.50	0.50	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	$1,227,442	$1,228,156	$1,263,305	$1,263,305	$35,149	$0
Fringe Benefits	576,183	589,515	568,487	568,487	-21,028	0
Operating Expenditures	994,520	933,000	1,214,000	1,214,000	281,000	0
Special Funds	1,942,116	2,051,000	2,795,000	2,930,000	879,000	135,000
Total	$4,740,261	$4,801,671	$5,840,792	$5,975,792	$1,174,121	$135,000
Revenues						
Charges for Services	$5,905,581	$4,801,671	$5,840,792	$5,975,792	$1,174,121	$135,000
Total	$5,905,581	$4,801,671	$5,840,792	$5,975,792	$1,174,121	$135,000

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	2015 Actual	2016 Projected	2017 Planned
Tonnage growth.	-14.5%	0%	0%
Percentage of total expenses covered by revenues.	100%	100%	100%
Port related job growth.	624 (direct) 732(indirect)	624 (direct) 732(indirect)	624 (direct) 732(indirect)
Excess revenue deposited in TSF.	$1,167,320	$1,000,000	$0

STRATEGY IMPLEMENTATION

The Port derived approximately 73% of the 2015 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 $1.6 million in 2015. The Port transfers any excess revenue to the city's general fund to reduce the property tax burden.

In 2015, the Port generated operating revenue of approximately $4.3 million, a 6.5% decrease from 2014. The revenue reduction is attributable to lower cargo tonnage totals. Despite the decrease in both revenue and tonnage totals, Port revenue exceeded expenses by over $1.1 million.

In 2015, total tonnage dropped by 11.2% or 289,000 metric tons (MT), to 2.3 million MT. The overall decrease in tonnage is a result of a 14.5%, or 348,000 MT decrease in general cargo tonnage. The overall decrease in Port cargo tonnage was mitigated by a 34% increase in grain tonnage. Grain was approximately 10% of the Port's overall cargo tonnage in 2015.

The decrease in the Port's overall tonnage totals are linked directly to WE Energies converting its Menonomee Valley plant to natural gas and as a result, coal has been eliminated as a commodity at the Port. Previously, coal accounted for approximately 15% of the Port's overall tonnage.

Table 1

Foreign Trade Zone No. 41					
	2011	2012	2013	2014	2015
Merchandise Value (In Millions)	$434.7	$852.0	$1,085.0	$1,192.0	$1,645.3
Employees	2,573	2,962	2,977	3,624	3,473
Approved Zones	4	7	9	7	7

The Port's land use strategy will remain unchanged. The department will strive to maximize productive use of its properties and services by replacing less productive activities with more productive activities.

RESIZE, RESTRUCTURE, AND REINVEST

Position Changes and Consolidation: The 2017 proposed budget includes two College Intern positions. These positions will work in the Port's marketing division and work on projects related to promoting the Port brand and market research for new business opportunities.

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. As the grantee of Foreign Trade Zone No. 41, the Port's role is to promote the FTZ to Wisconsin businesses that could benefit from participating in the program. Companies who participate will be able to retain and create jobs, while remaining competitive in international markets.

Designated foreign trade zones are able to realize the following benefits:

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

The Port has been successful as the grantee of the FTZ 41. There are currently seven approved operating zones. In 2015, the value of merchandize brought through FTZ No. 41 exceeded $1.6 billion. That is an increase of $400 million when compared to 2014. The value of goods moving through FTZ 41 exceeded $1 billion in 2015, the third consecutive year. Table 1 summarizes the success of FTZ 41.

Port Facilities: The 2017 proposed budget includes $1.3 million for the maintenance and improvement of Port facilities. Maintaining high quality facilities helps attract tenants, increase revenues, and positively influences the local economy. The largest budgeted items include:

- **Leasehold Demolition/Facilities Upgrade:** The 2017 proposed budget includes $744,000 for the demolition of structures at the Port. The Port will be able to prepare the land and properties for prospective new tenants.
- **Environmental Cleanup:** The 2017 proposed budget allots $100,000 for this program. These funds allow the Port to prepare the ground for new uses, buildings, or tenants.
- **Equipment Rehab and Upgrade:** Funding of $210,000 is provided in the 2017 proposed budget for equipment rehab and upgrade. This ensures that equipment is properly maintained and/or replaced.

Revenues and Tonnage: In 2017, 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 are expected to increase annual tonnage to 50,000 tons.

CAPITAL BUDGET

Crane Replacement: The 2016 budget included funding for a new crane at the Port. This crane will be delivered and operational by November 2016 and will reduce maintenance costs, increase efficiency by eliminating downtime, and conduct heavier lifts in a safe manner.

Rail Track Upgrades: The Port completed a $1.5 million upgrade to its rail system. The 2017 proposed budget includes $500,000 for additional improvements to the Port's rail system. These improvements, in conjunction with other facility improvements, will make the Port more attractive to potential tenants and enhances its competitive advantages.

Pier, Birth, and Channel Improvements: The 2017 proposed capital budget includes $100,000 for the Pier, Birth, and Channel Improvements program. This program provides ongoing maintenance and improvements to the heavy lift dock, mooring basin, and the outer harbor. The State Department of Transportation provides 80% of the cost associated with this 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
2	0.50		College Intern	New position.
-1			Municipal Port Director (Aux)	Positions eliminated.
-1			Port Operations and Trade Director (Aux)	
0	**0.50**	**0.00**	**Totals**	

DEPARTMENT OF PUBLIC WORKS
ADMINISTRATIVE SERVICES DIVISION

EXECUTIVE SUMMARY

MISSION: Provide business operations and administrative support for DPW.

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

Provide for safe 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 residents preference program.

BUDGET SUMMARY

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	40.99	42.00	49.00	37.17	-4.83	-11.83
FTEs - Other	3.92	4.83	3.83	4.83	0.00	1.00
Total Positions Authorized	48	49	49	43	-6	-6
Expenditures						
Salaries and Wages	$2,415,993	$2,312,962	$2,256,733	$2,028,158	$-284,804	$-228,575
Fringe Benefits	1,010,557	1,110,222	1,015,530	912,671	-197,551	-102,859
Operating Expenditures	267,542	295,038	295,038	235,000	-60,038	-60,038
Equipment	916	2,000	2,000	2,000	0	0
Total	$3,695,008	$3,720,222	$3,569,301	$3,177,829	$-542,393	$-391,472
Revenues						
Charges for Services	$2,171,847	$1,350,000	$1,353,500	$1,353,500	$3,500	$0
Licenses and Permits	1,871,500	1,708,500	1,767,500	1,767,500	59,000	0
Total	$4,043,347	$3,058,500	$3,121,000	$3,121,000	$62,500	$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 residents 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	2015 Actual	2016 Projected	2017 Planned
SBE participation as a percent of total annual contract payments.	27.2%	25%	25%
RPP hours worked as a percentage of total contract hours.	47.9%	40%	40%
Employee work days lost due to injury.*	5,695	5,300	5,900

* OSHA recording regulations require that weekend days, holidays, vacation days or other days off be included in the total number of days recorded if the employee would not have been able to work on those days because of a work related injury or illness regardless of whether or not the employee was scheduled to work on those days.

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. By minimizing injuries, DPW is able to achieve fewer work days lost due to injury and reduce costs associated with injury pay.

In 2016, the Safety Section entered into an agreement with Tactical Athlete Health and Performance Institute (TAHPI). TAHPI will provide a team of experts credentialed in advanced assessment of movement, strength, and conditioning. This is a voluntary program provided to employees. The program will focus primarily on injury prevention and recovery to improve worker standard of living and reduced health related costs. A pilot program with Sanitation was initiated in October, 2016. In 2017, the program will be expanded to include DPW's Infrastructure Services and Forestry divisions.

RESIZE, RESTRUCTURE, AND REINVEST

Residents Preference Program: The Administrative Services Division is responsible for administering the city's residents preference program (RPP) for public works contracts. This program leverages employment and training opportunities for unemployed and underemployed city residents through requirements applicable to capital improvement projects, including 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. In 2015, the RPP provided 125,270 hours of work, or 48% of total contract hours, and $3.1 million of wage income on public works contracts.

As a result of recommendations made to the Common Council by the Workforce Organizational Reform Committee (WORC) in 2016, 25% of the required RPP hours, typically 40% of all contract hours, must come from residents of the most impoverished zip codes of the city, ensuring that the program targets individuals that are the most in need. Another key change to the RPP is removal of the five year qualification period, meaning that the certification is retained as long as residents do not move out of the city. DPW played a key role in the development of these and other recommendations to update the city's RPP governing ordinances.

***Compete Milwaukee* Program:** The *Compete Milwaukee* program connects unemployed and underemployed Milwaukee residents with opportunities to gain meaningful work experience. This provides paid and career pathways training with a goal of equipping residents with the skills needed to compete for family supporting employment. Since the program's start in 2014, 258 individuals have participated in the program with many of them going on to secure other employment. The 2015 *Compete Milwaukee* cohort included 113 residents earning the city's living wage, $10.66 per hour, for approximately $831,700 in wages flowing into city neighborhoods. In 2017, *Compete Milwaukee* will continue to provide Milwaukee residents with opportunities to gain valuable work experience and participate in career pathways training.

Driver Training Instructors: In 2016, the Driver Training Instructor position title was reclassified to Fleet Training Supervisor to better reflect the duties of that position. The 2017 proposed budget moves those positions from DPW Administrative Services' Division's Safety Section to DPW Operations Division's Fleet Services Section where that function is most appropriate.

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		Fleet Training Supervisor	Transferred to DPW Operations.
-4	-2.00		Driver Training Instructor (Aux)	
	-1.00		Public Works Personnel and Compliance Manager	Position unfunded.
	0.17		Various Positions	Miscellaneous adjustments.
-6	**-4.83**	**0.00**	**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 35 miles of streets in 2017.

Improve bicycle and pedestrian access and safety.

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

BUDGET SUMMARY

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	372.48	309.19	367.29	367.29	58.10	0.00
FTEs - Other	256.63	305.35	290.96	290.96	-14.39	0.00
Total Positions Authorized	801	790	802	804	14	2
Expenditures						
Salaries and Wages	$17,386,121	$16,704,293	$17,303,324	$17,303,324	$599,031	$0
Fringe Benefits	7,199,213	7,516,932	7,786,496	7,786,392	269,460	-104
Operating Expenditures	14,812,235	14,006,600	14,596,000	14,138,000	131,400	-458,000
Equipment	209,493	428,000	718,900	442,200	14,200	-276,700
Special Funds	0	0	0	0	0	0
Total	$39,607,062	$38,655,825	$40,404,720	$39,669,916	$1,014,091	$-734,804
Revenues						
Charges for Services	$5,852,573	$4,609,000	$4,552,100	$4,552,100	$-56,900	$0
Miscellaneous	238,106	222,000	297,500	297,500	75,500	0
Total	$6,090,679	$4,831,000	$4,849,600	$4,849,600	$18,600	$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 2017, ISD will use approximately $140.2 million to support its objectives including $39.7 million in operating funds, $56.9 million in capital funds, and $43.6 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 2017 proposed budget, grant funds constitute 88% of the major bridge program and 89% 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	2015 Actual	2016 Projected	2017 Planned
Percentage of bridges with sufficiency rating greater than 50.	95.5%	95%	95%
Miles of bicycle lanes or trails added.	5.75 miles	22.75 miles	5.35 miles
Miles of streets with useful life improved through local street and high impact street programs.	29 miles	32 miles	30 miles
Street lights converted from series to multiple circuitries.	328	504	500

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 city streets. This includes rides to work, school, church, and other activities.

The city's street network includes approximately 1,273 miles of highways, arterials, collectors, and local roads. Government agencies and the city 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	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2017 - 2022 Average
City Funding (1)	$4,139,000	$7,900,000	$8,155,000	$8,131,000	$8,831,000	$7,945,000	$7,516,833
Assessable (2)	$473,000	$385,000	$265,000	$516,000	$395,000	$449,000	$413,833
Grant and Aid	$33,750,000	$34,302,000	$27,959,000	$28,045,000	$34,710,000	$37,164,000	$32,655,000
Annual Totals	**$38,362,000**	**$42,587,000**	**$36,379,000**	**$36,692,000**	**$43,936,000**	**$45,558,000**	**$40,585,667**

(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 do not allow for a conventional "reconstruction only" approach. 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 $52.8 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 2017 proposed budget includes $38.4 million for the major street program, of which $4.1 million is city funding (see Table 1). Grant funding was obtained for eight major street reconstruction projects in the 2017 proposed budget. Grant funds were also obtained for several bridge and traffic control projects.

Local Streets: Approximately 987 miles of city streets are not eligible for state and federal funding based upon current Southeastern Wisconsin Regional Planning Commission practices of not allowing collectors to be funded under the state transportation program. These streets are reconstructed and resurfaced with capital funds through the resurfacing and reconstruction program.

The 2017 proposed budget provides $8 million for the resurfacing and reconstruction of local streets. This amount will improve approximately six miles of local streets and $1 million will be used for capital maintenance. Capital maintenance includes activities such as crackfilling, slurry or chip sealing, and joint repair.

Capital maintenance activities extend pavement life and help prevent problems such as potholes. The department quickly repairs 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 were down significantly in 2015 compared to 2014. In 2015, a total of 10,330 potholes were reported and repaired, a decrease of 6,474 or 39%. Through mid-August of 2016, there were approximately 7,900 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. The department has traditionally utilized two person crews to repair individual pothole reports called in by residents. In 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 2016 - 2017

Preservation Strategy vs. Traditional Reconstruction

	Miles of Streets Improved		
Program Strategy	**2016**	**2017**	**Total**
Conventional Reconstruction	16	14	30
Preservation Strategy	32	30	62

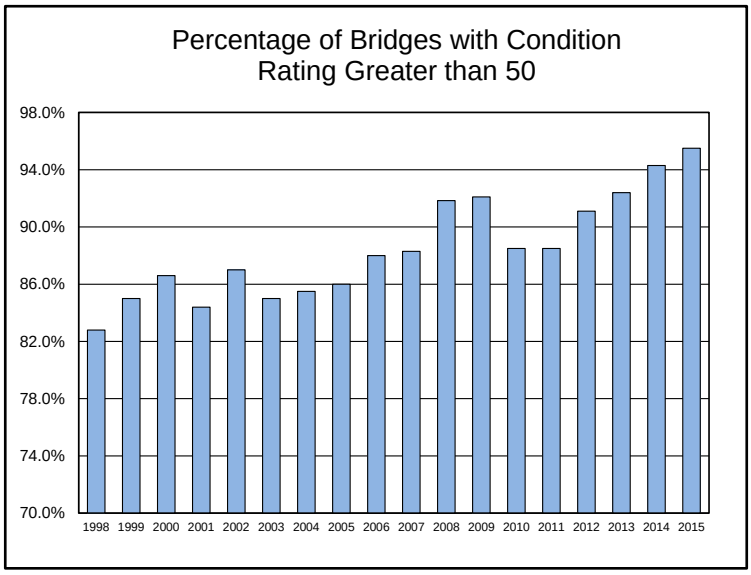
High Impact Streets: The high impact street program uses a curb-to-curb asphalt resurfacing approach that improves three miles of roadway for the same cost as one mile of traditional reconstruction. This program has been focused on high traffic streets typically serving commercial districts. Focusing on high traffic streets has improved the condition of streets used by the greatest number of drivers. However, in 2017 approximately 50% of the high impact streets program will target local streets. Between the local streets and high impact streets programs, over 16.5 miles of local streets will be improved in 2016. The 2017 proposed budget includes $8 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 2017 proposed budget provides total funding of $11.3 million, including $1.4 million in city capital funding and $9.9 million in grant and aid funds.

Bridge conditions are measured using a sufficiency rating ranging from 0 to 100. Ratings are conducted every two years through physical bridge safety inspections. Bridges classified as structurally deficient are inspected annually. Structurally deficient bridges are bridges where the deck, superstructure, or substructure is in poor condition. In 2015, 95.5% 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 eleven bridges in the major bridge program's six year capital plan. The department will continue to apply for grant and aid funds in future state 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 2017 proposed budget provides $5.5 million in capital funding for local bridge projects, a decrease from an average of $7.5 million in the previous three years. The local bridge program is temporarily reduced because of increased investment in bridge rehabilitation and replacement, which has resulted in the highest percentage of bridges with a condition rating greater than 50 (see Figure 1). The 2017 program provides funding to complete the rehabilitation of the South First Street bascule bridge over the Kinnickinnic River as well as 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

Figure 1



within the city. In 2015, the city conducted 21,835 bridge raisings to accommodate water traffic, a 37% increase from 2014.

Alley Reconstruction: The alley reconstruction program replaces aging alleys. The 2017 proposed budget includes $600,000 for alley reconstruction, which would fund approximately six alley reconstruction projects.

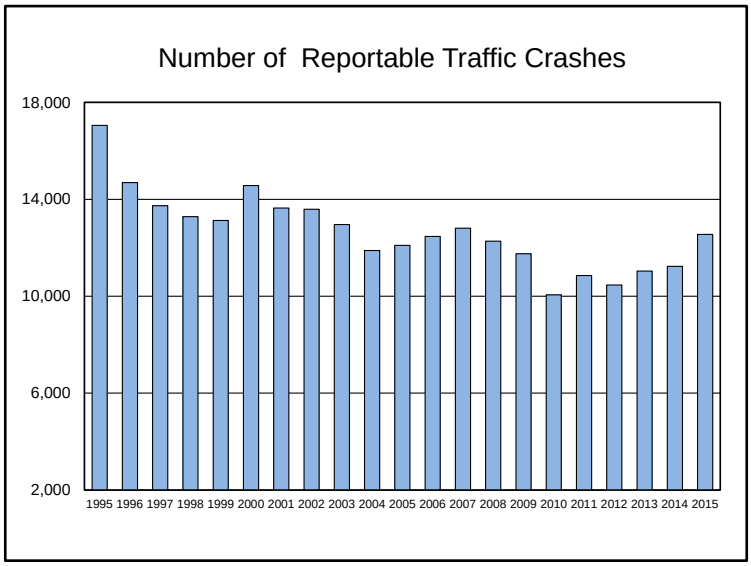
Street Lighting: The 2017 proposed street lighting program includes $7 million in capital funding. Approximately $5 million in funding from prior years will be available in 2017 to supplement the $7 million in the 2017 proposed budget. The 2017 street lighting program includes $5.1 million for paving related improvements. Infrastructure Services Division 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. In 2017, the department will focus its efforts on converting temporary overhead lighting to permanent lighting based on neighborhood and Common Council input.

Approximately $3.3 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 spend $1 million on removing series circuits and replacing them with modern multiple circuits. The series circuitry upgrade program reduces electrical maintenance costs and electrical outages. These upgrades make the electrical system more reliable and improve the responsiveness of maintenance crews. In 2015, the city restored 2,710 outages of three or more streetlights on a circuit. ISD restored 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 and targeting the circuits with the most outages for replacement. 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.

Since 2000, approximately 5,000 of the city's street lights have been converted from series to multiple circuitries. Approximately 63% of the city's street lighting system is now utilizing multiple circuitries, an increase of 9.5% from 2000.

Traffic Control: 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 2017 proposed budget provides $2.6 million in capital funds for this program. In 2017, the Transportation Operations section will begin replacing LED traffic signals that were installed beginning in 2005. Converting traffic signals to LED lights has reduced energy consumption by nearly 75%. Replacement of LED traffic signals will be phased over six years at an estimated cost of $2.5 million. In 2015, DPW installed nine new traffic signals and one pedestrian hybrid signal. The 2017 proposed budget includes funding for two new traffic signals. The traffic control program has contributed to a reduction in the number of reported traffic crashes by 24% since 1995 (see Figure 2).

Figure 2



Sidewalks: The 2017 proposed budget provides $1.5 million to replace or repair defective or unsafe sidewalks. The city funds $1.5 million and property owners will contribute approximately $400,000 in special assessments, which is carried over from prior years.

Approximately $500,000 is allocated to the scattered site sidewalk program, which replaces sidewalk sections throughout the city upheaved by the roots of trees owned by the city. The remaining $1 million is allocated to the traditional quarter section 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 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's *Bikeshare* program, in partnership with the non-profit *Bublr Bikes*, currently operates 28 stations. By the end of 2017, the department anticipates having 52 stations operational. The department has been awarded a $1.9 million CMAQ grant for Phase Two of the *Bikeshare* system expansion 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, Police, and Health departments, Milwaukee Public Library, Water Works, and the Department of Public Works. The conduit system also provides a secure and reliable route for traffic signals and street lighting cable circuits and systems. The 2017 proposed budget provides no additional capital funds for this program. Large balance of unexpended funds from prior years remains available in the underground conduit program. Approximately $3 million will be available in 2017 to fund efforts to ensure failsafe communications 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 2017 proposed budget includes $800,000 for this program. In 2013, the department initiated a five year inspection program to survey all 7,559 of the city's electrical manholes. The inspections in 2013, 2014, and 2015 found that approximately 9% of electrical manholes surveyed require either complete replacement or major repair and 15% require minor repairs. In 2015, DPW crews 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 the probability and consequences of asset failure and the operational benefits and cost associated with each project. The 2017 proposed budget for traditional facilities projects is $2.3 million, which is a 48% or $2.5 million reduction from 2016. This is primarily due to the need to include substantial amounts of funding for two non-traditional projects, the city hall foundation restoration project and the expanded ADA compliance program.

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 structural failure led to initiating funding for foundation repair in the 2016 budget. Initiating the repair represents a proactive, cost effective approach compared to reacting to a structural failure of the foundation at an unknown future date.

The 2017 proposed budget includes $13 million for the second phase of a multi-year city hall foundation repair project. The total cost of the project is estimated to be between $53 million and $60 million. The foundation repair project will be carried out in five phases, with each phase repairing a different section of the building. Phase one, which repairs the northwest corner of the building, is underway with progress and costs in line with expectations. Phase two is expected to begin in July of 2017 and will carry the project into the northeast corner of the building.

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 onto 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 hollow walk underneath the sidewalks surrounding city hall.

Environmental Remediation Program: The 2017 proposed budget includes $150,000 for the 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 2017 proposed budget includes $1.8 million for the city's ADA compliance program, an increase of $1.6 million from the 2016 budget. Additional funding is required in 2017 to improve accessibility in various city facilities as part of a settlement agreement with the United States Department of Justice (USDOJ). The ADA compliance program will address improvements directly related to the settlement agreement in all city facilities. A more detailed discussion of the city's ADA compliance settlement agreement with USDOJ is in the *Capital Improvements* section of the *2017 Proposed Plan and Executive Budget Summary*.

Facilities Exterior Program: The 2017 proposed budget includes $600,000 for projects to maintain watertight integrity, improve energy efficiency, and provide for safe conditions in city facilities. This program includes $400,000 for building envelope repairs at the Zeidler Municipal Building and Northwest Garage, as well as $200,000 for emergency repairs.

Facilities Systems Program: The 2017 proposed budget includes $875,000 for facility systems improvements. This includes funding for emergency mechanical and electrical repairs, fire life safety and building system automation in the city hall complex, and security management and access control updates at various city facilities.

