2018 PROPOSED PLAN AND EXECUTIVE BUDGET SUMMARY

CITY OF MILWAUKEE

STATE OF WISCONSIN

Tom Barrett
Mayor

Department of Administration
Budget and Management Division

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Administration Director

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GUIDE TO BUDGET DOCUMENTS

PLAN AND BUDGET SUMMARY

A document containing a fiscal summary of the 2018 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 9th*	Plans and Budget Requests Due
August 15th	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
November 3rd	Finance and Personnel Committee Budget Amendment Day
November 10th***	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

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THE VALUE OF MILWAUKEE

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

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

OUR VISION FOR MILWAUKEE

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

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

MISSION

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

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

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

The 2018 Proposed City Budget: Increased Structural Challenges Drive Need for a New Revenue Source

"It is important to consider Milwaukee's fiscal strengths …. Our analysis reveals that the city has well stocked reserves and strong liquidity, and that it has made progress in addressing its infrastructure needs. Also, the resilient manner in which city finances emerged from an historic economic recession should not be understated and conveys hope for similar resiliency in the future.

"Nevertheless, our 2009 conclusion that Milwaukee needs "fundamental fiscal change" has not been altered. The city's revenue structure – which has been imposed upon it by the State of Wisconsin – remains broken. Until it is modified to reduce the city's reliance on property related revenue, and to provide wherewithal for total annual revenue increases that mirror the rate of inflation, then city finances will continue to be stressed, and substantial new investment in public safety and community development related programs will be highly difficult to achieve."

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

The City of Milwaukee's mission is to help make Milwaukee a great place to live, work, and invest. The city implements its mission by providing for safe and healthy neighborhoods, supporting the operation of the regional economy, and sustaining the community's environmental assets.

The city's ability to implement is mission depends on financial sustainability. From a budget perspective, financial sustainability relies on structural balance. Structural balance refers to a government's capacity to fund existing expenditures over time with its 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. The need to renew employer pension contributions to the City of Milwaukee Employes' Retirement System (CMERS) in 2010 after a 15 year hiatus has added an additional source of structural imbalance. In addition, the city experienced a $13.7 million reduction to state intergovernmental aid in 2012, on top of a $10.2 million decrease in 2004. This has contributed to what the Public Policy Forum has termed a "broken revenue system" which makes it difficult to achieve a sustainable budget.

The city has used a multi-faceted "3 R" strategy to address structural imbalance. This approach enables improvements to endure for more than a single budget. The strategy can be summarized as follows:

- **Resizing**: City government is operating on a smaller overall scale. Between 2009 and 2017, the city budget experienced a net reduction of approximately 440 Full Time Equivalents (FTEs) positions for a decrease of approximately $41 million to annual wages and fringe benefits. The city has used enhanced technology and equipment, improved deployment, and staff development to improve productivity and maintain service quality. For example, the Department of Public Works Fleet Services has implemented a career ladder to reduce vacancies and boost output per mechanic. This contributed to its meeting the optimal availability of 102 salt trucks for every operation in the November 2016 to April 2017 snow season.

- **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, has saved approximately $700,000 annually.

Restructuring has also extended to financial matters. This has included 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.

- For example, the city has taken meaningful steps to manage pension financing. An actuarially approved modification to the employer pension contribution method has stabilized funding as a percentage of payrolls over five years, avoiding destabilizing annual volatility. Accelerated payment of required plan year contributions has saved approximately $4.3 million a year in avoided interest charges. In addition, all city employees now pay their entire member contribution. This has reduced city budget expenditures by a total of $22 million, compared to 2013.
- Restructuring of health benefit cost sharing, self-funding health benefit costs, providing incentives for utilization of quality providers, and implementing wellness initiatives have enabled a 2018 appropriation that is $31.3 million lower than 2011 actual expenditures.
- User charges for solid waste services, snow and ice operations, and stormwater management in the Department of Public Works offset the cost of approximately 600 FTEs positions. This "frees up" more than $69 million in property tax revenue for services such as public safety, libraries, and public health, which have limited cost recovery potentials.
- The local stormwater charge has enabled the city to comply with Department of Natural Resources mandates while improving the sewer program replacement cycle. The stormwater charge also cash finances the Forestry capital program, avoiding annual levy supported debt of approximately $3.4 million.

- **Reinvesting:** In many cases effective resizing and restructuring require investments in equipment, data applications, process improvements, and people. For example, investments in technology, safety equipment, training, and planning have stabilized the budget for workers' compensation expense. These investments have saved approximately $4 million annually, compared to continuation of the 2011 baseline trend.

  In addition, redevelopment improves the city's capacity to distribute the cost of city services over a larger tax base. During 2016, the city added $448.1 million of real estate value to its tax base due to investments in real property. This 1.66% increase in "net new construction" was the fourth highest rate of increase among the 19 Milwaukee county communities. Milwaukee's net new construction increase was also higher than the rate of change in the State of Wisconsin as a whole. Over the last four years, the city has experienced over $1.4 billion of equalized value property tax base growth due to net new construction. This performance reflects the confidence that property owners and investors have in Milwaukee's future.

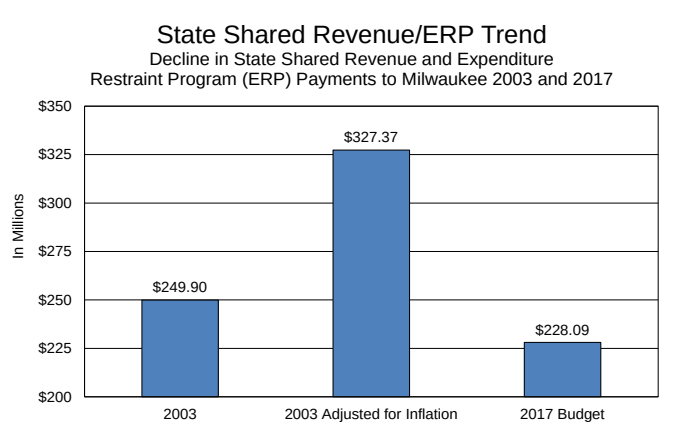
Major Challenges to Structural Balance

The city's "3 R" strategy has produced significant positive results. It has improved infrastructure replacement cycles, ensured responsible funding of pensions and city debt, and maintained priority city services. In addition, the city has managed the property tax levy carefully. Annual tax levy increases have averaged 1% since 2010.

However, decreases in intergovernmental aid, the growing costs of police services, and the re-emergence of employer pension contributions have combined to form an unsustainable fiscal model.

Wisconsin's municipal finance system differs from that of most states. Historically, in exchange for

Figure 1

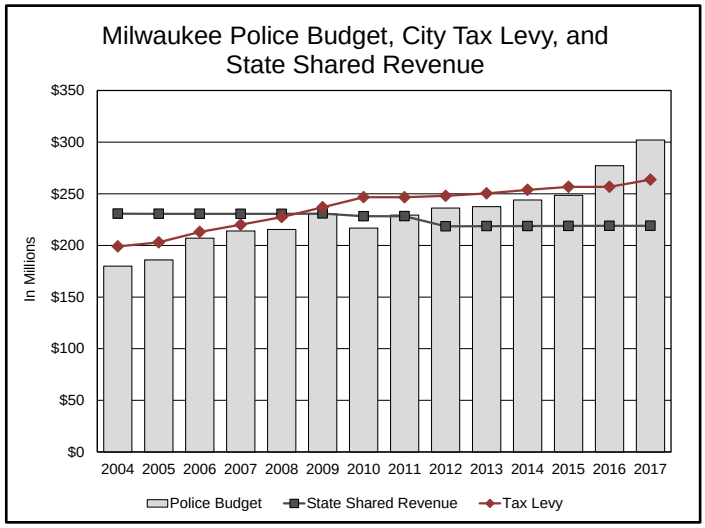


Inflation adjusted decline in Shared Revenue and ERP payments = $-99.3 million (-30.3%). During this same period, State General Purpose Revenue increased $6.32 billion (+59%). Source: US Bureau of Labor Statistics: CPI-U Tables; City Budget Documents; WI Legislative Fiscal Bureau.

restrictive limits on municipal government revenue authority, state government would redistribute growth in general purpose revenue through its shared revenue program. However, since 2003, the state has decreased its support to local governments. As Figure 1 illustrates, shared revenue (including expenditure restraint program aid) to the City of Milwaukee has declined $99.3 million in inflation adjusted terms since 2003 ($21.8 million in nominal terms).

Research from the Lincoln Land Institute pertaining to a peer group of 39 cities (including Milwaukee) with populations between 300,000 and one million indicates that Milwaukee's revenue structure is highly unusual. For example, in 2012, property taxes comprised 96% of Milwaukee's local tax revenues. No other city in the peer group approached this level of property tax reliance as a percentage of local tax funds.

Figure 2



The research indicates that intergovernmental aid does not provide Milwaukee with an unusual level of total revenue. In fact, Milwaukee ranks 8% lower than average in total revenue per capita among its peers.

The city relies much more than its national peers on a limited number of revenue sources, namely the property tax and intergovernmental revenues (comprised mostly of state aids). The decline in state aids has required the city to lean more heavily on property taxes and service charges to bridge the gap. For example, between 2004 and 2017 the city increased charges for service as a percentage of general city purposes revenue from 11.6% to 20.1%.

The 2018 proposed budget reflects the trend of very slow non-property tax revenue growth. Non-property tax revenue increases by only $4.16 million, which is less than 1% higher than the 2017 total. These revenues include intergovernmental aids, which historically have been the city's largest general revenue source. However, in the 2018 proposed budget, intergovernmental revenues increase by only $1.6 million (less than 1%) compared to 2017.

This trend's implications are particularly evident upon examination of funding for the Milwaukee Police Department. As Figure 2 illustrates, in 2004 the State Shared Revenue payment to Milwaukee was almost $52 million larger than the total operating budget for the Police Department. By 2017, the Police Department's budget exceeded the city's State Shared Revenue payment by almost $83 million. This increasing financial commitment demonstrates that police services have grown to a potentially unsustainable level.

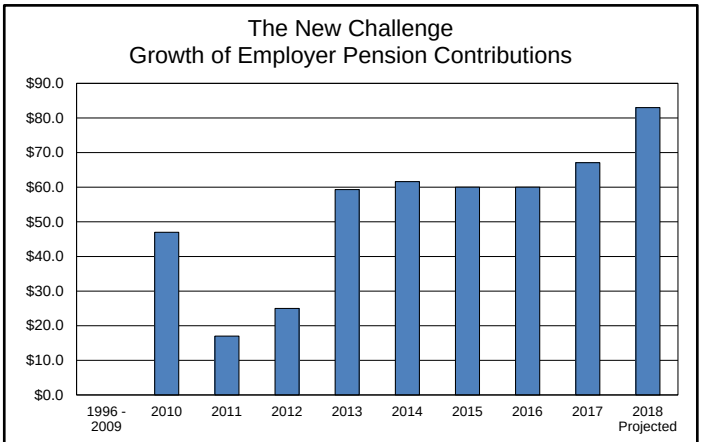
The 2018 proposed budget is facing additional CMERS financing challenges. The city charter requires the Annuity & Pension Board to review and, if appropriate, modify the pension plan's economic and demographic assumptions every five years. The board is currently undertaking this review, which will have a significant impact on contribution rates for the 2018-2022 budgets. Based on initial actuarial projections, the proposed budget includes an employer pension contribution of $83 million for the 2018 plan year. This is an increase of $22 million (+36%) over the budgeted 2017 contribution and $16 million over the actual contribution, which was not determined until mid-2017. Figure 3 illustrates the dramatic impact that pension contributions have had on the budget since 2010.

The share of the annual pension cost payment for sworn police and fire fighters is 77% of the total. In addition, 61% of the city's 2017 tax levy supported wage payroll is allocated to protective service employees. It has become impractical to manage structural budget balance without controlling protective services costs. For example, the

proposed 2018 protective services position reductions generate avoided employer pension contributions of approximately $1.3 million annually, in addition to the $7.9 million estimated annual wage savings.

The 2018 proposed budget uses a balanced approach to deal with these structural challenges. It includes moderate revenue increases, meaningful expenditure reductions, and operational changes to preserve priority services and fund long term obligations responsibly.

Figure 3



Voluntary contributions in 2011 and 2012 were made to the employer's pension reserve. The city has paid $61 million of the 2017 contribution, due 1/31/2018. 2018-2022 contributions will be based on a reset of stable contribution rates. The 2018 projected level is based on a review of potential scenarios developed by the actuary. Water Works contributions are not included. Source: City budget documents and actuary's presentations.

Budget Bottom Line

The 2018 proposed city property tax levy is $273,659,551. This is a $9.9 million, or 3.75%, increase from the 2017 city tax levy. The proposed 2018 tax rate for city purposes is $10.77, a 2 cent increase from 2017. Since 2004, the city tax levy has increased at essentially the same rate as inflation, approximately 32.5%, despite the significant decrease in state aid commitment.

The proposed budget also includes a $10.75 increase (2.6%) to the four city municipal service charges. The proposed tax levy increase, combined with the proposed increases to the municipal service charges, equates to an increased city government cost of $47.82, or 3.1%, to the owner of an average valued city home.

The city's structural imbalance is, in large part, the challenge of public safety funding. In order to help balance the budget, the 2018 proposal includes a reduction of approximately 162 tax levy funded FTEs positions. This includes a reduced protective services strength level of 108 FTEs - 75 FTEs in the Fire Department, and an annual average sworn strength reduction of 33 FTEs in the Police Department.

As previously indicated, employer pension contributions will increase $22 million over the 2017 budget amount. Employer pension reserve withdrawals can reduce the tax levy impact by approximately $5 million annually through 2020. However, by 2021 it is expected that the entire employer contribution will be financed via the tax levy.

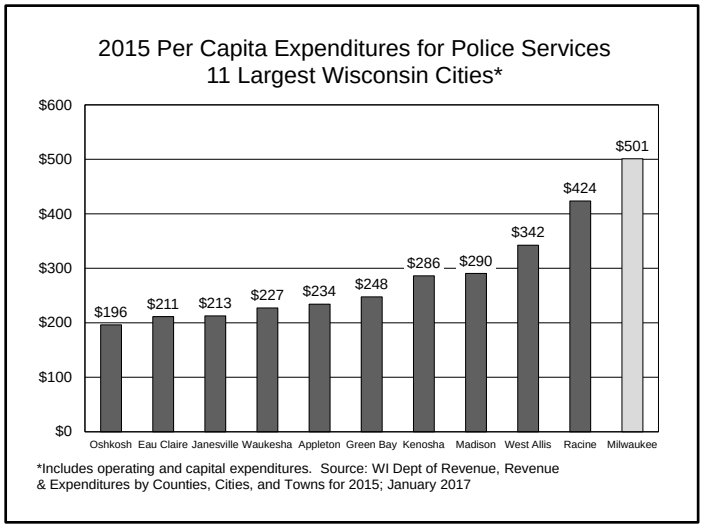
Pension finance will add to the pressure on structural budget balance over the next five years. For example, the estimated employer pension contribution for 2018 of $83 million equates to 30.3% of the city's total tax levy. This compares to 23.7% as recently as 2013.

The 2018 proposed capital budget responds to the need to manage long term obligations. In order to reduce the potential for increases to future debt service levies, the budget provides for $76.9 million in levy supported borrowing authority. This is a decrease of $12.7 million from the 2017 adopted budget. Maintaining this borrowing discipline should avoid additional debt service of more than $16 million over the next four years, compared with continuing the 2017 authorized level.

The rising annual cost of pension obligations constitutes a huge sustainability challenge. In order to manage this challenge, the mayor has proposed a half of 1% sales tax for the City of Milwaukee. The purpose of the sales tax is to reduce the reliance of police resources on the property tax. The proposal is outlined in some detail below.

The Mayor's Sustainability Proposal

Figure 4



During Mayor Barrett's tenure, the Milwaukee Police Department budget has risen 27% more than the rate of inflation; this equates to $64.15 million more than if the 2004 police budget had been held to inflationary growth.

Based on state government reports, in 2015 Milwaukee's police per capita expenditures were 87.5% greater than the average for the next ten largest cities in Wisconsin. Clearly, Mayor Barrett and the Common Council have prioritized police budgets.

Contrary to much political opinion, 2011 Wisconsin Act 10 has not resolved the local government cost control problem. Act 10, adopted in 2011, curtailed significantly collective bargaining for general classifications of local government employees. However, Act 10 provisions did not apply to protective service employees in the City of Milwaukee.

In the 2017 budget, 61% of the tax levy supported wages are for sworn police and fire employees, who are members of the three protective service unions. Act 10 does not apply to these employees. Furthermore, pension benefits for Milwaukee's police and fire sworn employees are mandatory subjects of collective bargaining, unlike all other cities and villages in the state under the Wisconsin Retirement System. In 2017, 73% of the annual cost of pension benefits accrual pertained to sworn police and fire fighters. In 2017, the city paid approximately $38.9 million of pension normal cost for police and fire.

Inflation also has to be considered. Chapter 111.70 of the statutes establishes mandated collective bargaining procedures for local governments, including provisions for police that apply only to the City of Milwaukee. Under binding arbitration, state appointed arbitrators may determine the ultimate collective bargaining package. Arbitrators generally view "keeping up with inflation" as a starting point when it comes to wage increases. Based on a modest 2.25% inflation projection, this factor alone could generate approximately $7.1 million in higher wage and pension costs for protective service employees in 2019.

Projections indicate that maintaining the *reduced* 2018 proposed budget expenditures through 2022 will require an annual tax levy increase between 4% and 5%. Returning to annual 2% tax levy increases in 2019, on the other hand, is estimated to result in approximately $43 million of expenditure reductions by 2022. As illustrations, this is $6 million greater than the combined operating budgets of the Library and the Health Department; or equates to a reduction of approximately 350 sworn police officers.

The Mayor's proposal is expected to generate $35 million annually by 2019 if the state authorizes a local sales tax and a referendum to enact the sales tax is approved. This can maintain an increased police strength to 1,900 FTEs; restore two Fire Department apparatus and 30 FTEs otherwise proposed for elimination in the 2018 proposed budget; and sustain other departmental operations while meeting debt service and pension contributions.

Conclusion

The City of Milwaukee has faced persistent challenges to structural balance over the last two decades. Independent third party analysts as well as credit rating agencies conclude that the primary factor behind this challenge has been a revenue system that fails to generate even inflationary annual growth. The surge in pension funding

requirements that began in 2010 threatens to make structural challenges permanent, unless the city's revenue structure improves. This reality forms the rationale for the Mayor's sales tax proposal.

The 2018 proposed budget improves the near term outlook, but does not resolve the structural challenge. Funding the increased pension contribution responsibly and setting the course for stable debt service are meaningful stabilizing actions. Expenditure and position reductions enable a greater proportion of levy resources to be directed to long term obligations. Responsible use of reserves makes multi-year budget planning feasible. However, unless a significant increase in revenue capacity occurs, service and position reductions will have to occur over the next four years.

2018 PROPOSED BUDGET AND TAX RATE COMPARED TO PRIOR YEAR

PURPOSE OF EXPENDITURE AND FUNDING SOURCE	2017 ADOPTED BUDGET	2018 PROPOSED BUDGET	CHANGE 2018 MINUS 2017 ADOPTED	2017 ADOPTED BUDGET	2018 PROPOSED BUDGET	CHANGE 2018 MINUS 2017 ADOPTED
A. GENERAL CITY PURPOSES						
1. Budget (Expenditure Authority)	$632,993,132	$620,744,361	$-12,248,771			
2. Non Tax Levy Funding	517,780,392	513,514,600	-4,265,792			
3. Tax Levy Funding	115,212,740	107,229,761	-7,982,979	$4.70	$4.22	$-0.48
B. EMPLOYEE RETIREMENT						
1. Budget (Expenditure Authority)	$105,225,776	$125,764,644	$20,538,868			
2. Non Tax Levy Funding	27,243,415	31,584,674	4,341,259			
3. Tax Levy Funding	77,982,361	94,179,970	16,197,609	$3.18	$3.71	$0.53
C. CAPITAL IMPROVEMENTS						
1. Budget (Expenditure Authority)	$151,029,000	$142,828,000	$-8,201,000			
2. Non Tax Levy Funding	150,729,000	141,939,000	-8,790,000			
3. Tax Levy Funding	300,000	889,000	589,000	$0.01	$0.03	$0.02
D. CITY DEBT						
1. Budget (Expenditure Authority)	$282,292,613	$280,276,000	$-2,016,613			
2. Non Tax Levy Funding	217,012,408	214,068,000	-2,944,408			
3. Tax Levy Funding	65,280,205	66,208,000	927,795	$2.66	$2.61	$-0.05
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	$0.20	$0.20	$-0.01
SUBTOTAL (A+B+C+D+E+F)						
1. Budget (Expenditure Authority)	**$1,176,540,521**	**$1,174,613,005**	**$-1,927,516**			
2. Non Tax Levy Funding	**912,765,215**	**901,106,274**	**-11,658,941**			
3. Tax Levy Funding	**263,775,306**	**273,506,731**	**9,731,425**	**$10.75**	**$10.77**	**$0.02**
G. PARKING FUND						
1. Budget (Expenditure Authority)	$52,520,574	$47,759,648	$-4,760,926			
2. Non Tax Levy Funding	52,520,574	47,759,648	-4,760,926			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
H. GRANT AND AID						
1. Budget (Expenditure Authority)	$45,199,364	$42,847,051	$-2,352,313			
2. Non Tax Levy Funding	45,199,364	42,847,051	-2,352,313			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
I. DEVELOPMENT FUND						
1. Budget (Expenditure Authority)	$11,582,033	$11,443,004	$-139,029			
2. Non Tax Levy Funding	11,582,033	11,443,004	-139,029			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
J. WATER DEPARTMENT						
1. Budget (Expenditure Authority)	$131,237,000	$139,532,000	$8,295,000			
2. Non Tax Levy Funding	131,237,000	139,532,000	8,295,000			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
K. SEWER MAINTENANCE FUND						
1. Budget (Expenditure Authority)	$108,889,344	$107,718,016	$-1,171,328			
2. Non Tax Levy Funding	108,889,344	107,718,016	-1,171,328			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
M. COUNTY DELINQUENT TAXES FUND						
1. Budget (Expenditure Authority)	$8,215,000	$7,740,000	$-475,000			
2. Non Tax Levy Funding	8,215,000	7,740,000	-475,000			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
SUBTOTAL (G+H+I+J+K+M)						
1. Budget (Expenditure Authority)	**$357,643,315**	**$357,039,719**	**$-603,596**			
2. Non Tax Levy Funding	**357,643,315**	**357,039,719**	**-603,596**			
3. Tax Levy Funding	**0**	**0**	**0**	$0.00	$0.00	$0.00
TOTAL (A thru M)						
1. Budget (Expenditure Authority)	**$1,534,183,836**	**$1,531,652,724**	**$-2,531,112**			
2. Non Tax Levy Funding	**1,270,408,530**	**1,258,145,993**	**-12,262,537**			
3. Tax Levy Funding	**263,775,306**	**273,506,731**	**9,731,425**	**$10.75**	**$10.77**	**$0.02**

Tax Rates and Assessed Value - 2018 rate column is based on an estimated assessed value of: $25,405,884,991 as of August 22, 2017.

Comparisons by Budget Sections Between 2018 Proposed Budget Versus 2017 Adopted and 2018 Requested Budgets, Revenues, Tax Levies, and Resulting Changes

	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
A. General City Purposes					
Appropriations					
Salaries and Wages	$391,432,020	$389,270,915	$390,819,835	$-612,185	$1,548,920
Fringe Benefits	185,638,351	174,380,757	176,242,339	-9,396,012	1,861,582
Operating Expenditures	77,762,593	77,835,609	78,306,626	544,033	471,017
Equipment Purchases	7,798,830	5,093,859	4,827,859	-2,970,971	-266,000
Special Funds	13,091,587	11,504,274	11,118,439	-1,973,148	-385,835
Special Purpose Account Miscellaneous*	17,958,102	17,829,602	17,371,602	-586,500	-458,000
Workers Compensation Special Purpose Accounts	11,000,000	11,000,000	11,000,000	0	0
Employee Health Care Special Purpose Accounts	113,950,000	114,500,000	107,300,000	-6,650,000	-7,200,000
Fringe Benefit Offset	-185,638,351	-174,380,757	-176,242,339	9,396,012	-1,861,582
Total Appropriations	$632,993,132	$627,034,259	$620,744,361	$-12,248,771	$-6,289,898
Funding Sources					
General City Revenues	$490,201,392	$488,634,380	$494,514,600	$4,313,208	$5,880,220
Tax Stabilization Fund Withdrawal	27,579,000	20,000,000	19,000,000	-8,579,000	-1,000,000
Property Tax Levy	115,212,740	118,399,879	107,229,761	-7,982,979	-11,170,118
Total Revenues	$632,993,132	$627,034,259	$620,744,361	$-12,248,771	$-6,289,898
B. Employee Retirement					
Total Appropriations	$105,225,776	$124,084,395	$125,764,644	$20,538,868	$1,680,249
Funding Sources					
Non-Property Tax Revenue	$27,243,415	$31,454,137	$31,584,674	$4,341,259	$130,537
Property Tax Levy	77,982,361	92,630,258	94,179,970	16,197,609	1,549,712
Total Revenues	$105,225,776	$124,084,395	$125,764,644	$20,538,868	$1,680,249
C. Capital Improvements					
Total Capital Improvements Program					
Appropriations	$151,029,000	$165,022,000	$142,828,000	$-8,201,000	$-22,194,000
Funding Sources					
1. Borrowing (General Obligation)					
a. New	$89,620,000	$102,311,000	$76,924,000	$-12,696,000	$-25,387,000
2. Borrowing (Tax Incremental Districts)					
a. New	$44,000,000	$44,000,000	$44,000,000	$0	$0
3. Special Assessments (Internal Borrowing)					
a. New	$1,517,000	$1,985,000	$2,885,000	$1,368,000	$900,000
4. Cash Financed					
a. From Revenues	$15,592,000	$15,726,000	$18,130,000	$2,538,000	$2,404,000
c. From Tax Levy	300,000	1,000,000	889,000	589,000	-111,000
d. Total Cash Financed	15,892,000	16,726,000	19,019,000	3,127,000	2,293,000
Total Revenues (Capital Improvements)	$151,029,000	$165,022,000	$142,828,000	$-8,201,000	$-22,194,000
D. City Debt					
Total Appropriations					
(Includes Borrowing for Milwaukee Public Schools)	$282,292,613	$282,276,000	$280,276,000	$-2,016,613	$-2,000,000
Funding Sources					
Revenues	$33,804,652	$32,018,000	$32,018,000	$-1,786,652	$0
TID Increments	28,373,966	28,209,000	28,209,000	-164,966	0
Delinquent Tax Revenue	28,833,790	15,541,000	15,541,000	-13,292,790	0

	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Offset and Premium	126,000,000	138,300,000	138,300,000	12,300,000	0
Property Tax Levy	65,280,205	68,208,000	66,208,000	927,795	-2,000,000
Total Revenues	$282,292,613	$282,276,000	$280,276,000	$-2,016,613	$-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	$1,176,540,521	$1,203,416,654	$1,174,613,005	$-1,927,516	$-28,803,649
Less: Non-Property Tax Revenues	$912,765,215	$918,178,517	$901,106,274	$-11,658,941	$-17,072,243
Property Tax Levies	$263,775,306	$285,238,137	$273,506,731	$9,731,425	$-11,731,406
Special Revenue Accounts (Items G through M)					
G. Parking					
Total Appropriations	$52,520,574	$50,970,552	$47,759,648	$-4,760,926	$-3,210,904
Funding Sources					
Current Revenues	$23,290,574	$23,164,500	$23,164,500	$-126,074	$0
Capital Improvements from Reserves	5,000,000	1,215,150	0	-5,000,000	-1,215,150
Withdrawal from Reserves	5,000,000	4,349,905	5,170,648	170,648	820,743
Citation Revenue and Processing	17,500,000	16,000,000	16,000,000	-1,500,000	0
New Borrowing	1,730,000	6,240,997	3,424,500	1,694,500	-2,816,497
Total Revenues	$52,520,574	$50,970,552	$47,759,648	$-4,760,926	$-3,210,904
H. Grant and Aid					
Total Appropriations	$45,199,364	$41,705,851	$42,847,051	$-2,352,313	$1,141,200
Funding Sources					
Grantor Share	$45,199,364	$41,705,851	$42,847,051	$-2,352,313	$1,141,200
Total Revenues	$45,199,364	$41,705,851	$42,847,051	$-2,352,313	$1,141,200
I. Economic Development					
Total Appropriations	$11,582,033	$11,443,004	$11,443,004	$-139,029	$0
Funding Sources					
BID Assessment/Excess TID Revenue	$11,582,033	$11,443,004	$11,443,004	$-139,029	$0
Total Revenues	$11,582,033	$11,443,004	$11,443,004	$-139,029	$0
J. Water Works					
Appropriations					
Operating Budget	$89,178,000	$96,445,601	$92,548,000	$3,370,000	$-3,897,601
Capital Improvements Program	29,210,000	33,070,000	32,780,000	3,570,000	-290,000
Debt Service (Principal and Interest)	5,587,000	8,731,000	8,731,000	3,144,000	0
Capital Funding from Borrowing and Other Sources	0	10,000	10,000	10,000	0
Capital Funding from Retained Earnings	7,262,000	33,070,000	5,463,000	-1,799,000	-27,607,000
Total Appropriations	$131,237,000	$171,326,601	$139,532,000	$8,295,000	$-31,794,601
Funding Sources					
Current Operating Revenues	$92,402,000	$96,452,000	$96,452,000	$4,050,000	$0
Non-Operating Revenues	9,635,000	41,804,601	10,310,000	675,000	-31,494,601
Proceeds from Borrowing	21,938,000	0	27,307,000	5,369,000	27,307,000
Use of Retained Earnings	7,262,000	33,070,000	5,463,000	-1,799,000	-27,607,000
Total Revenues	$131,237,000	$171,326,601	$139,532,000	$8,295,000	$-31,794,601

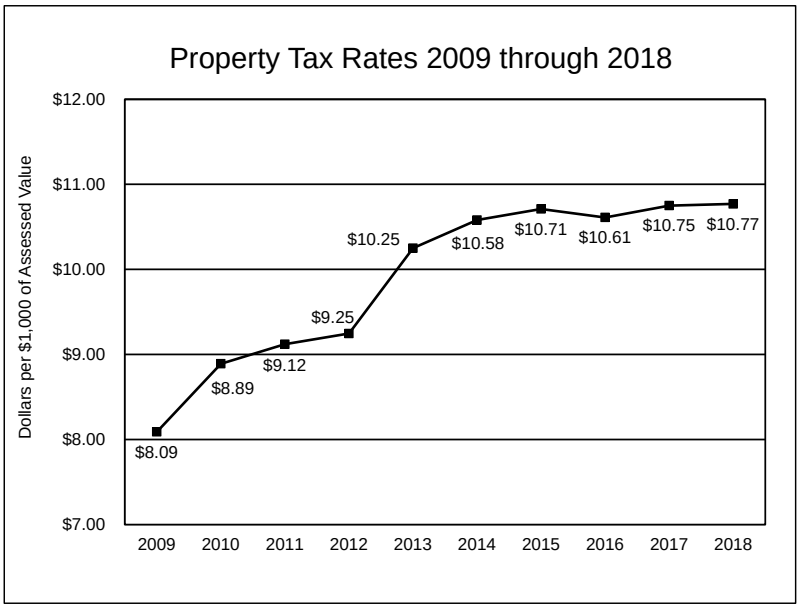
	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
K. Sewer Maintenance					
Appropriations					
Operating Budget	$70,175,344	$68,450,862	$70,204,016	$28,672	$1,753,154
Capital Improvements Program	38,714,000	41,514,000	37,514,000	-1,200,000	-4,000,000
Total Appropriations	$108,889,344	$109,964,862	$107,718,016	$-1,171,328	$-2,246,846
Funding Sources					
Sewer User Fee	$29,802,218	$30,139,000	$30,398,262	$596,044	$259,262
Storm Water Management Fee	32,162,140	32,858,700	33,127,004	964,864	268,304
Charges for Services	1,686,500	1,660,300	1,660,300	-26,200	0
Miscellaneous Revenue and Retained Earnings	11,738,486	8,806,862	10,032,450	-1,706,036	1,225,588
Proceeds from Borrowing	33,500,000	36,500,000	32,500,000	-1,000,000	-4,000,000
Total Revenues	$108,889,344	$109,964,862	$107,718,016	$-1,171,328	$-2,246,846
M. County Delinquent Taxes					
Appropriations					
Operating Budget	$8,215,000	$7,740,000	$7,740,000	$-475,000	$0
Total Appropriations	$8,215,000	$7,740,000	$7,740,000	$-475,000	$0
Funding Sources					
Operating Revenue	$8,215,000	$7,740,000	$7,740,000	$-475,000	$0
Total Revenues	$8,215,000	$7,740,000	$7,740,000	$-475,000	$0
Subtotals Special Revenue Account Budgets (Items G through M)					
Total Budgets	$357,643,315	$393,150,870	$357,039,719	$-603,596	$-36,111,151
Total Revenues (Non-Property Tax)	$357,643,315	$393,150,870	$357,039,719	$-603,596	$-36,111,151
Grand Totals (Items A through M)					
Budget Appropriations	$1,534,183,836	$1,596,567,524	$1,531,652,724	$-2,531,112	$-64,914,800
Less: Non-Property Tax Revenues	$1,270,408,530	$1,311,329,387	$1,258,145,993	$-12,262,537	$-53,183,394
Property Tax Levies	$263,775,306	$285,238,137	$273,506,731	$9,731,425	$-11,731,406

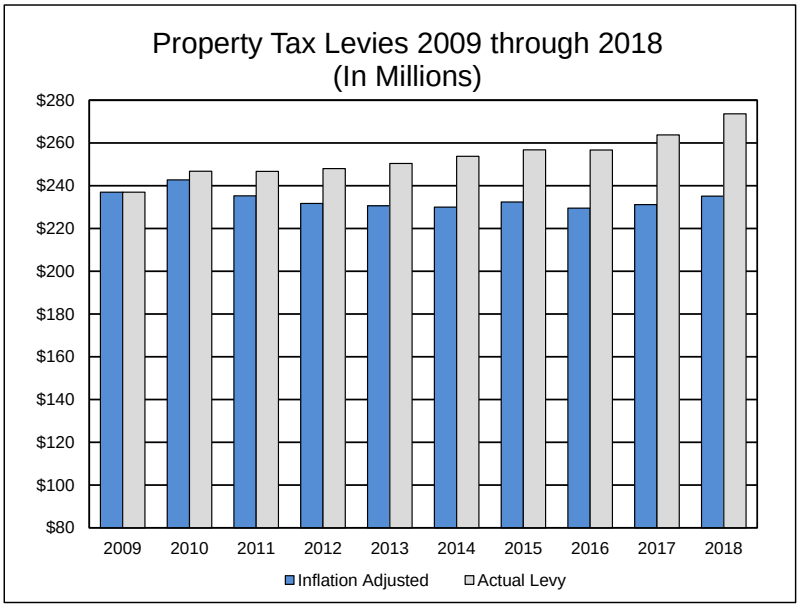
Note: All adopted budgets for governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance reserved for tax stabilization. For budget purposes, the fund balance reserved for tax stabilization is reflected as other financing 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 2009 through the 2018 budget. The 2018 tax rate of $10.77 is $0.02 higher than the 2017 rate of $10.75. The 2018 tax levy of $273.5 million is $9.7 million higher than the 2017 levy. The property tax rate has increased by $2.68 from $8.09 in 2009 to the 2018 rate of $10.77. During this same period, the "real" or inflation adjusted property tax levy has decreased by $1.9 million.

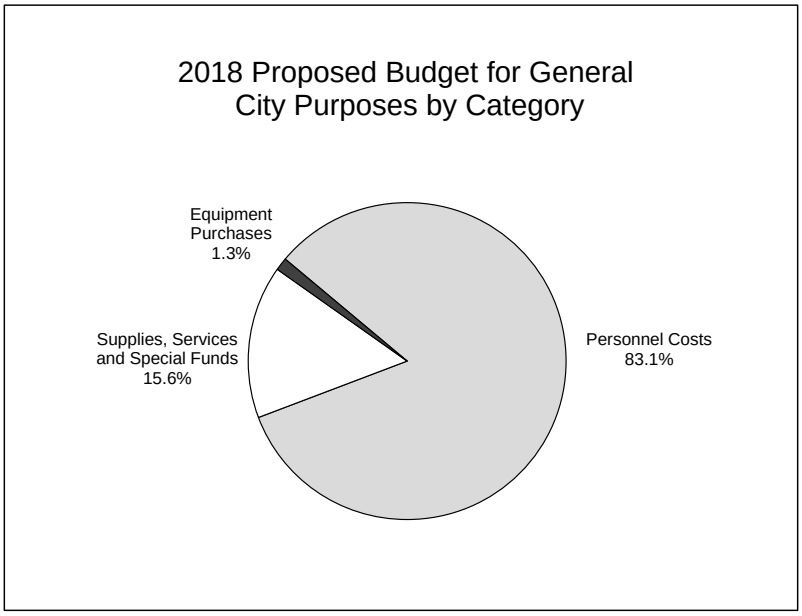




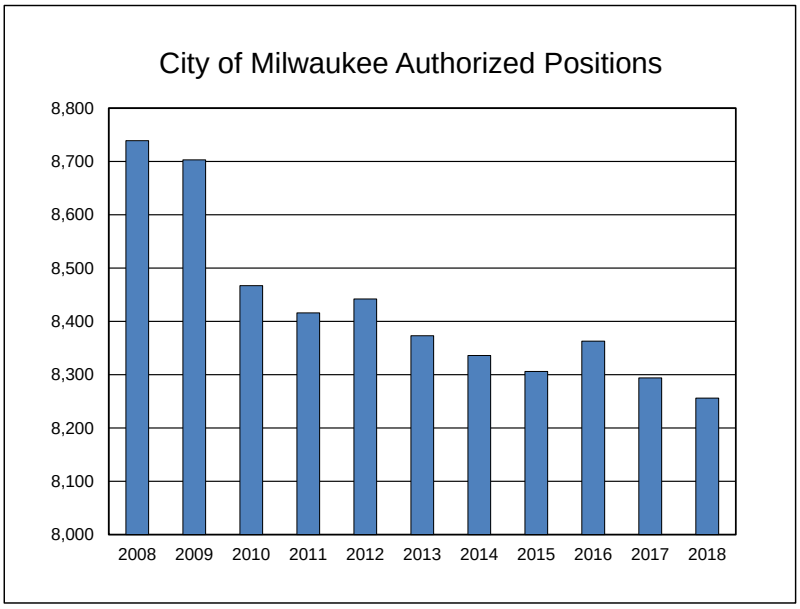
GENERAL CITY PURPOSES SPENDING

The pie chart below depicts the proportions of general city purposes spending allocated to personnel costs (83.1%), supplies, services, and special funds (15.6%), and equipment purchases (1.3%) in the 2018 budget.

It should be noted that the 2018 budget also funds approximately $11.3 million of major equipment purchases in the capital budget.



The following bar graph indicates changes in authorized positions from 2008 to 2018. Funding for personnel costs (which include salary and wages) relates directly to the number of positions authorized citywide. Excluding temporary and seasonal staff, the 2018 budget reflects a net decrease of 37 positions from 2017 levels (8,294 in 2017 to 8,257 in 2018).



CHANGE IN POSITIONS

	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
General City Purposes					
Administration, Department of	153	147	152	-1	5
Assessor's Office	57	59	59	2	0
City Attorney	65	65	65	0	0
City Development, Department of	121	116	115	-6	-1
Common Council City Clerk	125	125	125	0	0
Comptroller's Office	65	65	64	-1	-1
Election Commission	820	2,261	2,261	1,441	0
Employee Relations, Department of	65	68	68	3	0
Fire and Police Commission	25	27	26	1	-1
Fire Department	943	868	898	-45	30
Health Department	252	246	252	0	6
Library	364	356	374	10	18
Mayor's Office	16	14	14	-2	0
Municipal Court	40	40	40	0	0
Neighborhood Services, Department of	289	270	274	-15	4
Police Department	2,828	2,834	2,824	-4	-10
Port of Milwaukee	37	35	35	-2	0
Public Works, Department of **(Total)**	**(2,291)**	**(2,301)**	**(2,298)**	**(7)**	**(-3)**
Administrative Services Division	43	46	45	2	-1
Infrastructure Services Division	805	812	813	8	1
Operations Division	1,443	1,443	1,440	-3	-3
Special Purpose Account	11	11	11	0	0
Treasurer's Office	59	48	59	0	11
General City Purposes Total	**8,626**	**9,956**	**10,014**	**1,388**	**58**
General City Purposes Total *	**7,817**	**7,706**	**7,764**	**-53**	**58**
Pensions					
Deferred Compensation	2	3	3	1	0
Employees' Retirement System	58	62	63	5	1
Pensions Total	**60**	**65**	**66**	**6**	**1**
Special Revenue Funds					
Parking Fund	118	119	118	0	-1
Sewer Maintenance Fund	145	144	144	-1	0
Water Works	395	407	406	11	-1
Special Revenue Funds Total	**658**	**670**	**668**	**10**	**-2**
Subtotal Budgeted Positions	**9,344**	**10,691**	**10,748**	**1,404**	**57**
Less Temporary Positions	1,050	2,491	2,491	1,441	0
Total Budgeted Positions	**8,294**	**8,200**	**8,257**	**- 37**	**57**

*Does not include Election Commission temporary election workers (809 in 2017 and 2,250 in 2018) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
O&M Funded

	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
General City Purposes					
Administration, Department of	103.10	96.60	97.80	-5.30	1.20
Assessor's Office	49.00	49.00	49.00	0.00	0.00
City Attorney	60.00	60.00	60.00	0.00	0.00
Common Council City Clerk	102.40	102.40	101.40	-1.00	-1.00
Comptroller's Office	50.20	51.30	52.30	2.10	1.00
Department of City Development	51.72	48.50	51.86	0.14	3.36
Election Commission *	8.00	8.00	8.00	0.00	0.00
Employee Relations, Department of	41.57	41.65	41.65	0.08	0.00
Fire and Police Commission	14.90	16.90	16.40	1.50	-0.50
Fire Department	954.05	879.80	879.80	-74.25	0.00
Health Department	138.25	128.96	134.70	-3.55	5.74
Library	290.12	270.56	279.06	-11.06	8.50
Mayor's Office	13.75	13.75	13.75	0.00	0.00
Municipal Court	33.20	33.00	32.00	-1.20	-1.00
Neighborhood Services, Department of	205.10	189.35	195.35	-9.75	6.00
Police Department	2,729.27	2,731.00	2,692.61	-36.66	-38.39
Port of Milwaukee	20.50	25.00	19.00	-1.50	-6.00
Public Works, Department of **(Total)**	(1,077.36)	(1,067.14)	(1,055.34)	(-22.02)	(-11.80)
Administrative Services Division	37.17	37.50	35.50	-1.67	-2.00
Infrastructure Services Division	367.29	356.74	348.94	-18.35	-7.80
Operations Division	672.90	672.90	670.90	-2.00	-2.00
Special Purpose Accounts	4.50	4.50	4.50	0.00	0.00
Treasurer's Office	29.23	28.68	29.66	0.43	0.98
General City Purposes Total	**5,976.22**	**5,846.09**	**5,814.18**	**-162.04**	**-31.91**
Pensions					
Deferred Compensation	2.00	3.00	3.00	1.00	0.00
Employees' Retirement System	43.50	47.50	48.50	5.00	1.00
Pensions Total	**45.50**	**50.50**	**51.50**	**6.00**	**1.00**
Special Revenue Funds					
Parking Fund	116.25	119.00	116.25	0.00	-2.75
Sewer Maintenance Fund	101.40	101.60	100.50	-0.90	-1.10
Water Works	358.95	370.52	371.02	12.07	0.50
Special Revenue Funds Total	**576.60**	**591.12**	**587.77**	**11.17**	**-3.35**
Grand Total	**6,598.32**	**6,487.71**	**6,453.45**	**-144.87**	**-34.26**

*Election Commission does not include temporary election workers (26.58 FTEs in 2017 and 61.38 FTEs in 2018) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
Non-O&M Funded

	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
General City Purposes					
Administration, Department of	35.95	37.75	36.75	0.80	-1.00
Assessor's Office	0.00	0.00	0.00	0.00	0.00
City Attorney	2.00	2.00	2.00	0.00	0.00
Common Council City Clerk	1.60	1.60	1.60	0.00	0.00
Comptroller's Office	7.80	6.70	5.70	-2.10	-1.00
Department of City Development	41.28	39.50	35.14	-6.14	-4.36
Election Commission	0.00	0.00	0.00	0.00	0.00
Employee Relations, Department of	5.56	11.11	11.11	5.55	0.00
Fire and Police Commission	0.50	0.50	0.00	-0.50	-0.50
Fire Department	3.95	3.20	3.20	-0.75	0.00
Health Department	102.80	108.85	108.85	6.05	0.00
Library	17.66	18.63	18.63	0.97	0.00
Mayor's Office	0.00	0.00	0.00	0.00	0.00
Municipal Court	0.00	0.00	0.00	0.00	0.00
Neighborhood Services, Department of	50.15	53.15	50.15	0.00	-3.00
Police Department	46.44	50.00	56.10	9.66	6.10
Port of Milwaukee	0.00	0.00	0.00	0.00	0.00
Public Works, Department of **(Total)**	(352.73)	(374.23)	(384.03)	(31.30)	(9.80)
Administrative Services Division	4.83	8.50	8.50	3.67	0.00
Infrastructure Services Division	290.96	308.79	318.59	27.63	9.80
Operations Division	56.94	56.94	56.94	0.00	0.00
Special Purpose Accounts	0.00	0.00	0.00	0.00	0.00
Treasurer's Office	0.69	0.00	0.00	-0.69	0.00
General City Purposes Total	**669.11**	**707.22**	**713.26**	**44.15**	**6.04**
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	12.60	11.10	12.00	-0.60	0.90
Water Works	20.97	20.07	20.07	-0.90	0.00
Special Revenue Funds Total	**33.57**	**31.17**	**32.07**	**-1.50**	**0.90**
Grand Total	**702.68**	**738.39**	**745.33**	**42.65**	**6.94**

ESTIMATED FULL TIME EQUIVALENTS
All Funding Sources

	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
General City Purposes					
Administration, Department of	139.05	134.35	134.55	-4.50	0.20
Assessor's Office	49.00	49.00	49.00	0.00	0.00
City Attorney	62.00	62.00	62.00	0.00	0.00
Common Council City Clerk	104.00	104.00	103.00	-1.00	-1.00
Comptroller's Office	58.00	58.00	58.00	0.00	0.00
Department of City Development	93.00	88.00	87.00	-6.00	-1.00
Election Commission *	8.00	8.00	8.00	0.00	0.00
Employee Relations, Department of	47.13	52.76	52.76	5.63	0.00
Fire and Police Commission	15.40	17.40	16.40	1.00	-1.00
Fire Department	958.00	883.00	883.00	-75.00	0.00
Health Department	241.05	237.81	243.55	2.50	5.74
Library	307.78	289.19	297.69	-10.09	8.50
Mayor's Office	13.75	13.75	13.75	0.00	0.00
Municipal Court	33.20	33.00	32.00	-1.20	-1.00
Neighborhood Services, Department of	255.25	242.50	245.50	-9.75	3.00
Police Department	2,775.71	2,781.00	2,748.71	-27.00	-32.29
Port of Milwaukee	20.50	25.00	19.00	-1.50	-6.00
Public Works, Department of **(Total)**	(1,430.09)	(1,441.37)	(1,439.37)	(9.28)	(-2.00)
Administrative Services Division	42.00	46.00	44.00	2.00	-2.00
Infrastructure Services Division	658.25	665.53	667.53	9.28	2.00
Operations Division	729.84	729.84	727.84	-2.00	-2.00
Special Purpose Accounts	4.50	4.50	4.50	0.00	0.00
Treasurer's Office	29.92	28.68	29.66	-0.26	0.98
General City Purposes Total	**6,645.33**	**6,553.31**	**6,527.44**	**-117.89**	**-25.87**
Pensions					
Deferred Compensation	2.00	3.00	3.00	1.00	0.00
Employees' Retirement System	43.50	47.50	48.50	5.00	1.00
Pensions Total	**45.50**	**50.50**	**51.50**	**6.00**	**1.00**
Special Revenue Funds					
Parking Fund	116.25	119.00	116.25	0.00	-2.75
Sewer Maintenance Fund	114.00	112.70	112.50	-1.50	-0.20
Water Works	379.92	390.59	391.09	11.17	0.50
Special Revenue Funds Total	**610.17**	**622.29**	**619.84**	**9.67**	**-2.45**
Grand Total	**7,301.00**	**7,226.10**	**7,198.78**	**-102.22**	**-27.32**

*Election Commission does not include temporary election workers (26.58 FTEs in 2017 and 61.38 FTEs in 2018) due to staffing fluctuations between election and non-election years.

Comparison of 2018 Proposed Expenditures and Funding Sources with Prior Years by Major Budget Sections and Subsections

Section 1. City Budgets Under Control of the Common Council

	2015 Actual** Expenditures	2016 Actual** Expenditures	2017 Adopted Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted Budget
A. General City Purposes					
1. Budgets for General City Purposes					
Administration, Department of	$11,316,081	$11,515,653	$14,288,391	$13,107,150	$-1,181,241
Assessor's Office	4,562,164	4,711,026	4,768,408	4,729,719	-38,689
City Attorney	7,486,695	7,710,959	7,617,505	7,397,582	-219,923
City Development, Department of	3,734,731	4,804,539	5,017,952	5,044,906	26,954
City Treasurer	2,933,682	2,959,679	3,070,162	3,011,494	-58,668
Common Council City Clerk	8,279,346	8,987,711	9,246,234	9,292,348	46,114
Comptroller	4,957,121	5,078,810	5,137,455	4,975,920	-161,535
Election Commission	1,861,714	3,532,528	1,397,836	2,784,886	1,387,050
Employee Relations, Department of	4,674,705	4,612,254	4,194,034	4,021,616	-172,418
Fire and Police Commission	1,470,059	1,734,186	2,459,390	2,623,143	163,753
Fire Department	101,974,784	127,690,693	121,285,659	111,284,000	-10,001,659
Health Department	12,483,466	13,136,803	13,532,230	13,461,361	-70,869
Library	21,596,238	22,731,484	23,601,494	23,081,750	-519,744
Mayor's Office	1,258,775	1,262,871	1,453,404	1,407,273	-46,131
Municipal Court	3,226,349	3,080,347	3,246,142	3,087,875	-158,267
Neighborhood Services, Department of	20,067,440	20,686,045	20,227,833	19,419,432	-808,401
Police Department	295,808,513	305,472,912	302,083,020	293,359,525	-8,723,495
Port of Milwaukee	4,740,261	4,895,646	5,975,792	5,140,180	-835,612
Public Works Department **(Total)**	(122,916,439)	(129,729,082)	(125,580,253)	(123,139,744)	(-2,440,509)
Administrative Services Division	3,695,008	3,821,923	3,177,829	3,116,769	-61,060
Infrastructure Services Division	39,607,062	40,658,281	39,669,916	37,770,292	-1,899,624
Operations Division	79,614,369	85,248,878	82,732,508	82,252,683	-479,825
Special Purpose Accounts	132,186,255 *	130,903,934 *	144,448,289	146,616,796	2,168,507
Fringe Benefit Offset	-170,862,733	-185,464,934	-185,638,351	-176,242,339	9,396,012
Total Budgets for General City Purposes	$596,672,085 **	$629,772,228 **	$632,993,132	$620,744,361	$-12,248,771

* Special Purpose Account expenditures do not include wage supplement funding, these funds are reflected in departmental expenditures.