***MKE Plays* Initiative:** The 2017 proposed budget includes $250,000 for the *MKE Plays* initiative. Led 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 2017 proposed budget includes $400,000 for space planning, alterations, and engineering. This includes $150,000 for the facilities condition assessment program (FCAP) to survey city buildings in order to develop long term maintenance plans for each building.

RESIZE, RESTRUCTURE, AND REINVEST

The Infrastructure Services Division's 2017 proposed budget includes several initiatives to restructure and resize its operations:

- Initiated in 2014, the expanded high impact street program has significantly increased the miles of streets that are improved each year. The high impact street program allows the city to improve approximately three miles per $1 million, instead of one mile per $1 million of traditional reconstruction. By targeting for resurfacing those high traffic streets that have seen high levels of pothole activity, street maintenance crews that would typically focus efforts on pothole patching can instead be diverted towards longer lasting preventative maintenance activities.
- 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 Environmental Collaboration Office (ECO) 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 $650,000 in 2017 for street lighting electricity.
- Approximately 97% of the city's street and alley lighting system utilizes low efficiency high pressure sodium (HPS) lamps. Recent technological developments have made it feasible for the city to begin the process of converting the HPS lamps to LED lamps. LED lighting is 40% to 60% more energy efficient than HPS. In addition, LED lighting's lifespan is at least three times greater than HPS lighting. Funding limitations make an aggressive conversion plan impractical, so LED conversion will occur through existing programs. LED lighting will be installed in lieu of replacement in kind with HPS lighting on all new capital projects, including street reconstruction and series circuit conversion. By the end of 2015, nearly 800 street lights had been converted to LED.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	1.00		Accountant III	Reclassification to reflect additional responsibilities.
-1	-1.00		Accounting Assistant II	
1		1.00	Engineering Technician VI	Reclassification to reflect change in assignments.
-1		-1.00	Engineering Drafting Technician V	
-1	-1.00		Water Construction Coordinator	Position shifted to Water Works.
-2	-2.00		Street Area Manager	Position titles changed to reflect existing titles in positions ordinance.
2	2.00		Street Repair District Manager	
-6	-6.00		Street District Manager	
3	3.00		Street Operation Supervisor	
3	3.00		Street Repair Supervisor	
-1	-1.00		Lead Equipment Mechanic	Reclassification.
1	1.00		Equipment Mechanic IV	
1	1.00		Equipment Mechanic II	
-1	-1.00		Equipment Mechanic I	
2			Engineering Inspection Assistant (Aux.)	Retitling to reflect department needs.
-4			Operations Driver/Worker (Aux.)	
1		1.00	Locating Technician Crew Leader	New positions created for Digger's Hotline locating services responsibility being transitioned from Electrical Worker to Locating Technician through attrition.
13		3.00	Locating Technician	
-1	-1.00		Traffic Control Engineer V	Reorganization of Transportation Operations Division.
1	0.25	0.75	Electrical Engineer Senior	
-1	-0.25	-0.75	Civil Engineer IV	
1	0.50	0.50	Engineering Technician VI	
1	0.50	0.50	Traffic Control Engineer II	
1	0.50	0.50	Traffic Engineer Senior	
1	0.25	0.75	Transportation Planner II	
1	0.25	0.75	Transportation Planner Senior	
-2			Civil Engineer IV (Aux.)	Eliminated to reflect department needs.

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-0.75	-0.25	Facilities Manager	Retitle position to match other department division managers.
1	0.75	0.25	Engineer in Charge	
	58.10	-21.39	Various Positions	Correction to properly reflect authorized funded positions.
1			Miscellaneous Position	To correct position count error in 2016 added in 2017 position count.
14	**58.10**	**-14.39**	**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 by achieving 99% or better garbage collections as scheduled.

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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	679.78	675.28	675.28	672.90	-2.38	-2.38
FTEs - Other	49.02	50.56	50.56	56.94	6.38	6.38
Total Positions Authorized	1,436	1,437	1,437	1,443	6	6
Expenditures						
Salaries and Wages	$33,455,299	$35,410,138	$35,598,905	$35,296,439	$-113,699	$-302,466
Fringe Benefits	13,953,849	16,996,867	16,019,508	15,883,399	-1,113,468	-136,109
Operating Expenditures	27,928,962	26,890,484	28,858,990	27,525,139	634,655	-1,333,851
Equipment	1,757,953	1,385,469	1,784,211	1,649,211	263,742	-135,000
Special Funds	2,518,306	2,617,653	2,739,965	2,678,320	60,667	-61,645
Total	$79,614,369	$83,300,611	$85,001,579	$83,032,508	$-268,103	$-1,969,071
Revenues						
Charges for Services	$73,293,544	$76,486,724	$74,947,300	$77,730,800	$1,244,076	$2,783,500
Miscellaneous	775,713	0	1,397,700	1,397,700	1,397,700	0
Total	$74,069,257	$76,486,724	$76,345,000	$79,128,500	$2,641,776	$2,783,500

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	2015 Actual	2016 Projected	2017 Planned
Fleet availability.	Police 95% Light 93% Heavy 91%	Police 95% Light 95% Heavy 90%	Police 95% Light 95% Heavy 90%
Reduce tons of solid waste sent to landfill by 2%.	1%	-2%	-2%
Increase household recycling tons by 2%.	1%	2%	2%
Tons of salt used.	31,925	44,000	44,000
Number of trees pruned.	25,184	32,000	32,000
Trees planted.	3,713	4,211	4,100

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 2017 proposed budget provides $83 million in operating funds, $2 million of grant and reimbursable funding, and $9.9 million of capital funds for Operations Division's services to 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 2017 proposed budget includes $10.3 million for landfill tipping fees, approximately 2% higher than in 2016.

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 25% 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:

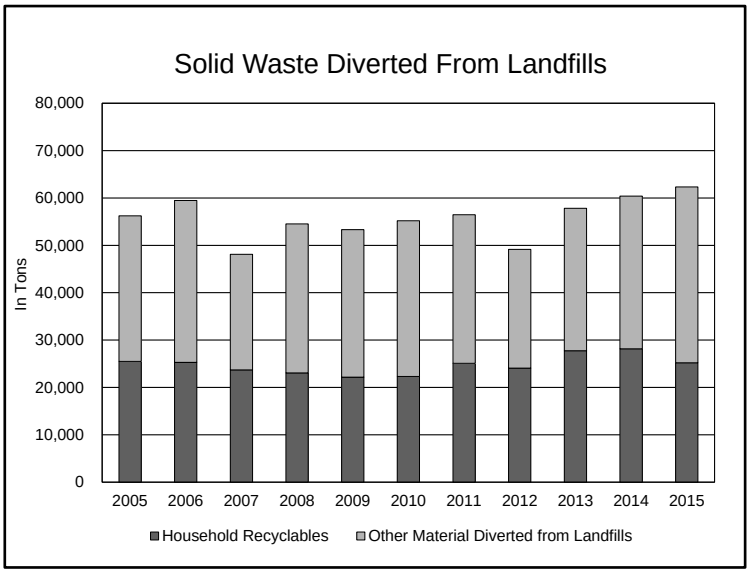
40% DIVERSION OF SOLID WASTE BY 2020

- Phase I (2011-2012)
  - Reduced allowance for outside of cart refuse.
    - Reduced outside of cart fee disposal limit to 1 cubic yard.
  - Allowance of only one garbage cart per residence, additional garbage carts provided for additional fee.
    - $15.00 fee per quarter in 2017.
  - Continued greater diversion of materials at self-help sites.
    - More items added in 2012-2014
  - Switched from dual stream to single stream recycling.
    - Kicked off the new "single sort" recycling program in the fall of 2011.
    - Fully implemented in 2012.
- Phase II (2013-2014)
  - Expanded the two week recycling program.
  - Awarded new contracts for solid waste and recycling.
    - Increased net benefit of recycling over landfill disposal.
  - Continued greater diversion of materials at self-help sites.
- Phase III (2014-2020)
  - Pilot and implement residential food waste program.
    - Food waste reduction demonstration and study project in 2013-2017
    - Source separated organics collection (pilot program under development).
  - 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 and Phase II have been successfully implemented and DPW is currently implementing parts of Phase III.

The primary benefits of the *"40 by 2020"* program are reduced tipping costs, increased recycling revenues, enhanced services, a more sustainable city, and long term cost containment. The recycling program generated revenues of approximately $775,000. This is considerably less revenue generated in recent years. The decrease is a result of declining prices for recycled materials. However, the 2017 revenue estimates for recycling are $1.3 million.

Figure 1



The 2017 proposed budget fully funds the recycling program. The 2017 proposed budget dedicates approximately $3.3 million in operating funds and $2.3 million in grant funds for recycling efforts.

The recycling program's mission is to divert an increasing amount of recyclables from the waste stream. The department 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 191,000 households. In 2015, approximately 181,000 tons of residential solid waste was collected. In addition, 25,191 tons of recyclables and 32,141 tons of compost and other materials, or 25.6% of residential waste was diverted from landfills (see Figure 1). Approximately 15,000 tons will come from third party sources.

Curbside recycling was essentially flat for the second year in a row. However, recycling on a pounds per household basis increased for the sixth consecutive year in 2015, exceeding a 20% cumulative increase since 2009.

In 2014 and 2015, the city's Materials Recovery Facility (MRF) was under refurbishment. The project included upgrades to buildings, grounds renovation, repairs, as well as replacement of the old dual stream sorting equipment. In partnership with the County of Waukesha, state of the art, single sort processing equipment was installed in the building. The newly retrofitted MRF is operated by a private contractor and serves both the city and many communities in Waukesha County.

In addition, it is expected that materials from other sources will be processed at the MRF. The additional processing will reduce the MRF's operating cost and potentially increase revenues. In 2017, the facility will process over 68,000 tons of recycling materials.

The 2017 proposed budget includes $500,000 for the disposal of electronic waste (E-waste). These items cannot be disposed of in landfills like residential waste. The Sanitation Services Section is in the process of exploring other options for disposing of E-waste.

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 contributes to the environmental sustainability of the city by helping to manage storm water runoff. Forestry is 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 and was recently discovered in Milwaukee. The department 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 the city's urban forest. The city 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 and other city departments, and provides repair services for vehicles owned by the Library, Health Department, Police Department, Water Works, Sewer Maintenance Fund, and Parking Fund.

Fleet Services has used 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 more than two times the cost of a CNG packer. There are currently 50 CNG vehicles in the packer fleet which includes 45 refuse packers, 2 vans and 3 cars. An additional 13 packers will be added to the fleet before the end of 2016. The addition of these 13 vehicles will reduce annual fuel cost by approximately $30,000. The fleet's 63 CNG vehicles will generate annual fuel savings of approximately $300,000. CMAQ funds are available to assist in the purchase of 18 additional packers. This grant expires in 2018.

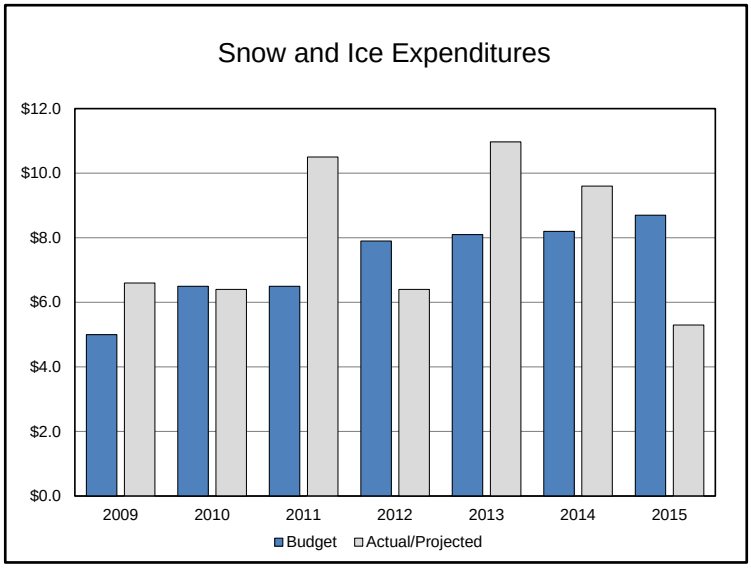
The snow and ice control program is an important DPW service. The goal is to remove snow and ice as quickly and economically as possible to restore safe motorist and pedestrian travel and minimize economic losses. A well run snow and ice removal operation adds value by allowing year round operation of 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. The department 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 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.

While the winter of 2015 was mild, the department still needed to conduct 47 snow and ice operations at a cost of approximately $5.3 million. The 2017 proposed budget includes $9 million for snow and ice control operations. The budgeted amount represents approximately 95% of the average cost for snow and ice control in recent years (see Figure 2).

Fleet Services provides repair and maintenance service to over 4,000 vehicles and pieces of equipment. It also provides equipment operators for a variety of departmental functions. The department has established in-service goals for three categories of equipment: Light, Heavy and Police. Despite not meeting established goals for in-services rates in 2015, Fleet Services achieved at least a

Figure 2



90% goal for all three categories of equipment (see Table 1).

Table 1

Fleet In-Service Measures			
	Goal	2014	2015
Light Equipment	95%	88%	93%
Heavy Equipment	90%	89%	90%
Police Equipment	95%	92%	91%

RESIZE, RESTRUCTURE, AND REINVEST

The 2017 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: The Operations Division operates two programs related to Mayor Barrett's Strong Neighborhoods Plan. These programs improve the overall condition of Milwaukee's neighborhoods. The 2017 proposed budget includes the following programs:

- **In-House Demolition:** The 2017 proposed budget provides $680,000 for the in-house demolition program. This level of funding will support the demolition of approximately 90 properties. The in-house demolition program demolished 90 properties in 2015 and is on pace to demolish another 90 city owned properties in 2016.
- **Property Management**: The 2017 proposed budget includes $2.3 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 2017, the city will continue its collaboration with UMOS and Employ Milwaukee on the transitional jobs program. The 2017 proposed budget includes funding to support 50 transitional jobs in the Department of Public Works Operations Division. The program will provide paid training and employment opportunities for 50 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.
- **Recycling:** The 2017 proposed budget includes an additional $40,000 for recycling outreach and education. These funds will used to promote the benefits of recycling and landfill diversion programs.

Pruning: The 2017 proposed budget includes funding for 119 Urban Forestry Specialist positions. Urban Forestry Specialists in combination with participants from the transitional jobs program will address the city's tree pruning backlogs in 2017 and 2018.

Residential Disposal Costs: Funding in the 2017 proposed budget for landfill waste is $10.3 million. Landfill tonnage costs are budgeted for 235,000 tons and represent a $200,000 increase from the 2016 budget. The per ton landfill costs in 2017 will increase $43.91 per ton.

Automated Collection: The use of automated collections vehicles improved productivity and reduced worker compensation costs. In 2016, three automated collection vehicles were added to the fleet. Sanitation Services has 19 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 reduced worker injuries on garbage and recycling routes. Each route converted to a one person operation saves approximately $80,000 annually. Automation reduced operating costs and injuries, increased operational efficiency, and provided greater flexibility in assigning staff. In 2017, the city's automated packer fleet will increase by 3 to 16 vehicles. This will allow the Operations Division to increase the number of one person recycling and household collection routes. Currently Sanitation has eleven automated routes. This number will increase to 14 in 2017.

The department 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.

FEES

- **Solid Waste Fee:** The 2017 solid waste fee per quarter will increase 3% from $49.23 to $50.71 per residential unit. The annual impact on households with one garbage cart is an increase of $5.92 from $196.92 to $202.84. The 3% increase is necessary to recover the cost of wage increases, increased tipping fees, and debt service for the MRF facility. The fee will generate approximately $37.9 million or 90% 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 3% in the 2017 budget. This increase is necessary due to increased salaries and fleet maintenance costs and will allow the city to recoup 100% of the costs related to providing this service.
- **Snow and Ice Control Fee:** The 2017 snow and ice control fee will increase by 3%to $0.943 per front footage. The annual cost for a homeowner with a typical property with 40 feet of street frontage is $37.72 annually. The fee will generate approximately $9 million or 100% of the estimated cost of the city's snow and ice control operation. Future increases in the Snow and Ice fee may be necessary as de-icing supplies and other costs increase.
- **Cart Fee:** Approximately 15% of city residents have two or more garbage carts. As part of the 2017 proposed budget, city residents with two or more garbage carts will be assessed $15.00 quarterly for each garbage cart after the first cart. This policy will encourage residents to throw away less and recycle more. The fee applies only to garbage carts. Residents can request additional recycling carts at no charge. DPW will provide cart recycling to households with service upon request.

CAPITAL PROJECTS

Tree Planting and Production: The 2017 proposed capital budget provides $1.45 million for the tree planting and production program. This funding will replace approximately 4,100 street trees as part of the city's commitment to improve the environment. Lower tree mortality rates indicate that trees are being replaced at a rate close to that of trees that are removed. The long term mortality rate for the city's streets trees is 1.8%. Since 2000, the tree mortality rate has remained consistently below 2%, although in 2014 the rate exceeded 2% (see Figure 3). The mortality rate fell to 1.9% in 2015.

Stump Removal: The 2017 proposed capital budget provides $500,000 for the stump removal program. This funding will remove approximately 2,000 tree stumps. The estimated stump backlog should fall to approximately 1,400 by the end of 2017.

Concealed Irrigation and Landscaping: The 2017 proposed capital budget provides $500,000 for boulevard irrigation system replacements. This will replace approximately 100 taps. The replaced systems provide water for plant beds on boulevards.

Emerald Ash Borer: The 2017 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 and will impede EAB infestation.

The emerald ash borer beetle has not been found in city trees but has been discovered in privately owned trees. In response, City Ordinance 116-68 related to the removal cost of hazardous trees by city contractors was amended to treat tree removal as a special assessment. This allows property owners to pay the removal cost over a six year period. The 2017 proposed capital budget provides $75,000 for this program.

Major Capital Equipment: The 2017 proposed capital budget includes $6.4 million for major capital equipment that costs more than $50,000 per unit and has a life cycle of at least ten years. This funding will 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 Operations/Dispatch Section	
2	2.00		Fleet Training Supervisor	Positions moved from DPW Administrative Services.
4	2.00		Fleet Training Supervisor (Aux)	
			Sanitation	
	-6.38	6.38	Operations Driver Worker	Funding switched to grant funds.
6	**-2.38**	**6.38**	**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 2017 proposed budget provides funding of $18.6 million for Miscellaneous Special Purpose Accounts and total funding of $143.9 million for all special purpose accounts. Highlights of the 2017 Miscellaneous Special Purpose Accounts (SPAs) include:

New Accounts

Children's Savings Accounts: The 2017 proposed budget creates a new Children's Savings Accounts special purpose account funded at $50,000. This account provides funding to support program administration and implementation costs for a new initiative that encourages college savings for children. Beginning with the 2017-2018 school year, children entering kindergarten will be enrolled in the program and given a seed deposit provided by partnering organizations. The goal is to develop a college bound identity for young children and increase their likelihood of college attendance and graduation.

Discontinued Accounts

In School Youth Program: This account was created in 2016 as part of the *Compete Milwaukee* initiative. This account is discontinued in 2017.

Municipal Identification Card: This account was created in 2016 and was intended as part of a joint effort with Milwaukee County to develop and issue a municipal identification card. The funding of $150,000 provided in 2016 is sufficient for currently anticipated expenses.

Summer Jobs for Adults Initiative: This account was created in 2015 as part of the *Compete Milwaukee* initiative. This account is discontinued in 2017.

Other Changes

Flexible Spending Account: This account funds a program that allows employees to set aside pre-tax dollars for certain medical care and dependent care expenses. Funding is increased by $15,000 from $100,000 to $115,000 in the 2017 proposed budget.

Group Life Insurance Premium: This account funds the city's obligations with respect to life insurance benefits for its employees. The account is increased by $850,000 in 2017 to $3 million. This funding amount reflects anticipated payments in 2017.

Insurance Fund: This account provides funding for insurance premiums for city policies. The account is increased by $55,000 in 2017 to $655,000. This funding amount reflects anticipated insurance premium payments in 2017.

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 increased by $450,000 in 2017 to $1.2 million, based on anticipated needs.

Unemployment Compensation Fund: This account funds the city's portion of unemployment compensation benefit payments to city employees who are laid off or otherwise separated from service. Eligibility for this benefit is determined by the State of Wisconsin upon review of the employee's level of earnings and the circumstances surrounding the separation from employment. This account is increased by $50,000 to $600,000 in 2017, based on anticipated expenses.

Wages Supplement Fund: This account funds anticipated wage and fringe benefit increases for city employees, including increases resulting from collective bargaining agreements and changes to non-union compensation. The account is funded at $1.2 million in 2017. This amount will fund anticipated compensation increases for city employees.