2. Source of Funds for General City Purposes					
Revenues					
Taxes and Payment in Lieu of Taxes	$17,979,406	$19,014,257	$17,698,600	$17,590,600	$-108,000
Licenses and Permits	16,630,087	16,767,350	16,203,300	15,937,400	-265,900
Intergovernmental Revenue	263,349,243	265,190,617	265,292,200	267,091,400	1,799,200
Charges for Services	126,813,815	123,460,681	127,044,792	129,478,000	2,433,208
Fines and Forfeitures	4,110,140	3,524,318	3,703,000	3,001,000	-702,000
Miscellaneous Revenue	37,032,756	38,454,108	37,259,500	38,416,200	1,156,700
Fringe Benefits	21,393,005	22,786,519	23,000,000	23,000,000	0
Total Revenues	$487,308,452	$489,197,850	$490,201,392	$494,514,600	$4,313,208
Tax Stabilization Fund Withdrawals	$16,700,000	$21,087,000	$27,579,000	$19,000,000	$-8,579,000
Property Tax Levy	114,264,667	105,404,962	115,212,740	107,229,761	-7,982,979
Total Financing for General City Purposes	$618,273,119	$615,689,812	$632,993,132	$620,744,361	$-12,248,771
B. Employees' Retirement					
1. Budgets for Employees' Retirement					
Firemen's Pension Fund					
Lump Sum Supplement Contribution	67,500	47,500	40,000	30,000	-10,000
Policemen's Pension Fund					
Pension Contribution	$207,199	$188,214	$320,000	$290,000	$-30,000
Lump Sum Supplement Contribution	30,000	21,500	10,000	10,000	0

	2015 Actual** Expenditures	2016 Actual** Expenditures	2017 Adopted Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted Budget
Employees' Retirement Fund					
Pension Contribution	$60,000,000	$60,000,000	$61,000,000	$78,000,000	$17,000,000
Administration	19,802,111	17,880,765	24,983,109	23,656,880	-1,326,229
Employers' Share of Employees' Annuity Contribution	1,805,914	0	0	0	0
Annuity Contribution Employer's Reserve Fund	10,400,000	0	0	5,000,000	5,000,000
Social Security					
Social Security Tax	$17,283,366	$18,170,596	$18,500,000	$18,300,000	$-200,000
Former Town of Lake Employees' Retirement Fund					
Pension Contribution	$7,273	$5,853	$7,300	$0	$-7,300
Deferred Compensation	1,380,364	324,232	365,367	477,764	112,397
Total Budgets for Employees' Retirement	$110,983,727 **	$96,638,660 **	$105,225,776	$125,764,644	$20,538,868
2. Source of Funds for Employees' Retirement					
Fringe Benefits Pension	$1,076,400	$1,170,775	$1,283,620	$1,499,058	$215,438
Charges to Retirement Fund	19,163,339	17,374,977	24,598,428	23,305,852	-1,292,576
Charges to Deferred Compensation	1,380,364	324,232	365,367	477,764	112,397
Miscellanous and Other	940,655	988,955	996,000	1,302,000	306,000
Reserve Fund	10,400,000	0	0	5,000,000	5,000,000
Property Tax Levy	78,532,396	78,532,396	77,982,361	94,179,970	16,197,609
Total Financing for Employees' Retirement	$111,493,154	$98,391,335	$105,225,776	$125,764,644	$20,538,868
C. Capital Improvements					
1. Budgets for Capital Improvements					
Special Capital Projects or Purposes	$1,174,204	$1,744,277	$8,739,000	$8,514,000	$-225,000
Administration, Department of	1,084,297	2,481,387	3,045,000	1,660,000	-1,385,000
Assessor's Office	29,960	304,352	350,000	0	-350,000
City Development, Department of	55,598,366	44,578,797	53,517,000	52,920,000	-597,000
Common Council City Clerk	163,588	222,721	438,000	0	-438,000
Election Commission	460,473	0	0	0	0
Fire Department	3,962,526	2,448,187	2,948,000	1,555,000	-1,393,000
Health Department	622,312	386,709	731,000	660,000	-71,000
Library	6,378,713	1,388,794	2,844,000	4,695,000	1,851,000
Municipal Court	11,915	0	384,000	0	-384,000
Neighborhood Services, Department of	2,357,839	3,169,720	2,900,000	2,000,000	-900,000
Police Department	4,449,049	12,032,641	7,589,000	7,001,000	-588,000
Port of Milwaukee	250,030	3,198,744	640,000	700,000	60,000
Public Works, Department of **(Total)**	(76,647,628)	(68,974,829)	(66,904,000)	(63,123,000)	(-3,781,000)
Infrastructure Services Division	62,744,608	57,730,429	56,994,000	53,448,000	-3,546,000
Operations Division	13,903,020	11,244,400	9,910,000	9,675,000	-235,000
Total Budgets for Capital Improvements (Other than Parking, Water Works and Sewer Maintenance)	$153,190,900 **	$140,931,158 **	$151,029,000	$142,828,000	$-8,201,000
2. Source of Funds for Capital Improvements					
General Obligation Borrowings					
New Borrowing	$96,549,266	$91,565,580	$89,620,000	$76,924,000	$-12,696,000
Tax Increment District Public Improvements					
New Borrowing	$49,218,955	$36,616,368	$44,000,000	$44,000,000	$0
Anticipated Special Assessments					
New Authorizations	$1,722,502	$1,270,788	$1,517,000	$2,885,000	$1,368,000

	2015 Actual** Expenditures	2016 Actual** Expenditures	2017 Adopted Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted Budget
Capital Improvement Revenues					
Cash Revenues	$5,294,039	$10,997,497	$15,592,000	$18,130,000	$2,538,000
Property Tax Levy	406,138	480,925	300,000	889,000	589,000
Total Financing for Capital Improvements					
(Other than Parking, Water Works and Sewer Maintenance)	$153,190,900 *	$140,931,158 *	$151,029,000	$142,828,000	$-8,201,000
* Does not include School Board expenditures.					
D. City Debt (Including School Purposes)					
1. Budget for City Debt					
Bonded Debt (Principal)	$259,453,674	$249,135,001	$241,592,239	$241,900,000	$307,761
Bonded Debt (Interest)	36,606,000	41,878,013	45,240,105	44,800,000	-440,105
Bonded Debt (Fees)	0	1,057,894	280,000	385,000	105,000
Bonded Debt (Issuance Expenses)	1,180,000	1,305,279	1,786,200	1,740,000	-46,200
Subtotal	$297,239,674	$293,376,187	$288,898,544	$288,825,000	$-73,544
Less: Prepayment					
Prepayment Deduction (PDAF)	$-5,500,000	$-7,000,000	$-6,500,000	$-8,500,000	$-2,000,000
Special Assessment	-2,646,000	-418,876	-105,931	-49,000	56,931
Total Budget for City Debt	$289,093,674 **	$285,957,311 **	$282,292,613	$280,276,000	$-2,016,613
2. Source of Funds for City Debt					
Revenues	$48,442,700	$43,590,628	$33,804,652	$32,018,000	$-1,786,652
TID Increments from Prior Year	28,160,000	28,543,283	28,373,966	28,209,000	-164,966
Delinquent Tax Revenues	30,011,000	30,900,130	28,833,790	15,541,000	-13,292,790
Offsets and Premium	125,000,000	126,000,000	126,000,000	138,300,000	12,300,000
Property Tax Levy	57,832,996	61,160,365	65,280,205	66,208,000	927,795
Total Financing for City Debt	$289,446,696	$290,194,406	$282,292,613	$280,276,000	$-2,016,613
F. Common Council Contingent Fund					
1. Budget for Common Council Contingent Fund					
Common Council Contingent Fund	[3,797,914] *	[5,000,000] *	$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
* 2015 and 2016 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)	$1,149,940,386	$1,153,299,357	$1,176,540,521	$1,174,613,005	$-1,927,516
Non-Tax Levy	$921,367,672	$899,628,063	$912,765,215	$901,106,274	$-11,658,941
Tax Levy	$256,036,197	$250,578,648	$263,775,306	$273,506,731	$9,731,425
Subtotal Financing for (Estimated Revenues) Common Council Controlled Budgets					
(Except Water and Special Revenue Accounts)	$1,177,403,869	$1,150,206,711	$1,176,540,521	$1,174,613,005	$-1,927,516
Special Revenue Accounts Sections G through M					
G. Parking					
1. Budget for Parking Program					
Operating and Maintenance Expense	$23,250,840	$26,357,653	$27,580,574	$27,735,148	$154,574
Transfer to General Fund	17,000,000	17,008,956	16,600,000	16,600,000	0
Capital Improvement Program	1,353,606	716,633	8,340,000	3,424,500	-4,915,500
Total Budget for Parking Program	$41,604,446 **	$44,083,242 **	$52,520,574	$47,759,648	$-4,760,926
2. Source of Funds for Parking Operations					
Parking Permits	$4,087,152	$4,552,754	$4,139,500	$4,647,000	$507,500
Meters	5,140,894	5,179,881	4,768,200	5,378,500	610,300

	2015 Actual** Expenditures	2016 Actual** Expenditures	2017 Adopted Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted Budget
Rental and Lease of Facilities	8,119,923	7,424,053	7,484,700	6,539,000	-945,700
Towing of Vehicles	4,370,544	3,938,247	4,300,000	4,000,000	-300,000
Vehicle Disposal	1,370,743	1,628,841	1,200,000	1,400,000	200,000
Miscellaneous	1,464,576	1,037,336	1,398,174	1,200,000	-198,174
Subtotal Financing of Parking Operations	$24,553,832	$23,761,112	$23,290,574	$23,164,500	$-126,074
Other Funding Sources					
Withdrawal from Reserves	$0	$4,042,146	$5,000,000	$5,170,648	$170,648
Citation Revenue	18,643,025	15,563,351	17,500,000	16,000,000	-1,500,000
Capital Improvements to be Financed from Available:					
Cash Reserves	$0	$0	$5,000,000	$0	$-5,000,000
New Borrowing	0	716,633	1,730,000	3,424,500	1,694,500
Subtotal Other Funding Sources	$18,643,025	$20,322,130	$29,230,000	$24,595,148	$-4,634,852
Total Financing for Parking	$43,196,857	$44,083,242	$52,520,574	$47,759,648	$-4,760,926
H. Grants and Aids Projects (Except Capital Projects)					
1. Budget for Grants and Aids Projects					
Grantor Share (Non-City)	$44,738,407	$45,351,112	$45,199,364	$42,847,051	$-2,352,313
Total for Grants and Aids Projects	$44,738,407 **	$45,351,112 **	$45,199,364	$42,847,051	$-2,352,313
2. Source of Funds for Grants and Aids Projects					
Grantor Share (Non-City)	$44,738,407	$45,351,112	$45,199,364	$42,847,051	$-2,352,313
Total Financing for Grants and Aids Projects					
(Except Capital Projects)	$44,738,407	$45,351,112	$45,199,364	$42,847,051	$-2,352,313
I. Economic Development Fund					
1. Budget for Economic Development Fund					
Business Improvement Districts	$9,696,475	$9,877,350	$11,582,033	$11,443,004	$-139,029
Total Budget for Economic Development Fund	$9,696,475	$9,877,350	$11,582,033	$11,443,004	$-139,029
2. Source of Funds for Economic Development Fund					
Business Improvement District Assessments/Excess TID Revenue	$9,696,475	$9,877,350	$11,582,033	$11,443,004	$-139,029
Total Source of Funds for Economic Development Fund	$9,696,475	$9,877,350	$11,582,033	$11,443,004	$-139,029
J. Water Works					
1. Budget for Water Works, Department of Public Works					
Operating Budget	$78,022,672	$90,642,548	$94,765,000	$101,279,000	$6,514,000
Capital Improvements Program	23,041,073	21,495,740	29,210,000	32,780,000	3,570,000
Retained Earnings, Borrowing, and Other Accounts	33,051,134	41,500,580	7,262,000	5,473,000	-1,789,000
Total Expenditures and Deposits	$134,114,879 **	$153,638,868 **	$131,237,000	$139,532,000	$8,295,000
2. Source of Funds for Water Works					
Operating Revenue	$91,459,569	$92,398,069	$92,402,000	$96,452,000	$4,050,000
Non-Operating Revenue	7,215,258	9,143,697	6,625,000	10,300,000	3,675,000
Proceeds from Borrowing	10,000,000	20,000,000	21,938,000	27,307,000	5,369,000
Retained Earnings/Miscellaneous	25,440,046	32,097,102	10,272,000	5,473,000	-4,799,000
Total Source of Funds for Water Works	$134,114,873	$153,638,868	$131,237,000	$139,532,000	$8,295,000
K. Sewer Maintenance					
1. Budget for Sewer Maintenance					
Operating Budget	$45,703,254	$40,353,342	$70,175,344	$70,204,016	$28,672
Capital Budget	35,926,874	34,029,633	38,714,000	37,514,000	-1,200,000
Deposit to Retained Earnings	16,135,268	23,281,512	0	0	0
Total Budget for Sewer Maintenance	$97,765,396 **	$97,664,487 **	$108,889,344	$107,718,016	$-1,171,328

	2015 Actual** Expenditures	2016 Actual** Expenditures	2017 Adopted Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted Budget
2. Source of Funds for Sewer Maintenance					
Sewer User Fee	$31,585,122	$29,901,758	$29,802,218	$30,398,262	$596,044
Storm Water Fee	29,115,332	31,303,387	32,162,140	33,127,004	964,864
Charges for Services	17,915	1,741,920	1,686,500	1,660,300	-26,200
Miscellaneous Revenue	-106,395	97,354	27,600	57,200	29,600
Retained Earnings	0	0	9,396,886	7,661,250	-1,735,636
Proceeds from Borrowing/Grants/Developer	37,153,422	34,620,068	35,814,000	34,814,000	-1,000,000
Total Source of Funds for Sewer Maintenance	$97,765,396	$97,664,487	$108,889,344	$107,718,016	$-1,171,328
M. Delinquent County Taxes					
1. Budget for Delinquent County Taxes					
Delinquent County Taxes and Tax Certificate Purchases	$8,213,958	$7,739,540	$8,215,000	$7,740,000	$-475,000
2. Source of Funds for Delinquent County Taxes	$8,213,958	$7,739,540	$8,215,000	$7,740,000	$-475,000
Purchase of Milwaukee County Delinquent Taxes	$8,213,958	$7,739,540	$8,215,000	$7,740,000	$-475,000
Total Source of Funds for Delinquent County Taxes	$8,213,958	$7,739,540	$8,215,000	$7,740,000	$-475,000
Subtotal Budget Authorization for Special Revenue Accounts	$336,133,561	$358,354,599	$357,643,315	$357,039,719	$-603,596
Subtotal Estimated Revenues for Special Revenue Accounts	$337,725,966	$358,354,599	$357,643,315	$357,039,719	$-603,596
Total All Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,486,073,947	$1,511,653,956	$1,534,183,836	$1,531,652,724	$-2,531,112
Total Financing Revenues of Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,515,129,835	$1,508,561,310	$1,534,183,836	$1,531,652,724	$-2,531,112

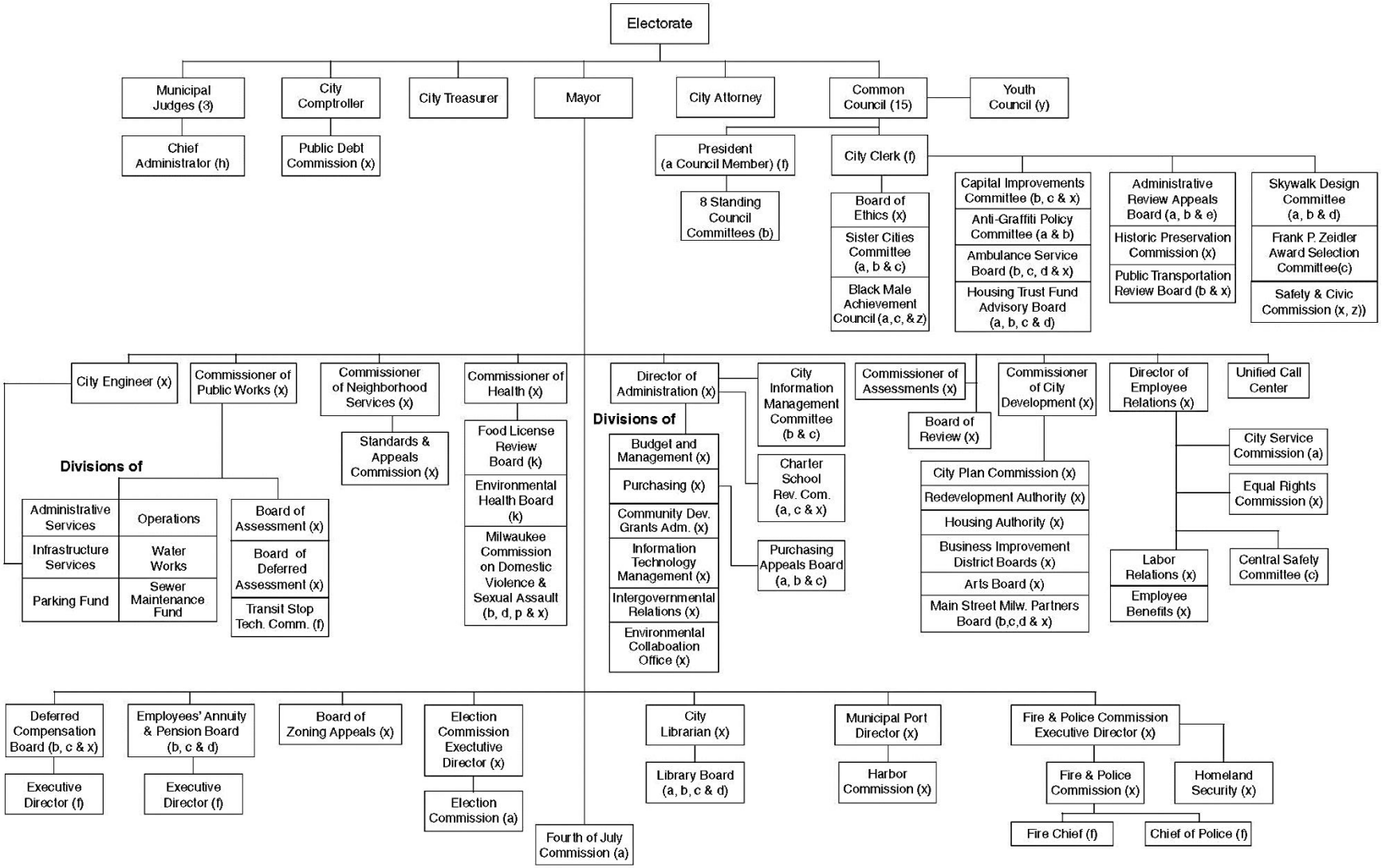
** Expenditures include funding carried over from prior year.

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

	2016	2017	2018
General Obligation Bonds or Short Term Notes			
New Borrowing			
General City Purposes	$95,687,000	$91,350,000	$80,348,500
Schools	2,000,000	2,000,000	2,000,000
Subtotal	**$97,687,000**	**$93,350,000**	**$82,348,500**
Special Assessment Borrowing			
New Borrowing	$1,548,000	$1,517,000	$2,885,000
Subtotal	**$1,548,000**	**$1,517,000**	**$2,885,000**
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	$53,900,000	$44,000,000	$44,000,000
Subtotal	**$53,900,000**	**$44,000,000**	**$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	$12,842,000	$21,938,000	$27,307,000
Subtotal	**$12,842,000**	**$21,938,000**	**$27,307,000**
Sewer Maintenance Fund Borrowing			
New Borrowing	$39,380,000	$33,500,000	$32,500,000
Subtotal	**$39,380,000**	**$33,500,000**	**$32,500,000**
Total All Borrowing			
New Borrowing	$842,357,000	$831,305,000	$826,040,500
Total	**$842,357,000**	**$831,305,000**	**$826,040,500**

CITY OF MILWAUKEE ORGANIZATION CHART

Source: City Clerk's Office • January 2017



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) Appointed and confirmed by Common Council

I. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

PROPERTY TAX SUPPLEMENTED FUNDS
SUMMARY OF EXPENDITURES

Expense Category	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
A. General City Purposes	$629,772,228	$632,993,132	$627,034,259	$620,744,361	$-12,248,771	$-6,289,898
B. Employees' Retirement	96,638,660	105,225,776	124,084,395	125,764,644	20,538,868	1,680,249
C. Capital Improvements	140,931,158	151,029,000	165,022,000	142,828,000	-8,201,000	-22,194,000
D. City Debt	285,957,311	282,292,613	282,276,000	280,276,000	-2,016,613	-2,000,000
F. Contingent Fund	[5,000,000] *	5,000,000	5,000,000	5,000,000	0	0
Total	$1,153,299,357	$1,176,540,521	$1,203,416,654	$1,174,613,005	$-1,927,516	$-28,803,649

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

A. GENERAL CITY PURPOSES

1. BUDGET APPROPRIATIONS AND EXPENDITURES

DEPARTMENT OF ADMINISTRATION

EXECUTIVE SUMMARY

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

OBJECTIVES: Increase training and employment opportunities for Milwaukee residents.

Provide 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 budget stabilization actions that achieve ongoing structural budget balance.

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

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

Focus grant funding 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 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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	92.72	103.10	96.60	97.80	-5.30	1.20
FTEs - Other	28.39	35.95	37.75	36.75	0.80	-1.00
Total Positions Authorized	146	153	147	152	-1	5
Expenditures						
Salaries and Wages	$5,838,080	$6,502,489	$5,979,041	$5,975,069	$-527,420	$-3,972
Fringe Benefits	2,641,226	2,926,120	2,750,359	2,748,531	-177,589	-1,828
Operating Expenditures	1,282,838	2,006,444	2,371,500	2,371,500	365,056	0
Equipment	43,758	31,800	30,300	30,300	-1,500	0
Special Funds	1,709,751	2,821,538	1,981,750	1,981,750	-839,788	0
Total	$11,515,653	$14,288,391	$13,112,950	$13,107,150	$-1,181,241	$-5,800
Revenues						
Charges for Services	$114,971	$80,500	$86,000	$86,000	$5,500	$0
Miscellaneous	203,567	342,200	351,500	351,500	9,300	0
Total	$318,538	$422,700	$437,500	$437,500	$14,800	$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 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 city tax levy 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	2016 Actual	2017 Projected	2018 Planned
Combined percentage increase from prior year of changes to the property tax levy and municipal service charges on the average valued residential property.	0.3%	3.1%	3.1%
Percent of tax levy allocated to debt service and employer pension contribution.	47.4%	47.9%	52.7%
Combined number of jobs created and persons trained and placed in jobs through CDBG and HOME funded projects.	557	525	475
Number of firms receiving SBE certification.*	82	90	90
RPP hours worked as a percentage of total project hours.**	39%	40%	40%
Average speed time for response at Unified Contact Center {minutes:seconds}.	:35	:45	:45
Days needed to resolve IT service requests.	5	5	5
Number of homes receiving energy efficiency upgrades via *Me2* and *Milwaukee Shines*.	68	80	80
Number of manufacturing firms receiving *Me3* grants.	2	0	0

* 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. Participation on city let contracts is 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 challenged the city's structural budget balance from the mid-1990's. More recent events, especially the need to return to employer pension contributions in 2010 after a 15 year hiatus, heightened these challenges and produced a persistent structural gap. The 2013 city budget initiated a budget plan to "Resize, Restructure, and Reinvest" in city government as a means to restore structural balance.

Implementation of the "3 R" strategy led to relatively stable city finances over the next four years. Significant decreases to employe health care benefit expenditures, a pension contribution pre-payment strategy, and modest departmental expense reductions were primary factors that contributed to ongoing structural improvement through the 2017 budget.

During 2016, financing the City's Employes' Retirement System (CMERS) became a challenge. Adverse financial market conditions, including the potential for an end to the bull market in U.S equities and the prospect of

depressed fixed income returns, raised questions about the sustainability of CMERS' investment results. In 2017 CMERS' governing body, the Annuity & Pension Board, began a review of the plan's prior five years' experience. This review will lead to the adoption of revised economic and demographic assumptions that will impact employer pension contribution rates for 2018 through 2022.

In order to manage the potential impact of increased employer contributions and the ongoing fiscal pressure from limited revenue growth, the 2018 proposed budget process emphasized reduced levels of levy supported borrowing and reductions to departmental expenditures. The proposed budget includes a net reduction of 102 funded FTEs, including a strength reduction of 112 sworn protective service positions. The FTEs reductions are expected to generate approximately $9 million in annual wage savings. In addition, the 2018 proposed budget includes a $13 million reduction (-14.2%) to levy supported capital borrowing, compared with 2017. These reductions reduce the projected structural imbalance over the five year planning period. However, significant challenges remain unless state government takes action to enable improvement to the city's fiscal capacity.

A key DOA objective is improving the city's fiscal sustainability. DOA's annual budgetary objective is to provide 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. The 2018 proposed budget includes a 3.75% increase to the four city municipal service charges. This equates to an increased city government cost of approximately $51 or 3.1% to the owner of an average valued city home. The increase above target level reflects stagnation of state aid and the increasing costs of pensions.

It will become increasingly difficult to sustain critical services within the 3% impact guideline, unless the city can gain an additional or increased revenue source. The Mayor has proposed a state law change that would grant the city authority for a half cent sales tax pending approval of a citywide referendum to sustain police sworn strength capacity without reducing other important city services. If approved, the sales tax would generate $35 million annually, with approximately $8.5 million gained during the last quarter of 2018. This would enable continuation of key service levels with 2% annual increases to the tax levy and to the municipal service charges. Between 40% and 50% of the estimated sales tax revenue would be paid by non-residents.

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 Annuity & Pension Board serves as the governing body for CMERS.

The plan's January 1, 2017 actuarial funded ratio of 96.1% makes it one of the best funded Public Employee Retirement System (PERS) plans in the United States. This compares with a median funded ratio of 72% for 170 major PERS according to research from the Center for State and Local Government Excellence.

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 $67 million for the 2017 plan year. 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 contribution rates based on a stable percent of payroll for five years. This policy facilitates budget planning and minimizes year-to-year volatility. As a result, the annual budget for employer pension contributions remained essentially stable at approximately $61 million through 2016, although an increase to $67 million was necessary for 2017. The new policy 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.

All employed ERS members now pay their entire member contribution. This has reduced city budget expenditures by a total of $22 million, compared to 2013. In addition, pre-payment of the employer contribution is projected to save a net of more than $21 million over five years.

The 2018 proposed budget addresses additional pension financing challenges. The city charter requires the Annuity & Pension Board to review and, if appropriate, modify the plan's economic and demographic assumptions every five years. The Board is currently undertaking this review, which will significantly impact contribution rates for the 2018-2022 plan periods. Based on initial actuarial projections, the 2018 proposed budget includes an employer pension contribution of $83 million for the 2018 plan year. This is an increase of $22 million (+36%) over the budgeted 2017 contribution and $16 million over the actual contribution, which was not determined until mid-2017. The 2018 proposed budget includes a recommended $5 million withdrawal from the Employer's Pension Reserve to offset a portion of the property tax levy increase.

The projected increase in pension contributions represents a major challenge to ongoing structural balance. In the absence of improved fiscal capacity, achieving structural balance over the next five years will be increasingly problematic. For example, under baseline projections, a 2% annual tax levy increase between 2019 and 2022 is projected to result in an imbalance of $43 million by 2022. This is equivalent to a reduction of approximately 410 sworn protective service positions. Viewed from another perspective, this imbalance is $6.5 million greater than the combined 2018 proposed budgets for the Health Department and Milwaukee Public Library.

Intergovernmental Relations Division (IRD): In 2018, the city 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 with the Mayor and Common Council. In 2018, the division will continue to focus efforts on issues including 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 the city's youth, and advancing legislation to address residential property issues such as 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: The 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. The division manages the procurement process and negotiates cost savings for more than 700 requisitions received from city departments annually in a transparent, socially conscious, and ethical manner.

Core functions of the division also include maximizing cost savings and achieving efficiencies. Since 2015, the mandated use of recycled printer toner has generated $200,000 to $250,000 in savings annually. By implementing

technology such as BonFire, a web based solution that streamlines the request for proposal (RFP) process, the division has been able to decrease the time required to process and score proposals. With the continued use of BonFire and other efficiency measures in 2018, the division projects an average completion of informal bids within 60 days, formal bids within 90 days, and RFPs within 150 days.

The Purchasing Division prioritizes inclusion in the city's procurement practices. In 2018, these efforts will be expanded through participation in the Living Cities City Accelerator initiative. The city's team, which also includes the Office of Small Business Development and other key stakeholders, will partner with a consultant to achieve two primary goals:

- Increase prime awards to local minority and woman owned firms; specifically professional service contracts.
- Increase availability of local minority and woman owned firms by identifying gaps in prime awards.

The Living Cities grant award provided technical assistance and $100,000 in grant funds to be used to help achieve the city's goals. The grant funds may be used for activities such as formalizing a forecasting plan of city contracting opportunities, rebranding for the city's inclusion programs, and developing a master small, minority and woman owned business directory. The city's team will determine use of the funds.

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 2016, OSBD processed a total of 125 applications and approved 82 certifications including 26 new applications, 54 renewals, and 2 addendums. In 2016, a loan of $35,000 was issued to a small business that led to the creation of four jobs. In 2017 and 2018, a total of $313,000 is available for revolving loans to small businesses. A total of five loans are anticipated to be issued.

OSBD works with the Department of City Development to track and report on the performance of the residents preference program 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, with a goal of 40% of total work hours. In 2016, RPP workers completed 130,233 hours of work or 39% of the total work hours on private development projects.

In 2018, OSBD will continue to improve program administration and outcomes for both the SBE and RPP programs. This includes the Business Capacity Building Program (BCBP). The goals of the BCBP are to prepare small businesses for sustainable growth measured by increased business revenues, new contracting opportunities, and job creation. The program offers business and personal coaching, business solidification assistance, development and growth workshops, networking events, and action learning development sessions. SBE's that successfully complete the program are eligible to receive grant funds to help address capital needs, a significant barrier faced by small, emerging firms. OSBD will continue hosting 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.

Promoting Equity and Inclusion in Milwaukee: Through a number of initiatives, the Department of Administration plays a key role in supporting the Mayor's vision of a "Milwaukee where opportunity is abundant and accessible to all".

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. In 2013, the city established the Black Male Achievement Advisory Council (BMAAC) and in 2014 accepted President Obama's My Brother's Keeper (MBK) community challenge. 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. DOA 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).

Significant progress is being made for both MBK and BMA. In 2017, five AmeriCorps workers were hired and will be assigned to five community agencies to assist with implementing specific goals from the MBK action plan. The focus will be building capacity to address barriers to employment, housing, education, economic advancement, and overall wellness. These areas were focus areas for "mini" fatherhood summits held in 2017. In 2017, the CEAC Director began diversity training for city employees focused on the development of inclusive beliefs and behaviors. In 2017, building connections is a priority for the CEAC and will continue in 2018. Many partnerships have been formed with organizations including the Milwaukee Bucks, Milwaukee Public Schools' Department of Black and Latino Male Achievement, United Way, Running Rebels, and the Milwaukee County Office of African American Affairs.

The Equal Rights Commission consists of seven members appointed by the Mayor and the Common Council and is staffed by the Equal Rights Specialist. The ERC provides internal accountability, enforcing the housing and employment discrimination provisions of the Milwaukee Code of Ordinances, and working with the business community, educational institutions, and other community based organizations to implement awareness, prevention, and education strategies to address the city's equal rights challenges. In 2018, the commission will expand its reach into the community and strengthen internal and external partnerships.

Initiatives like 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. DOA positions dedicated to these efforts include the CEAC Director, Equal Rights Specialist, and Community Outreach Coordinator. The 2018 proposed budget includes $25,000 in a special fund for the Milwaukee Fatherhood Initiative and $10,000 in operating funds for the ERC and other community outreach activities.

Children's Savings Accounts: In 2015, research began for a Children's Savings Account (CSA) program in the city to change aspirations of low income families. A CSA working group comprised of representatives from government, education, financial institutions, philanthropy, and community based organizations outlined a proposed model in 2016. In 2017, work continues to form partnerships and refine the implementation plan.

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 goal 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 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 CSA program is a public private partnership involving city government, MPS, the Greater Milwaukee Foundation, United Way, and other community stakeholders. The 2018 proposed budget provides $25,000 in the Children's Savings Accounts special purpose account for administrative costs. Seed deposits, matching and savings incentives will be provided by partnering organizations.

Environmental Collaboration Office: The Environmental Collaboration Office (ECO) 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 long term prosperity. ECO collaborates with the community, develops global partnerships, implements award winning programs, and is responsible for the city's

Refresh Milwaukee sustainability plan. *ReFresh Milwaukee* is the city's roadmap to a more sustainable future. The 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 operates several core programs including the *Better Buildings Challenge* for municipal and commercial buildings including property assessed clean energy (PACE) financing, *Me2* home energy efficiency program, *HOME GR/OWN* vacant lot revitalization program, and *Milwaukee Shines* solar program. In 2017, ECO launched the *Water Centric City* initiative to demonstrate the city's global leadership in sustainable management of water resources.

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 5%. Since 2010, energy efficiency strategies have saved the city $2.1 million in its municipal buildings. The 2018 proposed capital budget provides $100,000 in levy supported borrowing to continue improving energy efficiency in municipal buildings. This could be supplemented by alternative financing strategies for municipal buildings such as public libraries which would redirect energy budgets to energy efficiency projects.

With support from a U.S. Department of Energy grant, ECO expanded the *Better Buildings Challenge* to include a comprehensive energy efficiency program for commercial building owners in partnership with ten partners. ECO's PACE financing program has been bundled under the *Better Buildings Challenge* with other services like free energy assessments, workforce development, technology transfer, and operations training. Since its inception, PACE has leveraged private capital to finance over $13 million in commercial energy efficiency projects since 2014. The U.S. Department of Energy has designated the city's PACE program as a national "implementation model".

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 foster new economic opportunities around local, healthy food production, and distribution. The program helps build neighborhood pocket parks and green space and has revised city codes to make urban agriculture easier. In 2016-2018, HOME GR/OWN is concentrating its vacant lot beautification efforts on commercial corridors, particularly North Avenue from North 5th Street to North 27th Street. ECO worked with the Department of City Development, Department of Public Works, and local funders to create a new stormwater park and community space next to the Fondy Food Center. The site will now feature stormwater bio-retention basins, native plantings, and other amenities.

The new *Water Centric City* initiative demonstrates Milwaukee's leadership on water across nine principles:

- Water leadership,
- Gathering place by the water,
- Water technology,
- Green infrastructure,
- Applied water research and policy,
- Fishable and swimmable rivers and water bodies,
- Sustainable water supply,

- Healthy drinking water, and
- Onsite water reuse.

In 2017, to advance these principles ECO hosted a Water Week, brought on students from the UWM School of Freshwater Sciences as interns, and updated ordinances. ECO works with the water council and other partners to globally promote fresh water as central to Milwaukee's identity.

The *Milwaukee Energy Efficiency* (*Me2*) program provides affordable loans to city 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. In 2016, *Me2* received 67 applications for projects. *Me2's* partner, Summit Credit Union, pre-approved 36 and closed 16 loans. Loans closed through *Me2,* however, do not encompass all of the energy efficiency activity. Focus on Energy, the statewide program that provides rebates, reported that there were 3,162 projects in 2016. ECO developed an ECO Neighborhoods Toolkit in an effort to drive participation in environmental programs like *Me2.*

ECO assists small and medium sized Milwaukee manufacturers improve their competitiveness. The *Me3* sustainable manufacturing program has assisted firms lower their costs by reducing waste, pollution, and other production inefficiencies. In 2016, the *Me3* program supported one of the largest rooftop solar installations in the city a 372kw system at Jonco Industries. The 2018 proposed budget does not provide additional funding for the *Me3* program; however ECO will partner with the University of Wisconsin Milwaukee to promote their Industrial Assessment Center which provides a similar service.

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 2016, *Milwaukee Shines* has assisted 52 homeowners install solar.

In 2014, ECO intervened on behalf of the city in the WE Energies rate case and continues to reap the benefits. As a result, WE Energies created a new rate tariff that saves the city $800,000 annually on electricity costs for streetlights. The *Milwaukee Shines* program is now working to create improved customer options for solar energy in a manner that will increase the percentage of renewable energy as part of the regional fuel mix.

In 2018, ECO will continue to explore "smart cities" technologies that link technical innovation with environmental sustainability. An internal working group convened by ECO along with the Department of Public Works, Department of City Development, DOA Information Technology Management Division, and the Mayor's Office will develop a strategy and explore pilot projects.

Community Development Grants Administration: The Community Development Grants Administration (CDGA) division 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. The majority of funding assists lower income families, removes blight, and increases access to job training and placement services. In 2016, the combined number of jobs created, persons trained, and placed in jobs through Community Development Block Grant (CDBG) and HOME funded projects was 557. Of those individuals, 82% obtained full time positions and approximately 50% were still employed 45 days after the date of hire. A total of 74 low income city residents received specialized training at 22 businesses in areas including manufacturing, construction, food services, and commercial driver's licenses. Of those residents, 43% obtained a job in their respective field, 61% were full time, and all were still employed 45 days after their first day of employment. These residents earned an average wage of $10.51 per hour.

The 2018 City of Milwaukee Block Grant entitlement allocation totals $16.4 million, a reduction of $3.8 million from 2017. CDBG funds account for the largest portion of those funds with $11.5 million, a reduction of $2.8 million from 2017. This reduction will impact several city departments and other organizations that have used this funding for staff and services to the community. CDGA will eliminate one vacant Office Assistant IV position as a result.

Improving the Effectiveness and Efficiency of Information Technology: The Information Technology Management Division (ITMD) provides services to departments such as desktop support, networks, phones, 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 most cabinet level departments was completed. The Municipal Court, Water Works, Police and Fire departments continue to purchase and maintain their own IT assets.

A more centralized approach to enterprise system implementation and maintenance and accomplishes the following:

- Aligns the city's IT organization and structure with national public sector best practices.
- Establishes clear accountability and responsibility for the operation of IT systems and network communications.
- Improves the overall IT environment related to security and data integrity.
- Provides IT focus on enterprise wide needs and service delivery.
- Generates various economies of scale, especially in the area of help desk and application support.
- Reduces risk through uniformity and standardization of IT systems and applications.

In addition to staff and resource consolidation, ITMD works closely with city departments to replace outdated enterprise systems with more efficient systems that are simpler to maintain and provide enhanced functionality and greater coordination among the departments. Examples include the Land Management System (LMS) and the Treasurer's Office tax collection system. These systems will provide citizens with enhanced services. During the first year of the LMS being operational, citizens used the system to pull more than 23,000 permits and paid more than $4.5 million in related fees. Many of these were done during non-business hours and approximately 1,000 on weekends; an option that was not previously available.

Due to constraints in the 2018 proposed budget, one Programmer II, one IT Support Specialist Lead, one Unified Call Center (UCC) Customer Service Representative IV, and one UCC Program Assistant III will be eliminated. These positions are vacant and operational changes implemented by the division make these staff reductions manageable. For example, the replacement of major homegrown enterprise systems with commercial, off-the-shelf offerings has simplified system maintenance.

The 2018 proposed capital budget provides $1.6 million for ITMD projects. New projects planned for 2018 include a PeopleSoft upgrade and surveying for ADA web and public application compliance. The 2018 proposed budget includes funding for the continuation of the IT upgrades and replacements and public facilities communications programs, completion of the open data dashboard and analytics tool, and the second phase of the City Assessor modernization project.

Unified Contact Center: 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 the *MKEmobile* 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. In the first half of 2017, service and information requests from the "Click for Action" and other web channels accounted for approximately 27% of total interactions.

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, 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 section 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, the Office of Small Business Development (OSBD) implemented the 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 2018 proposed budget includes $33,000 for continued citywide use of the LCPTracker.

Improving Accessibility: The city is committed to providing programs, services, and activities that are accessible to all citizens and will continue efforts to ensure compliance with the Americans with Disabilities Act (ADA). The 2018 proposed budget includes $150,000 in an ADA compliance special fund. Funding will support an independent licensed architect (ILA) and provide training for employees that regularly come into contact with individuals with disabilities as part of their job duties. The department's ADA Coordinator is responsible for planning and managing compliance projects, completing Department of Justice mandated reporting, and coordinating training for employees.

Since this effort began in 2016, significant progress has been made with inspections by the ILA and training for city employees. One-third of the identified violations have been remediated and nearly 3,300 employees have been trained in eleven city departments including the Police and Fire Departments, Health Department, and the Milwaukee Public Library. The ILA will continue to survey city facilities and check with the U.S. Department of Justice that any identified ADA violations have been remediated.

As the demand for direct access to services and information increases, it is important to ensure that the city's websites are also in compliance with ADA regulations. In 2017, ITMD began working with a consultant to test the city's web pages and identify barriers for citizens with disabilities. In 2018, this testing continues and changes to the web pages and applications will make them accessible.

Tax Collection System: The 2018 proposed budget includes the first year of annual maintenance costs for the Treasurer's Office new tax collection system. The new system will enable coordination between the Treasurer's Office and the Assessor's Office and will be more efficient than the previous system. Annual maintenance costs for 2018 are $530,000.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
	-1.00		Program Assistant III	Position unfunded.
1	1.00		Administrative Specialist	Position created to replace Program Assistant III when vacated.
-1	-0.50	-0.50	Small Business Development Manager	Positions reclassified.
1	0.50	0.50	Small Business Development Director	
1	1.00		Financial Operations Manager	
-1	-1.00		Budget and Policy Manager Senior	
-2	-2.00		Project Coordinator	
2	2.00		IT Project Coordinator	
-1	-1.00		Call Center Operations and Analytics Manager	
1	1.00		UCC Operations Manager	
-1			Administrative Services Specialist	Position eliminated.
3			Graduate Intern	New positions added to ECO.
1		1.00	Continuum of Care Specialist	New position.
-1		-1.00	Office Assistant IV	Vacant CDGA position eliminated due to CDBG reductions.
-1	-1.00		Programmer II	Vacant ITMD positions eliminated.
-1	-1.00		IT Support Specialist Lead	
	1.00	-1.00	IT Support Specialist	Discontinuance of grant funding.
	-0.50		IT Support Specialist	Position funded for half year.
-1	-1.00		UCC Customer Service Representative IV	Vacant UCC positions eliminated.
-1	-1.00		Program Assistant III	
	-1.80	1.80	Various Positions	Miscellaneous adjustments in ITMD.
-1	**-5.30**	**0.80**	**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 property sales 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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	47.97	49.00	49.00	49.00	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	57	57	59	59	2	0
Expenditures						
Salaries and Wages	$2,886,746	$2,948,557	$2,915,722	$2,918,795	$-29,762	$3,073
Fringe Benefits	1,330,034	1,326,851	1,341,232	1,342,646	15,795	1,414
Operating Expenditures	413,342	403,000	403,278	398,278	-4,722	-5,000
Equipment	0	0	0	0	0	0
Special Funds	80,904	90,000	90,000	70,000	-20,000	-20,000
Total	$4,711,026	$4,768,408	$4,750,232	$4,729,719	$-38,689	$-20,513
Revenues						
Charges for Services	$854,494	$890,500	$1,060,300	$1,060,300	$169,800	$0
Total	$854,494	$890,500	$1,060,300	$1,060,300	$169,800	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

The Assessor's Office is responsible for uniformly and accurately assessing the value of taxable property in the City of Milwaukee. 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

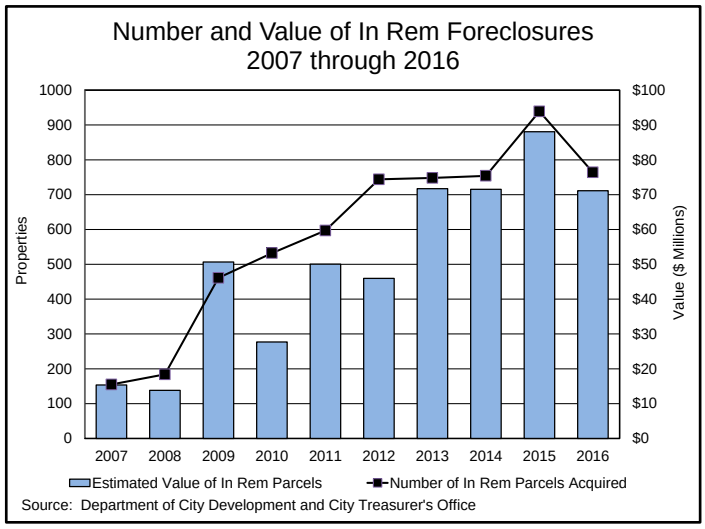
assessments ensure that all areas of the city and classes of property pay an equitable share of taxes based on their value.

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 improving the office computer system and other technologies used within the office. These efforts will continue in 2018 as the Assessor's Office completes its assessment system upgrade. In addition to providing better 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 computer system will be implemented over several years to help streamline the office workflows and provide more detailed information to city employees and the public.

Key Performance Measures	2016 Actual	2017 Projected	2018 Planned
Objections to assessments as a percentage of taxable parcels.	1.2%	1.08%	1.10%
Appeals to the Board of Review as a percentage of taxable parcels.	.085%	.080%	.080%
Assessment ratio (assessed value/sale price) for properties sold during the year.	94.8%	97%	97%

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 2016. Since 2008, a historic increase in foreclosures has presented serious challenges to accurate and equitable assessments. The negative impact of foreclosures 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 94.8% in 2016 reflects continued assessment accuracy in a complicated housing market.

Staffing reductions in previous years resulted in increased workloads for Assessor's Office staff. The department has used technology, strong recordkeeping, and other efficiency improvements to maintain productivity and manage an average parcel count per FTEs of 3,200 between 2008 and 2017 (see Figure 2). The Assessor's Office

continues to meet customer service demands without a demonstrable decrease in accuracy or increase in contested assessments.

The coefficient of dispersion and the price related differential (PRD) test the uniformity of assessments. The coefficient of dispersion measures the tendency of assessments to reflect sales values for the year (see Figure 3). For example, if the target is an assessment level of 100% and the coefficient of dispersion is 10, this means that the average assessment is within 10% of that 100% target. For the 2017 valuation year, the Assessor's Office coefficient of dispersion was 8.1 for the residential and condominium property class.

The PRD measures whether assessments favor one class of homeowners over another. If the PRD is greater than 1, the assessment is regressive (advantageous to those with higher property values); if it is less than 1, the assessment is progressive (advantageous to those with lower property values). The Assessor's Office had a PRD of 1.03 for the 2017 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).

Figure 2

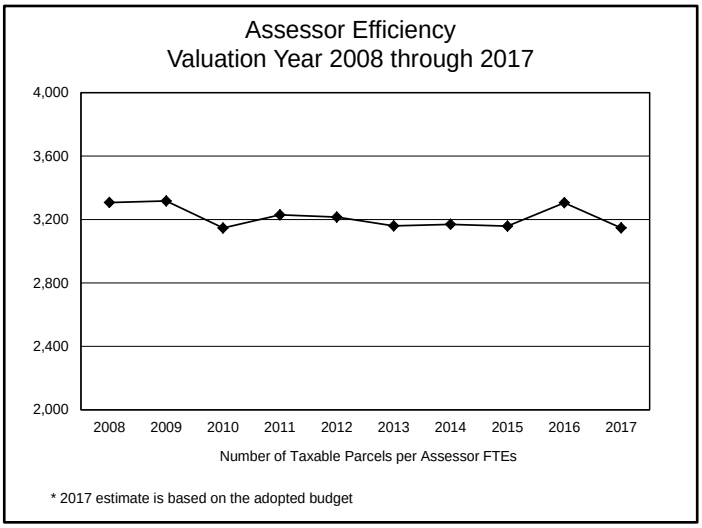
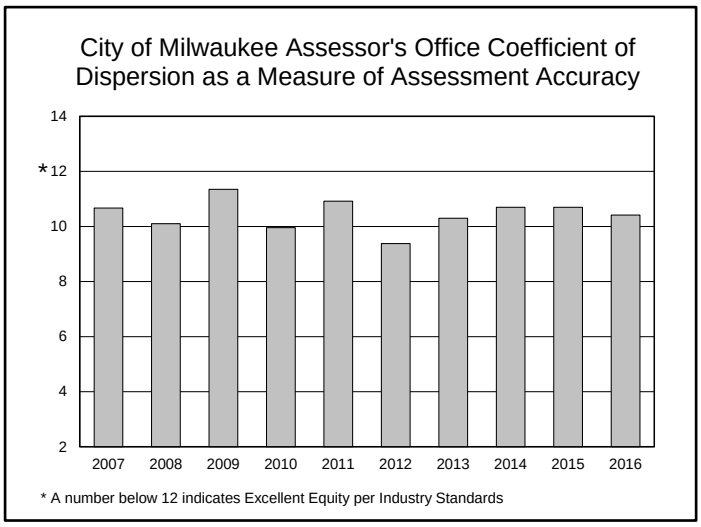


Figure 3



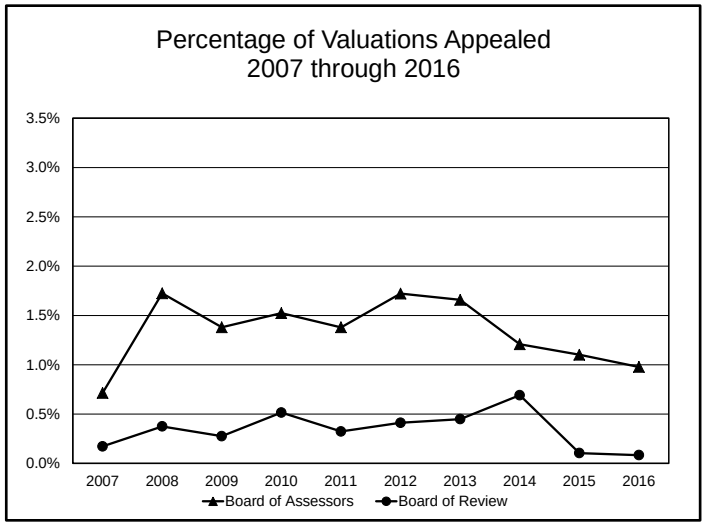
The Assessor's Office is currently engaged in litigation with several property owners over valuation disputes under s. 74.37, Wis. Stats. These valuations have been appealed both through the Board of Review and state courts. While the department's valuations have substantially stood in the cases decided to date, litigation requires considerable resources and labor hours. In 2016, 16% of the department's operating budget was spent on activities associated with objections, appeals, and s. 74.37 cases.

In 2017, the city has 10,007 tax exempt properties with an estimated exempted value of more than $5.3 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.

RESIZE, RESTRUCTURE, AND REINVEST

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, completing specific courses, and taking on additional responsibilities. The career ladder has allowed the Assessor's Office to attract new candidates and 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.

Figure 4



In 2013, the Wisconsin Department of Revenue changed its value equalization process. 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. The new CAMA system will be used for the 2018 annual revaluation.

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			College Intern	Increased position authority to allow flexible scheduling.
2	**0.00**	**0.00**	**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.

Provide legal opinions on matters of significance to municipal corporations.

Manage risk so that liabilities do not disrupt finances.

Provide day to day legal advice to city officials and departments.

Reduce nuisances that detract from neighborhood quality of life.

Prosecute municipal ordinance violations.

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 crisis response, nuisance abatement, community prosecution, and strategic code enforcement.

BUDGET SUMMARY

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	56.74	60.00	60.00	60.00	0.00	0.00
FTEs - Other	1.20	2.00	2.00	2.00	0.00	0.00
Total Positions Authorized	65	65	65	65	0	0
Expenditures						
Salaries and Wages	$4,813,771	$4,917,245	$4,683,968	$4,683,968	$-233,277	$0
Fringe Benefits	2,224,091	2,212,760	2,154,583	2,154,583	-58,177	0
Operating Expenditures	548,555	405,500	437,031	437,031	31,531	0
Equipment	124,542	82,000	122,000	122,000	40,000	0
Special Funds	0	0	0	0	0	0
Total	$7,710,959	$7,617,505	$7,397,582	$7,397,582	$-219,923	$0
Revenues						
Charges for Services	$826,600	$818,700	$929,700	$929,700	$111,000	$0
Total	$826,600	$818,700	$929,700	$929,700	$111,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Improve the city's fiscal capacity by protecting the city's interests in litigation and managing 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 by reducing nuisances that detract from quality of life and prosecuting ordinance violations.