SPECIAL PURPOSE ACCOUNTS SUMMARY

Special Purpose Accounts Miscellaneous	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Alternative Transportation for City Employees	$111,056	$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	215,710	260,000	260,000	260,000	0	0
Boards and Commissions Reimbursement Expense	17,114	17,000	18,000	18,000	1,000	0
Care of Prisoners Fund	17,019	30,000	30,000	20,000	-10,000	-10,000
Career Pathways	100,000	0	0	0	0	0
Children's Savings Accounts	0	0	0	50,000	50,000	50,000
City Attorney Collection Contract	1,132,266	1,125,000	1,125,000	1,125,000	0	0
City Memberships	82,686	88,000	88,000	88,000	0	0
Clerk of Court Witness Fees Fund	6,913	0	0	0	0	0
Community Outreach	955	0	0	0	0	0
Community Work Partnership	155,141	0	0	0	0	0
Contribution Fund General	0	3,000,000	3,000,000	3,000,000	0	0
Crisis Response for Trauma Informed Care Counseling	28,937	180,000	180,000	180,000	0	0
Damages and Claims Fund	8,563,386	1,225,000	1,225,000	1,225,000	0	0
eCivis Grants Locator	25,341	27,000	27,000	27,000	0	0
Economic Development Committee Fund	33,998	20,000	20,000	20,000	0	0
E-Government Payment Systems	46,682	70,000	70,000	70,000	0	0
Employee Training Fund	24,769	20,000	20,000	20,000	0	0
Firemen's Relief Fund	134,955	150,000	150,000	150,000	0	0
Flexible Spending Account	83,362	100,000	115,000	115,000	15,000	0
FMLA Fund	0	0	100,000	0	0	-100,000
Graffiti Abatement Fund	114,252	65,000	65,000	65,000	0	0
Group Life Insurance Premium	1,993,108	2,150,000	0	3,000,000	850,000	3,000,000
Illegal Dumping Tip Hotline	0	0	0	0	0	0
Insurance Fund	420,886	600,000	655,000	655,000	55,000	0
In-School Youth Program	0	27,000	0	0	-27,000	0
Job Scan, Industry Assessment, and Evaluation	75,000	0	0	0	0	0
Land Management	646,772	726,000	726,000	676,000	-50,000	-50,000

Special Purpose Accounts Miscellaneous	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Long Term Disability Insurance	635,213	640,000	750,000	650,000	10,000	-100,000
Maintenance of Essential Utility Services	87,257	65,000	65,000	65,000	0	0
Milwaukee Arts Board Projects	134,365	200,000	200,000	200,000	0	0
Milwaukee Fourth of July Commission	104,698	110,000	125,000	125,000	15,000	0
MPS Driver's Education	0	50,000	50,000	50,000	0	0
MMSD User Charge	0	49,401,690	51,800,001	51,800,001	2,398,311	0
Less Recover MMSD User Charge	0	-49,401,689	-51,800,000	-51,800,000	-2,398,311	0
Municipal Court Intervention Program	423,606	425,000	425,000	425,000	0	0
Municipal Identification Card	0	150,000	0	0	-150,000	0
Outside Counsel/Expert Witness Fund	1,468,734	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	7,130,504	750,000	1,200,000	1,200,000	450,000	0
Reserve for 27th Payroll	0	1,500,000	1,500,000	1,500,000	0	0
Retirees Benefit Adjustment Fund	78,922	90,000	0	80,000	-10,000	80,000
Safe Zone Initiative	0	75,000	75,000	75,000	0	0
Summer Jobs for Adults Initiative	132,025	150,000	0	0	-150,000	0
Tuition Reimbursement Fund	649,095	725,000	725,000	725,000	0	0
Unemployment Compensation Fund	544,503	550,000	600,000	600,000	50,000	0
Wages Supplement Fund	0	18,800,000	12,900,000	1,200,000	-17,600,000	-11,700,000
Total Miscellaneous SPAs	$25,426,264	$35,132,102	$27,461,102	$18,631,102	$-16,501,000	$-8,830,000
Board of Zoning Appeals	$261,901	$333,548	$375,353	$340,187	$6,639	$-35,166
Workers' Compensation Fund	$10,102,568	$12,000,000	$12,000,000	$11,000,000	$-1,000,000	$-1,000,000
Employee Health Care Benefits						
Administration Expenses	$6,651,028	$7,700,000	$6,700,000	$6,700,000	$-1,000,000	$0
UHC Choice Plus (formerly Claims)	8,975,304	10,000,000	10,000,000	10,000,000	0	0
Wellness Program	1,976,846	2,900,000	2,900,000	2,900,000	0	0
Dental Insurance	1,793,978	1,900,000	1,900,000	1,900,000	0	0
UHC Choice "EPO" (formerly HMOs)	76,998,366	91,890,480	93,000,000	91,450,000	-440,480	-1,550,000
High Deductible Health Plan	0	1,000,000	1,000,000	1,000,000	0	0
Total Employee Health Care Benefits	$96,395,522	$115,390,480	$115,500,000	$113,950,000	$-1,440,480	$-1,550,000
Grand Total Special Purpose Accounts	$132,186,255	$162,856,130	$155,336,455	$143,921,289	$-18,934,841	$-11,415,166

SPECIAL PURPOSE ACCOUNT
BOARD OF ZONING APPEALS

BUDGET SUMMARY

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	4.48	4.50	4.50	4.50	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	11	11	11	11	0	0
Expenditures						
Salaries and Wages	$200,692	$223,763	$229,446	$229,446	$5,683	$0
Fringe Benefits	19,998	67,129	103,251	68,085	956	-35,166
Operating Expenditures	41,211	42,656	42,656	42,656	0	0
Equipment	0	0	0	0	0	0
Total	$261,901	$333,548	$375,353	$340,187	$6,639	$-35,166
Revenues						
Licenses and Permits	$301,288	$292,500	$293,000	$293,000	$500	$0
Total	$301,288	$292,500	$293,000	$293,000	$500	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increase investment and economic vitality throughout the city.
   - Hear special use and 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 Milwaukee. 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.

Key Performance Measures

Measure	2015 Actual	2016 Projected	2017 Planned
Number of appeals filed.	657	650	650
Number of appeals resolved in one hearing.	483	480	488
Percentage of appeals resolved in one hearing.	84%	85%	75%
Number of days from appeal filing to hearing.	38 days	40 days	40 days

STRATEGY IMPLEMENTATION

The Board of Zoning Appeals plays an important role in Milwaukee'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. Information regarding BOZA hearings is sent to community groups and leaders via the city's E-notify system.

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.

RESIZE, RESTRUCTURE, AND REINVEST

Appeals heard by BOZA may be approved with certain conditions intended to reduce or prevent concerns expressed by elected officials or residents in the area surrounding the business. The BOZA compliance inspection program was created in 2015 to ensure that businesses remain in compliance with these conditions. Inspection staff from the Department of Neighborhood Services (DNS) perform periodic inspections based on the type of business and compliance history. DNS estimates that 2,000 such inspections are necessary each year.

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

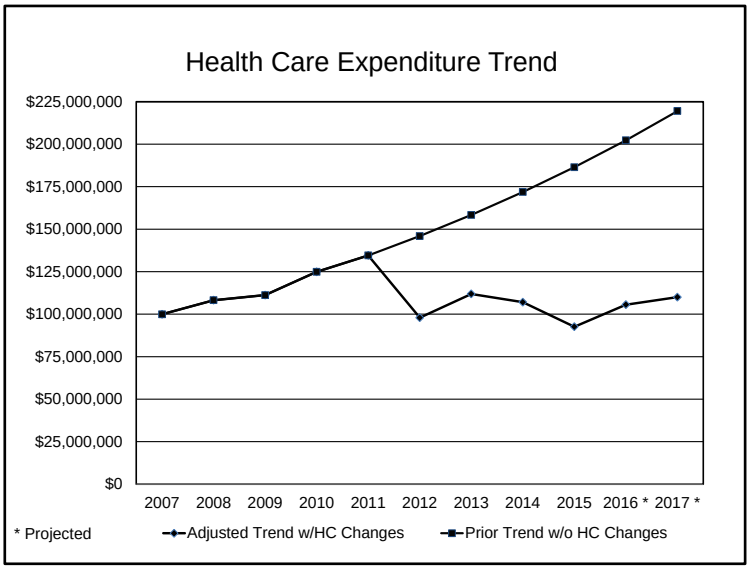
SPECIAL PURPOSE ACCOUNT
EMPLOYEE HEALTH CARE BENEFITS

SUMMARY OF EXPENDITURES

	2015 Actual Expenditures	2016 Adopted Budget	2016 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
UHC Choice Plus PPO	$8,975,304	$10,000,000	$10,000,000	$10,000,000	$0	$0
UHC Choice EPO	76,998,366	91,890,480	93,000,000	91,450,000	-440,480	-1,550,000
HDHP	0	1,000,000	1,000,000	1,000,000	0	0
Dental Insurance	1,793,977	1,900,000	1,900,000	1,900,000	0	0
Wellness Program	1,976,846	2,900,000	2,900,000	2,900,000	0	0
Administrative Expense	6,651,028	7,700,000	6,700,000	6,700,000	-1,000,000	0
Total	$96,395,521	$115,390,480	$115,500,000	$113,950,000	$-1,440,480	$-1,550,000

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 (DER) 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 health care costs related to inflation and utilization as well as sole responsibility to control those costs. From 2006 to 2011, total city health care expenditures increased at a rate of 8% to 9% per year, reaching almost $139 million in 2011. At that rate of increase, health care expenditures were projected to reach $187 million by 2015.

Working with United Healthcare (UHC) and the Department of Administration Budget and Management Division, recommendations for 2012 were made and approved by policymakers 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 two tier single/family to a four 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.

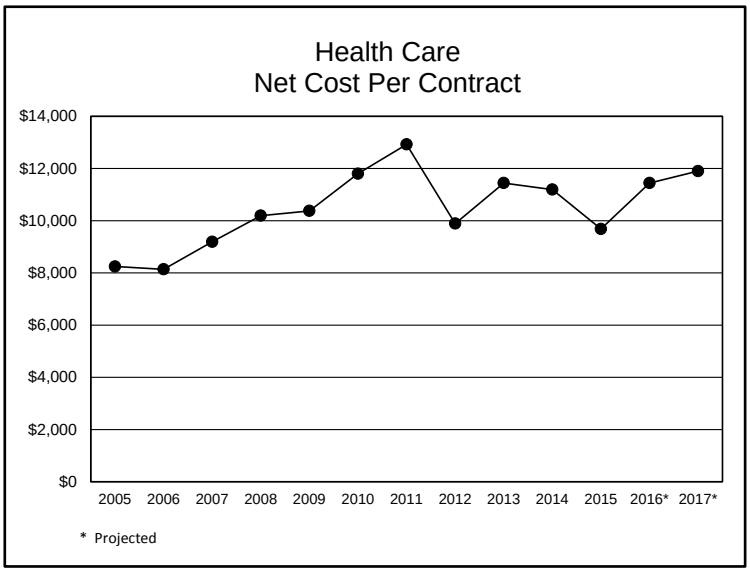
In 2012, there was a substantial decrease (27%) to $102 million in health care expenditures as a result of decreased utilization and increased cost sharing. Compared with 2012, health care expenditure levels marginally increased in

2013 and 2014 indicating that further improvements could be made regarding appropriate utilization of health care benefits: Ares for improvement include:

- Over utilization 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 health care decisions. The implemented changes include:

Figure 2



- 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. The clinic is staffed by a nurse practitioner and a medical assistant through Froedtert Workforce Health and provides a variety of services to employees, spouses and domestic partners at no cost. The services include:

- Diagnosis and treatment of minor illnesses and injuries,
- First aid/triage of work related injuries,
- 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 high demand, clinic hours expanded to 40 hours per week in 2016. In 2015, the clinic had 1,900 patient visits with over 50% of visitors coming from outside the city hall complex. The clinic will have between 3,500 and 4,000 patient visits in 2016. DER will analyze the clinic and its effect on health care utilization for office, urgent care, and ER visits, and on overall health care expenditures.

In January 2016, the city opened a pilot Early Intervention Physical Therapy clinic utilizing space in the city's Wellness Center. The clinic is free to employee and spouses/partners and provides preventive care to strains and musculoskeletal issues before they become a more serious health or injury claim. High utilization rates resulted in the clinic expanding hours within the first three months.

Better utilization of health care benefits by members over the past four years allows the city to provide an outstanding benefit to all members in 2017 without further impacting their costs. Improved utilization of health

care benefits and the wellness program have positively impacted health care expenditure trend over the last five years, allowing health care costs, both in terms of employee premiums and total expenditures, to remain relatively flat.

DER continues the "*Wellness, Your Choice Milwaukee*" program, which has promising results with declining tobacco usage, reduced hypertension rates and decreases in the rate of pre-diabetes. Wellness programming and services focus on problematic areas such as diabetes and weight management. In 2014, the city implemented Phase II of the Wellness Program, *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 Phase I, the three step health appraisal process.

In order to comply with the Affordable Care Act (ACA), the city is required to monitor employee eligibility for medical benefits coverage and to report both to the employees and the IRS regarding coverage. DER contracts with *Health e(fx)* to track and report health coverage offered to employees. *Health e(fx)* helps the city meet all ACA reporting requirements accurately and correctly and avoid significant penalties for non-compliance.

2017 Highlights

Continued improvement in utilization and wellbeing allows the city to maintain the employee's 12% premium. The 2017 cost per health care contract is expected to increase to $11,901, mostly due to medical inflation. 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 2017, the projected cost per contract will be approximately 8% lower than 2011 levels.

The city will explore a more consistent, efficient and comprehensive way to administer the Family and Medical Leave Act (FMLA) in 2017. The city has a legal obligation to follow FMLA regulations and policies. Currently there is no centralized system to administer this benefit across the city. Departments and divisions administer the benefit via their own payroll or human resource staff. FMLA rules are complex and ever changing and staff may lack the legal expertise to ensure the city is following federal and state regulations. FMLA leave can often overlap with ADA, other types of leave and/or disability claims, which complicates the process even more. A number of organizations offer help with FMLA administration. FMLA organizations that specialize in this function can provide needed data and reports to help with scheduling and monitoring, ensure consistent processing, and limit the city's potential liability from improper administration.

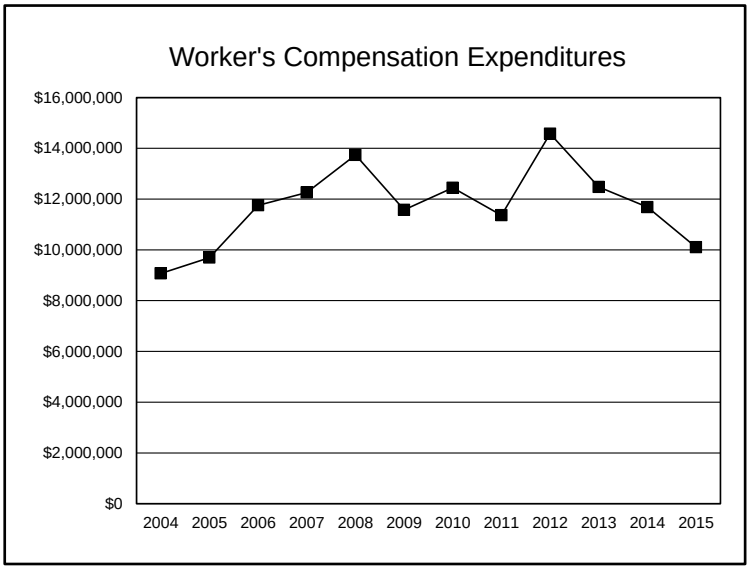
SPECIAL PURPOSE ACCOUNT
WORKER'S COMPENSATION

SUMMARY OF EXPENDITURES

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Worker's Compensation	$10,102,568	$12,000,000	$12,000,000	$11,000,000	$-1,000,000	$-1,000,000
TOTAL	$10,102,568	$12,000,000	$12,000,000	$11,000,000	$-1,000,000	$-1,000,000

The Worker's Compensation Special Purpose Account, managed 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 number and severity of claims as well as medical inflation drives the cost. The account also covers expenses incurred because of exposure to blood borne pathogens in the workplace as mandated by the blood borne pathogen law.

Figure 1



The 2017 proposed budget for the worker's compensation account totals $11 million. Worker's compensation expenditures for 2016 are projected to be between $11.5 and $12 million. Worker's compensation expenditure trends have remained relatively flat since 2011 and are not expected to greatly increase unless unforeseen events occur that lead to more severe injuries and higher injury rates.

The worker's compensation program is self-funded and was previously self-administered. In September 2015, the Common Council authorized DER to explore the use of a third party administrator (TPA) for Worker's Compensation Services. The need to explore the use of a TPA stemmed from the acknowledgement that while the city has achieved significant reductions since implementing the risk management program in 2009, some of the annual metric decreases have leveled off and average costs per claim continue to increase. The various cost drivers for worker's compensation require an investment in comprehensive utilization review interventions, clinical management tools and predictive analytics. The city lacks the internal resources and technical expertise to provide necessary interventions, which is why a search for a TPA was initiated.

It is generally understood and accepted by industry professionals that TPAs are in the greatest position to provide services to injured employees and increase case management strategies for better health outcomes, including expedited return to work, and to some extent greater financial outcomes in the form of expenditure reductions. It is also known that TPAs comply with industry best practice standards when it comes to closure rates, claim investigations, medical case management, and medication management.

The majority of Wisconsin counties and municipalities do not self-administer worker compensation benefits. They are reluctant to absorb the responsibility and risk associated with claims administration. A decision was made to enter into a contract with a TPA for the following reasons:

- A TPA has the expertise in claim administration, from intake of the claim to investigation to adjudication. Their sole business focus is claims service and as a result they are able to attract expert staff from insurance and claims industries with wealth of knowledge and expertise;
- A TPA has the internal infrastructure (technology, trained staff, third party relationships, and other clinical and administrative resources) that lead to more effective/efficient streamlined process both for the employee and for the employer;
- A TPA has internal resources dedicated to regulatory compliance and analytics;
- A TPA assumes the full responsibility of maintaining, upgrading, and troubleshooting the claims management system that supports the function, allowing the employer to focus on policy and operational decisions impacting safety, return to work, and productivity;
- A TPA has access to benchmark information regarding similar industries and proven best practices that can be shared with a client; and,
- A TPA provides an opportunity to achieve better managed care savings either from better access to preferred provider discounts, specialty nurse reviews, and better prescription drugs discounts.

After conducting a comprehensive review of 13 RFP responses, the search committee unanimously recommended Gallagher Bassett (GB) Services located in the City of Milwaukee. The transition to Gallagher Bassett will occur in the fall of 2016. GB brings a wealth of expertise to the city and will utilize an integrated approach to provide timely and compassionate care, utilize outcomes based networks, assess claim risk and control cost drivers, identify loss trends and appropriate interventions. GB expressed a strong commitment to help the city in the area of loss control, where the city has made periodic improvements through the risk management program, by offering loss prevention and risk assessment services, at the onset of the agreement at no cost. GB's customer service philosophy provides better tools for injured employees including a mobile application and online access to claim status and claim payment information.

GB's immediate and ongoing interactions with injured employees will not only support the injured employee's safe return to work at the earliest possible date but will also result in industry standard adjusting and case management practices and savings. The utilization of outcomes based networks, timely engagement of clinical dedicated resources and pharmacy benefit management interventions will lead to an overall financial improvement of 6%. In addition, the value added services included in the agreement (nurse triage as part of the claim intake process, the use of a fraud detection tool for all claims, automatic OSHA reporting capabilities, 180 hours of loss control services, and a dedicated nurse case manager) will provide additional financial improvements of 4%.

Four positions will remain in DER's Worker's Compensation division to oversee the contract and work with GB. The remaining ten positions from the division have been placed in other positions throughout the city or are in the process of being placed by the end of the year.

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 current and delinquent property taxes in a timely and cost effective manner.

Earn more than the State's Local Government Investment Pool through prudent investment of city funds.

STRATEGIES: Coordinate efforts with the city's collection agency to collect delinquent property taxes.

Maintain high quality standards in providing property tax collection services to city residents and in the accounting of city funds.

BUDGET SUMMARY

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	28.20	29.23	29.23	29.23	0.00	0.00
FTEs - Other	0.00	0.30	0.69	0.69	0.39	0.00
Total Positions Authorized	59	59	59	59	0	0
Expenditures						
Salaries and Wages	$1,535,068	$1,497,207	$1,520,260	$1,520,260	$23,053	$0
Fringe Benefits	626,082	718,659	684,117	684,117	-34,542	0
Operating Expenditures	716,157	817,810	793,400	793,400	-24,410	0
Equipment	1,790	0	7,430	5,895	5,895	-1,535
Special Funds	54,585	45,970	66,490	66,490	20,520	0
Total	$2,933,682	$3,079,646	$3,071,697	$3,070,162	$-9,484	$-1,535
Revenues						
Charges for Services	$156,081	$165,200	$108,800	$108,800	$-56,400	$0
Licenses and Permits	75,315	80,000	75,300	75,300	-4,700	0
Miscellaneous	682,765	791,100	885,200	885,200	94,100	0
Total	$914,161	$1,036,300	$1,069,300	$1,069,300	$33,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The City Treasurer, under authority provided by Wisconsin State Statutes, the Milwaukee City Charter, and Code of Ordinances, 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 2017 proposed operating budget totals approximately $3.1 million, a small increase from the 2016 adopted budget. The minor increase reflects the need for additional resources to manage *in rem* tax foreclosures filings.

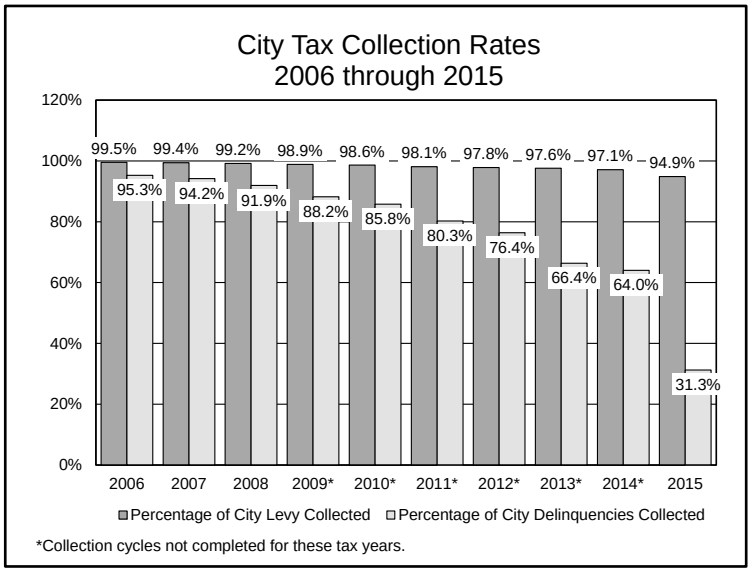
Key Performance Measures

Measure	2015 Actual	2016 Projected	2017 Planned
Cost of property tax collection as a percentage of property taxes collected.	.2789%	.02179%	.02904%
General fund investment revenue realized on short term pooled cash investments.	$333,917	$288,640	$333,917
General fund investment revenue realized on long term pooled cash investments.	$551,286	$502,460	$551,283

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 91% 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 law firm, 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



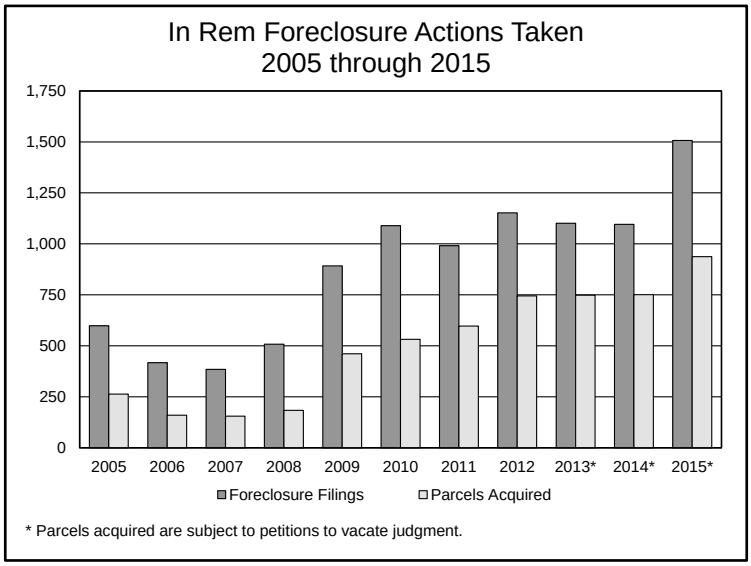
Despite these changes, the economic and housing market downturn continues to contribute to a substantial number of foreclosure filings and tax delinquent parcels acquired. In 2015, the city filed against 1,507 properties through *in rem* foreclosure; the most since 2002. The city acquired 937 of those properties. Figure 2 shows 2015 *in rem* filings were higher than any year since the down turn in the housing market. Filings and acquisitions are expected to remain at an elevated level in 2016 and 2017.

RESIZE, RESTRUCTURE, AND REINVEST

***In Rem* Tax Foreclosure Filings:** The 2017 proposed budget provides funding for five separate *in rem* tax foreclosure filings. Multiple filings have become necessary in recent years in order to manage the large volume of properties entering foreclosure.

The 2017 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. Through the first foreclosure filings of 2016, the city has filed against 190 properties and acquired 32 of these properties. This program is expected to play a significant role in stabilizing neighborhoods.

Figure 2



Position Changes and Reductions: The 2017 proposed budget includes no new or reclassified positions.

Tax Collection System Replacement: The 2015 and 2016 capital budgets included funding for the replacement of the city's legacy tax collection system, which is over 30 years old. This project requires the dedication of staff resources to system development and extensive parallel testing to assure success. The system is expected to be fully operational by December of 2017.