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 and Redevelopment Authorities 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	2016 Actual		2017 Projected	2018 Planned
Number of assessment appeals successfully defended.	Opened	23	22	22
	Dismissed	15	5	12
	Pending	18	26	17
Number of successful prosecutions of nuisance properties.	Opened	6	10	7
	Dismissed	0	0	0
	Pending	15	11	9

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 and Ordinance Enforcement Section 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 section also provides staff to support the Strong Neighborhoods Plan and housing related initiatives of the Mayor, Common Council, and city agencies. This includes investigating problem landlords, seeking receiverships where appropriate, initiating appropriate disciplinary action against license holders, and developing unique legal strategies that target difficult and ongoing problem properties.

In 2016, the section appeared in over 10,000 municipal court cases, including 7,006 pre-trials and 1,155 trials. Through July 2017 appeared in approximately 5,000 cases, including 3,666 pre-trials and 76 trials. In 2016, it

appeared in 54 property returns and 35 property returns as of August 2017. In addition, the section appears in circuit court for appeals of municipal court convictions and heads numerous programs and initiatives to address recidivism. The section created and manages the award winning Respect 21 and MARTS programs for businesses that are caught selling alcohol and tobacco to minors. If the business enrolls in the appropriate program, is violation free for six months, passes four unknown shopper inspections, and participates in the Licensed Premises Pivot program, the underlying citation for the sale to minor will not be issued. Since the programs' inception in 2015, 93 businesses have been offered enrollment in Respect 21 and 191 businesses have been offered enrollment in MARTS. An ongoing study of the programs' effectiveness has found a significant decrease in calls for service for businesses that enroll in the programs. In July 2017, the section partnered with President Ashanti Hamilton, Municipal Court, and MATC to create the Drug and Alcohol Awareness program for individuals cited for drug related, and underage alcohol related citations. Upon successful completion of the class taught by MATC, the individual's drug or alcohol related citation will be dismissed.

The Real Estate and Development Section and the Legal Services Section provide legal services that manage the city's risk and liabilities. The section works with city departments and elected officials to facilitate sales of city owned property for development, tax increments, and other financing necessary to assist in development; implementing workforce development programs; enforcing tax foreclosure proceedings; and representing 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. Legal and real estate services during 2016 and 2017 included:

- Provided 30 different public records and open meeting training sessions to various city departments and agencies including Milwaukee Public Schools (MPS), Employes' Retirement System, and the Housing Authority of the City of Milwaukee (HACM).
- Advised the Milwaukee Water Works, Mayor's Office, and Budget and Management Division on development of the lead service line replacement ordinance and provided legal advice to the Intergovernmental Relations Division and the Milwaukee Water Works on various state bills regarding lead service line replacement, funding, and testing for lead in drinking water.
- Provided legal assistance in the creation of TIDs 87, 88, and 89; and the amendment of TIDs 39, 41, 48, 56, and 68.
- Assisted on the creation of the Walkers Point Neighborhood Improvement District.
- Assisted on special projects including, Workforce Innovation and Opportunity Act and Employ Milwaukee, Estabrook dam removal, Aluminum Sulfate class action litigation, and ADA settlement agreement compliance.
- Assisted on development projects including the Couture Project, the Mitchell Street library, the Lakefront Gateway project, the Garfield School redevelopment, enforcement of workforce development requirements for Freshwater Plaza, development in Westlawn for HACM, and ongoing legal assistance during the construction of the Buck's arena project.

The City Attorney's Office aggressively defends the city's property assessments by actively litigating assessment cases before all three levels of courts in Wisconsin and provides counsel to the Assessor's Office in relation to significant pieces of assessment legislation pending before the Wisconsin legislature. In 2017, the City Attorney's Office will appear before the Wisconsin Supreme Court, asking the court to affirm both the court of appeals and the circuit court in regard to their assessment of certain apartment complexes. In 2017, the City Attorney will defend the city's property assessment of a medical office building owned by a publically traded real estate investment trust. The city's financial exposure in those two cases is in excess of $3 million.

The Litigation, Labor and Employment Section handles litigation and employment matters for the city. Figure 1 and Figure 2 show the trend in claims activity and litigation activity between 2011 and 2016.

Police litigation continues to increase in volume and significance. The shooting death of Dontre Hamilton in Red Arrow Park (Estate of Dontre Hamilton v. Christopher Manney) was settled in the amount of $2.3 million. The city has appealed the district court's denial of qualified immunity in the death in custody case of Derek Williams subsequent to his arrest (Estate of Derek Williams v. City of Milwaukee). The Estate of Sylville Smith has filed suit concerning his shooting death in Sherman Park in 2016 by former police officer Dominique Heaggan-Brown (Estate of Sylville Smith v. Haeggan-Brown). The ACLU has brought a class action suit against the Chief of Police (Collins v. City of Milwaukee) claiming widespread constitutional violations for "stop and frisk" practices and racial disparities. Nine strip search and body cavity cases are pending that were not part of the 2016 group settlement and it is anticipated that additional complaints may be filed.

Figure 1

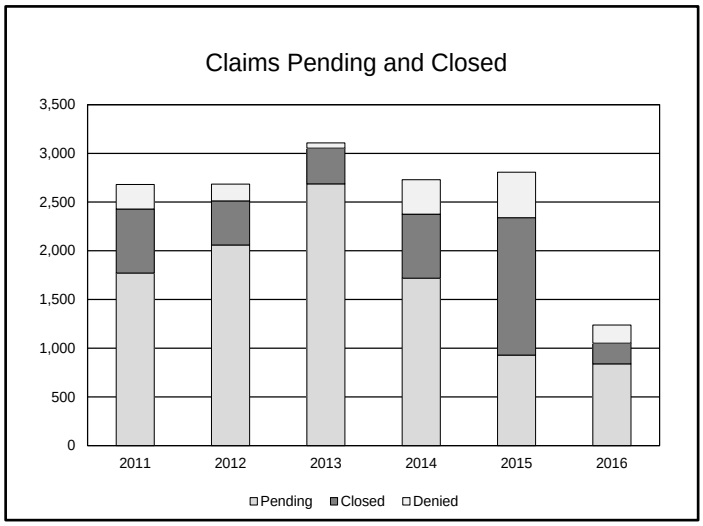
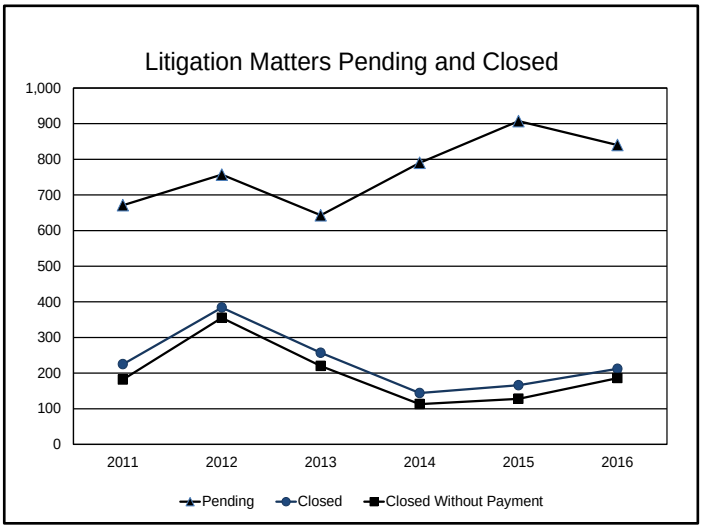


Figure 2



The Litigation, Labor and Employment Section provides essential training, legal counsel, and representation to city management and MPS on all aspects of state and federal employment law, including discrimination, civil service, the Fair Labor Standard Act, and the Family Medical Leave Act. In addition to general employment laws, the police and fire unions generate ongoing municipal labor relations work that includes grievance arbitration and disciplinary matters before the Fire and Police Commission. The section also provides legal services to the Employes' Retirement System, the Deferred Compensation Plan, and medical, dental and other employment benefit plans the city sponsors.

RESIZE, RESTRUCTURE, AND REINVEST

Staff Restructuring: In 2015, a new merit pay plan for Assistant City Attorneys was implemented and will continue in 2018. The plan replaced the annual merit pay plan incorporated in prior bargaining agreements. Salary adjustments for merit shall not exceed 4% of an eligible employee's salary. Merit adjustments are contingent upon the availability of funds.

In 2016, the Docketing Specialist position was reclassified to a Docketing Specialist Senior in recognition of the position's lead role in instructing all attorneys and support staff in the use and procedures of the case management and document management software systems. In addition, a vacant Legal Office Assistant position was reclassified to a Docketing Specialist position based on the volume of docketing related work. These position reclassifications allow for timely performance of legal services and docketing within the office.

In 2017, the department utilized the Department of Employee Relations auxiliary resource program to temporarily appoint 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. The department hired a summer clerk for ten weeks during 2017. The clerk worked on litigation, nuisance abatement, licensing issues, and real estate matters.

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: In 2017, the City Attorney's Office completed a major update of their Client and Matter management software. The 2018 proposed budget provides $65,000 for the upgrade of the Microsoft Office Suite, which will allow for integration with the client and matter management software and streamline subsequent upgrades. The City Attorney's Office has taken over E-discovery responsibilities from the Department of Administration.

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 2018 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 $685,000, an increase of $30,000 from 2017 due to increased insurance premiums. In 2015, major premiums were increased in the state sponsored Local Government Property Insurance Fund (LGPIF) program which led the City Attorney's Office to explore alternative coverage in the private market. The outside counsel and expert witness special purpose account is funded at $850,000 and will be used to prepare for upcoming lawsuits.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Legal Office Assistant	Positions reclassified in CCFN 160706.
1	1.00		Docketing Specialist	
-1	-1.00		Docketing Specialist	
1	1.00		Docketing Specialist Senior	
0	**0.00**	**0.00**	**Totals**	

CITY TREASURER

EXECUTIVE SUMMARY

MISSION: To fulfill the duties and responsibilities of the independently elected City Treasurer, who serves as the chief investment and revenue collection officer of the City of Milwaukee.

OBJECTIVES: Collect 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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	29.02	29.23	28.68	29.66	0.43	0.98
FTEs - Other	0.16	0.69	0.00	0.00	-0.69	0.00
Total Positions Authorized	59	59	48	59	0	11
Expenditures						
Salaries and Wages	$1,569,511	$1,520,260	$1,568,465	$1,568,465	$48,205	$0
Fringe Benefits	694,403	684,117	721,494	721,494	37,377	0
Operating Expenditures	671,709	793,400	683,615	683,615	-109,785	0
Equipment	0	5,895	0	0	-5,895	0
Special Funds	24,056	66,490	37,920	37,920	-28,570	0
Total	$2,959,679	$3,070,162	$3,011,494	$3,011,494	$-58,668	$0
Revenues						
Charges for Services	$155,796	$108,800	$104,600	$104,600	$-4,200	$0
Licenses and Permits	113,009	75,300	88,100	88,100	12,800	0
Miscellaneous	1,352,684	885,200	1,289,200	1,289,200	404,000	0
Total	$1,621,489	$1,069,300	$1,481,900	$1,481,900	$412,600	$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

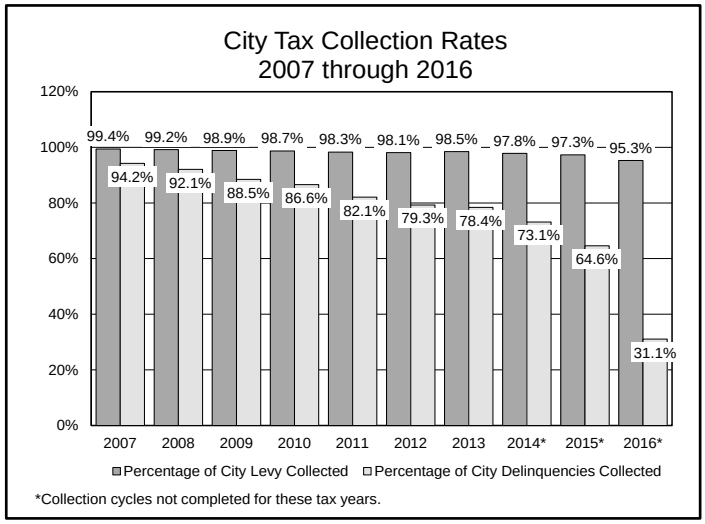
city's efforts to deliver services at a competitive cost by controlling tax collection costs. The department's 2018 proposed budget totals approximately $3 million, a small decrease from the 2017 budget.

Key Performance Measures	2016 Actual	2017 Projected	2018 Planned
Cost of property tax collection as a percentage of property taxes collected.	.2877%	.2904%	.2827%
General fund investment revenue realized on short term pooled cash investments.	$599,768	$333,917	$602,000
General fund investment revenue realized on long term pooled cash investments.	$625,513	$551,283	$687,167

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, increased from 6 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 2016, the city filed against 1,366 properties through *in rem* foreclosure and acquired 764 of those properties. Filings and acquisitions are expected to remain at an elevated level in 2017 and 2018.

RESIZE, RESTRUCTURE, AND REINVEST

***In Rem* Tax Foreclosure Filings:** The 2018 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 2018 proposed budget continues funding for the accelerated *in rem* foreclosure program. Begun in 2015, the program's goal 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 property. Accelerating the foreclosure process helps stabilize neighborhoods.

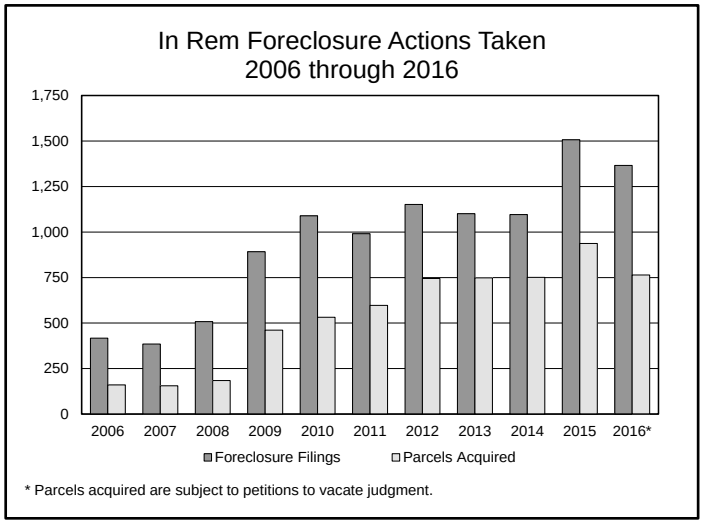
Position Changes: While there are no position changes in the 2018 proposed budget, the City Treasurer has recommended a departmental reorganization that is currently under study by the Department of Employee Relations. If approved, several positions will be reclassified.

Tax Collection System Replacement: The department's mainframe legacy Tax Collection System is over 30 years old and will be replaced with the Tyler Technologies' Munis Tax System. The new system will go live in November 2017.

An interface will be established between the iNovah Cashiering System and the Munis Tax System which will:

- Eliminate the need for in-house bill printing.
- Reduce forms and toner costs.
- Increase staff efficiency in processing payments.

Figure 2



The Munis Tax System will facilitate:

- Online tax payment options year round for installments and delinquents, in addition to the current tax collection period.
- Reduced printing costs.
- Making several processes less labor intensive including the acceptance of delinquent payments at property tax lock boxes.

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
	0.43		Various Positions	Positions related to the new collection system.
		-0.69	Various Positions	
0	**0.43**	**-0.69**	**Totals**	

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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	98.48	102.40	102.40	101.40	-1.00	-1.00
FTEs - Other	0.97	1.60	1.60	1.60	0.00	0.00
Total Positions Authorized	128	125	125	125	0	0
Expenditures						
Salaries and Wages	$5,634,263	$5,634,482	$5,802,775	$5,712,334	$77,852	$-90,441
Fringe Benefits	2,578,988	2,535,517	2,669,277	2,627,674	92,157	-41,603
Operating Expenditures	694,646	978,700	907,905	892,905	-85,795	-15,000
Equipment	40,070	45,500	27,400	22,400	-23,100	-5,000
Special Funds	39,744	52,035	52,035	37,035	-15,000	-15,000
Total	$8,987,711	$9,246,234	$9,459,392	$9,292,348	$46,114	$-167,044
Revenues						
Charges for Services	$5,083,401	$5,225,400	$5,226,800	$5,226,800	$1,400	$0
Licenses and Permits	5,065,445	4,952,500	4,911,000	4,911,000	-41,500	0
Total	$10,148,846	$10,177,900	$10,137,800	$10,137,800	$-40,100	$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.

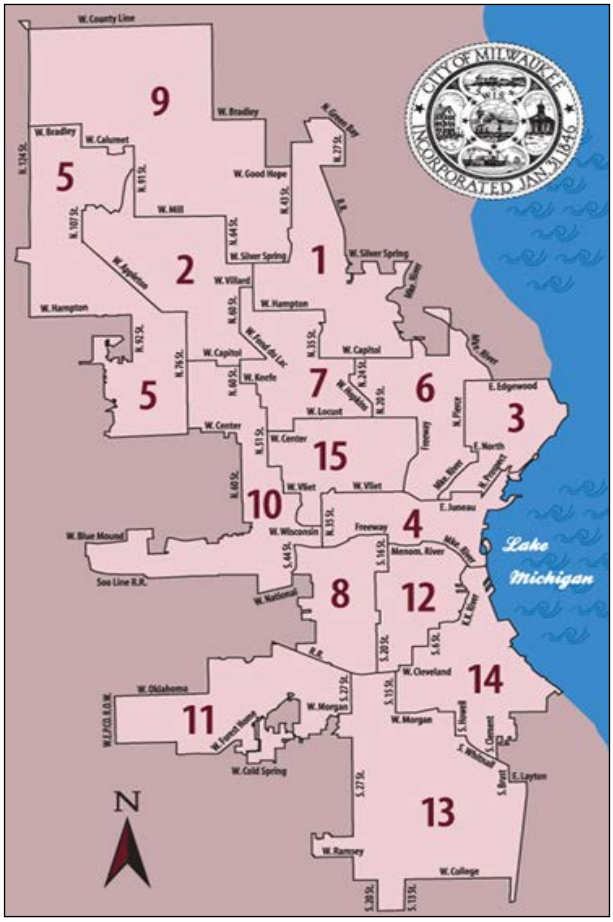
The mission of city government is to enhance the safety, prosperity, and quality of life of Milwaukee's citizens. Departments support this mission through the legislation and regulations enacted by the Common Council and using the resources the council provides through the annual budget.

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 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 2018 proposed budget totals $9.3 million, an increase of $46,000 from the 2017 budget. The increase is attributable to an overall increase of $78,000 in salaries due to the funding of the Community Outreach Liaison position and other salary adjustments to reflect current salary rates of employees. The increase in salaries and a 1% increase to the fringe benefit rate for 2018 results in an increase of $92,000 in fringe benefits. Other changes include a reduction of $86,000 in operating expenditures, a decrease of $23,000 in equipment funding, and a decrease of $15,000 in special funds. In 2018, equipment funding will primarily be used to replace equipment for the Public Relations Division including a new portable sound system and replacements for the microphones in the Common Council Chambers.

Red Tape Rescue Program: The License Division is responsible for receiving and processing applications for over 100 types of licenses and assists the Common Council in the review of license applications. Staff process nearly 20,000 license applications and issue approximately 17,000 licenses annually.

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 these efforts with the following goals:

- Make the city an easier, more welcoming place to do business through improvements to city rules and processes.
- Stimulate investment in the city, particularly through public private partnerships and interdepartmental collaboration.
- Create jobs and add to the tax base, with a particular emphasis on small and local businesses.

The program offers three unique tools:

- **StartSmart Online Tool:** Guides entrepreneurs to the proper city and state permits.
- **Pivot Program Business Workshops:** Provides prospective and existing entrepreneurs access to city and state departments in free, two hour workshops to answer questions and provide guidance.
- **Clerk Notes Instructional Videos:** Videos covering a range of topics provide direct access to the knowledge and expertise of License Division staff. All can easily be accessed on the Clerk Notes YouTube channel.

The red tape rescue program also provides quarterly electronic newsletters and social media updates. Resources are made available in multiple languages. In 2018, the License Division will continue to evaluate opportunities to achieve greater efficiency, effectiveness, and long term sustained improvements that help businesses thrive in Milwaukee.

Office of African American Affairs: In 2016, Common Council File Number 160445 was approved establishing the Office of African American Affairs (OAAA) in the City Clerk's Office. The OAAA will be responsible for the administration, coordination, and implementation of city policies relating to the needs of the city's African American residents as they relate to several key areas including employment, education, and health. The city's OAAA will work in close collaboration with the County of Milwaukee OAAA and other city departments to maximize the impact of all related efforts. The Common Council and city departments including the Department of Administration will coordinate efforts with the county's OAAA to leverage existing resources and maximize efficiencies.

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		Customer Service Representative II	Funding removed for vacant position, authority retained to be filled in the future.
0	**-1.00**	**0.00**	**Totals**	

COMPTROLLER

EXECUTIVE SUMMARY

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

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

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

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

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

BUDGET SUMMARY

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	49.62	50.20	51.30	52.30	2.10	1.00
FTEs - Other	6.03	7.80	6.70	5.70	-2.10	-1.00
Total Positions Authorized	65	65	65	64	-1	-1
Expenditures						
Salaries and Wages	$3,283,876	$3,261,011	$3,252,000	$3,252,000	$-9,011	$0
Fringe Benefits	1,540,288	1,467,455	1,495,920	1,495,920	28,465	0
Operating Expenditures	244,646	315,989	223,000	223,000	-92,989	0
Equipment	10,000	93,000	5,000	5,000	-88,000	0
Special Funds	0	0	0	0	0	0
Total	$5,078,810	$5,137,455	$4,975,920	$4,975,920	$-161,535	$0
Revenues						
Charges for Services	$616,908	$625,000	$575,000	$575,000	$-50,000	$0
Total	$616,908	$625,000	$575,000	$575,000	$-50,000	$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	2016 Actual	2017 Projected	2018 Planned
Percentage of actual revenues to revenue estimate.	101%	100%	100%
Internal audit work products.	4	14	14
Unqualified audit opinion by the city's independent auditor.	Yes	Yes	Yes
Bond rating (Standard & Poor's).	AA	AA	AA

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 2016, general fund revenues exceeded the Comptroller's estimate by $2.5 million or 0.5%. This additional revenue contributes to the TSF balance for 2018 proposed 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 AA from Fitch 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
-1		-1.00	Accounting Specialist	Reduction in Community Development Block Grant funding.
	1.10	-1.10	Various Positions	Correction to Community Development Block Grant positions.
-1	**1.10**	**-2.10**	**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 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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	48.43	51.72	48.50	51.86	0.14	3.36
FTEs - Other	52.24	41.28	39.50	35.14	-6.14	-4.36
Total Positions Authorized	133	121	116	115	-6	-1
Expenditures						
Salaries and Wages	$3,066,464	$3,213,105	$3,055,712	$3,223,711	$10,606	$167,999
Fringe Benefits	1,397,141	1,445,897	1,405,628	1,482,907	37,010	77,279
Operating Expenditures	203,567	148,950	138,288	138,288	-10,662	0
Equipment	0	0	0	0	0	0
Special Funds	137,367	210,000	200,000	200,000	-10,000	0
Total	$4,804,539	$5,017,952	$4,799,628	$5,044,906	$26,954	$245,278
Revenues						
Taxes and PILOTS	$811,558	$700,000	$700,000	$700,000	$0	$0
Charges for Services	9,660	9,500	10,000	10,000	500	0
Licenses and Permits	65,875	60,000	63,000	63,000	3,000	0
Miscellaneous	165,741	10,000	27,000	27,000	17,000	0
Total	$1,052,834	$779,500	$800,000	$800,000	$20,500	$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.

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	2016 Actual	2017 Projected	2018 Planned
Net new construction (% of equalized value).	1.11%	1.72%	1.66%
Sales, transfers, and dispositions of tax foreclosed property.	502	400	400
Percentage increase in value of property for closing tax increment districts.	929%	481%	584%
Projected number of strong homes loans closed.	99	120	84

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 resulted in 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. In 2018, funding continues for Mayor Barrett's Strong Neighborhoods Plan, a citywide effort to address all sides of the tax foreclosure issue. Programs are managed by 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 2016, DCD sold 502 improved properties and 163 vacant lots. Nearly 55% of the improved properties sold and purchased were for owner occupancy.

Rent-to-Own Program: Many properties acquired by the city through *in rem* foreclosure are occupied by tenants of the previous owner. DCD operates a rent-to-own program that provides qualifying tenants the opportunity to purchase the property upon completion of home ownership and financial education. Since the program began, 32 tenants have purchased their properties.

Homebuyer Assistance Program: The homebuyer assistance program provides funding to help prospective homeowners buy and rehabilitate city owned 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 was created to preserve homeowner occupancy in the city by assisting owners with essential home repair needs. The program provides low interest, deferred payment loans and technical assistance to homeowners who are not able to access conventional financing to make emergency and critical repairs to their homes.

A 2017 analysis found that the typical strong homes loan borrower owns a house built before 1939 and has owned the house for more than 15 years. More than $2.5 million was lent during 2015 and 2016.

Real Estate Broker Partnership: Selling city owned properties to responsible owners and investors is an important part of neighborhood stabilization. DCD works with local real estate brokers specializing in foreclosed properties to list city owned properties for sale. In 2016, broker listed sales accounted for over 35% of *in rem* property sales. This successful partnership will continue in 2018.

Accelerated *In Rem* Filings: In 2016, efforts to maintain the city's tax base included 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 Treasurer's Office, 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.

Milwaukee Employment and Renovation Initiative: A $1 million grant from the Wisconsin Department of Financial Institutions during 2016 facilitated creation of a special initiative to renovate 100 city owned foreclosed properties in the greater Sherman Park neighborhood. DCD instituted a request for proposal process to select six buyers for the program. They are purchasing houses for $1 each, and grant funds are being used to reimburse the buyers for a portion of renovation expenses up to $10,000 per property. Work will be completed in 2018.

Vacant Lot Loan Program: This program offers the opportunity for residents to purchase city owned vacant lots to build owner occupied single family homes. Residents who purchase a lot for $1 are eligible for a $10,000 forgivable loan to assist with construction costs. Purchasers must live in the home for seven years. Any city owned vacant lot is eligible however; sale efforts will focus on central city development areas such as the Walnut Circle, Josey Heights, and Legacy subdivisions.