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 - None

FRINGE BENEFIT OFFSET

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Fringe Benefit Offset	$-170,862,733	$-187,542,614	$-183,910,155	$-185,768,325	$3,632,459	$-1,858,170
Total	$-170,862,733	$-187,542,614	$-183,910,155	$-185,768,325	$3,632,459	$-1,858,170

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 2017 proposed budget offsets this "double" budget with a budget offset, to avoid levying twice for employee benefits. This approach avoids overstating the total city budget by the fringe benefit factor, which in 2017 amounts to approximately $185.8 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 2017, the city anticipates generating approximately $632 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 $5.8 million higher than the inflation adjusted revenue for 2017 of $398 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 2017 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 41.9% in 2017.

Figure 1

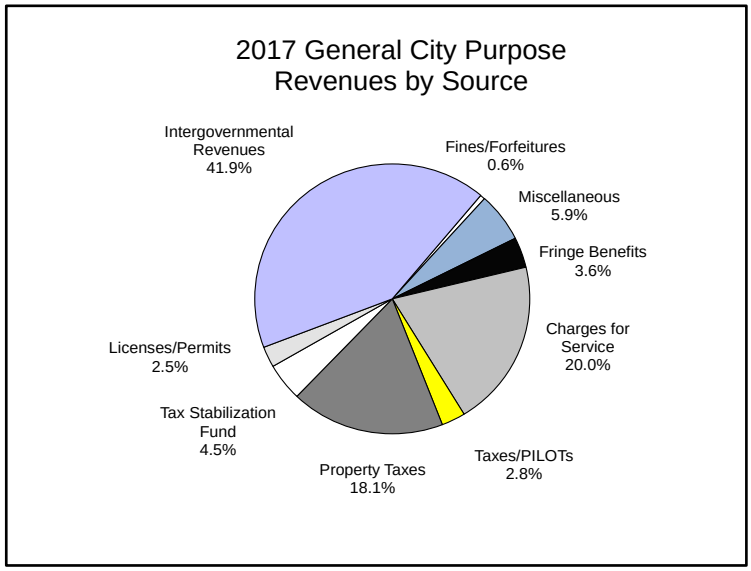
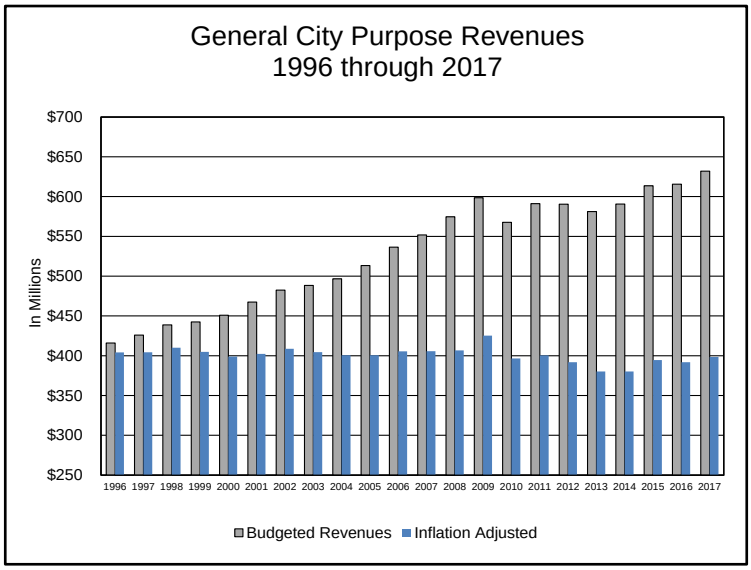


Figure 2



Over the same time period, the city's reliance on property taxes increased from 10.6% to 18.1%. The city has increased its efforts to diversify revenues by increasing charges for service as a percentage of revenue from 4.3% to 20%.

From 2007 to 2017, intergovernmental revenues decreased by $7.5 million from $272.5 million to $265 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 2017 proposed budget, intergovernmental revenues total $265 million. This is an increase of $2.4 million from 2016. The majority of the increase is from increased computer exemption aid.

The largest amount of state aids received by the city comes in the form of state shared revenue. In 2017, the city expects to receive $219 million of shared revenue, an increase of $46,000 from 2016.

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 almost a $96.6 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 $26.6 million in 2017, an increase of $200,000 from 2016.

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 2017 is $9 million, an increase of $279,000 from 2016.

Figure 3

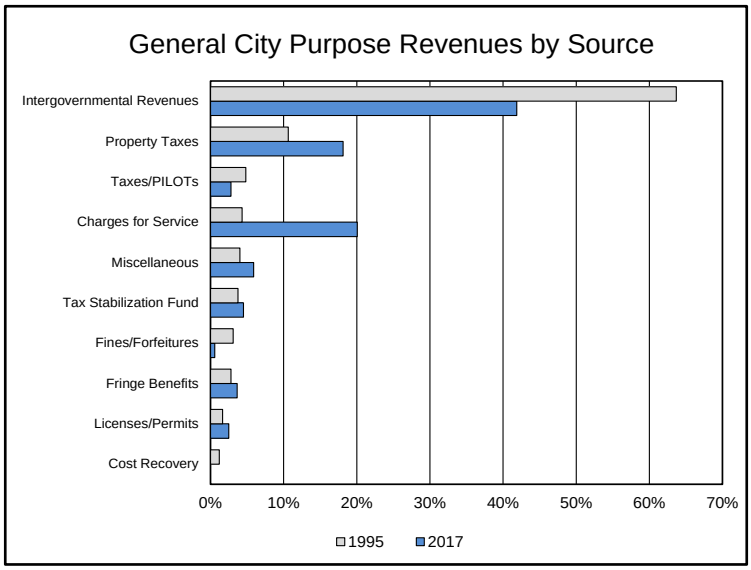
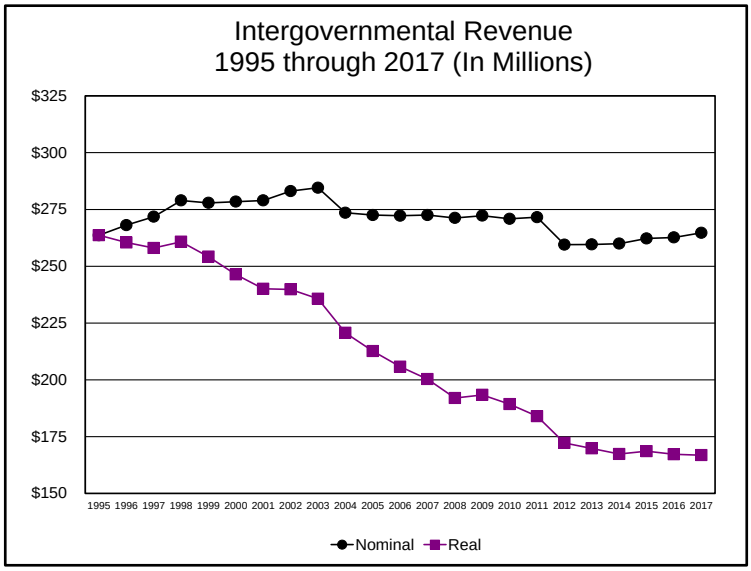


Figure 4



Property Taxes: The property tax levy will provide $114.5 million in revenue for the general city purposes budget in 2017. The total city tax levy will be $263.8 million in 2017, a $7 million increase in the tax levy from the 2016 budget.

Taxes and Payments in Lieu of Taxes: The 2017 proposed budget includes an estimated $17.7 million in revenue attributable to taxes and payments in lieu of taxes (PILOTs), a decrease of $280,200 from 2016. 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 2017 proposed budget includes $126.6 million in revenue from charges for services, a decrease of $181,603 from 2016. This category of funding encompasses revenue received for services provided by city operating departments.

Figure 5

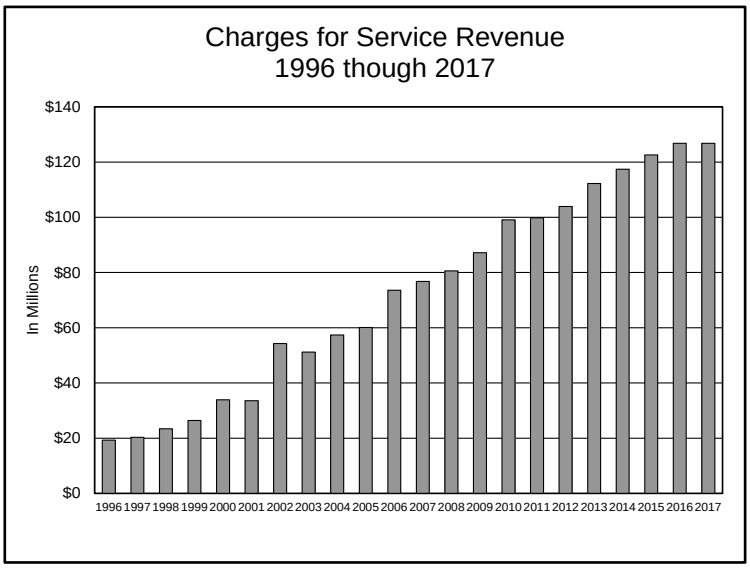


Figure 5 illustrates the increased city reliance on user based fees. Charges for service revenues increased from $19.3 million in 1996 to $126.6 million in 2017. This trend is also evident in Figure 3, where charges for service revenues increased from 4.3% of revenues to 20%. Fees for solid waste, snow and ice, and sewer maintenance are charged to city property owners according to usage, instead of through the tax levy.

The solid waste fee is a charge that recovers over 90% 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 annual extra garbage cart fee will be $60 per cart above one cart per household, the same as in 2016. There is no charge for additional recycling carts. The solid waste fee will increase from $196.92 per year for residential units to $202.84 per year, a 3% increase, and will generate $39.6 million when combined with the extra garbage cart fee.

The snow and ice fee will increase from an annual rate of $0.9155 to $0.943 per foot of property frontage, a 3% increase. The fee will generate a total of $8.9 million in 2017.

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 an $19.6 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 2017, these revenues are expected to total $37.3 million, an increase of $1.4 million from 2016. However, all of the increase results from moving $1.4 million in revenue from the sale of recyclable materials from the Charges for Services category to the Miscellaneous Revenue category. Excluding this change, Miscellaneous Revenue decreases by approximately $28,500 from 2016. Changes include a $200,000 increase in the vehicle registration fee revenue, a $258,800 decrease in property sale revenue, a $94,100 increase in investment earnings and a $175,000 increase in the Potawatomi payment.

Fines and Forfeitures: Revenue of $3.7 million related to fines and forfeitures is included in the 2017 proposed budget. Fines and forfeitures include payments received from individuals as penalties for violating municipal laws. The revenue in this account reflects collections made by the Municipal Court.

Licenses and Permits: Revenue from licenses and permits in 2017 is estimated at $15.8 million, a decrease of $275,000 from 2016. 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 2017.

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. The estimated balance of the fund as of January 1, 2016 was $61.7 million. The 2017 withdrawal will be $27.3 million which is 44.2% of the fund balance.

A temporary additional withdrawal from the TSF is reflected in the 2017 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 2017 proposed budget for this purpose is $1.1 million. 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

Taxes and Payments in Lieu of Taxes	2014 Actual Expenditures	2015 Actual Expenditures	2016 Adopted Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted Budget
Housing Authority	$689,682	$729,615	$690,000	$700,000	$10,000
Parking	1,585,940	1,669,268	1,500,000	1,600,000	100,000
Water Works	12,397,198	12,880,259	12,400,000	12,700,000	300,000
Trailer Park Taxes	80,912	72,935	75,000	70,000	-5,000
Payment in Lieu of Taxes Other	438,666	451,415	420,000	435,000	15,000
Interest/Penalties on Taxes	1,845,173	1,705,055	1,844,500	1,481,500	-363,000
TID Excess Revenue	1,585,901	665,111	340,000	500,000	160,000
Other Taxes	3,036,453	-194,252	709,300	212,100	-497,200
Total Taxes	$21,659,925	$17,979,406	$17,978,800	$17,698,600	$-280,200
Licenses and Permits					
Licenses					
Amusement Dance/Music	$139,919	$67,610	$0	$0	$0
Dog and Cat	80,031	75,315	80,000	75,300	-4,700
Food City Clerk	2,218,897	2,179,577	2,220,000	2,083,300	-136,700
Food Health Department	155,421	208,468	247,000	200,000	-47,000
Health Department Non-Food	30,316	15,871	17,400	15,400	-2,000
Liquor and Malt	1,420,275	242,991	0	0	0
Scales	91,294	691,022	540,000	686,900	146,900
Miscellaneous City Clerk	1,083,599	2,187,666	2,588,700	2,182,300	-406,400
Miscellaneous Neighborhood Services	499,571	308,950	247,900	231,600	-16,300
Miscellaneous Department Public Works Administration	15,876	15,876	16,000	16,000	0

	2014 Actual Expenditures	2015 Actual Expenditures	2016 Adopted Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted Budget
Permits					
Board of Zoning Appeals	$294,806	$301,288	$292,500	$293,000	$500
Zoning Change Fees	53,875	66,200	50,000	60,000	10,000
Building	4,335,462	4,274,333	4,328,300	4,478,000	149,700
Building Code Compliance	280,055	280,546	300,000	0	-300,000
Curb Space Special Privilege	90,481	325	0	0	0
Electrical	1,300,478	1,365,817	1,308,000	1,390,000	82,000
Elevator	238,576	496,487	220,000	350,000	130,000
Occupancy	473,665	459,618	465,000	460,000	-5,000
Plumbing	667,768	792,777	750,000	780,000	30,000
Miscellaneous Neighborhood Services	119,431	95,964	115,000	116,000	1,000
Sign and Billboard	93,476	92,438	93,000	93,000	0
Special Events	280,643	283,021	280,000	280,000	0
Miscellaneous Department of Public Works	270,215	345,228	308,000	317,000	9,000
Special Privilege Miscellaneous Neighborhood Services	344,476	377,405	344,000	350,000	6,000
Sprinkler Inspection	154,572	177,919	152,000	180,000	28,000
Use of Streets Excavating	1,300,584	1,227,375	1,104,500	1,154,500	50,000
Total Licenses and Permits	$16,033,762	$16,630,087	$16,067,300	$15,792,300	$-275,000
Intergovernmental Revenue					
Fire Insurance Premium	$1,163,727	$1,079,636	$1,100,000	$1,100,000	$0
Local Street Aids	25,105,194	26,434,660	26,383,000	26,583,000	200,000
Payment for Municipal Services	1,896,874	2,513,997	2,200,000	2,100,000	-100,000
State Payments Police	752,179	740,662	673,600	1,006,200	332,600
State Shared Revenue (General)	218,923,945	219,039,229	218,992,000	219,038,000	46,000
Other State Payments	7,034	7,034	7,000	7,000	0
Expenditure Restraint Aid	8,552,945	8,751,753	8,722,000	9,001,000	279,000
Computer Exemption Aid	4,484,530	4,782,272	4,600,000	6,200,000	1,600,000
Total Intergovernmental Revenue	$260,886,428	$263,349,243	$262,677,600	$265,035,200	$2,357,600
Charges for Services - General Government					
City Attorney	$877,665	$1,252,359	$878,100	$818,700	$-59,400
Department of Employee Relations	163,034	166,597	167,000	178,800	11,800
City Treasurer	165,884	156,081	165,200	108,800	-56,400
Common Council City Clerk	153,531	152,853	150,700	225,400	74,700
Cable Franchise Fee	4,983,077	5,025,185	4,900,000	5,000,000	100,000
Comptroller	720,275	698,565	580,000	625,000	45,000
Municipal Court	1,458,570	1,353,212	1,514,000	1,139,000	-375,000
Assessor	801,959	842,786	913,200	850,500	-62,700
Department of City Development	8,993	8,983	8,000	9,500	1,500
Department of Administration	143,906	164,720	171,500	80,500	-91,000
Fire Department	5,857,281	6,651,837	6,688,300	6,795,000	106,700
Police Department	607,999	711,563	2,921,700	2,888,600	-33,100
Department of Neighborhood Services	15,147,127	16,090,166	15,063,000	12,835,000	-2,228,000
Building Razing	1,066,737	1,424,005	1,000,000	1,000,000	0
Fire Prevention Inspections	1,945,875	2,248,191	1,975,000	1,900,000	-75,000
Essential Services	65,948	67,530	71,000	69,000	-2,000
Placard Fee	30,950	21,720	25,000	24,000	-1,000
IT/Training Surcharge Department of Neighborhood Services	343,173	377,398	350,000	337,000	-13,000
Department of Public Works Operations Buildings and Fleet	3,825,152	3,766,206	3,650,000	3,720,000	70,000
Department of Public Works Infrastructure Division	4,928,931	5,852,573	4,609,000	4,552,100	-56,900
Department of Public Works Operations Division Forestry	161,605	136,967	146,000	141,000	-5,000
Harbor Commission	5,905,581	5,905,581	4,801,671	5,975,792	1,174,121

	2014 Actual Expenditures	2015 Actual Expenditures	2016 Adopted Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted Budget
Department of Public Works Administrative Services	1,215,235	2,171,847	1,350,000	1,353,500	3,500
Department of Public Works Operations Division Sanitation	4,929,264	4,354,473	4,148,300	4,304,300	156,000
Solid Waste Fee	35,199,543	36,391,922	36,863,424	37,931,000	1,067,576
Extra Garbage Cart Fee	1,890,000	1,767,570	1,740,000	1,640,000	-100,000
Snow and Ice Control Fee	8,163,624	8,697,232	8,743,000	8,958,500	215,500
Street Sweeping and Leaf Collection	15,059,000	16,060,000	18,126,000	19,626,000	1,500,000
Apartment Garbage Pickup	1,544,477	1,529,886	1,570,000	1,410,000	-160,000
Health Department	922,568	1,084,294	902,300	1,045,200	142,900
Public Library	397,676	382,864	400,000	362,600	-37,400
County Federated System	715,475	709,361	720,000	725,000	5,000
Recycling Contract	1,574,727	589,288	1,500,000	0	-1,500,000
Total Charges for Services	$120,974,842	$126,813,815	$126,811,395	$126,629,792	$-181,603
Fines and Forfeitures					
Municipal Court	$4,558,308	$4,110,140	$4,060,000	$3,703,000	$-357,000
Total Fines and Forfeitures	$4,558,308	$4,110,140	$4,060,000	$3,703,000	$-357,000
Miscellaneous Revenue					
Transfer from Other Funds	$17,425,000	$17,000,000	$16,599,956	$16,600,000	$44
Interest on Investment	1,123,002	682,765	791,100	885,200	94,100
Contributions	1,975,141	2,588,721	3,000,000	3,000,000	0
Department of Administration Property Sales	609,105	346,738	561,000	342,200	-218,800
Department of City Development Property Sales	15,853	15,600	50,000	10,000	-40,000
Department of Public Works Infrastructure Division Rent	234,202	238,106	222,000	297,500	75,500
Comptroller Rent	164,859	162,865	164,000	164,900	900
Department of City Development Rent	0	26	0	0	0
Sale of Recyclable Materials	0	775,713	0	1,397,700	1,397,700
Other Miscellaneous	1,004,490	1,372,541	791,600	661,000	-130,600
Insurance Recovery	1,874,752	205,082	408,700	210,000	-198,700
Potawatomi	5,282,165	5,410,827	5,400,000	5,575,000	175,000
Harbor Commission Transfer	1,378,000	1,580,000	1,501,900	1,516,000	14,100
Vehicle Registration Fee	6,446,525	6,653,772	6,400,000	6,600,000	200,000
Total Miscellaneous Revenue	$37,533,094	$37,032,756	$35,890,256	$37,259,500	$1,369,244
Fringe Benefits					
Fringe Benefit Offset	$22,025,870	$21,393,005	$23,000,000	$23,000,000	$0
Total Fringe Benefits	$22,025,870	$21,393,005	$23,000,000	$23,000,000	$0
Total General Fund Revenue	$483,672,229	$487,308,452	$486,485,351	$489,118,392	$2,633,041
Amount to be Raised Pursuant to 18-02-6	$111,717,287	$130,964,667	$129,083,533	$142,925,467	$13,841,934
Less:					
Tax Stabilization Fund Withdrawal (Sustainable)	$20,000,000	$16,700,000	$21,087,000	$27,300,000	$6,213,000
Tax Stabilization Fund Withdrawal (Revenue Anticipation)	$0	$0	$0	$1,105,000	$1,105,000
Property Tax Levy	$91,717,287	$114,264,667	$107,996,533	$114,520,467	$6,523,934
Total Sources of Fund for General City Purposes	$595,389,516	$618,273,119	$615,568,884	$632,043,859	$16,474,975

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.

Continue to pre-pay the employer's pension contribution.

SUMMARY OF EXPENDITURES

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Firemen's Pension Fund						
Employer's Pension Contribution	$0	$0	$0	$0	$0	$0
Lump Sum Supplement Contribution	67,500	50,000	40,000	40,000	-10,000	0
Subtotal	$67,500	$50,000	$40,000	$40,000	$-10,000	$0
Policemen's Pension Fund						
Employer's Pension Contribution	$207,199	$190,000	$0	$0	$-190,000	$0
PABF Payroll	0	0	360,000	320,000	320,000	-40,000
Lump Sum Supplement Contribution	30,000	21,500	18,500	10,000	-11,500	-8,500
Subtotal	$237,199	$211,500	$378,500	$330,000	$118,500	$-48,500
Employees' Retirement Fund						
Employer's Pension Contribution	$60,000,000	$60,000,000	$62,000,000	$61,000,000	$1,000,000	$-1,000,000
Administration	19,802,111	26,643,423	24,983,109	24,983,109	-1,660,314	0
Annuity Contribution Tax Levy	1,805,914	5,217,531	0	0	-5,217,531	0
Annuity Contribution Employer's Reserve Fund	10,400,000	7,000,000	0	0	-7,000,000	0
Subtotal	$92,008,025	$98,860,954	$86,983,109	$85,983,109	$-12,877,845	$-1,000,000
Social Security Tax	$17,283,366	$18,105,800	$18,000,000	$18,500,000	$394,200	$500,000
Former Town of Lake Employees' Fund						
Employer's Pension Contribution	$7,273	$7,300	$7,300	$7,300	$0	$0
Subtotal	$7,273	$7,300	$7,300	$7,300	$0	$0
Deferred Compensation Plan	$1,380,364	$370,485	$435,859	$365,367	$-5,118	$-70,492
Total	$110,983,727	$117,606,039	$105,844,768	$105,225,776	$-12,380,263	$-618,992
Revenues						
Fringe Benefits Pensions	$1,076,400	$1,345,759	$1,283,620	$1,283,620	$-62,139	$0
Charges for Service Employees' Retirement System	19,163,339	26,261,912	24,598,428	24,598,428	-1,663,484	0
Charges to Other Funds	855,955	904,000	904,000	904,000	0	0
Charges for Service Deferred Compensation	1,380,364	370,485	435,859	365,367	-5,118	-70,492
Property Tax Levy	78,532,396	81,632,883	78,530,861	77,982,361	-3,650,522	-548,500
Employer's Reserve Fund	10,400,000	7,000,000	0	0	-7,000,000	0
Miscellaneous Employees' Retirement System	84,700	91,000	92,000	92,000	1,000	0
Total	$111,493,154	$117,606,039	$105,844,768	$105,225,776	$-12,380,263	$-618,992

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 city agency 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 Comptroller. 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 27,083 members in the system as of December 31, 2015.