The 2018 proposed capital budget includes more than $8.1 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 continues to work on a concentrated basis to remove blighted properties, maintain city owned properties, and rehab and redevelop neighborhoods in a unified approach, maximizing the benefit to neighbors and neighborhoods.

Kiva Milwaukee: In 2015, funding was provided to support a micro-lending partnership between the City of Milwaukee, Mayor Tom Barrett, the Wisconsin Women's Business Initiative, and Kiva. Similar to programs in other major U.S. cities, Kiva supports local entrepreneurial efforts by providing a crowd funding platform for individual lenders and organizations to offer micro loans to local businesses. Kiva borrowers are predominately low income and ethnic minorities. From February 2015 through February 2017, 112 loans totaling $614,000 were made through the Kiva lender network to support small businesses throughout Wisconsin. Of those, 74 loans supported entrepreneurs in greater Milwaukee. In 2016, a University of Wisconsin Milwaukee Economic Development Fellow was added to the Kiva Milwaukee team.

Commercial Revitalization and Business Investment: DCD's commercial corridor staff members serve as liaisons between the city and local business owners, connecting them to a variety of programs focused on commercial revitalization. During 2016, DCD entered into a cooperation agreement with the Milwaukee office of LISC to provide additional support to the city's commercial corridor activity. Commercial grant programs help business and property owners improve the exterior appearance of commercial buildings, update outmoded interior space in order to attract tenants and purchase equipment that enables job expansion. In 2016, these programs made 367 grants totaling $1.7 million. The city's grant investment leveraged commercial development projects involving total investment of more than $12 million. Commercial corridor staff also provide assistance and oversight to the city's 45 business improvement districts (BIDs) and neighborhood improvement districts. These organizations work in partnership with the city to strengthen commercial corridors.

Through tax incremental districts (TIDs), small business programs, and support for housing development, DCD achieved the following in 2016:

- Jobs created: 2,063
- Jobs retained: 1,960
- New housing constructed: 2,081 units

DCD will continue to use its economic development "toolbox" to encourage private investment throughout Milwaukee, with an emphasis on the following commercial areas:

- King Drive/Bronzeville
- Reed Street Yards
- 30th Street Industrial Corridor
- 27th Street and Wisconsin Avenue
- Menomonee Valley

- Park Place
- Central city residential neighborhoods and commercial corridors
- Underused industrial properties

In 2016, the city created four tax increment financing (TIF) districts. TIFs supports development of affordable housing in the Bronzeville/Harambee and downtown neighborhoods, and provide resources to the streetcar project. Development at the Reed Street Yards continued with the opening of Zurn Industries headquarters in January 2017. Other major development projects underway in 2016 included the construction of the Milwaukee Bucks Arena and practice facility, and a new Northwestern Mutual office tower.

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 2016, 3,394 youth were placed in city, private sector, and non-profit internships, including 179 who worked in city government departments.

RESIZE, RESTRUCTURE, AND REINVEST

DCD continues to administer residential and commercial property programs as part of citywide efforts to reduce the impact of foreclosures. The department continually reviews performance of real estate programs in order to expand 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.

A provision in state law allows TIF increments to be used to expand affordable housing. The 2018 proposed budget directs $85,000 in TIF increments for affordable housing activities related to tax foreclosed properties. This allocation reduces the direct burden on the tax levy and aligns 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.

Tax Increment Districts: The 2018 proposed budget provides the following TID borrowing authority:

- **New Borrowing for Potential New TIDs ($40 million):** Provides authority for potential new TIDs. The creation of TIDs must be approved by the Joint Review Board, Mayor, and Common Council.
- **Developer Revenues ($5.4 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 ($250,000): This funding supports brownfield cleanup and provides funds to match federal grant funds for environmental remediation.

Housing Infrastructure Preservation Fund ($100,000): This program funds improvements to properties acquired through city foreclosure. Funding is provided for improvements to housing that is not habitable but worthy of rehabilitation and are historically or architecturally significant. The program prevents further deterioration of properties with potential for resale and renovation and reduces negative impacts of such properties on neighborhoods.

***In Rem* Property Maintenance ($600,000):** This funding supports code compliance, rehabilitation, and other work done on tax foreclosed properties owned by the city in order to make them livable and marketable. In 2017, *in rem* property maintenance includes funding to rehabilitate properties in the city's rent-to-own program and renovation funds that will be offered to buyers of city owned properties. Also included is funding of $85,000 in TID increments for housing.

Rental Housing Rehabilitation Program: In 2015, funding was provided 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 ($200,000): Since 2010, the city 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 ($1,000,000): Formerly known as the façade program, this program helps neighborhood commercial corridors to be more 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	-0.10	-0.90	Youth Development Coordinator	Vacant position eliminated.
	0.24	-0.24	Various Positions	Changes in funding source for various positions.
-5		-5.00	Various Positions (HACM)	Eliminated vacant positions.
-6	**0.14**	**-6.14**	**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 that specifies that DCD will provide the following services:

- 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.

MEDC uses its resources, as well as those of the U.S. 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 to promote reinvestment in housing and neighborhood development within the city. NIDC works with a broad range of partners to improve Milwaukee's neighborhoods and the quality of life for Milwaukee residents. Those partners include; various City departments, community-based agencies, financial institutions, residents, developers and the local philanthropic community.

A nine member Board of Directors that includes at least four city residents heads NIDC. 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.

NIDC also operates the community improvement project (CIP). CIP compliments NIDC's housing activities by providing small matching grants to neighborhood block clubs and groups to undertake projects that encourage resident involvement, relationship building, and grassroots neighborhood improvements.

ELECTION COMMISSION

EXECUTIVE SUMMARY

MISSION: Ensure elections comply with applicable laws and are administered with the highest level of professional standards, accountability, security and integrity; encourage voter participation; build public confidence in the electoral process.

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

STRATEGIES: Administer elections in 2018.

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.

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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	35.18	34.58	67.36	69.38	34.80	2.02
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	2,473	820	2,261	2,261	1,441	0
Expenditures						
Salaries and Wages	$2,101,610	$887,133	$1,907,942	$2,009,942	$1,122,809	$102,000
Fringe Benefits	664,503	200,703	212,675	212,675	11,972	0
Operating Expenditures	766,415	310,000	574,269	562,269	252,269	-12,000
Equipment	0	0	0	0	0	0
Total	$3,532,528	$1,397,836	$2,694,886	$2,784,886	$1,387,050	$90,000
Revenues						
Charges for Services	$93,782	$0	$0	$0	$0	$0
Miscellaneous	0	0	0	0	0	0
Total	$93,782	$0	$0	$0	$0	$0

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 320,000 registered voters and operates approximately 193 polling locations which are staffed by approximately 1,200 to 2,500 election workers; provides the necessary documents, supplies, and ballots to each voting site on election days; oversees all aspects of absentee voting, including in-person absentee, absentee by mail, military, and overseas absentee voters; administers the statutory obligations for elected officials and potential candidates for municipal offices including the nomination process and campaign finance reporting; and collaborates with non-partisan voting rights groups to encourage voter education and participation. The Election Commission operates a comprehensive website where residents can locate their polling place and elected representatives, instructions for registration and absentee voting, and requirements for voter eligibility.

Key Performance Measures	2016 Actual	2017 Projected	2018 Planned
Enter 100% of voter registrations in a prompt and timely manner.	100%	100%	100%
Number of disenfranchised and provisional ballot voters.	133	35	<150
Mail all absentee ballot requests within 48 hours of receipt.	100%	100%	100%
Maintain an average wait time at voting sites of less than 15 minutes.	70%	95%	80%
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.	88%	94%	95%

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 2018. The following are the upcoming elections:

- Spring Primary and Spring Elections:
  - State Supreme Court
  - Court of Appeals and Circuit Court

- Fall Primary and Fall General Elections:
  - Governor, Lieutenant Governor, Attorney General
  - State Treasurer, Secretary of State, State Senate (Districts 3, 5, 7), State Assembly (all seats)
  - County Supervisors

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.

Figure 1

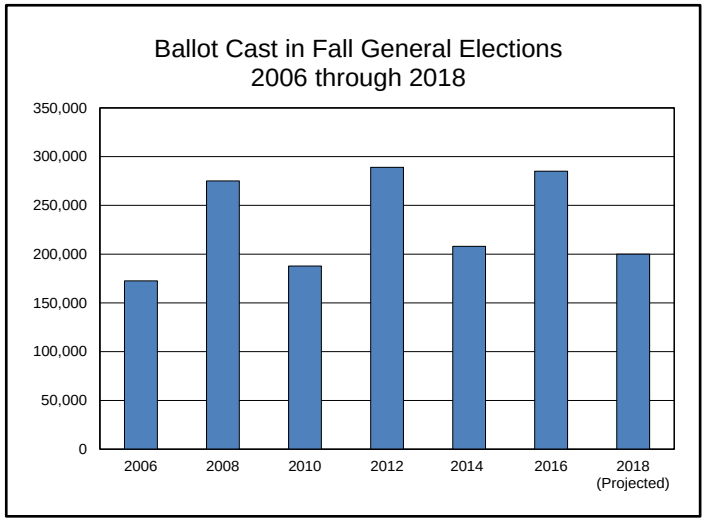
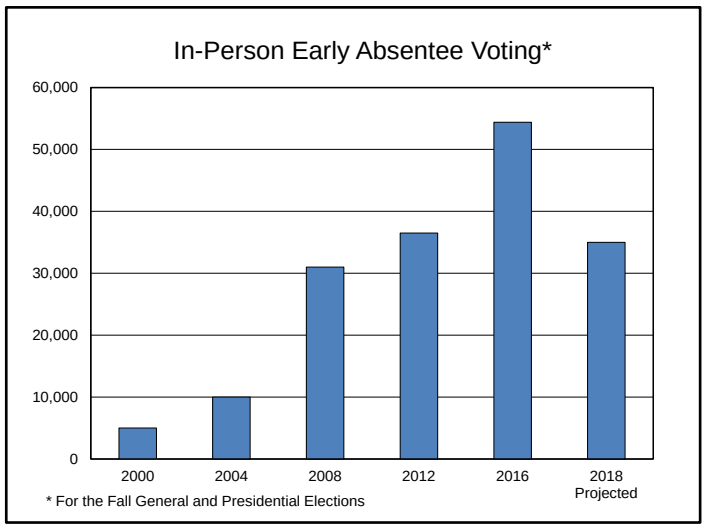


Figure 2



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 makes adjustments where necessary.

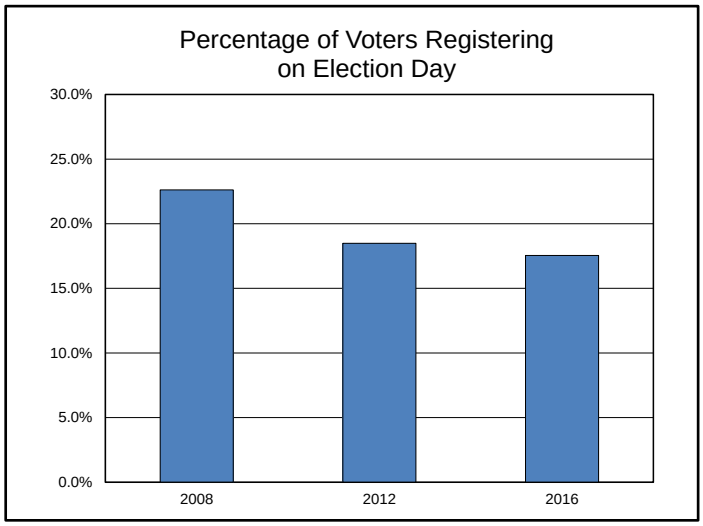
RESIZE, RESTRUCTURE, AND REINVEST

In recent years, numerous changes have been made to the Wisconsin State Statutes that govern election administration and will effect elections in 2018. These changes disproportionately impact communities of color, particularly African American, Hispanic and Latino residents that are living at or below the poverty rate.

The most recent changes include the elimination of the special registration deputy program in 2017. This elimination will significantly impact voter registration efforts in large urban areas such as Milwaukee.

The Election Commission works diligently with community groups to promote new online voter registration opportunities as well as other mechanisms to assist the public with the voter registration process.

Figure 3



The 2018 proposed budget includes funding of $185,000 for four additional sites for four weeks to expand early voting. Early voting at the Ziedler Municipal Building will remain at six weeks and provide a fifth location for early voting. A total of 1,330 early voting hours will be provided for the 2018 fall elections. This will encourage residents to vote while making registration and voting more accessible.

A Public Safety Sales Tax referendum may be added to the 2018 spring election ballot if the State of Wisconsin provides legislative authority for the referendum. If authorized by the state, the referendum will allow Milwaukee residents to determine whether or not to adopt a local sales tax to support funding for public safety and related services. If a local sales tax is approved by referendum, the sales tax would take effect on October 1, 2018.

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
1,441	34.80		Various Positions	Increase in number of scheduled elections.
1,441	**34.80**	**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.

Design and implement pay administration and pay progression practices that foster employee growth and development and recognize employee contributions and performance achievements.

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

Design and administer benefits, programs and services that foster safe, productive and healthy workplaces.

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 the city's comprehensive health and wellness program and continue to explore additional cost reduction opportunities through health care benefits, health care delivery systems and wellness initiatives and programming.

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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	41.57	41.57	41.65	41.65	0.08	0.00
FTEs - Other	5.56	5.56	11.11	11.11	5.55	0.00
Total Positions Authorized	65	65	68	68	3	0
Expenditures						
Salaries and Wages	$2,701,979	$2,609,461	$2,442,643	$2,442,643	$-166,818	$0
Fringe Benefits	1,246,776	1,174,258	1,123,616	1,123,616	-50,642	0
Operating Expenditures	555,994	304,315	315,357	315,357	11,042	0
Equipment	2,000	2,000	2,000	2,000	0	0
Special Funds	105,505	104,000	138,000	138,000	34,000	0
Total	$4,612,254	$4,194,034	$4,021,616	$4,021,616	$-172,418	$0
Revenues						
Charges for Services	$163,461	$178,800	$190,000	$190,000	$11,200	$0
Miscellaneous	310,122	210,000	40,000	40,000	-170,000	0
Total	$473,583	$388,800	$230,000	$230,000	$-158,800	$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 wellbeing while minimizing growth in health care costs.
   - Establish and monitor risk management and safety programs to ensure safe and productive workplaces and control costs.

The Department of Employee Relations (DER) provides human resources support 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	2016 Actual	2017 Projected	2018 Planned
Turnaround time between notification of position vacancy and establishment of eligible list.	113 days	120 days	113 days
Percentage of candidates referred who are minorities.	50%	65%	50%
Percentage of candidates referred who are women.	50%	55%	50%
Health care cost per contract for active employees.	$12,597	$13,000	$13,000
Worker's compensation expenditures.	$8,055,899	$11,000,000	$11,000,000

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 2016, DER processed 6,665 applications and facilitated 220 competitive selection processes including 84 open and competitive exams, 16 continuous exams, 46 transfer and promotional opportunities, 14 exempt advisory processes, and 60 processes that included a combination of internal promotions and selection actions following reclassification studies. Overall, the Staffing Division referred 2,335 individuals for interviews with the hiring departments.

An analysis of changes in the city's workforce demographics reveals that the number of separations, both resignations and service retirements, is increasing dramatically. In 2012, 1 in 23 employees resigned or retired from the city; by 2016 that number increased to 1 in 11 employees. The average number of resignations in the city service doubled in the last three years compared to the previous three year period. Of note, 40% of the resignations in the city service are from millennials, even though that generation represents only 18% of the workforce. A total of 82% of employees who separate, do so within their first five years of employment and most within the first four years. In 2017, 18% of the general city workforce is eligible for service retirement and the number increases to 29% in 2020.

DER established and is currently implementing a workplace planning initiative that will address the significant rate of separations, streamline processes associated with filling vacant positions in the city service, and develop and implement critical succession plans. This initiative is designed to help departments identify and better anticipate staffing needs, streamline placement processes, and develop targeted recruitment and retention efforts. The initiative relies on department specific data and metrics to create detailed plans that address staffing needs, challenges, and opportunities. The plan includes department specific strategies for retaining, recruiting, and developing employees. It is anticipated that participation in this initiative will allow departments to better align their strategic and operational goals with their current and future workforce needs.

In addition to the workforce planning initiative, DER has implemented a number of changes to streamline examination processes, enhance targeted recruitment efforts, and establish collaborative relationships and partnerships to increase the pool of qualified and diverse candidates referred to the departments to fill vacancies. The changes include the use of continuous recruitment and testing for positions where recurring vacancies occur throughout the year, aligning the recruitment schedule with job selection timeframes for college seniors, allowing departmental representatives to participate in examination components, promoting the use of the auxiliary resource program for seamless transitions, and working with the department's Diversity Recruiter to engage community based organizations, technical colleges, and universities to help educate the public about careers in the city service.

Compensation and Salary Administration Practices: In 2012, DER started the development and implementation of career ladders for certain classification and job families. The career ladders replaced former pay progression policies that were based on "time in grade" considerations and were designed to recognize and reward employees for the acquisition and application of skills, job related credentials, and meeting performance standards. After the implementation of career ladders, many departments report positive results in employee morale and a decrease in turnover in these positions. Because of the city's limited financial resources, the department continues to work with the Budget and Management Division to ensure 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 and response turnaround times.

In 2016 and 2017, DER received Common Council approval and funding to implement pay progression for positions that are not part of official career ladders. Management, professional, and supervisory positions are eligible to receive salary adjustments based on performance and merit principles. All other positions including administrative, service, and maintenance are eligible to receive salary adjustments based on the results of an assessment that requires employees to be in good standing to be eligible.

The implementation of pay progression practices for two consecutive years has contributed to the development of performance and competency based standards for assessing an employee's eligibility for a salary adjustment. These performance management tools provide excellent opportunities for employee development and succession planning. If resources are available, DER anticipates that similar proposals will be recommended for 2018.

Pay administration recommendations over the last several years have included practices that attempt to reduce pay inequities and compression problems stemming from years of limited pay progression and increase flexibility in appointment rates based on market considerations.

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 60%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.

Employee Wellbeing, Health Care, Wellness, and Safety: The City of Milwaukee is committed to supporting the wellbeing of its employees and has worked over the last several years to combine health, wellness, and safety programming efforts into an integrated model of total worker health. DER works with several partners to create a workplace culture that enhances employee's lives and offers tools for employees to improve their health. The model strives to ensure that employees are well at work, at home, and into retirement.

Health Care: Positive trends with health care expenditures continue with flat premiums for active employees since 2012 and no additional benefit design changes since 2015. This contrasts with national trends that have seen premiums increase by 20% since 2012 and deductibles that are significantly higher than the city's. This success is largely attributable to the city's ongoing efforts to integrate wellness, health care and safety programming, and work geared towards educating employees on making smart health care utilization choices. The city's partnership with United Healthcare (UHC) has contributed significantly to this success. Over the last several years, UHC has demonstrated its commitment to providing comprehensive health and wellness services to city employees, spouses and partners, and actively participated in the development and implementation of the city's total worker health model. UHC continues to help employees navigate the complex health care landscape with tools such as

Nurseline, Care 24, personal health support through disease management, referral and resource services for complex medical conditions, and decision assistance for medical treatment.

A new pilot program through UHC will be launched in late 2017 to better support city employees in understanding the nuances of each program and making decisions that best meet their medical needs. An onsite nurse liaison will be available to assist employees, spouses and partners enrolled in the city's health benefits make better health care choices while teaching them how to access and utilize the many tools and resources available to them.

The pilot program will address the following objectives with a goal to close gaps in care:

- Improve employee health literacy including the importance of follow-up steps and recommendations after medical appointments and procedures.
- Help employees manage a chronic or serious medical condition.
- Determine the appropriate level of care (urgent care versus emergency room).
- Address various barriers to access care, including economic and social.
- Provide referrals to the appropriate programs and resources (UHC, city, and workforce health).
- Increase the member's physician engagement when appropriate.
- Improve disease management leading to better health care decisions.
- Increase wellness and preventive care visits.
- Decrease member health care costs.

Wellness Program: The city's comprehensive wellness program, administered by Froedtert Workforce Health (WFH), includes a wide range of programs, services, and resources including an onsite wellness center, traveling wellness center sites, year round coaching, access to registered dieticians, educational sessions, group fitness classes, and department specific initiatives. WFH oversees and staffs the city's onsite Workplace Clinic and Injury Prevention Clinic. The continued success and significant expansion of the city's comprehensive wellness program are possible because of the support and commitment DER and WFH have received from the Mayor, Common Council, and employees who champion wellness efforts at the department level. The ongoing work and input from the Wellness and Prevention Labor Management Committee has been crucial to the program's success. The wellness program helps the city control health care costs while providing a great benefit to employees and supporting DER's goal of creating an integrated model for total worker health, safety, and wellbeing.

The most recent wellness executive summary demonstrates continual high participation rates in the health appraisal process including 18% improvement in the number of individuals with normal blood pressure, a 26% decrease in citywide tobacco usage, and a 13% decrease in the city's rate of pre-diabetes and diabetes. Approximately 38% of participants are also engaged in three or more coaching sessions and participation in the *Healthy Rewards* program increased by 30%. The workplace clinic had over 3,400 visits in 2016 and 4,000 visits are anticipated in 2017.

In 2017, DER worked with WFH and the Labor and Management and Wellness Promotion Committee to completely revamp two large components of the wellness program. Significant changes were made to the health appraisal and *Healthy Rewards* program based on employee feedback to ensure the program aligns with other city health, wellness, and safety efforts and supports the following goals:

- Create a streamlined user friendly process that is more meaningful and encourages participation.
- Allow customization for the participant based on their readiness to change.
- Expand educational opportunities regarding the tools, resources, and services available for participants to improve or maintain their health.
- Provide greater incentives and easier access through a tiered point and reward system for the *Healthy Rewards* program.

Employee Safety and Worker's Compensation: In 2016, DER transitioned to Gallagher Bassett (GB) to provide third party administrator services for worker's compensation for the city. The transition had several challenges including difficulties migrating and mapping the legacy claim data, unexpected turnover of assigned team members, a learning curve for GB resolution managers, and complexities with decentralized business functions within GB. These challenges required GB to redefine workflow and processes and adapt to the city's overall complexity. GB has fully integrated with the city's health and wellness initiatives and staff members regularly attend labor and management meetings and respond to member concerns. There is a strong link between a healthy work environment and employee safety. Healthy employees are less likely to get injured and are able to return to work sooner when an injury occurs. Integrating health, wellness, and safety initiatives supports improvements in health care and worker's compensation.

Employee Field Safety: In response to the tragic death of the Department of Neighborhood Services employee killed in the line of duty on Wednesday, March 22, 2017 the Department of Employee Relations conducted a comprehensive review of departmental policies and practices related to city employees working in the field. This review included collecting and analyzing information about field safety practices from departments, assessing the needs and priorities of the departments based on employee feedback, and exploring resources to address those concerns. Specific recommendations presented to the Common Council and implemented by DER include:

- Creation of department specific field safety policies.
- Use of decals for vehicles and uniforms or uniform items to increase employee visibility in the field.
- Distribution of panic alarms for field employees.
- Implementation of flight plan protocols to document known daily activities and stops of employees in the field.
- Coordination of situational awareness training for field employees.
- Implementing an incident tracker application to report, document, and track incidents by field employees to be shared across departments.

The department continues to work closely with departments and the Milwaukee Police Department to ensure all employee safety concerns and issues are addressed in a timely manner.

RESIZE, RESTRUCTURE, AND REINVEST

DER works to improve current practices and processes with more effective and efficient systems that better meet the needs of the department and employees. Specific goals and initiatives for 2018 include:

- Streamlining the entire onboarding process to replace the new employee orientation program.
- Assessing the feasibility of hiring a third party administrator to outsource FMLA administration functions.
- Fully implement the workforce planning initiative and work with departments to address their strategic staffing needs.
- Work with department specific personnel to formalize recruitment strategies for STEM positions.
- Continue to implement of an integrated approach to employee health and wellbeing.

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		5.55	Auxiliary Resource Positions	Increased authority to meet program demand.
	0.08		Various Positions	Experience adjustment.
3	**0.08**	**5.55**	**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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	19.18	14.90	16.90	16.40	1.50	-0.50
FTEs - Other	0.44	0.50	0.50		-0.50	-0.50
Total Positions Authorized	22	25	27	26	1	-1
Expenditures						
Salaries and Wages	$848,301	$1,018,676	$1,098,280	$1,092,305	$73,629	$-5,975
Fringe Benefits	381,735	458,404	505,209	502,460	44,056	-2,749
Operating Expenditures	341,480	631,310	717,570	717,570	86,260	0
Equipment	2,670	7,000	2,845	2,845	-4,155	0
Special Funds	160,000	344,000	307,963	307,963	-36,037	0
Total	$1,734,186	$2,459,390	$2,631,867	$2,623,143	$163,753	$-8,724

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 budget included 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 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	2016 Actual	2017 Projected	2018 Planned
Average time to resolve formal complaints.	48 days	50 days	50 days
Average time to resolve disciplinary appeals.	182 days	160 days	160 days
Number of outreach events and community contacts.	180	250	200

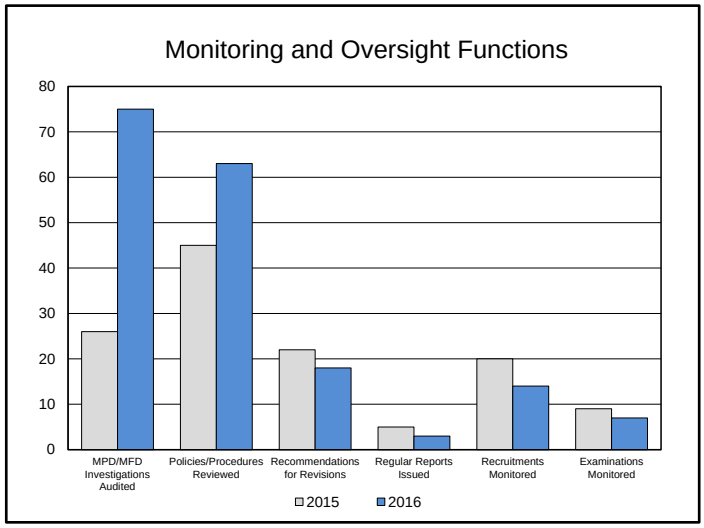
STRATEGY IMPLEMENTATION

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 Figure 2 and Figure 3). The commission can refer complaints to the citizen board or Police Department for disciplinary action when rule violations are identified.

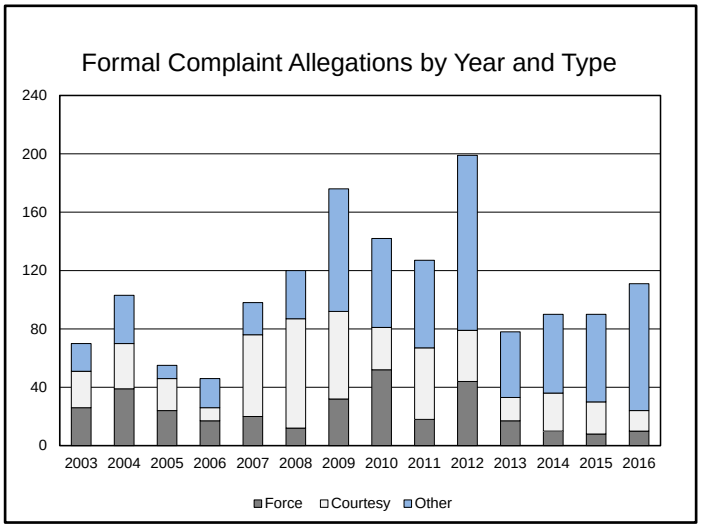
Figure 1



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.

Figure 2



The current complaint process has significantly shortened the time needed to resolve a complaint from an average of 270 days in 2008 to 48 days in 2016, 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 Fire and Police 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 fillable form is now 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 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

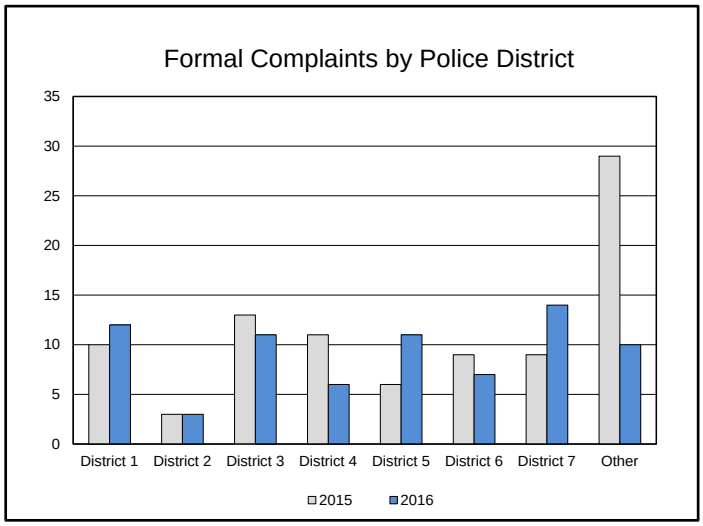
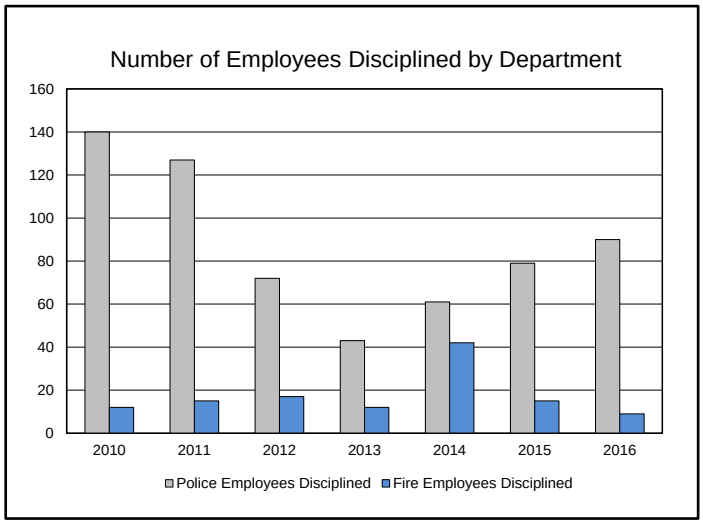


Figure 4



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 hosted 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. Events planned for 2018 include partnered events with the Sojourner Family Peace Center, the Housing Authority, My Brother's Keeper, Department of Administration Office of Violence Prevention, the Health Department, and private corporations such as Harley Davidson and the Milwaukee Bucks. In 2017, the FPC was actively involved with PeppNation and the Police Department's District 7 to provide activities for use at Sherman and Moody parks. Additionally, a pilot program was started in Lindsay Heights to do a community study and survey with listening sessions at a local coffee shop.

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 and inclusive. 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. Preliminary potential candidate pools from the 2017 recruitment and testing process for police officer positions have been more diverse than those from 2015 recruitments, an indication that future police officer classes may be more diverse than they have been in the past. In the fall of 2017, the FPC will conduct a major recruitment for the position of fire fighter; the last recruitment for fire fighter was done by the Department of Employee Relations in 2008.

Office of Emergency Management and Homeland Security (EMHS): 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 operations have been supported in the past almost entirely by federal grant funding. As of 2017, those funds have been depleted and new funding is not anticipated.

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.

RESIZE, RESTRUCTURE, AND REINVEST

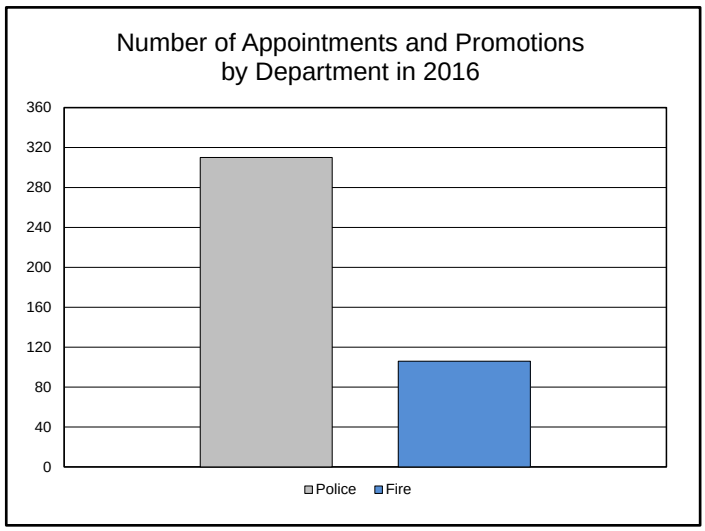
The 2018 proposed budget operating account totals $718,000 and is allocated as follows:

- Exam costs: $411,000
- Non-exam related professional services: $82,000
- Outsourcing background investigations: $133,000
- Recruitment and outreach: $41,000
- IT costs: $28,000
- Routine operating expenses: $23,000

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.

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.

Figure 5



The 2018 proposed budget includes $411,000 in operating funds to administer new exams for several positions including fire cadet, fire lieutenant and captain, police aide, police lieutenant, and detective. Funding will be used to complete the 2017 recruitment, testing, and hiring process for police officer 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. A total of $308,000 is included in a special fund for costs related to pre-employment drug testing, medical screening, and psychological evaluations.

The 2018 proposed budget includes $133,000 to continue a vendor service contract for background investigations of prospective Fire and Police department employees. The background investigations for both departments were previously conducted by retired police officers and the process could take up to ten days to complete for each candidate. Outsourcing this function to the vendor shortens the process to three to four days. This improves the overall efficiency of the hiring process and ensures that each step is completed in a timely manner. The Police Department 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.

Emergency Communications: The Emergency Communications Policy Director was moved to the Fire and Police Commission from the Department of Administration by council amendment in the 2017 budget. In collaboration with the FPC and a newly formed governance committee, this position will continue work to determine an optimal organizational structure for radio and emergency communications and manage policy and budget decisions. This position serves as the city's primary contact and represents the city at intergovernmental committees as these responsibilities relate to emergency communications.

Position Changes: A new Program Assistant I position is added to the Fire and Police Commission staff in the 2018 proposed budget. The position will prepare the bi-monthly meetings of the Board of Fire and Police Commissioners, assist the paralegal in responding to open records requests, and assist with other duties including recruitment and testing activities.

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
	0.50	-0.50	Homeland Security Director	Discontinuance of the Urban Areas Security Initiative grant funds.
1	1.00		Program Assistant I	New position added to assist FPC board.
1	**1.50**	**-0.50**		

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: Conduct 30,000 community risk reduction visits 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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	992.85	954.05	879.80	879.80	-74.25	0.00
FTEs - Other	2.30	3.95	3.20	3.20	-0.75	0.00
Total Positions Authorized	1,007	943	868	898	-45	30
Expenditures						
Salaries and Wages	$85,380,910	$75,574,731	$69,636,734	$69,636,734	$-5,937,997	$0
Fringe Benefits	35,974,793	38,543,113	34,122,000	34,122,000	-4,421,113	0
Operating Expenditures	5,588,432	6,003,866	6,365,291	6,395,291	391,425	30,000
Equipment	382,976	604,179	570,410	570,410	-33,769	0
Special Funds	363,582	559,770	559,565	559,565	-205	0
Total	$127,690,693	$121,285,659	$111,254,000	$111,284,000	$-10,001,659	$30,000
Revenues						
Charges for Services	$6,654,756	$6,795,000	$6,545,000	$6,545,000	$-250,000	$0
Total	$6,654,756	$6,795,000	$6,545,000	$6,545,000	$-250,000	$0

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 33 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 and IT Bureau and oversees the civilian staff.

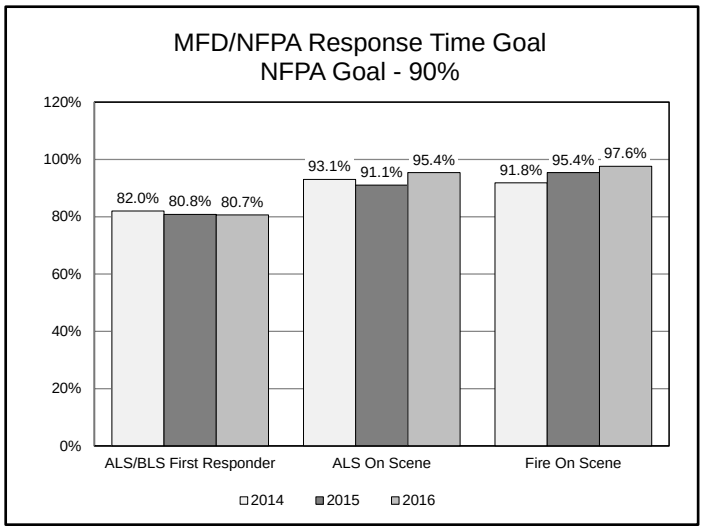
Key Performance Measures	2016 Actual	2017 Projected	2018 Planned
Limit fire related deaths to less than ten per year.	10	3	0
Maintain a 95% recovery rate from penetrating trauma. Gunshot victims: Stabbing victims:	83.8% 98.9%	95%	95%
Make 30,000 community risk reduction visits to single family homes.	NA	30,000	30,000

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.

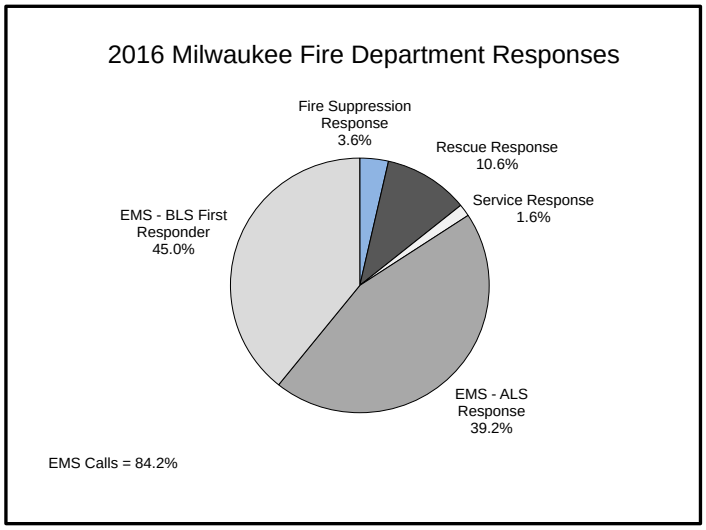
Response Time: The MFD uses response time and geographical coverage data to locate and operate fire suppression and medical services units. As Figure 1 indicates, the department has impressive rates for the most critical types of fire and EMS calls. These are the calls where quick response is most critical to saving lives. Average response time to fires in 2016 was 2 minutes 52 seconds and 2 minutes 50 seconds through April of 2017.

Figure 1



Indicators tracked through the AIM program show that the advanced life support responses provided by MFD have a positive impact on survival rates for penetrating trauma incidents. In 2016, incidents treated by responders for stabbing victims had a recovery rate of 98.9% and 83% of gunshot victims survived.

Figure 2



Fire Prevention and Safety: The department's community risk reduction program emphasizes fire prevention because fewer fires create fewer situations where a fire death or fire injuries could occur. A main emphasis of the community risk reduction program is the Fire Fighters Out Creating Urban Safety (FOCUS) program. FOCUS 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 2016, the department distributed 1,814 smoke detectors throughout the city.

RESIZE, RESTRUCTURE, AND REINVEST

The 2018 proposed budget includes a resizing through the decommissioning of three heavy apparatus and browning out two heavy apparatus. There are no changes to the number of med units. This resizing is equivalent to a reduction of 75 full time positions and will save the city approximately $9.5 million in salary and benefits on an annual basis. However, if a local sales tax is approved by referendum, the proposed brownouts of two heavy apparatus or 30 full time equivalents will be restored to daily operations during the spring of 2018. Even with the proposed reduction in staffing, response times to fire and emergency medical service calls will remain superior to national standards. Also, none of the staffing changes will result in layoffs.

The department is restructuring and reinvesting in the community risk reduction program. The program, which began in 2016, is a proactive and community oriented approach to fire education and fire safety while building and enhancing community relationships throughout Milwaukee. The program will visit each home and business every five to seven 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 and neighborhoods through public education.
- Familiarizing visits and establishing pre-fire and pre-emergency plans for businesses, apartments, and condominium buildings.

The Fire Department continues restructuring its paramedic program to include a community paramedic program. The community paramedic program addresses 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 by 56%. 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 has signed three memorandums of understandings with regional health care providers to identify additional high volume users of 9-1-1 to enroll them into the program.

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. In 2016, the department went on 166 shared service fire calls. Through May 2017, the department has gone on 105 shared service fire calls. The agreements are also anticipated to achieve savings through the elimination of duplicated services and reduced prices on equipment through joint purchasing agreements. To date, the city has saved approximately $120,000 in purchasing new ambulance units and $40,000 in turn out gear replacement purchases through the use of joint purchasing agreements.

The Fire Department continues reinvesting through the fire cadet program. The 2018 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 51% and lost time injuries has been reduced by 66%.

In 2018, the department is reinvesting in PulsePoint. PulsePoint is an application that allows the city's dispatch system to immediately alert CPR trained bystanders about a nearby sudden cardiac arrest event through the free PulsePoint respond mobile app, and lets them know the location of the closest automatic external defibrillator. Early CPR and defibrillation can greatly improve the odds of survival in a sudden cardiac arrest event. When the emergency call comes PulsePoint notifies the public who have the application and are near the event. When the Fire Department arrives there is already someone at the scene, applying lifesaving CPR and defibrillation.

CAPITAL PROJECTS

The 2018 proposed capital budget supports the major equipment and facilities maintenance needs of the Fire Department. The capital budget includes $1,106,000 for major equipment replacement, $349,000 for additional facility upgrades, and $100,000 for the extrication equipment replacement.

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	-5.00		Fire Captain	Reductions from three heavy apparatus decommissioned and two heavy apparatus brownouts. The position authority for two heavy apparatus remains only to be filled if sales tax funding becomes available. If sales tax funding is not available two apparatus brownouts will be decommissioned and the position authority will be eliminated.
-6	-10.00		Fire Lieutenant	
-27	-45.00		Firefighter/Paramedic	
-9	-15.00		Heavy Equipment Operator	
	0.75	-0.75	Various Positions	Reduction of CDBG FOCUS funding.
-45	**-74.25**	**-0.75**	**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 death due to violence.

Prevent the spread of food borne disease.

Reduce the infant mortality rate.

Maintain immunization compliance within Milwaukee Public Schools at 90%.

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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	148.83	138.25	128.96	134.70	-3.55	5.74
FTEs - Other	74.25	102.80	108.85	108.85	6.05	0.00
Total Positions Authorized	252	252	246	252	0	6
Expenditures						
Salaries and Wages	$7,483,517	$7,650,848	$7,236,993	$7,410,179	$-240,669	$173,186
Fringe Benefits	3,259,580	3,442,882	3,329,017	3,408,682	-34,200	79,665
Operating Expenditures	2,051,247	1,895,500	1,931,007	1,945,500	50,000	14,493
Equipment	4,605	5,000	5,000	5,000	0	0
Special Funds	337,854	538,000	237,000	692,000	154,000	455,000
Total	$13,136,803	$13,532,230	$12,739,017	$13,461,361	$-70,869	$722,344
Revenues						
Charges for Services	$1,163,608	$1,045,200	$1,061,300	$1,061,300	$16,100	$0
Licenses and Permits	193,233	215,400	175,400	175,400	-40,000	0
Total	$1,356,841	$1,260,600	$1,236,700	$1,236,700	$-23,900	$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 department improves public health by implementing educational programs, developing policies, administering services, and conducting research. The department promotes health care equity, quality, and accessibility and 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	2016 Actual	2017 Projected	2018 Planned
Number of immunizations administered for the city and Milwaukee Public Schools (MPS).	8,360	8,000	6,500
Number of clients seen at STD clinics.	5,064	5,000	5,000
Percentage of all food inspections with one or more critical risk violations.	17%	20%	22%
Percentage of children with high blood lead levels.	10.5%*	10%	9%
Infant mortality rate per 1,000 births. [A.]	9.0	9.4	9.4

[A] Note: data is based on three-year rolling averages.
[*] Lead data for 2016 is preliminary.

STRATEGY IMPLEMENTATION

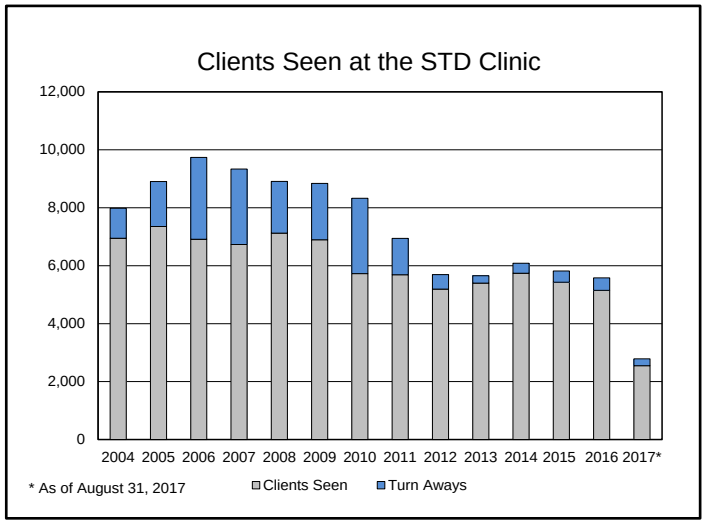
Sexually Transmitted Infections: Milwaukee faces significant challenges in the prevention and control of sexually transmitted infections (STI's). The STI/HIV program located at the Keenan Health Center provides client and partner counseling, screening and referral services consistent with federal Center for Disease Control and Prevention guidance. In addition, the center offers clinical examination and treatment services for approximately 6,000 clients each year who are either uninsured or underinsured (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 STI's. Educational outreach to youth is conducted through 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. It also partners with the AIDS Resource Center of Wisconsin (ARCW) and

Diverse & Resilient (D&R) to address the increase in HIV and syphilis infection. Analysis provided by DPH allows for strategic, targeted risk reduction interventions for high risk community members.

In 2017, the department along with ARCW and D&R continued to focus on HIV/AIDS prevention within subsets of the men who have sex with men (MSM) population. Strategies include giving D&R space at the Northwest Health Center for expanded testing services for residents, use of social media for risk messaging, evaluating accessibility to pre-exposure prophylaxis, and outreach to high risk individuals.

Figure 1



The 2018 proposed budget provides $20,000 along with approximately $30,000 that is anticipated to be carried over from 2017 for the Sexually Transmitted Disease Clinic to partner with Planned Parenthood of Wisconsin to provide services to clients that are turned away from the Keenan clinic because of overcapacity. This will provide an estimated 340 client tests and counseling for 50 clients. Funding will support door to door outreach services by Planned Parenthood in high STI incidence areas.

In 2016, the department was awarded and became a participant in the Center for Disease Control Strengthening the U.S. Response to Resistant Gonorrhea (SURRG) project, a three year grant to enhance domestic gonorrhea surveillance and infrastructure, build capacity for rapid detection and response to antibiotic resistant (AR) gonorrhea, and rapid field investigation to stop resistant infections. The project will improve understanding of the epidemiological factors that contribute to AR gonorrhea. In 2018, the MHD will continue to expand its project infrastructure and work with non-STD partner sites to increase the capacity to screen and respond to these infections.

In 2018, the department will coordinate a strategic planning process focused on decreasing sexually transmitted infection and increasing positive sexual health behaviors. The MHD will convene a broad base of community partners, medical professionals, and other stakeholders to evaluate current STI trends and determine strategies to inform the following components:

- Surveillance,
- Clinical services,
- Partner management, and
- Behavioral interventions.

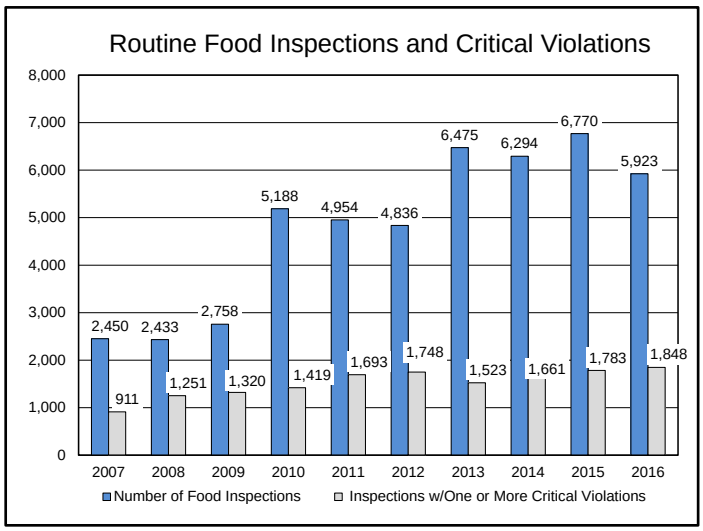
Violence Prevention and Reduction: Violence, both interpersonal and structural, poses a serious threat to the health, safety, and wellbeing of Milwaukee residents. The injury, pain, and trauma that results from violence severely impacts the physical and mental wellbeing of individuals and communities. Consistent exposure to violence and lack of safety increases stress and anxiety, contributing to poor health outcomes including premature death. Due to the cyclical nature of violence, its impact is intergenerational, particularly among communities of color and those living in concentrated poverty. The Office of Violence Prevention (OVP) promotes and preserves life through coordinated strategies to address violence as a public health issue. Focus areas include gun violence, sexual assault, domestic violence, human trafficking, suicide, and self-harm.

Domestic Violence Safe Exchange and Visitation Center: After separation from an abusive situation, batterers often use visitation and exchange of children as an opportunity to inflict additional physical and psychological abuse on victims and their children. OVP, through its Commission on Domestic Violence and Sexual Assault

(CDVSA), provides 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 is the Milwaukee Visitation Center, now known as Safe Haven.

Safe Haven helps victims of domestic violence, sexual assault, stalking, and non-offending parents achieve safety and independence from abuse with free civil legal assistance through a partnership with Legal Action of Wisconsin. It provides onsite visitation and exchange for 20 hours per week, offers onsite domestic abuse advocacy, and connects families to community resources for children and families impacted by abuse and assault. Safe Haven is the only site in the county that offers free exchange and visitation services and provides the security features essential for the safety and security of victims and children.

Figure 2



Denim Day: The sexual assault awareness campaign, known as *Denim Day*, focuses on men and boys as victims, survivors, and allies, as well as their role in prevention. In 2017, the city partnered with *Denim Day* to ensure that donated jeans were displayed from light poles in downtown Milwaukee to raise awareness about this issue. Planning for the 2018 campaign is underway.

Consumer Environmental Health: The Consumer Environmental Health (CEH) division prevents foodborne illness and assures the safety of food sold in city food establishments (grocery stores, convenience stores, restaurants, food trucks, and taverns). In 2016, 5,923 routine inspections were performed. Critical violations (now referred to as priority violations) that may result in foodborne illness were identified at 31% of those routine inspections (see Figure 2). If a priority violation is found, repeat inspections are performed to assure the potential hazard is mitigated. In 2016, the department performed a total 10,087 food inspections, identifying and mitigating 13,000 violations. It is anticipated that 7,600 food inspections will be completed in 2017 addressing an estimated 12,782 violations and in 2018 there will be approximately 9,781 food inspections with an estimated 11,371 violations.

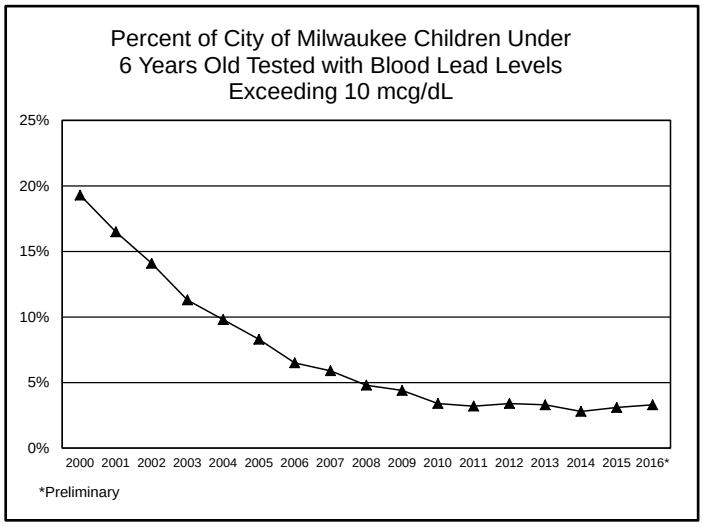
CEH inspectors investigate consumer complaints and provide training in safe food handling practices. The department is working on several quality improvement projects to upgrade food inspection software, standardize inspection practices, implement a system of progressive enforcement, and create a system for food establishment grading. In 2018, the food establishment grading system will be implemented.