The Policemen's Annuity and Benefit Fund (PABF) administers pensions for city police officers employed prior to 1947. There were 36 members as of January 1, 2016.

Funds in the Firemen's Pension Fund are provided for retired fire fighters who were employed prior to 1947. This fund had 21 members as of January 2016.

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;
- 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 stabilizes the property tax levy compared to the prior policy. Actuarial analysis has concluded that the total contribution made during the three years since the policy change are essentially equivalent to the three year total which would have been made under prior policy. The new policy allows the city to retain vital services while responsibly financing pensions.

SERVICES

Annuity Contribution/Employee's Share: The 2017 proposed budget provides no funding for the employee's share of the annuity contribution that is paid by the city. All city employees pay their share of the pension payments through payroll deductions. This change is reflected for the first time in the 2017 proposed budget. 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 contribute 7%.

Social Security Payments: In the 2017 proposed budget, $18.5 million is provided for social security payments.

Administration: In the 2017 proposed budget, ERS administrative costs are $25 million.

Employer's Reserve Fund: An expected balance of approximately $15.4 million will remain in the Employer's Reserve Fund at the end of 2016. The 2017 proposed budget does not include the use of the reserve fund. In 2018, the employer pension contribution percentage of pensionable payroll that is used to determine the annual payment will be reset. Preliminary information suggests the contribution may increase significantly. Given that possibility it was determined that no reserve funds would be used in 2017. This allows the city to smooth out any property tax growth from this reset in future years.

Employer's Pension Contribution (PABF): The 2017 proposed budget does not include a contribution for the former Policemen's Annuity and Benefit Fund. Instead the city will provide $320,000 for member payments on an on-going basis from an account funded by an annual appropriation.

Lump Sum Contribution for Firemen's Annuity and Benefit Fund (FABF): A total of $40,000 is provided in the 2017 proposed budget for a pension supplement to remaining members of this fund.

Lump Sum Contribution for Policemen's Annuity and Benefit Fund (PABF): There is $10,000 provided in the 2017 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 8.40% average annual rate of return on invested funds over 30 years.

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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	43.46	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	55	58	58	58	0	0
Expenditures						
Salaries and Wages	$2,637,663	$2,803,664	$2,852,489	$2,852,489	$48,825	$0
Fringe Benefits	1,076,400	1,345,759	1,283,620	1,283,620	-62,139	0
Operating Expenditures	16,025,745	22,290,000	20,283,000	20,283,000	-2,007,000	0
Equipment	62,303	204,000	564,000	564,000	360,000	0
Special Funds	0	0	0	0	0	0
Total	$19,802,111	$26,643,423	$24,983,109	$24,983,109	$-1,660,314	$0
Revenues						
Charges for Services	$19,163,339	$26,261,912	$24,598,428	$24,598,428	$-1,663,484	$0
Miscellaneous	84,700	91,000	92,000	92,000	1,000	0
Total	$19,248,039	$26,352,912	$24,690,428	$24,690,428	$-1,662,484	$0

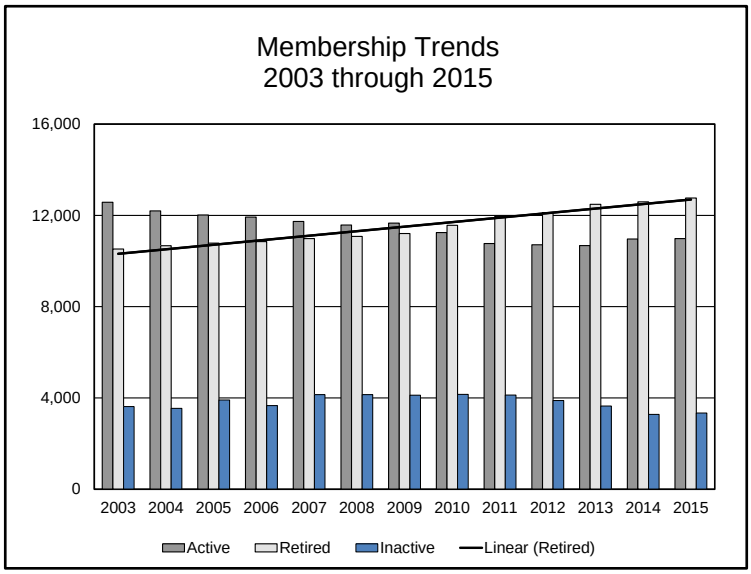
DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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) operates a defined benefit pension plan for employees of the City of Milwaukee and related agencies. 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 and contributions for the Group Life Insurance program and health care for city retirees, including COBRA health and dental plans. As of December 2015, there were 27,083 members in the Employes' Retirement System, 59% are 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	2015 Actual	2016 Projected	2017 Planned
Annualized excess return above the blended benchmark index, gross of fees (over the past five years).	-0.1%	0.5%	0.5%
Exceed 95% favorable rating on customer satisfaction survey.	99%	95%	95

STRATEGY IMPLEMENTATION

The actuarial accrued liabilities on behalf of ERS members are $5.07 billion as of January 1, 2016. Market volatility in recent years has made it complicated to maintain an adequately funded retirement system. In 2015, the fund earned a net of fee return of 0.5%. The fund's allocations to real estate, private equity, and absolute return strategies generated net of fee returns of 14.0%, 12.4%, and 4.7% in 2015. The fund's allocations to public equities and fixed income generated net of fee returns of -0.8% and -2.6% in 2015.

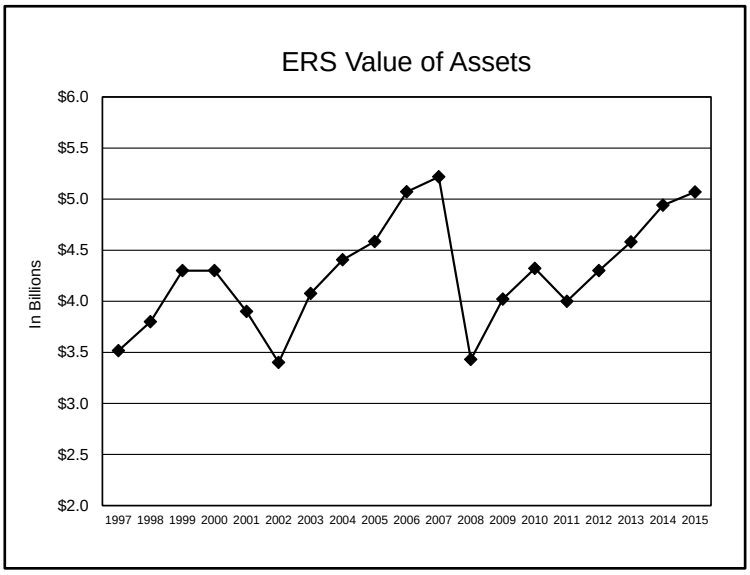
Despite recent fluctuations, the fund's asset value has grown significantly since the 2008-2009 financial crises (see Figure 2). In order to maintain pension payments in future years, keep an adequate funded ratio of assets to liabilities, and comply with city charter requirements, a $7 million withdrawal from the Employee Pension Reserve Fund was included in the 2016 budget. There is no reserve withdrawal in the 2017 budget. 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:

- Morgan Stanley Capital International ACWI IMI (All Country World Investable Market Index) Stock Index
- Barclays Capital U.S. Aggregate Bond Index
- NFI-ODCE (NCREIF Open End Diversified Core Equity) Real Estate Property Index
- 90-Day T-Bill + 3%
- Russell 3000 +3%
- Morgan Stanley Capital International ACWI (All Country World Index) Stock Index
- Barclays TIPS Index
- Bloomberg Commodity Total Return Index

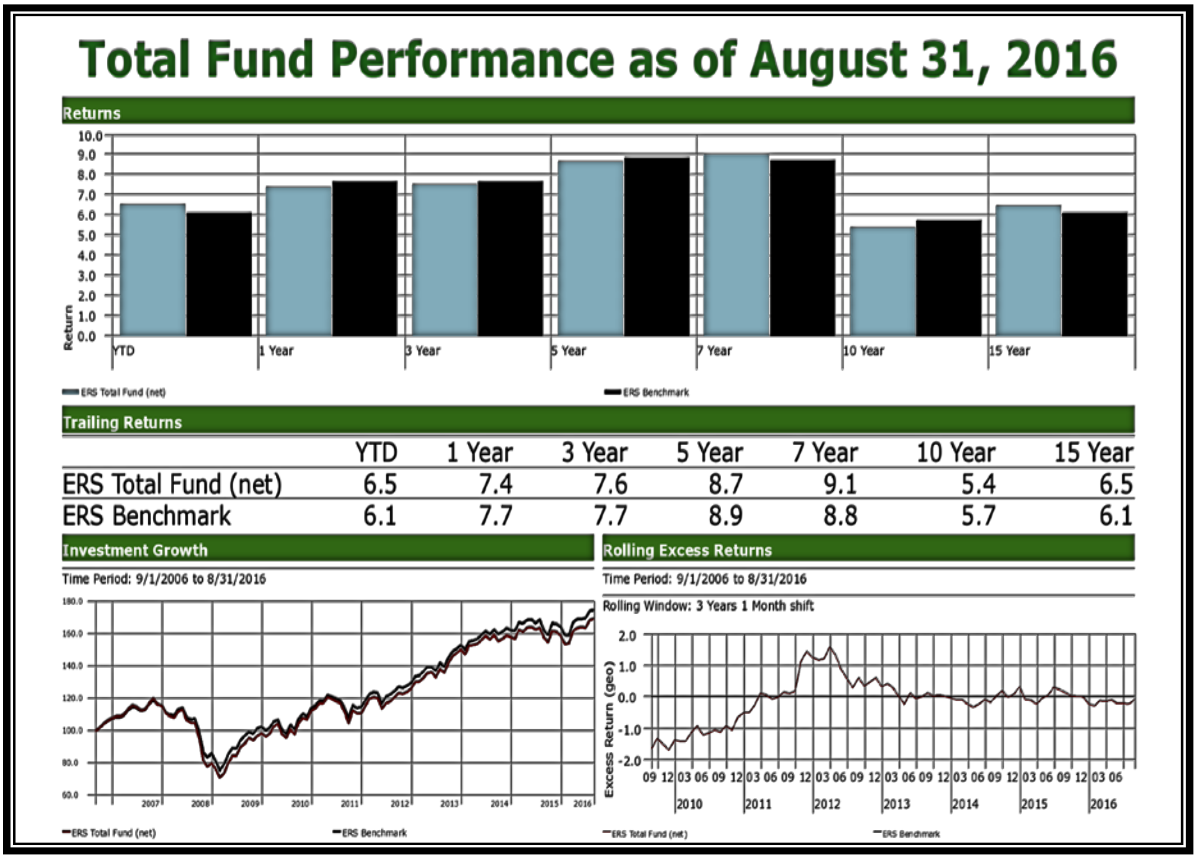
The blended benchmark is weighted according to the asset allocation strategy adopted by the Annuity and Pension Board. This strategy takes advantage of long term investment and market trends that occur over the life of an investment cycle. The long term objective is for the fund to outperform the blended benchmark by 0.5%.

Figure 2



As seen in Chart 1, the fund's net of fee performance in the time periods ending August 31, 2016 indicate the fund has been able to generate returns within +/-1% of its discount rate in the 1, 3, 5, and 7 year time periods. The fund's returns are close to its strategic policy benchmark in all time periods shown. The 10 and 15 year time periods include the 2008-2009 financial crisis when equity markets declined significantly in value.

Chart 1



	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	15 Year
ERS Total Fund (net)	6.5	7.4	7.6	8.7	9.1	5.4	6.5
ERS Benchmark	6.1	7.7	7.7	8.9	8.8	5.7	6.1

Chart 1 shows an investment growth chart and a rolling excess returns chart. The investment growth chart shows that for every $100 invested into the fund ten years ago, that amount is now equal to approximately $170 net of fees. The rolling excess returns chart shows the three years ERS total fund (net) return compared to the ERS benchmark in every month going back 84 months (7 years). The rolling excess returns chart is one of the most informative indicators of fund performance versus its benchmark because it puts the most recent period's performance in a long term context. Given the elevated volatility within financial markets over the past couple of years, these charts show that the fund has held up well in this difficult investing environment.

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 regularly conducts community presentations and pre-retirement seminars for its members. 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

The 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 2017 proposed budget decreases by 6.2% or $1.7 million. Most of the decreases are in the operating expenditures account, which decreases by $2 million or 9% from the 2016 budget. The primary decreases are 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 2017 proposed budget includes $564,000 to replace all the network firewalls and several servers, an increase of $360,000 (176.5%) from the 2016 budget. The replacement of firewalls and network equipment (routers and switches) will enhance security and protect data and member information from malicious attacks. This project and the addition of more storage capacity ensures that the ERS application (MERITS) and its sub-systems are 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 receives 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.

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

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.

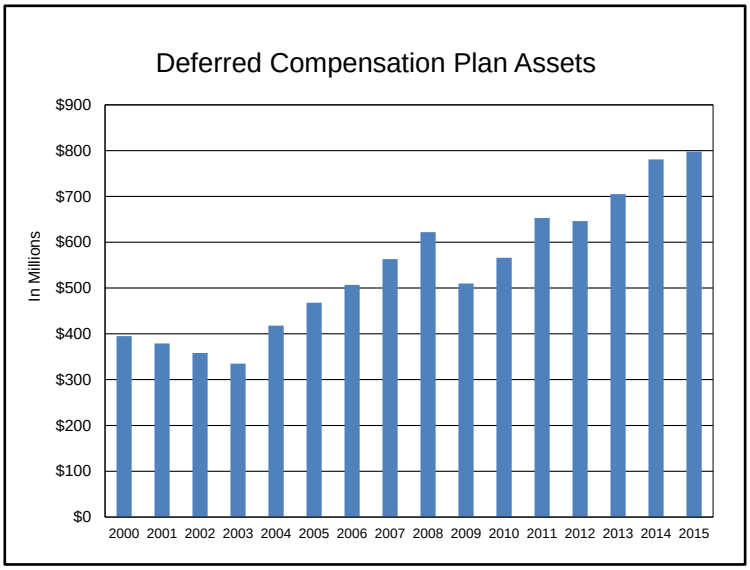
Administer the plan in accordance with applicable regulations to maintain the Plan's tax deferred status.

BUDGET SUMMARY

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	2.00	2.00	3.00	2.00	0.00	-1.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	2	2	3	2	0	-1
Expenditures						
Salaries and Wages	$125,810	$170,608	$214,780	$170,608	$0	$-44,172
Fringe Benefits	49,681	81,892	103,094	76,774	-5,118	-26,320
Operating Expenditures	1,204,873	37,985	37,985	37,985	0	0
Equipment	0	5,000	5,000	5,000	0	0
Special Funds	0	75,000	75,000	75,000	0	0
Total	$1,380,364	$370,485	$435,859	$365,367	$-5,118	$-70,492
Revenues						
Charges for Services	$1,380,364	$370,485	$435,859	$365,367	$-5,118	$-70,492
Total	$1,380,364	$370,485	$435,859	$365,367	$-5,118	$-70,492

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 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 an eleven 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, 2015, active and retired participants totaled 7,631 (a roughly 65% participation rate) and Plan assets equaled $792 million, a modest decrease from 2014.

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The plan's mission, to assist city employees in saving assets to enable them to retire at the desired time and 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 the 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 (RFP) 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 Performance as of June 30, 2016*				
		% Rate of Return**		
Investment Option	**Market Value as of 6-30-16 in $ Millions**	**One Year**	**Three Year**	**Five Year**
Actively Managed Equity	$202.8	3.03	7.79	8.46
AMEA Benchmark		0.63	9.19	9.34
Balanced Socially Conscious	$32.6	0.25	7.03	7.50
BSCA Benchmark		2.24	7.74	8.07
Actively Managed Income	$46.3	1.99	2.92	3.06
AMIA Benchmark		5.34	3.82	3.66
Stable Value	$223.2	1.27	1.15	1.43
SVA Benchmark		1.58	1.20	1.27
Passive International Equity	$44.2	(9.40)	1.72	0.33

Investment Performance as of June 30, 2016*				
		% Rate of Return**		
Investment Option	**Market Value as of 6-30-16 in $ Millions**	**One Year**	**Three Year**	**Five Year**
Vanguard FTSE All-World ex US		(9.47)	2.01	0.77
Passive U.S. Equity	$156.9	1.72	10.73	11.32
Wilshire 500		2.96	11.27	11.64
Conservative Portfolio	$9.6	0.82	3.30	3.47
Conservative Benchmark		2.44	4.05	4.12
Accumulator Portfolio	$4.7	0.06	5.23	5.60
Accumulator Benchmark		2.15	6.48	6.68
Wealth Builder Portfolio	$7.0	(0.84)	5.80	6.88
Wealth Builder Benchmark		1.66	7.43	7.67
Aggressive Portfolio	$7.1	(1.32)	6.28	7.10
Aggressive Benchmark		1.61	8.14	8.40
Schwab Brokerage Window^	$47.8	N/A	N/A	N/A

* Data provided by Callan Associates, Inc. and Northern Trust 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 2015 and 2016 include:

- Completion of the multi-year RFP process for a third party administrator (TPA) services, the first RFP for TPA services in over 15 years, which will result in significant fee savings in fall 2016 and permit better data analysis of employee and participant savings and investing patters. More importantly, the new TPA will provide state-of-the-art retirement readiness and financial planning tools, as well as comprehensive education programming.
- Transition to the new record keeper in 2016 and movement towards full automation of deferral processing, as well as electronic forms and signatures, to minimize error and better preserve and maintain plan records.
- Transition to a new investment management platform, as well as changes to the investment line-up, resulting in significant fee savings in 2016 and the addition of state-of-the-art target date funds (a well diversified, professionally managed investment option that rebalances asset allocations automatically over time).
- Implementation of a new enrollment and elections process in 2016, which will encourage all employees to review their retirement readiness each year.
- Annually, members will have their contribution increased to 3% of their wages if they currently contribute less than 3%, unless they opt out. In 2016, members will be placed in an age appropriate investment plan, unless they opt out.
- Complete restatement of all plan documents including the Master Agreement, Investment Policy Statement, Administrative Rules, and Operating Procedures.
- Renegotiation and restatement of the plan's contract with its self-directed brokerage account vendor, Schwab, as well as implementation of access and transaction restrictions on a go forward basis, beginning in 2016.

- Completion of an expedited RFP process for a new audit firm and onboarding of the new audit team. The audit process continues through 2016.
- Issuance of a new, improved fee disclosure statement. This disclosure marked a significant improvement over prior disclosures by:

  - Reporting investment management fees separately from plan administrative and operating costs;
  - Reporting actual, instead of estimated, fees, and costs;
  - Providing a clear description of the variety of services provided to the plan; and
  - Providing separate disclosures about loan and SDBA fees.

  The plan will continue to provide these disclosures on an annual basis in the first quarter of each year, but will also continue to improve by including in the 2017 disclosures sample fee calculations, an explanation of basis points, and a comprehensive listing of other plan monitored fees/costs paid by participants, if any.
- The creation of reserve account to offset extraordinary or unanticipated plan expenses, funded through accumulated refunds from certain mutual fund managers, as well as the implementation of a board approved spend down plan for this reserve.
- The second consecutive year of decreases in plan operating expenses.

The plan continues the new budgeting approach begun with the 2016 budget, wherein all professional fees and other operating expenses no longer appear in the city's budget, with limited exceptions (because the Plan is entirely self-funded and does not impact the tax levy). The payment of professional fees and other operating expenses no longer runs through city accounts, reducing the possibility of errors or intentional malfeasance. 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.

For 2017, professional fees and operating expenses including staff salaries and benefits are projected to be $1.31 million or approximately 1.7 basis points of total plan assets, reflecting an approximately $60,000 decrease in such expenses from 2016. Professional and operating expenses include recordkeeping (Nationwide Retirement Solutions), consulting (Callan Associates, Inc.), custodial banking (Northern Trust), fiduciary liability insurance (Hays Companies), auditing (Baker Tilly), 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. Following a three year upward trend (increases of approximately 3.3% in 2013, 4.4% in 2014, and 11.7% in 2015), 2017 and 2016 represents two consecutive years of decreases in operating expenses (decreases of 4.2% in 2016 and 4.6% in 2017). Plan staff and its board hope to continue its work to control operating expenses.

The plan is self-funded and 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 2017 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 2017 proposed general city capital improvements budget totals $150.4 million, a decrease of $19.9 million from the 2016 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 $89.9 million. This is a decrease of $5.5 million or 5.8% from the 2016 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 Automation 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 2017 proposed budget. Core infrastructure programs including streets, bridges, street lighting, and sewers total $72.2 million in the 2017 budget. Figure 1 shows improvements made in core infrastructure funding from 2004 to 2017. Since 2004 funding for core infrastructure has increased by $29.3 million, or 68%. The 2017 proposed capital budget will utilize significant amounts of carryover funding in the major street program and the street lighting

program, which is the primary reason for the $7.2 million reduction in core infrastructure programs from 2016 to 2017.

The 2017 proposed budget includes $29.2 million for facility improvement projects, an increase of $2.1 million or 7.7% from 2016. The city hall foundation repair project is the largest single facility improvement project in the 2017 proposed budget at $13 million, and the ongoing renovations to the police administration building is the second largest facility project at $5.5 million.

The 2017 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 2017. Minor information technology (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 2017 proposed budget. While levy funding in the capital improvements budget is limited, the use of cash revenues from the sewer maintenance fund helps to manage the total amount of debt financing.

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 1

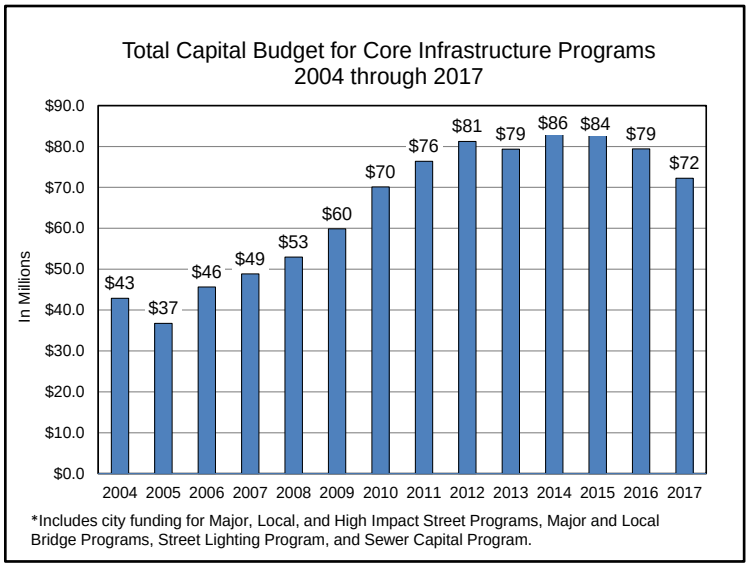


Figure 2

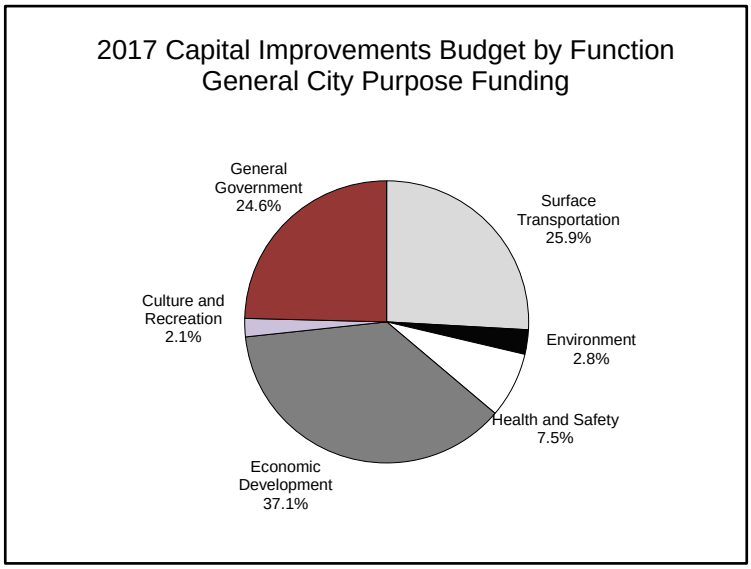


Figure 2 illustrates the portion of the capital budget allocated to each functional area (water, parking, sewer relief and relay, and grant and aids are excluded).

Economic development is the largest capital functional area at $55.8 million or 37.1% of the general city funded capital budget. New borrowing for economic development in 2016 is decreased by $8.5 million compared to 2016. Borrowing for tax incremental districts (TID's) totals $47.5 million, a $9.4 million or 16.5% decrease from the 2016 budget. This includes $3.5 million for developer funded TID's. Several development projects currently underway in 2016 required substantial additional borrowing authority in 2016, resulting in a small decrease in new borrowing for economic development in the 2017 proposed budget.

Surface transportation projects constitute the second largest functional category, which is 25.9% of the general city funded capital budget or $39 million. Including grant and aids, total surface transportation spending is

$86 million, an increase of $12.2 million from 2016. The increase is primarily due to $9.9 million in grant and aid to support the city's major bridge program.

The general government project category constitutes the third largest functional area with $37 million or 24.6% of total funding provided for this purpose. This is a net increase of $1.1 million from 2016. This category consists of buildings, non-police IT projects, and major capital equipment.

The health and safety project category comprises 7.5% of the 2017 proposed general city funded capital budget. This includes Fire, Police, and Health department's 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 2.8% of the proposed city funded capital budget. Culture and recreation projects include a $250,000 allocation for the *MKE Plays* program, which leverages private investment to create innovative play spaces in Milwaukee neighborhoods. The culture and recreation project category represents 2.1% of the proposed city funded capital budget.

Funding Sources: The 2017 proposed capital budget is financed through several funding sources including the property tax levy, tax levy supported GO debt, tax incremental districts, special assessments, cash revenues, and grants and aids. Figure 3 shows funding sources for the 2017 city funded capital budget (excluding grant and aids).

Figure 3

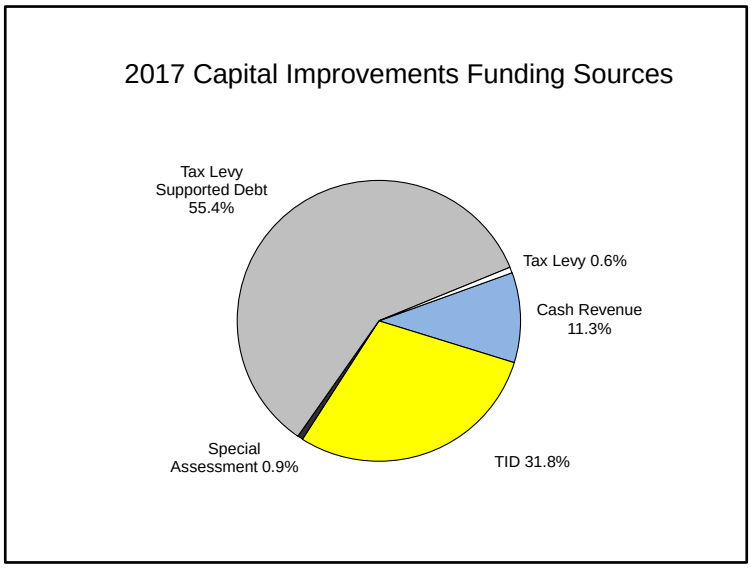
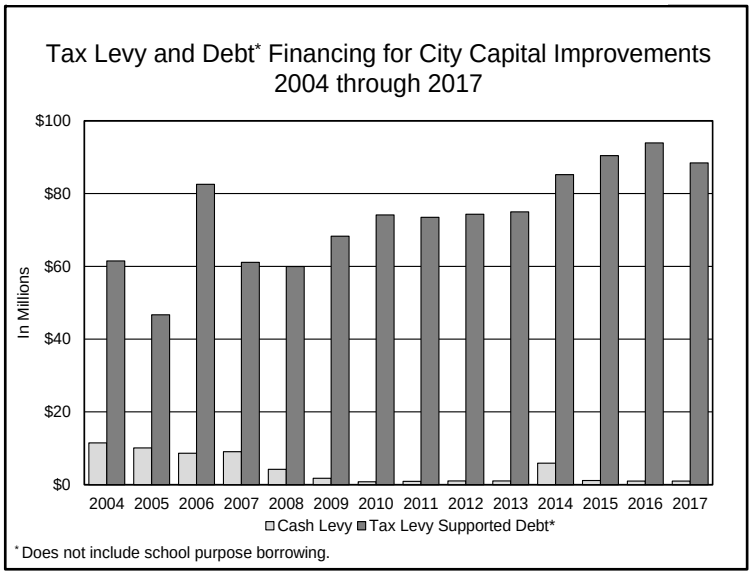


Figure 4



For 2017 the largest funding source is tax levy supported debt financing, composing 59.1% of total funding sources. Levy supported GO borrowing in the 2017 proposed capital budget is $88.9 million, a decrease of $4 million from 2016. Given the life expectancy of the facilities to be constructed or equipment to be purchased, borrowing is a reasonable way to 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 $44 million or 29.2% 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 authority increased significantly from 2015 to 2016, with $53.9 million included in the 2016 budget. The 2017 proposed budget includes borrowing authority for TIDs of $44 million, which is an increase of

$27.1 million over the 2013 to 2015 average. The increased borrowing authority is required as several large TIDs, including the Lakefront Gateway project, the new arena, and the street car incur expenses.

In addition to TID financing, other self-supporting funding sources include $15.6 million of cash revenues, which is 10.4% of the total and $917,000 of special assessments, which represent 0.6% of the total. Figure 3 does not include capital grant and aids for street reconstruction and bridge rehabilitation, which are anticipated to be $44 million in 2017.

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 $1 million in the 2017 proposed budget.

2017 HIGHLIGHTS AND CHANGES

Strong Neighborhoods Plan: The Department of Neighborhood Services (DNS), along with efforts by Department of Public Works (DPW) crews, will demolish or deconstruct 248 vacant buildings in 2017, an increase from 179 projected demolitions in 2016. The 2017 proposed capital budget includes $2.1 million for the DNS concentrated blight elimination program. Approximately $490,000 of this amount is for a lower impact hybrid deconstruction program for 25 properties, while the remainder will fund demolition activities.

The Department of City Development has allocated capital funds totaling $4.5 million to fund renovation and redevelopment of city owned residential and commercial property through a number of incentive and direct programs. The 2017 proposed capital budget includes nearly $1.2 million for the strong homes loan program. Funding for the commercial investment program is increased by $600,000 in the 2017 proposed budget, from $500,000 in 2016 to $1.1 million in 2017.

City Facility and Information Technology (IT) Projects: The 2017 proposed budget includes $27.6 million in capital funding for projects to upgrade or construct city facilities and $4.8 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 $29.3 million included in the 2017 proposed budget for city facility projects, $2.8 million is to continue the ongoing replacement of several branch libraries as well as improvements at Central library and Center Street library. The 2017 proposed budget includes $1.6 million for the first year of a multi-year project to replace the Capitol Drive and Martin Luther King Jr. libraries. An ongoing renovation project at the Police Administration Building (PAB) is funded at $5.5 million in the 2017 proposed budget. This funding will renovate the third floor of the PAB.

The most costly single facility project in the 2017 proposed budget is the city hall foundation repair project at $13 million. This amount will fund the second phase of a multi-year construction project to stabilize the building's foundation. This 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 *2017 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 2017. Over $4.8 million in capital funding is directed to IT related upgrades and improvements. The largest single IT project in the 2017 proposed budget is for the final phase of an upgrade to the Police Department's Records Management System (RMS). The 2017 proposed budget includes $1.7 million for the RMS system. Another major IT project in the 2017 proposed budget is an upgrade to the city's financial management system for $1.3 million. The financial system upgrade guarantees continued product support and updates. The public

facilities communications program upgrades and maintains the city's fiber and copper connections to many city facilities. The 2017 proposed budget includes $575,000 for the public facilities communication program.

Americans with Disabilities Act (ADA) Compliance: The United States Department of Justice's (USDOJ) initiated a Project Civic Access compliance review of the City of Milwaukee under Title II of the Americans with Disabilities Act (ADA) in May 2012. In June 2016, as result of the compliance review, the City of Milwaukee entered into a settlement agreement with USDOJ to comply with the Title II of the ADA. Title II under the ADA requires that the city's services, programs, or activities, when viewed in their entirety, must be readily accessible to and usable by individuals with disabilities. The USDOJ has outlined in the settlement agreement actions the city must take to ensure individuals with disabilities can receive the benefits of the city's programs, activities, and services.

The 2017 proposed capital budget includes $1.8 million for remediating Title II violations listed in the settlement agreement requiring completion within the first 12 months of the agreement. Additional funding for items related to ADA compliance is included in departmental operating budgets. The majority of city departments will be affected by the settlement agreement within the first 12 months. DPW Buildings and Bridges will remediate minor architectural barriers from all city facilities and place signage at all inaccessible entrances directing users to an accessible entrance. The Election Commission will provide alternate formats for both voter ballots and registration materials and implement reasonable temporary measures to otherwise inaccessible polling places. The ADA Coordinator will work with city departments on revising existing or developing new policies and procedures. The ADA Coordinator will investigate and respond to all ADA grievances. City employees who have regular and direct contact with the public will be trained on the requirements of the ADA and appropriate ways of servicing people with disabilities.

The City of Milwaukee is required to retain an independent license architect (ILA) to certify that alternations, additions, or modifications made by the city comply with the applicable standard. The ILA will also survey city facilities not previously surveyed by the USDOJ and generate reports listing any ADA violations. The ADA Coordinator will be responsible for ensuring that city departments and the ILA follow the schedule as outlined by the USDOJ and submit written reports summarizing the city's progress pursuant to the agreement.

2017 LARGE SCALE STREET PROJECTS FUNDING BY SOURCE

Major Streets		Construction	Traffic Control	Street Lighting, Conduit and Manholes	Project Total
West Greenfield Avenue - South 35th Street to Cesar Chavez Drive	**Grantor Share**	$3,488,000	$0	$0	$3,488,000
	City/Assessable	1,122,000	0	132,000	1,254,000
	Total	$4,610,000	$0	$132,000	$4,742,000
South 60th Street - West Coldspring Road to West Morgan Avenue	**Grantor Share**	$3,723,560	$140,000	$0	$3,863,560
	City/Assessable	1,090,890	35,000	41,000	1,166,890
	Total	$4,814,450	$175,000	$41,000	$5,030,450
West Oklahoma Avenue - South 60th Street to South 49th Street	**Grantor Share**	$2,393,024	$100,000	$0	$2,493,024
	City/Assessable	1,496,512	25,000	55,000	1,576,512
	Total	$3,889,536	$125,000	$55,000	$4,069,536
South Howell Avenue - East Grange Avenue to East Layton Avenue	**Grantor Share**	$4,140,000	$175,000	$350,000	$4,665,000
	City/Assessable	25,000	0	50,000	75,000
	Total	$4,165,000	$175,000	$400,000	$4,740,000
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 2017 Proposed Capital Budget General City Purposes

	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
City Funded					
Special Projects	$8,512,000	$8,539,000	$8,539,000	$27,000	$0
Administration, Department of	4,340,000	4,310,000	3,045,000	-1,295,000	-1,265,000
Assessor's Office	556,000	350,000	350,000	-206,000	0
City Attorney	0	3,524,000	0	0	-3,524,000
City Development, Department of	61,830,000	53,000,000	53,217,000	-8,613,000	217,000
Common Council City Clerk	225,000	0	438,000	213,000	438,000
Election Commission	0	0	0	0	0
Fire Department	3,179,000	4,326,000	2,948,000	-231,000	-1,378,000
Health Department	745,000	498,000	731,000	-14,000	233,000
Library	5,800,000	5,780,000	2,844,000	-2,956,000	-2,936,000
Municipal Court	0	384,000	384,000	384,000	0
Neighborhood Services, Department of	2,925,000	2,000,000	2,900,000	-25,000	900,000
Police Department	9,070,000	11,630,000	7,589,000	-1,481,000	-4,041,000
Port of Milwaukee	4,400,000	900,000	640,000	-3,760,000	-260,000
Public Works, Department of	68,022,000	82,134,000	66,804,000	-1,218,000	-15,330,000
Subtotal City Funded	$169,604,000	$177,375,000	$150,429,000	$-19,175,000	$-26,946,000
Grants and Aids Funding					
Port of Milwaukee	$800,000	$400,000	$400,000	$-400,000	$0
Public Works, Department of	31,838,000	43,643,000	43,643,000	11,805,000	0
Subtotal Grants and Aids Funding	$32,638,000	$44,043,000	$44,043,000	$11,405,000	$0
Enterprise Funds					
Parking	$1,780,000	$6,026,000	$3,340,000	$1,560,000	$-2,686,000
Sewer Maintenance	44,404,000	41,714,000	38,714,000	-5,690,000	-3,000,000
Water	25,660,000	29,210,000	29,210,000	3,550,000	0
Subtotal Enterprise Funds	$71,844,000	$76,950,000	$71,264,000	$-580,000	$-5,686,000
Total Capital Plan	$274,086,000	$298,368,000	$265,736,000	$-8,350,000	$-32,632,000

2017 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	50,000	0	0	0	0	50,000	0	50,000
Housing Trust Fund								
Budget	0	400,000	0	0	0	400,000	0	400,000
Capital Improvements Committee								
Budget	0	89,000	0	0	0	89,000	0	89,000
Total	**$50,000**	**$489,000**	**$0**	**$0**	**$8,000,000**	**$8,539,000**	**$0**	**$8,539,000**
Department of Administration								
IT Upgrades								
Budget	$300,000	$0	$0	$0	$0	$300,000	$0	$300,000
Open Data Dashboard and Analytics								
Budget	0	150,000	0	0	0	150,000	0	150,000
Corporate Database Server Upgrade								
Budget	0	200,000	0	0	0	200,000	0	200,000
City Assessor Modernization								
Budget	0	170,000	0	0	0	170,000	0	170,000
CSWAN-COMON Upgrade								
Budget	0	250,000	0	0	0	250,000	0	250,000
Better Buildings Challenge								
Budget	100,000	0	0	0	0	100,000	0	100,000
FMIS Upgrade								
Budget	0	1,300,000	0	0	0	1,300,000	0	1,300,000
Public Facility Communications								
Budget	0	575,000	0	0	0	575,000	0	575,000
Total	**$400,000**	**$2,645,000**	**$0**	**$0**	**$0**	**$3,045,000**	**$0**	**$3,045,000**
Assessor's Office								
Assessment System								
Budget	$0	$350,000	$0	$0	$0	$350,000	$0	$350,000
Total	**$0**	**$350,000**	**$0**	**$0**	**$0**	**$350,000**	**$0**	**$350,000**
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	44,000,000	0	3,500,000	47,500,000	0	47,500,000
In Rem Property Program								
Budget	0	1,200,000	0	0	350,000	1,550,000	0	1,550,000
Strong Homes Loan Program								
Budget	0	1,000,000	0	0	167,000	1,167,000	0	1,167,000
Commercial In Rem Property								
Budget	0	250,000	0	0	0	250,000	0	250,000
Business Improvement Districts								
Budget	0	150,000	0	0	0	150,000	0	150,000
Century City Site Improvements								
Budget	400,000	0	0	0	0	400,000	0	400,000
Housing Infrastructure Preservation Fund								
Budget	0	450,000	0	0	0	450,000	0	450,000
Commercial Investment Program								
Budget	0	1,100,000	0	0	0	1,100,000	0	1,100,000
Brownfield Program								
Budget	0	500,000	0	0	0	500,000	0	500,000
Total	**$550,000**	**$4,650,000**	**$44,000,000**	**$0**	**$4,017,000**	**$53,217,000**	**$0**	**$53,217,000**
Common Council City Clerk								
LRB Research Office Upgrade								
Budget	$0	$438,000	$0	$0	$0	$438,000	$0	$438,000
Total Budget	**$0**	**$438,000**	**$0**	**$0**	**$0**	**$438,000**	**$0**	**$438,000**

	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	$700,000	$0	$0	$0	$700,000	$0	$700,000
Major Capital Equipment								
Budget	0	1,680,000	0	0	0	1,680,000	0	1,680,000
Auxiliary Power Supply								
Budget	0	85,000	0	0	0	85,000	0	85,000
Fire Repair Shop Renovations								
Budget	0	483,000	0	0	0	483,000	0	483,000
Total	**$0**	**$2,948,000**	**$0**	**$0**	**$0**	**$2,948,000**	**$0**	**$2,948,000**
Health Department								
Lead Paint Prevention/Abatement								
Budget	$0	$340,000	$0	$0	$0	$340,000	$0	$340,000
Lab Equipment								
Budget	0	165,000	0	0	0	165,000	0	$165,000
Health Facilities Capital Projects								
Budget	0	226,000	0	0	0	226,000	0	226,000
Total	**$0**	**$731,000**	**$0**	**$0**	**$0**	**$731,000**	**$0**	**$731,000**
Library								
Central Library								
Central Library Improvements Fund								
Budget	$0	$894,000	$0	$0	$0	$894,000	$0	$894,000
Neighborhood Libraries								
Branch Library Improvement Fund								
Budget	0	350,000	0	0	0	350,000	0	350,000
Branch Library Construction								
Budget	0	1,600,000	0	0	0	1,600,000	0	1,600,000
Total	**$0**	**$2,844,000**	**$0**	**$0**	**$0**	**$2,844,000**	**$0**	**$2,844,000**
Municipal Court								
CATS and Website Upgrade								
Budget	$0	$384,000	$0	$0	$0	$384,000	$0	$384,000
Total	**$0**	**$384,000**	**$0**	**$0**	**$0**	**$384,000**	**$0**	**$384,000**
Neighborhood Services								
Concentrated Blight Elimination								
Budget	$0	$2,100,000	$0	$0	$0	$2,100,000	$0	$2,100,000
Code Compliance Loans								
Budget	0	800,000	0	0		800,000	0	800,000
Total	**$0**	**$2,900,000**	**$0**	**$0**	**$0**	**$2,900,000**	**$0**	**$2,900,000**
Police Department								
Remodel Administration Building Offices								
Budget	$0	$5,500,000	$0	$0	$0	$5,500,000	$0	$5,500,000
District Station Repairs								
Budget	0	280,000	0	0	0	280,000	0	280,000
RMS System								
Budget	0	1,715,000	0	0	0	1,715,000	0	1,715,000
Uninterruptable Power Supply								
Budget	0	94,000	0	0	0	94,000	0	94,000
Total	**$0**	**$7,589,000**	**$0**	**$0**	**$0**	**$7,589,000**	**$0**	**$7,589,000**
Port of Milwaukee								
Roadway Paving								
Budget	$0	$40,000	$0	$0	$0	$40,000	$0	$40,000
Rail Track and Service Upgrades								
Budget	0	500,000	0	0	0	500,000	0	500,000
Pier Berth and Channel Improvements								
Budget	0	100,000	0	0	0	100,000	400,000	500,000
Total	**$0**	**$640,000**	**$0**	**$0**	**0**	**$640,000**	**$400,000**	**$1,040,000**
Public Works, Department of								
Infrastructure Services Division								
Bridge Construction								
Bridge State and Federal Funded								
Budget	$0	$1,388,000	$0	$0	$0	$1,388,000	$9,893,000	$11,281,000
Bridge Reconstruction Local								
Budget	0	5,475,000	0	0	0	5,475,000	0	5,475,000
Total	**$0**	**$6,863,000**	**$0**	**$0**	**$0**	**$6,863,000**	**$9,893,000**	**$16,756,000**

	Tax Levy	General Obligation	TID	Special Assessments	Cash Revenues	City Budget Total	Grant and Aid Financing	Project Total
Street Paving Construction								
Street Reconstruction City Contribution to State and Federally Aided Projects								
Budget	$0	$4,139,000	$0	$317,000	$0	$4,456,000	$33,750,000	$38,206,000
Street Reconstruction or Resurfacing Regular City Program								
Budget	0	7,500,000	0	500,000	0	8,000,000	0	8,000,000
High Impact Street Program								
Budget	0	8,000,000	0	0	0	8,000,000	0	8,000,000
Alley Reconstruction Program								
Budget	0	500,000	0	100,000	0	600,000	0	600,000
Street Improvements Sidewalk Replacement								
Budget	0	1,500,000	0	0	0	1,500,000	0	1,500,000
Street Improvements Street Lighting								
Budget	0	7,000,000	0	0	0	7,000,000	0	7,000,000
Street Improvements Traffic Control Facilities								
Budget	0	2,600,000	0	0	0	2,600,000	0	2,600,000
Underground Electrical Manhole Reconstruction								
Budget	0	800,000	0	0	0	800,000	0	800,000
Total	**$0**	**$32,039,000**	**$0**	**$917,000**	**$0**	**$32,956,000**	**$33,750,000**	**$66,706,000**
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	800,000	0	0	75,000	875,000	0	875,000
Environmental Remediation Program								
Budget	0	100,000	0	0	50,000	150,000	0	150,000
ADA Compliance Program								
Budget	0	1,800,000	0	0	0	1,800,000	0	1,800,000
Facilities Exterior Upgrades Program								
Budget	0	600,000	0	0	0	600,000	0	600,000
City Hall Foundation Repair								
Budget	0	13,000,000	0	0	0	13,000,000	0	13,000,000
Total	**$0**	**$16,950,000**	**$0**	**$0**	**$125,000**	**$17,075,000**	**$0**	**$17,075,000**
Infrastructure Services Division Total	**$0**	**$55,852,000**	**$0**	**$917,000**	**$125,000**	**$56,894,000**	**$43,643,000**	**$100,537,000**
Operations Division								
Fleet Section								
Major Capital Equipment								
Budget	$0	$6,385,000	$0	$0	$0	$6,385,000	$0	$6,385,000
Total	**$0**	**$6,385,000**	**$0**	**$0**	**$0**	**$6,385,000**	**$0**	**$6,385,000**
Forestry Section								
Concealed Irrigation and General Landscaping								
Budget	$0	$0	$0	$0	$500,000	$500,000	$0	$500,000
Production and Planting Program								
Budget	0	0	0	0	1,450,000	1,450,000	0	1,450,000
Stump Removal								
Budget	0	0	0	0	500,000	500,000	0	500,000
Hazardous Tree Removal Program								
Budget	0	75,000	0	0	0	75,000	0	75,000
Emerald Ash Borer Readiness and Response								
Budget	0	0	0	0	1,000,000	1,000,000	0	1,000,000
Total	**$0**	**$75,000**	**$0**	**$0**	**$3,450,000**	**$3,525,000**	**$0**	**$3,525,000**
Operations Division Total	**$0**	**$6,460,000**	**$0**	**$0**	**$3,450,000**	**$9,910,000**	**$0**	**$9,910,000**
Public Works, Department of Total	**$0**	**$62,312,000**	**$0**	**$917,000**	**$3,575,000**	**$66,804,000**	**$43,643,000**	**$110,447,000**
Capital Projects Grand Total	**$1,000,000**	**$88,920,000**	**$44,000,000**	**$917,000**	**$15,592,000**	**$150,429,000**	**$44,043,000**	**$194,472,000**

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 2% 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 and Fitch 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	$45,474	Adequate
Taxpayer Concentration (Top Ten Taxpayers)	4.5%	Very Diverse
Financial		
Unreserved General Fund Balance	9.1%	Strong
Debt		
Direct Debt Per Capita	$1,130	Low
Direct Debt Percent of Market Value	3.3%	Low
Debt Maturing Within Ten Years	84.0%	Standard is 50.0%

OVERVIEW

The 2017 debt expenditures total $282.3 million, an increase of $4.3 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 $206.9 million in 2017, an increase of $3.1 million from 2016. The property tax levy for debt service is $65.3 million, an increase of $4.1 million from 2016.

Table 2

CITY DEBT EXPENDITURES	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	30,900,130	28,833,790	28,833,790	-2,066,340	0
MPS Loans, ADA and Information System	6,681,053	4,355,368	4,355,368	-2,325,685	0
Parking	1,956,425	1,811,994	1,811,994	-144,431	0
Sewer Maintenance Fund	5,033,212	3,855,618	3,855,618	-1,177,594	0
Special Assessments	418,876	105,931	105,931	-312,945	0
Tax Increment Districts	22,237,062	28,373,966	28,373,966	6,136,904	0
Water Works	2,304,263	1,251,316	1,251,316	-1,052,947	0
Subtotal	$70,594,360	$69,651,322	$69,651,322	$-943,038	$0
Tax Levy Debt					
General City	$203,805,521	$206,874,130	$206,874,130	$3,068,609	$0
RANs City and MPS	862,500	2,968,750	2,968,750	2,106,250	0
Schools	8,228,143	7,461,142	7,461,142	-767,001	0
Subtotal	$212,896,164	$217,304,022	$217,304,022	$4,407,858	$0
Total Debt Needs	$283,490,524	$286,955,344	$286,955,344	$3,464,820	$0
Fees and Issuance Costs	1,936,200	1,936,200	1,936,200	0	0
Deduction for PDAF Prepayment	-7,000,000	-4,500,000	-6,500,000	500,000	-2,000,000
Deduction for Segregated S.A.	-418,876	-105,931	-105,931	312,945	0
Total	$278,007,848	$284,285,613	$282,285,613	$4,277,765	$-2,000,000

Table 3

CITY DEBT SOURCE OF FUNDS	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	30,900,130	28,833,790	28,833,790	-2,066,340	0
MPS Loans, ADA and Information System	6,681,053	4,355,368	4,355,368	-2,325,685	0
Parking	1,956,425	1,811,994	1,811,994	-144,431	0
Sewer Maintenance Fund	5,833,212	4,655,618	4,655,618	-1,177,594	0
Tax Increment Districts	22,237,062	28,373,966	28,373,966	6,136,904	0
Water Works	3,504,263	2,451,316	2,451,316	-1,052,947	0
Subtotal	$72,175,484	$71,545,391	$71,545,391	$-630,093	$0
General Obligation Debt Financing					
Other Revenues	$144,671,999	$145,467,017	$145,467,017	$795,018	$0
Tax Levy	61,160,365	67,273,205	65,273,205	4,112,840	-2,000,000
Subtotal	$205,832,364	$212,740,222	$210,740,222	$4,907,858	$-2,000,000
Total Debt Needs	$278,007,848	$284,285,613	$282,285,613	$4,277,765	$-2,000,000

Milwaukee Public Schools (MPS): The debt service cost for school borrowing will be $7.5 million in 2017, a decrease of $0.8 million from 2016. 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 2017 proposed budget, debt service for TIDs is $28.4 million with revenues from tax increments supporting that debt service cost.

Delinquent Taxes: The 2017 proposed budget includes $28.8 million to finance delinquent tax borrowing which is $2.1 million less than 2016. Estimates of sources of funds from the collection of delinquent taxes and interest penalties are $28.8 million in 2017 a decrease of $2.1 million from 2016. 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 2017 debt budget, the parking fund provides $1.8 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 2017 debt budget includes approximately $0.1 million to finance debt service costs associated with special assessment borrowing.

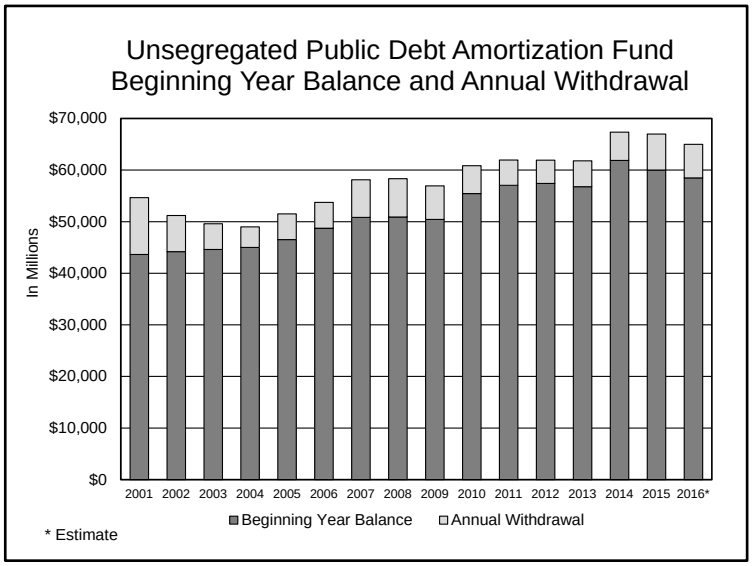
Water Works: The 2017 debt budget includes $1.3 million for Water Works' debt service costs. The Water Works' uses annual earnings to pay water related debt service costs. Future Water Works' borrowings may be converted to revenue bonds.

Sewer Maintenance: Approximately $3.9 million in debt service for 2017 relates to sewer capital projects, a decrease from 2016 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 Stadium Project: The 2017 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 2017, the rental payment is $2.3 million.

Figure 1



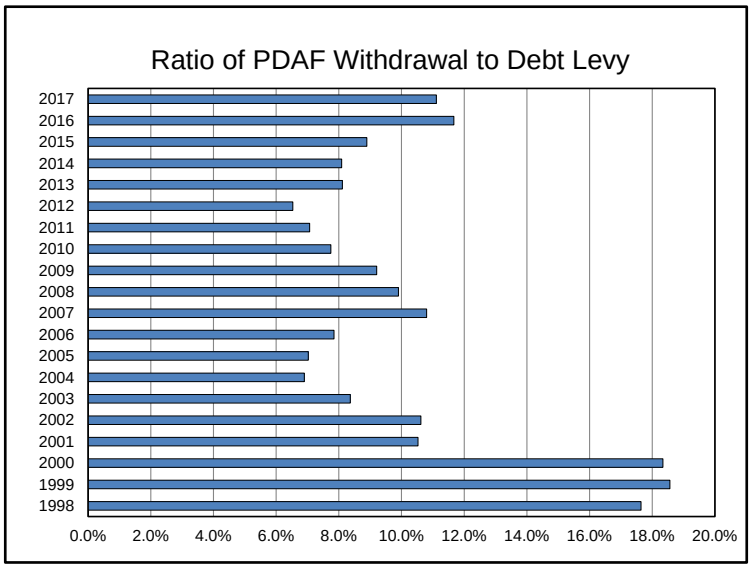
DEBT TAX LEVY STABILITY

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 2017 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 2017 proposed budget is $6.5 million, a decrease of $0.5 million from the 2016 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 $60 million, despite a low interest rate environment.

The 2017 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 2017 budget maintains an 11.1% 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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Common Council Contingent Fund	[$3,797,914]	$5,000,000	$5,000,000	$5,000,000	$0	$0
Total	[$3,797,914]	$5,000,000	$5,000,000	$5,000,000	$0	$0

SOURCE OF FUNDS

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 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. Over the last ten years, an average of 82.3% of the contingent fund has been expended. In two years, usage was 100%. In four years, usage was greater than 85% but less than 100%. In four years, usage was less than 85%.

This Page Intentionally Left Blank

SPECIAL REVENUE FUNDS

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Parking Fund	$41,604,446	$50,994,064	$50,673,642	$47,520,574	$-3,473,490	$-3,153,068
Grant and Aid Project Fund	44,738,407	42,285,325	48,944,949	45,199,364	2,914,039	-3,745,585
Economic Development Fund	9,696,475	9,843,361	10,518,033	11,418,033	1,574,672	900,000
Water Works	134,114,879	140,227,440	145,451,124	131,237,000	-8,990,440	-14,214,124
Sewer Maintenance Fund	97,765,396	108,544,383	110,644,637	108,889,344	344,961	-1,755,293
Delinquent County Taxes Fund	8,213,958	9,500,000	8,215,000	8,215,000	-1,285,000	0
Total	$336,133,561	$361,394,573	$374,447,385	$352,479,315	$-8,915,258	$-21,968,070

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.

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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	112.06	118.75	118.75	116.25	-2.50	-2.50
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	121	121	122	118	-3	-4
Expenditures						
Salaries and Wages	$4,721,451	$4,899,803	$4,930,420	$4,746,791	$-153,012	$-183,629
Fringe Benefits	1,971,838	2,008,919	2,218,689	2,136,056	127,137	-82,633
Operating Expenditures	14,405,061	14,759,000	15,211,500	15,043,650	284,650	-167,850
Equipment	95,936	437,100	121,871	88,871	-348,229	-33,000
Special Funds	2,056,554	5,509,286	5,565,206	5,565,206	55,920	0
Transfer to General Fund	17,000,000	16,599,956	16,599,956	16,600,000	44	44
Total Operating	$40,250,840	$44,214,064	$44,647,642	$44,180,574	$-33,490	$-467,068
Capital Projects	$1,353,606	$6,780,000	$6,026,000	$3,340,000	$-3,440,000	$-2,686,000
Total Budget	$41,604,446	$50,994,064	$50,673,642	$47,520,574	$-3,473,490	$-3,153,068

STATEMENT OF REVENUES

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Operating Revenues						
Structures	$8,092,968	$7,179,500	$7,054,000	$7,454,000	$274,500	$400,000
Meters	5,140,894	5,152,500	4,768,200	4,768,200	-384,300	0
Permits	4,087,152	4,034,000	4,139,500	4,139,500	105,500	0
Towing	4,370,544	4,200,000	4,300,000	4,300,000	100,000	0
Lots	26,955	40,000	30,700	30,700	-9,300	0
Parking Citation Revenue	18,643,025	19,000,000	17,000,000	17,500,000	-1,500,000	500,000
Miscellaneous	1,464,576	1,200,000	1,400,000	1,398,174	198,174	-1,826
Vehicle Disposal	1,370,743	1,200,000	1,200,000	1,200,000	0	0
Sale of Real Property	0	0	0	0	0	0
Withdrawal From Reserves	0	2,208,064	4,755,242	0	-2,208,064	-4,755,242
Total Operating Revenues	$43,196,857	$44,214,064	$44,647,642	$40,790,574	$-3,423,490	$-3,857,068
Capital Financing						
Proceeds from Borrowing	$0	$1,780,000	$1,026,000	$1,730,000	$-50,000	$704,000
Retained Earnings	0	5,000,000	5,000,000	5,000,000	0	0
Total Capital Financing	$0	$6,780,000	$6,026,000	$6,730,000	$-50,000	$704,000
Total Source of Funds	$43,196,857	$50,994,064	$50,673,642	$47,520,574	$-3,473,490	$-3,153,068

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.
   - 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 services 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 four parking structures, operates and maintains approximately 7,000 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

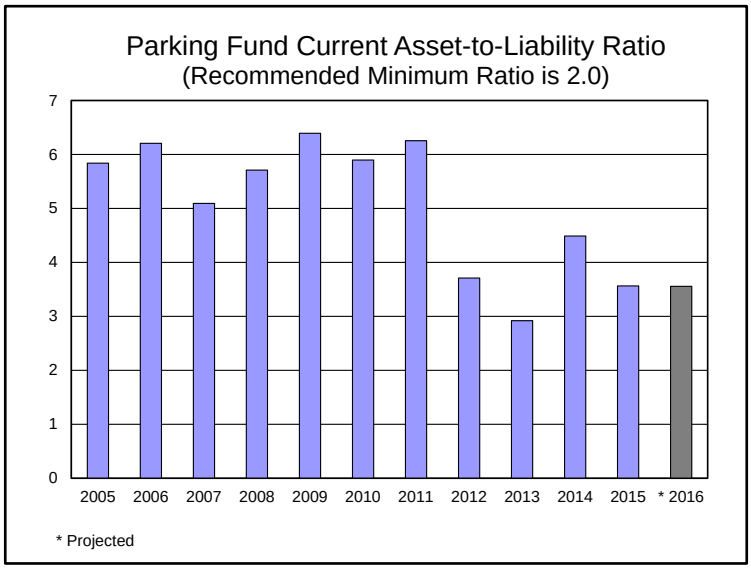
Measure	2015 Actual	2016 Projected	2017 Planned
Percent of meter revenue collected by credit card.	42%	35%	38%
Percentage of towed vehicles returned to owners.	85%	78%	83%
Number of night parking permits issued.	158,207	169,252	170,000

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 2015, the fund's ratio was 3.6:1 and the 2016 ratio is also projected to be 3.6:1 (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 it limits the impact if one type of revenue underperforms in any given year. The largest revenue source is citations, which generated $18.6 million in 2015 and will 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



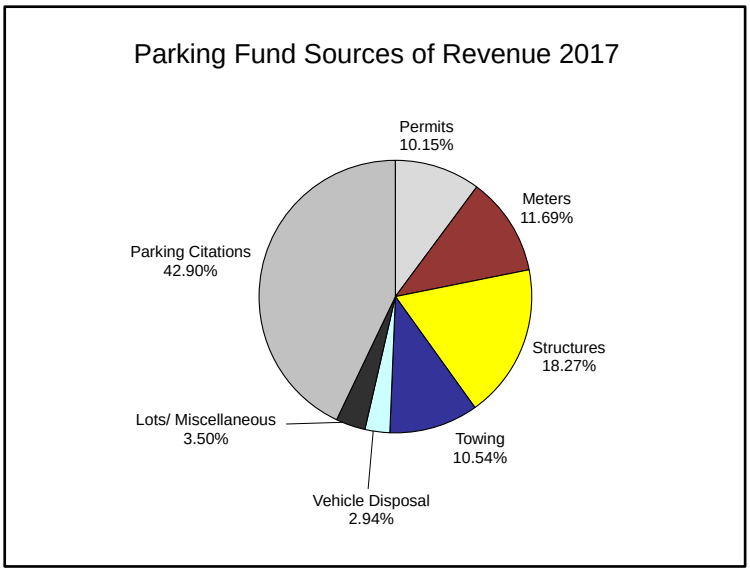
Technology Improvements: The multi-space meter project began in 2007 and currently covers over 3,000 parking spaces. Each meter controls multiple parking spaces and are most effective in areas with six or more metered spaces. Multi-space meters offer customers flexible payment options and accept coins, 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 payment system implemented in April 2015. *MKE Park* offers customers the ability to pay for parking using a smart phone, by voice, or any internet based device. Costs are covered by users through a convenience fee.

Overnight on-street parking in the city requires a permit. Previously, physical permits were purchased online and in person at police district stations and displayed in a vehicles rear window. Technology in 40 enforcement vehicles now allows night parking permits to be issued and tracked electronically. The need for physical permits has been eliminated saving printing, staff, and maintenance costs and increasing enforcement productivity. Kiosks remain in service to accept payment and sell permits but the permit printing and issuance function is no longer required.

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 these fees.

Figure 2



- **Citation Management Contract:** In 2009, the department entered into a citation processing and management agreement with Duncan Solutions. This contract has reduced citation processing fees by nearly 20%.
- **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 $39 million in outstanding parking debt has been collected by the city. TRIP collections were nearly $2.7 million in 2015 and are estimated to be about $2.7 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 6,250 customers have utilized this service, covering more than 32,000 citations.

RESIZE, RESTRUCTURE, AND REINVEST

The 2017 proposed budget includes a $16.6 million transfer to the general fund, maintaining the 2016 transfer amount. This transfer provides a meaningful level of relief to property taxpayers and enables the long term stability of the fund.

Parking Fund staff has increased efficiency in recent years with the implementation of technology based tools such as license plate recognition, virtual permits, and *MKE Park*. These tools have resulted in increased compliance, reductions citation issuance, and the need to reduce expenses. The 2017 proposed budget eliminates two Parking Checkers and a Graduate Intern position, reducing salaries by $91,000.

Parking Fund capital projects include a major renovation at the MacArthur Square structure. The $1.6 million project will be coordinated with Wisconsin Department of Transportation projects completed at the same time. Funding of $500,000 is budgeted for repairs at the Second Street and Plankinton structure. Preventive repairs to railings, signs, and surfaces, as well as concrete repairs and light fixture replacements are scheduled for 2017. Single space parking meters will be updated following a pilot program in 2016. The new meters will have credit card and coin payment options. The replacements will be phased over three years. The tow lot and a number of surface lots will also be repaved in 2017. Capital costs for Parking Fund projects total $3.3 million.

Development projects continue to give way to new economic opportunities throughout Milwaukee. City owned parking structures serve as viable options to meet the parking needs when they are located in the area around new and redeveloped buildings. In 2015, the parking structure located between North 2nd Street and Plankinton Avenue served the parking needs of commercial and residential tenants in the Posner Building, Hampton Inn and Suites, and the Fairfield Inn.

As construction begins on the new arena and surrounding developments, the Parking Fund faces a decrease in revenue. The 4th and Highland structure will be demolished to make way for a new structure. While it is expected that some parking needs will be met at neighboring structures, Parking staff do not project full recovery. The structure is expected to be replaced by the 4th quarter of 2017.

Two major spending pressures on the Parking Fund are debt service and future payments toward accrued pension liability. As an enterprise operation, the department must fund these costs, which will add $3.5 million to the department's budget in 2017. 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

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		Parking Checker	Eliminate vacant positions.
-1	-0.50		Graduate Intern	
-3	**-2.50**	**0.00**	**Totals**	

H. GRANT AND AID FUND

EXECUTIVE SUMMARY

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

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

Identify and obtain new grant funding sources.

Assist departments in identifying and applying for potential grant funding.

BUDGET SUMMARY

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Grantor Share (Non-City)	$44,738,407	$42,285,325	$48,944,949	$45,199,364	$2,914,039	$-3,745,585
TOTAL	$44,738,407	$42,285,325	$48,944,949	$45,199,364	$2,914,039	$-3,745,585

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 Grant and Aid 2017 proposed budget is $45.2 million, a $2.9 million increase from 2016. Unanticipated grant funding remains at $8 million; the same funding level as 2016 (see Table 1).

Community Development Grants Administration (CDGA): The Community Development Grants Administration anticipates receiving approximately $20.6 million in grant funds. This is approximately the same as anticipated for the 2016 budget. The anticipated funding for the Community Development Block Grant decreases by $200,000. Anticipated increases include $8,862 for the Housing Opportunities for Persons with AIDS grant ($597,704 total) and $192,987 for the Continuum of Care grant ($328,512 total).

The 2017 proposed budget includes several CDBG reprogramming commitments, including $300,000 for the Choice Neighborhoods program, $100,000 for the Teacher in the Library Program, $52,000 for the Emerging Enterprise Business Program, and $50,000 for Neighborhood Cleanups in DNS.

Department of City Development grant funding decreases by $100,000 (10.2%) to $885,000. 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 no anticipated funding from the Economic Development grant, a reduction of $100,000. There is no change to the Economic Development Initiatives, Coastal Management, or Arts Board grants.

Fire Department grant funding increases by $66,360 (110.6%) to $126,360 from 2016. The department anticipates receiving $56,826 in a Special Teams/Emergency Management Funding grant and $9,871 in a Community Paramedics grant. There is a small ($337) decrease to the EMS Funding Assistant Program grant.

Table 1

Comparison of Projected Grant Activity (Grantor Share)

Department	2016	2017	Difference
Administration	$20,622,367	$20,624,216	$1,849
City Development	985,000	885,000	-100,000
Fire	60,000	126,360	66,360
Fire & Police Commission	280,585	236,666	-43,919
Health	6,899,200	7,332,700	433,500
Library	1,064,997	1,064,997	0
Police	2,434,074	4,609,425	2,175,351
Public Works	1,939,102	2,320,000	380,898
Unanticipated	8,000,000	8,000,000	0
Totals	$42,285,325	$45,199,364	$2,914,039

The Fire and Police Commission grant funding in 2017 is anticipated to decrease by $43,919 (15.7%) to $236,666. The change results from a $92,585 decrease in the State and Local Implementation Grant Program Coordinator grant. There is a $40,000 increase in the Homeland Security Medical Intelligence Threat Analyst grant and no funding change in the Urban Areas Security Initiative Planning grant.

Health Department grant funding increases by $433,500 (6.3%) to $7.3 million. There are increase to various grants, including Adult Immunization, Breast Cancer Well Women Health Initiative, Hepatitis B Immunization, Maternal and Child Health, and STD Dual Protection program grants. There are also decreases to various grants, including CRI Pandemic Flu, Empowering Families Milwaukee, End AIDS Milwaukee, Plain Talk Initiative, and Violence Prevention.

Library grant funding in 2017 is the same as in 2016. 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 increases by $2.2 million (89%) to $4.6 million. This results primarily from more anticipated funding through various equipment and traffic safety grants.

Department of Public Works grant funding in 2017 is anticipated to increase by $380,898 (19.6%) from 2016. The increase results from the State of Wisconsin Recycling grant, which is anticipated to provide $2.3 million in grant funding.

Unanticipated grant funding is $8 million, the same amount as provided in 2016.

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 *2017 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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Business Improvement Districts	$8,324,375	$9,093,361	$9,918,033	$9,918,033	$824,672	$0
Excess TID Revenue	1,372,100	750,000	600,000	1,500,000	750,000	900,000
Total	$9,696,475	$9,843,361	$10,518,033	$11,418,033	$1,574,672	$900,000

STRATEGY IMPLEMENTATION

The Economic Development Fund supports the goal of increasing investment and economic vitality throughout the city. The 2017 proposed budget for the Economic Development Fund is $11.4 million. There is no tax levy impact in this fund. Revenue of $11.4 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 30 active BIDs and 3 active NIDs throughout Milwaukee; each is governed by a local board. Collectively, these BIDs and NIDs will raise over $11 million in 2017 for activities ranging from economic development and administration to street scaping and public safety. The following is a list of active BIDs and NIDs for 2017 and their corresponding budgets as well as budget authority for new potential NIDs:

BID #2 (Historic Third Ward)	$601,682	BID#35 (Becher/KK)	$3,830
BID #4 (Greater Mitchell Street)	$121,174	BID#37 (30th Street Industrial Corridor)	$174,947
BID #5 (Westown)	$83,110	BID#38 (Cesar East Chavez)	$27,825
BID #8 (Historic King Drive)	$183,750	BID#39 (Center St Market Place)	$48,323
BID #10 (Avenues West)	$354,452	BID#40 (Airport Gateway)	$352,627
BID #11 (Brady Street Business Area)	$136,500	BID#41 (Downer)	$81,166
BID #13 (Oakland Avenue)	$26,250	BID#42 (Schlitz Park)	$118,650
BID #15 (Riverwalk)	$525,055	BID#43 (South 27th Street)	$113,733
BID #16 (West North Avenue)	$135,717	BID#44 (Kinnickinnic)	$56,339
BID #19 (Villard Avenue)	$67,172	BID#48 (Granville)	$511,276
BID #20 (East North Avenue)	$232,325	BID#49 (Reed Street Yards)	$43,010
BID #21 (Downtown Management District)	$3,535,539	BID#50 (South 13th Street - Oklahoma Avenue)	$45,614
BID #25 (Riverworks)	$270,752	Potential New BIDs	$500,000
BID #26 (The Valley)	$166,349	NID #1 (Brewery)	$142,275
BID #27 (Burleigh)	$47,341	NID #3 (Washington Park Partners)	$169,208
BID #28 (North Ave Gateway District)	$56,402	NID #4 (Sherman Park)	$210,000
Bid #31 (Havenwoods)	$194,250	Potential New NIDS	$500,000
BID #32 (North Ave Market Place)	$81,390		

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 2017, 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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	343.98	349.48	356.45	358.95	9.47	2.50
FTEs - Other	16.44	19.94	20.97	20.97	1.03	0.00
Total Positions Authorized	371	381	392	395	14	3
Expenditure Authorizations						
Salaries and Wages	$16,396,880	$19,070,896	$19,097,308	$19,252,667	$181,771	$155,359
Fringe Benefits	6,629,511	9,251,194	9,262,816	9,331,333	80,139	68,517
Operating Expenditures	46,279,543	49,353,500	47,797,000	55,297,000	5,943,500	7,500,000
Equipment	1,979,933	2,686,850	3,693,000	3,693,000	1,006,150	0
Special Funds	6,736,805	7,387,000	7,191,000	7,191,000	-196,000	0
Total	$78,022,672	$87,749,440	$87,041,124	$94,765,000	$7,015,560	$7,723,876

CAPITAL BUDGET SUMMARY

Capital Budget						
Mains Program	$15,059,892	$19,510,000	$22,760,000	$22,760,000	$3,250,000	$0
Plants and Other	7,991,242	6,150,000	6,450,000	6,450,000	300,000	0
Total Capital Budget	$23,051,134	$25,660,000	$29,210,000	$29,210,000	$3,550,000	$0
Capital Financing						
Retained Earnings/Cash	$23,041,073	$13,976,000	$29,200,000	$7,262,000	$-6,714,000	$-21,938,000
Bond Issue	10,000,000	12,842,000	0	21,938,000	9,096,000	21,938,000
Assessments	0	5,000	5,000	5,000	0	0
Developer Financed	10,061	5,000	5,000	5,000	0	0
Total Capital Financing	$33,051,134	$26,828,000	$29,210,000	$29,210,000	$2,382,000	$0

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Revenues						
Operating	$91,459,569	$87,320,000	$92,402,000	$92,402,000	$5,082,000	$0
Non-Operating	7,215,258	6,525,000	6,625,000	6,625,000	100,000	0
Developer Capital and Assessments	10,061	10,000	10,000	10,000	0	0
Bond Issue	10,000,000	12,842,000	0	21,938,000	9,096,000	21,938,000
Withdrawal From Retained Earnings	25,429,985	33,530,440	46,414,124	10,262,000	-23,268,440	-36,152,124
Total Revenues	$134,114,873	$140,227,440	$145,451,124	$131,237,000	$-8,990,440	$-14,214,124
Expenditure Authorizations						
Operating	$78,022,672	$87,749,440	$87,041,124	$94,765,000	$7,015,560	$7,723,876
Capital Funding	33,051,134	26,828,000	29,210,000	29,210,000	2,382,000	0
Deposit To Retained Earnings	23,041,073	25,650,000	29,200,000	7,262,000	-18,388,000	-21,938,000
Total Authorizations and Deposits	$134,114,879	$140,227,440	$145,451,124	$131,237,000	$-8,990,440	$-14,214,124

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

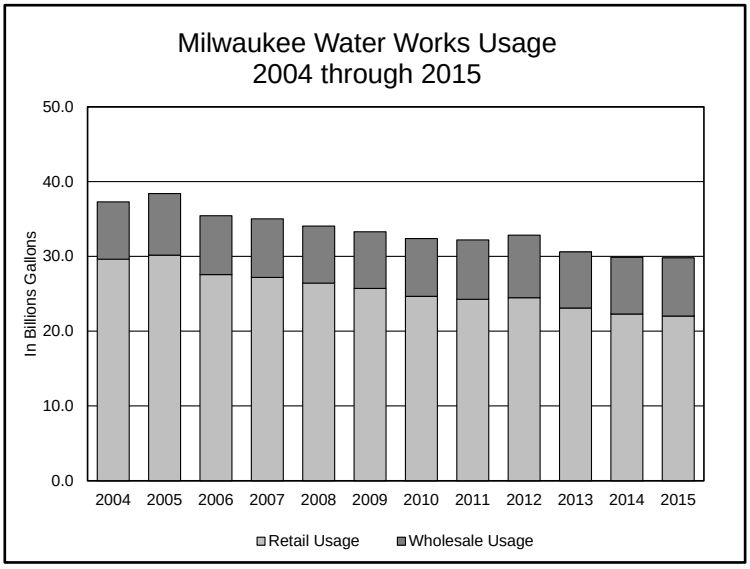
Community Goals and Department Objectives:

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, provides 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 water treatment 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.

Figure 1



Consistent with recent trends, through July of 2016, water consumption decreased by 1.5% or 247 million gallons compared to the same period in 2015. However, revenue through July 2016 compared to the same period in 2015 is stable

due to the phasing in of the November 2014 rate increase. Since 2004, metered water sales have declined 21%, mirroring national trends. Increased water efficiency, slower population growth, and a changing industrial customer base have reduced water sales for utilities nationwide. Figure 1 shows retail and wholesale water sales for MWW since 2004.

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 2015, electricity costs for the utility have increased by 16% or nearly $800,000.

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 $93.7 million of revenue through fees for water service in 2016, in addition to $6.5 million of non-operating revenue. In 2016, the average single family residential customer will pay approximately $225 for a full year of water service. MWW received approval for a simplified rate increase of 3% in 2016 which will become effective in September. The 2016 rate increase will serve primarily to offset continuing losses in consumption. In 2017, MWW will seek approval for a more substantial rate increase made necessary by increasing costs related to main replacement, service line replacement, and cross connection inspections.

Key Performance Measures

Measure	2015 Actual	2016 Projected	2017 Planned
Rank of highest rate for 1 ccf of water residential customer among class AB utilities in the seven county metro area.	17 of 27	20 of 27	20 of 27
Rate of return.	3.92%	2.99%	1.57%
Percent of days in full compliance with water quality parameters of the Safe Drinking Water Act.	100%	100%	100%
Main breaks.	431	400	500

QUALITY AND RELIABILITY

In 2015, MWW achieved its goal of providing safe, high quality drinking water and was in full compliance with the Safe Drinking Water Act all 365 days. The utility substantiated only two water quality complaints that were attributable to water treatment activities.

Water Work's capital budget emphasizes 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 July 31, 2016, three miles of water mains has been installed, eight miles are under contract, and an additional four miles are ready to go out to bid. All 15 miles are projected to be installed and in

service in 2016. This 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.

RESIZE, RESTRUCTURE, AND REINVEST

The 2017 proposed budget provides funding for 15 miles of water main replacement. The main replacement program will be scaled up to 20 miles per year by 2020, which will provide for a 100 year replacement cycle. Segments of water main are selected for replacement based on their age, repair history, and coordination with paving projects where efficiencies can be achieved. The primary goal of the main replacement program is to ensure uninterrupted service delivery to all customers.

In 2017, MWW will inspect the service connections of approximately 20,000 commercial, industrial and multi-family residential properties every two years instead of every five years. These inspections are required by the State of Wisconsin on a two year cycle to protect against cross connection contamination. The 2017 proposed budget includes $1.6 million for inspection of cross connections, an increase of $800,000 from the 2016 budget. This service is performed by Department of Neighborhood Services plumbing inspectors and costs are reimbursed by MWW. The increased frequency of inspection will allow MWW to more quickly identify and remediate risks of backflow.

MWW will have fully transitioned responsibility for the inspection of water main replacement projects from DPW Infrastructure Services to MWW in 2017. MWW will now utilize these inspectors for the full year, assigning these individuals to other duties when the construction season ends.

In addition to increased main replacement, MWW continually reinvests in its pumping system and treatment plants. The 2017 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.

The 2017 proposed budget includes $4.45 million for non-mains capital programs. Facility improvements total $3.5 million, including $1.8 million for painting and structural repairs of a water storage tank at the Florist pumping station and $500,000 for soil remediation at the Lincoln storage tank site. Repairs to a chemical storage tank at the Howard treatment plant and a steel discharge pipe at the Linnwood treatment plant total $950,000. The 2017 proposed non-mains capital budget for Milwaukee Water Works also includes $2 million of contingency authority.

MWW will begin full replacement of lead service lines in fall 2016 using approximately $2.6 million of principal forgiveness through Safe Drinking Water Loan Program (SDWLP) funding. The first lead service lines targeted for replacement will be schools and licensed daycares as well as lead service lines experiencing leaks.

In 2017 and 2018 the SDWLP funding will cover the full cost of replacing the privately owned portion of the service line for approximately 400 daycares and schools, and will partially fund replacement of the private portion for approximately 300 properties with a service line leak. The cost of replacing the portion of the service line owned by MWW is greater than the private portion, and will result in substantial additional costs for MWW in 2017 and beyond. Approximately $3.9 million was added to the 2017 proposed budget for the lead service line replacement program. This includes $3.6 million for replacement of the utility owned portion of approximately 600 service lines. The remaining $300,000 will fund one new position to coordinate programming for service line replacement, one chemist position for additional sampling, and will cover costs of filters and bottled water for properties experiencing service disruption as a result of work related to lead service lines.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
	-1.00		Accounting Assistant II	Changed to unfunded position.
3	3.00		Water Billing Specialist	Reorganization of work unit.
1	1.00		Customer Service Supervisor	
2	2.00		Electrical Mechanic	
-5	-5.00		Water Plant Instrumentation Specialist	
2	2.00		Automation Technician	
2	2.00		Customer Service Representative III	Needed to maintain effective response time to customers.
-1	-1.00		Program Assistant II	
1	1.00		Business Systems Analyst Senior	Positions added for enQuesta upgrade.
1	0.50		Graduate Intern (0.50 FTE) (Aux.)	Auxiliary authority to help with increased workload.
1	0.50		Graduate Intern (0.50 FTE) (Aux.)	
2	1.00		Water Utility Laborer (0.50 FTE) (Aux.)	
1	0.50		Water Plant Operations Manager (0.50 FTE) (Aux.)	
1	1.00		Civil Engineering II	Increased water main replacement.
1	1.00		Engineering Drafting Technician IV	
1	1.00		Water Construction Coordinator	Lead service line replacement.
1	1.00		Chemist II	
-1	-1.00		Water Plant Operations Manager	Reorganization of plants management structure.
1	1.00		Water Plant Operations Supervisor	
	-1.14	1.14	Various Positions	Increased capital deduction for water mains.
	0.11	-0.11	Various Positions	Miscellaneous adjustments.
14	**9.47**	**1.03**	**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 or better sewer replacement cycle.

Reduce stormwater infiltration and inflow into sanitary sewer basins that the Milwaukee Metropolitan Sewerage District has 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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Personnel						
FTEs - Operations and Maintenance	84.55	102.85	102.40	101.40	-1.45	-1.00
FTEs - Other	7.50	12.15	11.80	12.60	0.45	0.80
Total Positions Authorized	146	146	145	145	-1	0
Expenditures						
Salaries and Wages	$4,239,446	$4,924,825	$4,954,368	$4,843,267	$-81,558	$-111,101
Fringe Benefits	2,170,886	2,484,574	2,229,466	2,179,470	-305,104	-49,996
Operating Expenditures	6,515,103	7,138,500	7,108,000	6,993,000	-145,500	-115,000
Equipment	49,668	650,000	950,000	865,000	215,000	-85,000
Special Funds	32,728,151	48,942,484	53,688,803	55,294,607	6,352,123	1,605,804
O&M Total	$45,703,254	$64,140,383	$68,930,637	$70,175,344	$6,034,961	$1,244,707
Capital Projects	$35,926,874	$44,404,000	$41,714,000	$38,714,000	$-5,690,000	$-3,000,000
Deposit to Retained Earnings	16,135,268	0	0	0	0	0
Total	$97,765,396	$108,544,383	$110,644,637	$108,889,344	$344,961	$-1,755,293
Revenues						
Sewer Maintenance Fee	$31,585,122	$29,802,218	$28,700,600	$29,802,218	$0	$1,101,618
Stormwater Management Fee	29,115,332	30,630,609	31,246,300	32,162,140	1,531,531	915,840
Charges for Services	17,915	1,686,500	1,658,700	1,686,500	0	27,800
Interest Revenue	-134	84,900	27,600	27,600	-57,300	0
Miscellaneous Revenue	-106,261	0	0	0	0	0
Developer Financed	0	0	0	0	0	0
Proceeds from Borrowing	37,154,467	39,380,000	36,500,000	33,500,000	-5,880,000	-3,000,000
Grant and Aid	-1,045	2,324,000	0	2,314,000	-10,000	2,314,000
Assessable	0	0	0	0	0	0
Withdrawal from Retained Earnings	0	4,636,156	12,511,437	9,396,886	4,760,730	-3,114,551
Total	$97,765,396	$108,544,383	$110,644,637	$108,889,344	$344,961	$-1,755,293

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 maintains a sewer system of 2,461 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

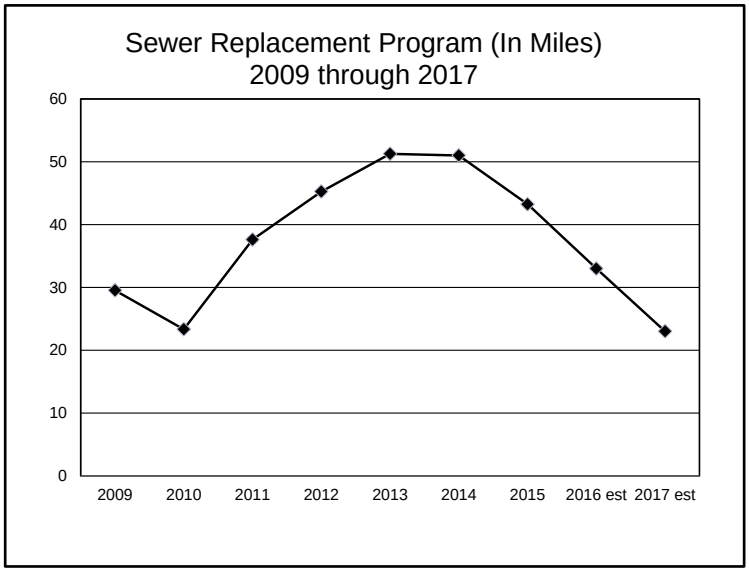
Measure	2015 Actual	2016 Projected	2017 Planned
Sanitary sewer overflows.	6	5	0
Number of basement backups reported.	17	17	0
Miles of sewers replaced or relined.	42	33	23

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. Since 2009, the city has averaged replacing or lining 40 miles annually, over 48% above the required replacement rate. The 2017 proposed capital budget includes $28 million to replace and line 10 miles of sewer and an additional $5.0 million to line 13 miles of sewer and inspect sanitary sewers. In 2017, a large diameter sewer replacement will reduce the amount of total miles replaced or relined. 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 substantially increased its commitment to replace and line sewers. This increased commitment has primarily been achieved through the expanded sewer lining program.

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. The city has conducted several large scale projects that included inspecting lateral connections and lateral rehabilitation at 885 homes. Data collected and analyzed shows an 8% decrease in flows following the lining of both the public main sewers and private laterals in this study area.

Figure 1



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 33 homes and installing a sump pump to discharge this clear water to the property's yard. Data analysis indicates approximately a 50% reduction of I&I in the foundation disconnection project area.

The 2017 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 2017 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), and phosphorus. Currently, the allowed TMDL levels are being established by MMSD. The implementation plan and timeline for meeting the TMDLs will be published once the Environmental Protection Agency approves the TMDLs. In 2017, the proposed capital budget includes $1.7 million for the installation of bioretention facilities and other green infrastructure projects in conjunction with street repair projects.

In 2016, the department initiated 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 the County of Milwaukee and local residents to determine an effective and financially feasible stormwater management plan. Both projects are currently waiting for a final Memorandum of Understanding before the project work proceeds. In 2016, $4.7 million was authorized for these projects. The 2017 proposed capital budget includes an additional $1.5 million for Phase II at Copernicus Park.

The city is the owner of various channels and drainage ditches. Channels assist in water quality by carrying stormwater to local waterways. These channels have a 25 year storm capacity. Channel capacity can diminish due to sediment buildup and vegetation growth. In 2017, the city will provide $200,000 to begin restoring the capacity of the Holmes Avenue channel.

RESIZE, RESTRUCTURE, AND REINVEST

Crew Operations: Sewer crews consist of Sewer Maintenance and Fleet Services staff. Fleet Service staff drives or operates the various large vehicles and equipment required by each crew. Sewer Maintenance reimburses DPW 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 Fleet Services staff is unavailable. The 2017 proposed budget continues this trend by reducing the payment to Fleet Services by an additional $295,000 to $1.5 million.

Stormwater Management Fee: The 2017 stormwater management fee per quarter per equivalent residential unit (ERU) will increase 5%, or $0.96, from $19.22 to $20.18. The annual impact on the typical residential user will increase $3.84 from $76.88 to $80.72. This will generate $32.2 million in 2017, $1.5 million greater than in 2016. 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 2017 local sewerage charge rate per 100 cubic feet of water (CCF) will increase 3%, or $0.04, from $1.38 to $1.42 per CCF. The quarterly and annual impacts on the typical residential user are expected to remain at $23.32 and $93.28, respectively. It is anticipated the typical residential user's usage of the system will decline by 3% in 2017, consistent with previous years. This will generate $29.8 million in 2017.

Capital Financing: In the 2017 proposed capital budget, the city will cash finance $2.9 million in sewer capital to improve fund sustainability. This cash financing will cover the pump replacement projects, salary, and fringe benefits associated with the design and project management of sewer capital projects, manhole inspection projects, and channel restoration projects.

Debt Fund Transfer: The 2017 proposed budget includes a $3.4 million transfer from the Sewer Maintenance Fund to the debt fund for sewer related general obligation 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 DPW's Operations Division. Street trees help reduce stormwater flows by absorbing water through their root system. The 2017 proposed budget will transfer $3.3 million for street sweeping, $3.7 million for leaf and brush collection, and $12.6 million for pruning for a total transfer of $19.6 million. The transfer also includes $40,000 to fund the Health Department's beach water quality and advisory program. An additional $3.6 million transfer to the capital fund will support tree planting, the emerald ash borer prevention program, the environmental remediation program, the urban forestry training program, concealed irrigation on city boulevards and the installation of polycarbonate panels at the nursery greenhouse.

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	-0.5		Office Assistant II	Positions eliminated.
-1	-1.00		Electrical Mechanic	
-1	-1.00		Civil Engineer III	Positions reclassified.
1	1.00		Civil Engineer II	
1	0.50		Engineering Intern	New position added in 2017.
	-0.45	0.45	Various Positions	Miscellaneous adjustments.
-1	**-1.45**	**0.45**	**Totals**	

M. COUNTY DELINQUENT TAX FUND

EXECUTIVE SUMMARY

MISSION: Provide appropriation authority to purchase County of Milwaukee 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

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
Purchase of Delinquent County Taxes	$8,213,958	$9,500,000	$8,215,000	$8,215,000	$-1,285,000	$0
Total	$8,213,958	$9,500,000	$8,215,000	$8,215,000	$-1,285,000	$0

SOURCE OF FUNDS

	2015 Actual Expenditures	2016 Adopted Budget	2017 Requested Budget	2017 Proposed Budget	Change 2017 Proposed Budget Versus 2016 Adopted	Change 2017 Proposed Budget Versus 2017 Requested
County Delinquent Taxes Collected	$8,213,958	$9,500,000	$8,215,000	$8,215,000	$-1,285,000	$0
Total	$8,213,958	$9,500,000	$8,215,000	$8,215,000	$-1,285,000	$0

In accordance with s. 74.83 Wis. Stats., the City of Milwaukee is authorized to enter into an agreement with the County of Milwaukee 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.

This Page Intentionally Left Blank

II. BORROWING AUTHORIZATIONS

General Obligation Bonds or Short Term Notes

	New 2017 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.	$7,950,000
B. Public Improvements	
1. Public buildings for housing machinery and equipment.	$24,532,000
2. Harbor improvements.	640,000
3. Parking facility improvements.	1,730,000
4. All Fire borrowing.	2,948,000
5. All Police borrowing.	7,589,000
6. Bridge and viaduct.	6,863,000
7. Sewage disposal, sewer improvement, and construction.	0
8. Street improvements and construction.	32,931,000
9. Parks and public grounds.	250,000
10. Library improvements authorized under section 229.11 and 229.17.	2,844,000
11. Rubbish.	2,373,000
Subtotal General Obligation Bonds or Short Term Notes (Sections A and B).	$90,650,000
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.	$917,000
Subtotal General Obligation Bonds or Local Improvements Bonds.	$917,000
F. Tax Incremental Districts	
1. For paying project costs in accordance with project plans for Tax Incremental Districts.	$44,000,000
Subtotal General Obligation Bonds, Short Term Notes, or Revenue Bonds.	$44,000,000
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.	$21,938,000
Subtotal Revenue Bonds or General Obligation Bonds.	$21,938,000
J. Sewer Maintenance Fund Borrowing	
Sewer Maintenance Fund revenue bonds or general obligation bonds.	$33,500,000
Subtotal Revenue Bonds or General Obligation Bonds.	$33,500,000
Total General Obligation Bonds or Short Term Notes	**$830,005,000**

(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 17, 2016: $24,735,575,914

Tax Rate Per $1,000 of Assessed Valuation	Levy Change	Levy Change	Tax Rate Per $1,000 of Assessed Valuation
$0.01	$247,356	$5,000	$0.00
$0.05	$1,236,779	$10,000	$0.00
$0.10	$2,473,558	$50,000	$0.00
$0.25	$6,183,894	$100,000	$0.00
$0.50	$12,367,788	$500,000	$0.02
$1.00	$24,735,576	$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