Inspectors also decrease the risk of blood borne diseases such as Hepatitis B, Hepatitis C, and HIV from tattoo or body art practices by conducting inspections to assure that tattoo, permanent makeup, and body piercings are done in a sanitary and sterile manner.

CEH includes the 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 conformity with federal tolerances and construction standards. Price verifications are conducted to assure the price the consumer is charged is the price marked on the shelf.

Childhood Lead Poisoning Prevention: The department's Childhood Lead Poisoning Prevention Program (CLPPP) was awarded $3.4 million in 2016 to continue efforts to combat lead poisoning and provide healthy housing. This funding allowed CLPPP to expand prevention efforts to two zip codes, one on the north and the other on the south side of Milwaukee. CLPPP leverages CDBG funds in combination with HUD dollars to support targeted lead abatement in the highest risk homes. CLPPP is a comprehensive and coordinated approach to eradicate childhood lead poisoning. Since 1997, lead abatement occurred in over 17,000 houses contributing to significant drops in the percentage of children tested with blood lead levels exceeding 6mcg/dl as shown in Figure 3. Program efforts include:

Figure 3



- Housing based primary prevention: Makes homes lead safe before children are poisoned by encouraging owner participation and investment in communities and properties.
- Comprehensive secondary interventions: Provides lead poisoned children and their families with nursing case management, medical management, and lead hazard control to ensure their housing is made lead safe to reduce the child's lead level.
- Compliance assurance for ongoing residential rehabilitation programs: Monitors and supervises programs under Section 102/1013 of HUD's Lead Safe Housing Rule.

The Health Department has also launched a drinking water filter distribution program, providing free drinking water filters to those most at risk through community partner agencies. Since 2016, the department has provided more than 2,291 drinking water filters to eligible residents.

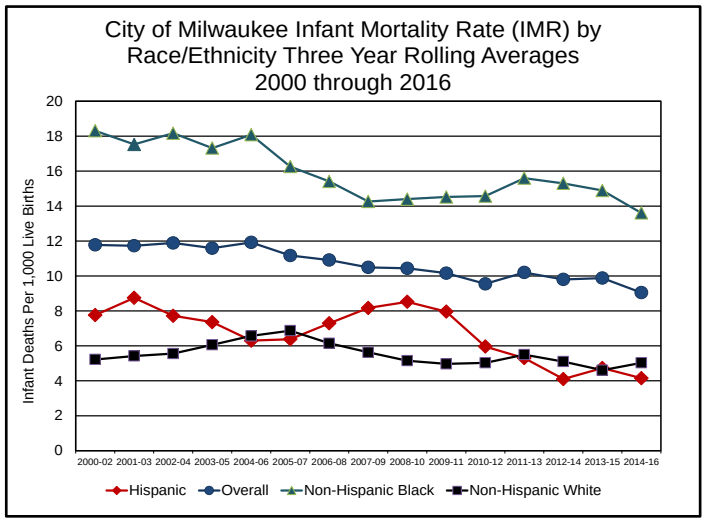
The department conducts outreach to families most at risk and raise awareness of the steps families can take to prevent lead exposure and the importance of testing children for exposure. In 2017, the department partnered to launch the *Lead Safe Milwaukee* public awareness campaign and continues to conduct outreach and awareness activities.

Childhood Immunizations: The Health Department works to sustain high childhood immunization rates through immunization clinics at health centers and providing immunization clinic opportunities in the community. In 2016, the MHD provided 8,360 immunizations to over 3,000 clients. Immunizations 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.

The department collaborates with organizations including childcare facilities, schools, and the *Immunize Milwaukee!* coalition to promote vaccination and reduce racial disparities. The department continues efforts to improve primary immunization rates in toddlers and pre-kindergarten age children. In 2016, the percentage of children residing in the City of Milwaukee that completed the primary vaccine series by their second birthday increased to 66%. In coordination with the Milwaukee County District Attorney's Office, the department conducts educational symposiums and events directed toward schools and daycares to increase compliance with Wisconsin immunization laws. In the 2016-2017 school year, the percentage of students in compliance with state immunization standards increased to 91%.

Infant Mortality Rate: 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 preliminary data, Milwaukee's overall IMR is 9.0. This means that 9 babies died for every 1,000 live births in the city during this time period. There are significant racial and ethnic IMR disparities. Non-Hispanic White babies have an IMR of 5.0, compared to 13.6 for non-Hispanic Black babies and 4.2 for Hispanic babies. This disparity indicates that black babies die at a rate that is approximately three times higher than white babies (see Figure 4). To reduce infant mortality, the department manages four home visiting programs that emphasize healthy birth outcomes and improving parenting skills. These programs include:

Figure 4



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

Empowering Families of Milwaukee: The Empowering Families of Milwaukee (EFM) 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 to 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 994 new clients and seen 864 infants. In 2016, 97% of mothers gave birth to full term babies and approximately 80% of mothers initiated breastfeeding at birth. In 2017, EFM expects to serve 130 families and 160 families in 2018.

Nurse Family Partnership: The Nurse Family Partnership (NFP) improves 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. The program supports 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 614 families since its inception. In 2016, 94% of mothers delivered full term babies and 71% of new mothers initiated breastfeeding. The goal for 2017 is to increase the percentage of mothers delivering full term babies and increase the percentage of breastfeeding initiated by mothers.

Parents Nurturing and Caring for their Children: The Parents Nurturing and Caring for their Children (PNCC) program provides prenatal care coordination to pregnant mothers and their families during pregnancy and until the infant turns two months old. In 2016, PNCC achieved healthy birth outcomes with more than 94% of babies born full term and 80% of mothers initiating breastfeeding after delivery.

Direct Assistance for Dads Project: The Direct Assistance for Dads (DAD) project provides intensive, evidence based, participant driven fatherhood focused home visitation services to expectant and parenting fathers. The DAD project was developed to address the need for high quality, father focused services in Milwaukee. Meaningful father involvement correlates with children's secure attachment and optimal development and reduces stress and depression in mothers. The program began serving fathers in 2014 and has served 105 fathers since inception. In 2018, the DAD project will be consolidated under men's health to enable the department to serve men across a range of health services.

Strong Baby Initiatives: The department annually hosts the *Strong Baby Sabbath*. This event garners the support of more than 100 clergy to alert their congregations to the infant mortality statistics in Milwaukee and share critical information to reduce premature births and promote safe sleep practices for infants.

In 2015, the department partnered with Columbia St. Mary's Hospital, United Way of Greater Milwaukee and Waukesha County, and the March of Dimes to develop a pilot project with area churches called the *Strong Baby Sanctuary*. The department worked with partners to train interested churches about infant mortality causes and community resources that support healthy babies. In 2015, ten churches were trained and opened their doors as *Strong Baby Sanctuaries* with an additional ten churches trained in 2016. By the end of 2017, the goal is to add 15 additional churches. So far this year, 12 new members have joined. This brings the total number of *Strong Baby Sanctuaries* to 35. The sanctuaries are a safe location in the community where pregnant women and families can receive support. Trained ambassadors complete an assessment of the families and make referrals to community resources that will meet their needs. The goal is to teach families about pre-term labor, the importance of prenatal care, and to reduce maternal stress by connecting families to resources such as the Women, Infants, and Children (WIC) program, FoodShare, BadgerCare, *Cribs for Kids* and home visitation programs.

The department will continue its *Strong Baby* media campaign to support positive birth outcomes and child development. The campaign features images of local strong babies on buses, bus shelters, and billboards. In 2016, the department released a campaign to highlight the benefits of home visiting. In 2017, two campaigns were launched; one calling attention to the dangers of second hand smoke, and the second promoting the health benefits of breastfeeding. These messages were targeted to address areas of concern that have been identified through FIMR data. In 2018, the department will continue to determine needs and tailor messages to specific populations.

In 2016, the department's *Cribs for Kids* program distributed 809 cribs to families who cannot afford to purchase one, providing support to approximately 8% of the babies born in 2016.

Teen Pregnancy Reduction: A decade ago, Milwaukee had the second highest teen birth rate in the nation. In 2007, Mayor Barrett and the Health Department, in partnership with the United Way of Greater Milwaukee and the Center for Urban Population Health announced a goal of reducing the teen birth rate to 30 births per 1,000 for females 15 to 17 years old by 2015, a 46% reduction. By 2012, the city surpassed this goal. Mayor Barrett's new goal is to reduce the teen birth rate another 50% from the 2012 rate by 2023.

Reducing teen birth rates is a collaborative effort among partners led by the teen pregnancy prevention initiative of the United Way of Greater Milwaukee and Waukesha County. The initiative focuses on strategies including public awareness, parent involvement, fund development to support positive community programming, and resources and partnerships with faith based and public schools. In 2017, the *Thanks* campaign was launched. The campaign focused on teenagers that made safe and healthy reproductive choices. Choices made by teens resulted in a significant decrease in the city's teen pregnancy rate. In 2018, a major focus will be improving work with adolescents.

The department 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 participates in the Personal Responsibility Education Program (PREP), a federal initiative that helps young people avoid teen pregnancy and sexually transmitted infections. The program includes career and financial planning goals for teens. In 2016, the *Plain Talk* and PREP 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 to promote the availability of health insurance services for reproductive health**.** The program focus in 2017 has been updating the program curriculum as well as targeting specific neighborhoods for outreach using youth that completed the program curriculum.

Health Care Access: The department works to improve access to health care for city residents. The Community Health Care Access Program (CHAP) uses targeted marketing and outreach to enroll the uninsured in BadgerCare Plus and the Affordable Care Act (ACA) marketplace. CHAP assists clients in choosing and paying for health insurance. Since the first ACA open enrollment period, there has been a 38% reduction in the Milwaukee County uninsured rate.

Milwaukee Health Department Laboratory: The lab processes over 80,000 specimens per year on average 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 lab'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 2017, the lab performed over 75,000 tests for a variety of users and agencies, and received fee-for-service or reimbursement of laboratory tests generating more than $600,000 in revenue. Initiatives include:

- Implementing new tests for oral and genital herpes for STD clinic and diagnostic services.
- Implementing HIV confirmatory testing at the Keenan Health Center.
- Upgrading the laboratory information system to allow more efficient electronic communication with clients and sharing of lab results with local, state, and federal partners.

In 2016, the lab received the Centers for Disease Control and Prevention's annual Epidemiology and Laboratory Capacity grant (August 1, 2016 through July 31, 2017) that focuses on improving detection and response to antibiotic resistant gonorrhea (GC). The first year funding of $474,518 will enable the lab to enhance timely surveillance for the detection of resistant GC threats.

The laboratory continually upgrades its critical equipment and infrastructure to improve analytical services to enhance communicable disease surveillance and improve epidemiological investigations.

RESTRUCTURE, RESIZE, AND REINVEST

Water Filters: In 2018, $75,000 is provided to support the purchase and distribution of water filters to the populations most at risk for exposure to lead hazards. The department anticipates $75,000 in matching donations of water filters to bring total funding to $150,000. Program participants are being screened to identify if they are within the targeted vulnerable population:

- Bottled fed infants,
- Children under six years of age,
- Children with reported blood lead levels greater than 5ug/dL,
- Pregnant women, breastfeeding women, and women planning pregnancy in the near future, and
- Live in a housing unit with a lead service line.

Distribution of water filters has been shown to be a highly effective interim strategy for reducing lead exposure through drinking water until lead service lines can be replaced.

ReCast Milwaukee: In 2016, the Office of Violence Prevention received a federal grant through the Substance Abuse and Mental Health Services Administration (SAMHSA) and the Resiliency in Communities After Stress and Trauma (ReCAST) to identify and address the mental and behavioral health needs of youth and families exposed to high rates of systemic and community trauma. The federal grant required the first year to focus primarily on strategic planning, including a comprehensive needs assessment in conjunction with the development of the *Blueprint for Peace*. In addition to successfully completing both, OVP has hired a project team and secured contracts with all of the initial grant partners. In 2018, the focus will be on implementing and assessing programs and services aligned with the needs assessment and *Blueprint for Peace*.

***Blueprint for Peace*:** Public safety is directly related to a city's quality of life, economic health, and potential growth. On November 1, 2016, the official planning process for the *Blueprint for Peace* was launched. Over 150 people including residents, parents, youth, organizers, advocates, elected officials, and public servants began the process of identifying strategies for making Milwaukee a safer city.

Employing a public health approach, the blueprint focuses on prevention of violence before it occurs, as well as intervention efforts after violence to reduce the impacts and prevent future perpetration and victimization. This approach complements the criminal justice system's efforts to reduce violence through enforcement and suppression strategies.

The recommended strategies in the blueprint build on and connect many of Milwaukee's assets and existing initiatives and funding and seek to bring them to scale, with a focus on neighborhoods with high rates of violence.

Neighborhood Violence Prevention Initiative: In 2016, the city supported the expansion of safe zones to two neighborhoods including Garden Homes and Franklin Heights. Although crime decreased in these areas, it is difficult to attribute the reduction fully to this program. Further evaluation will be needed.

After safe zone organizers discontinued implementation of zones in 2017, the Office of Violence Prevention (OVP) restructured its neighborhood based "violence interruption" strategy to include an internationally recognized approach to this effort known as cure violence. Working with local community organizations, OVP is launching a coordinated violence interruption program that will be known as *Ceasefire Milwaukee*. The 2018 proposed budget includes $280,000 in a special fund for this initiative.

Ceasefire Milwaukee will focus on preventing gun violence, including homicides and non-fatal shootings, through strategic, timely, and coordinated efforts among residents and first responders, mental health providers, community health workers, and others.

The program centers on an expanded street outreach and community change effort to mediate conflicts, prevent retaliation and other potentially violent situations, and connect individuals to community supports. A key element is the identification of individuals who are at high risk of becoming victims of or perpetrators of violence.

The program borrows considerably from "violence interruption" models that have been used in Baltimore, Chicago, and New York City. Available research concludes that these programs have had some success in achieving their objectives. The program will be evaluated based on criteria being developed by the Health Department and the Department of Administration.

Crisis Response for Trauma Informed Care Counseling (TICC): The Milwaukee Trauma Response Team (TRT) is an initiative that prevents the long term effects of exposure to traumatic events on untreated youth. TRT connects and offers services to youth and families exposed to potentially traumatic events. The goal is to contact youth and their families within 48 hours of the traumatic event in order to break the cycle of long term damage resulting from

untreated trauma. The majority of referrals involve children as witnesses or direct victims of violence from battery and aggravated assault or domestic violence. In 2018, funding of $180,000 is provided for TRT at Police Districts 7 and 5. The program will expand to provide training to fire fighters, EMT's, community outreach workers, educators, and first responders to youth and families in crisis. TRT involves collaboration between the Health Department, Police Department, and the Wraparound Milwaukee's Mobile Urgent Treatment Team (MUTT). As of July 2017, MUTT has received 400 referrals since TRT started in June 2015.

Public Health Accreditation Efforts: Public health accreditation by the Public Health Accreditation Board (PHAB) measures 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 department's quality and performance. National standards identify performance improvement opportunities, improve management and community relationships, and develop leadership.

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, a performance management and quality improvement plan, and an updated departmental strategic plan are needed to achieve public health accreditation. In 2016, the department completed the CHA and began the comprehensive community engagement process required to develop the CHIP. The community health improvement process, *MKE Elevate*, continued in 2017. It included the completion of a community survey to identify and prioritize health issues, community feedback on the CHA results, a photo campaign identifying community assets and needs, as well as priority action team meetings made up of diverse community groups and facilitated by the Health Department. After validating community goals and priority actions, the CHIP was drafted in the summer of 2017 and will be completed and implemented during the fall of 2017 and early 2018.

In 2016 and 2017, the department convened three separate committees to address PHAB standards and measures around workforce development, performance management, and quality improvement. These committees meet on a monthly basis. Based on input from several assessments, the committees have written relevant department policies and procedures. It is anticipated that these committees will address relevant accreditation criteria in 2018. In 2018, the department will submit its application for accreditation, a process that can take six to nine months and will include an onsite review by PHAB.

CAPITAL PROJECTS

The 2018 proposed budget provides $660,000 in capital funding for the following projects:

- Southside and Keenan Health Center maintenance ($129,000);
- A ventilation system for the lab ($26,000); and
- Replacement of lab equipment ($165,000).

The capital budget also includes $340,000 for 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 2016, the department was awarded a three year lead hazard reduction grant that allowed strategic lead abatement in target zip codes with 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
4		4.00	Public Health Social Worker	New positions created.
1		1.00	Administrative Assistant IV	
1	0.25	0.75	Substance Abuse Program Manager	
1		1.00	Disease Intervention Specialist	
1	1.00		Consumer Environmental Health Coordinator	
1		1.00	Laboratory Data Specialist	
1		1.00	Microbiologist	
1	1.00		Grant Budget Specialist	
1		1.00	ReCAST Program Manager	
1		1.00	Administrative Assistant III	
1	0.50	0.50	Public Health Planner	
1		1.00	Lead Risk Assessor II	Capital funded position.
-1	-1.00		Program Assistant II	Positions eliminated.
-1		-1.00	Family and Community Wellness Manager	
-1	-1.00		Environmental Health Specialist	
-1	-1.00		Community Education Assistant	
-1	-1.00		Accounting Assistant II	
-1		-1.00	Dietetic Technician	
-1		-1.00	Office Assistant III	
-1	-1.00		Office Assistant II	
-5	-5.00		Public Health Nurse	
-2	-2.00		Public Health Nurse Coordinator	
	-0.25	0.25	Health Interpreter Aide	Increase in grant funding.
	-0.10	0.10	Consumer Environmental Health Coordinator	
	-0.10	0.10	Lab Information Systems Specialist	
	-0.10	0.10	Microbiologist	

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	0.80	-0.80	Public Health Nurse III	Reduction in grant funding,
	0.25	-0.25	Public Health Educator II	
	0.25	-0.25	Public Health Nurse Supervisor	
	0.35	-0.35	Home Environmental Health Manager	
	0.20	-0.20	Infect Disease Epidemiologist	
	1.30	-1.30	Public Health Nurse Coordinator	
	0.30	-0.30	Violence Prevention Research Coordinator	
	0.30	-0.30	Nurse Practitioner	
	-0.50	0.50	Violence Prevention Manager	Position partially grant funded.
	3.00	-0.50	Various Positions	Miscellaneous adjustments.
0.00	**-3.55**	**6.05**	**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.
- Collect, digitize, and archive collections of local and statewide interest.
- Continue the Teacher in the Library program.
- 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.
- Implement Hot Spot lending.

Workforce Development and Business Growth

- Offer job seeking preparation opportunities.
- Continue computer training classes.
- Provide career online high school scholarships.

Community Engagement and Leadership

- Increase the Library volunteer corps.
- Develop new customers through partnerships.
- Increase understanding of community needs and increase library awareness.

Out-of-School Learning for Teens

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

Community Third Place

- Complete the 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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	286.32	290.12	270.56	279.06	-11.06	8.50
FTEs - Other	12.86	17.66	18.63	18.63	0.97	0.00
Total Positions Authorized	358	364	356	374	10	18
Expenditures						
Salaries and Wages	$12,156,487	$12,731,816	$12,049,675	$12,323,905	$-407,911	$274,230
Fringe Benefits	5,435,115	5,729,318	5,542,850	5,668,996	-60,322	126,146
Operating Expenditures	3,033,584	2,930,985	2,769,950	2,842,474	-88,511	72,524
Equipment	2,093,116	2,160,193	2,110,193	2,060,193	-100,000	-50,000
Special Funds	13,182	49,182	49,182	186,182	137,000	137,000
Total	$22,731,484	$23,601,494	$22,521,850	$23,081,750	$-519,744	$559,900
Revenues						
Charges for Services	$1,057,433	$1,087,600	$1,045,800	$1,045,800	$-41,800	$0
Total	$1,057,433	$1,087,600	$1,045,800	$1,045,800	$-41,800	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

The Milwaukee Public Library (MPL) plays a critical role in providing free access to knowledge, information, diversity of ideas, and the democratic process. MPL contributes to school readiness, academic success, literacy, economic 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 and one 24 hour fully automated library.

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

To help children succeed and prepare for post-secondary education, the Library emphasizes early literacy development and out-of-school learning. System wide programs and services include *Ready to Read* and *Books2Go*, which develop pre-reading skills in children ages 0-5. 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. MPL continues to expand services to youth, including through the ConnectED library challenge.

Developing workforce skills and helping adults find jobs continues to be a priority. MPL offers walk-in job labs offering 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. 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 available on DVDs and streaming services, 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, business, history and genealogy.

Key Performance Measures	2016 Actual	2017 Projected	2018 Planned
Pre-schoolers served by early literacy programs.*	30,732	34,000	31,000
Children and Teens served by school age programs.*	78,929	70,000	65,000
Summer reading program participation.	25,569	30,000	28,000
Public computer hours.	350,287	219,330	354,000
Digital materials circulation.	150,163	172,077	200,000
Job lab computer centers attendance.	2,925	2,500	2,600
Adult programs attendance.	24,910	20,130	19,124

*Attendance includes the parents, caregivers, and teachers that accompany youth to library programs.

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, extensive collections, and meaningful programming.

Books and Materials: Approximately $1.75 million, or $2.96 per capita, is allocated to fund materials purchased for Central Library, the 12 branch libraries, and one express library. This funding is the same as provided in the 2017 budget. Materials include books, media, electronic databases, serials, e-books, and other resources. The Library has prioritized increases for books and materials to provide needed and in-demand resources. The use of e-books has increased 18.3% and downloadable audio books have increased by 21.6% in the first seven months of 2017 compared to 2016. 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 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.

Teacher 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. Participating students and their parents report improvement in their academic skills and classroom performance, and improved attitudes toward homework. Teachers provide support, counseling, and advocacy to parents and caregivers of participating children. This program operated in the 2016-2017 school year at Atkinson, Bay View, Capitol, Center Street, Forest Home, Martin Luther King, Mill Road, Villard Square, and Washington Park libraries. While funding has been provided through the Community Development Block Grant (CDBG), no CDBG funding is provided in 2018 as a result of anticipated reductions in the city's CDBG award from the federal government. In order to maintain this service, $100,000 is included in the 2018 proposed budget. This funding amount will provide 1,120 teaching sessions.

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 2017, total attendance for *Ready to Read* was 2,123 children and 499 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. The program provides book delivery service and encourages use of the library's programs such as free continuing education workshops and the Books2Go library card program. Established in 1999, the Books2Go library card program was designed specifically for child care providers offering special privileges for cardholders such as multiple users on one account and free educational resources. There are currently 487 participating child care Books2Go cardholders. The program 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 2017, the program served 24,753 children, 8,723 youth being served at 117 school age servicing agencies, and 2,752 pre-school children at child care centers.

In 2018, the Library will continue to bring 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 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 $266,000 and 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, 1,415 cards were issued to first graders and MPL spoke to 4,258 first graders during visits to 80 schools. In 2016-2017, 1,041 cards were issued to first graders and MPL spoke to 4,060 first graders during visits to 79 schools. In 2017-2018, the Library will continue to work closely with all Milwaukee area schools and volunteers to continue to 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 has been renamed as LibraryNOW.

LibraryNOW: Lessons learned from the 2015 pilot guided expansion of the program. A memorandum of understanding was established with Milwaukee Public Schools (MPS). Prior to the 2016-2017 academic year, the Library worked with MPS to develop terms for sharing data. This enabled the creation of virtual accounts for all MPS students, providing access to the library's digital resources. The Library's Education Specialists deliver instructional sessions to MPS students, faculty, and staff to teach benefits and responsibilities of student and teacher accounts. As of July 2017, there were 65,611 student virtual accounts and 1,965 had been upgraded to full service accounts which allow for physical checkout of materials. For the 2017-2018 academic year, the Library will expand the campaign beyond MPS including charter and private schools.

Technology and Digital Inclusion

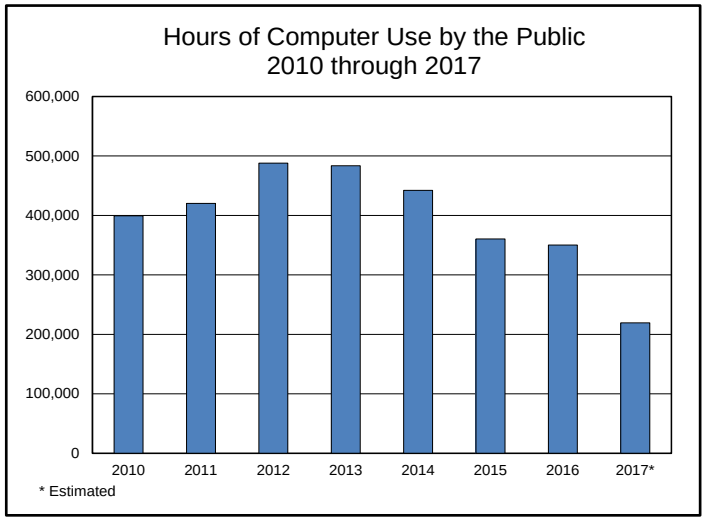
MPL provides a range of technology related services, from providing computer skills education to digitizing local history collections. An increasingly digitized world requires new knowledge, practice, and access to technology.

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 2018, the Library expects to receive $145,600 in discounts, which will support the internet service provided by Spectrum, the wide area network (WAN), and upgrades of both the network equipment and the wireless connection at branch libraries and Central library.

Technology Training: The 2018 proposed budget funds six Library Technology Specialist positions that were created through the Broadband Technology Opportunities grant. These positions provide technology skills training to city residents at all libraries and continually develop new curricula to address evolving community needs. Staff manages laptops, teach computer and software classes, and provide individual and small group digital literacy instruction in English and Spanish. Through July 2016, the Library offered 495 computer classes that provided 2,233 participants with computer skills. Through July 2017, 530 classes have been held with 1,824 attendees.

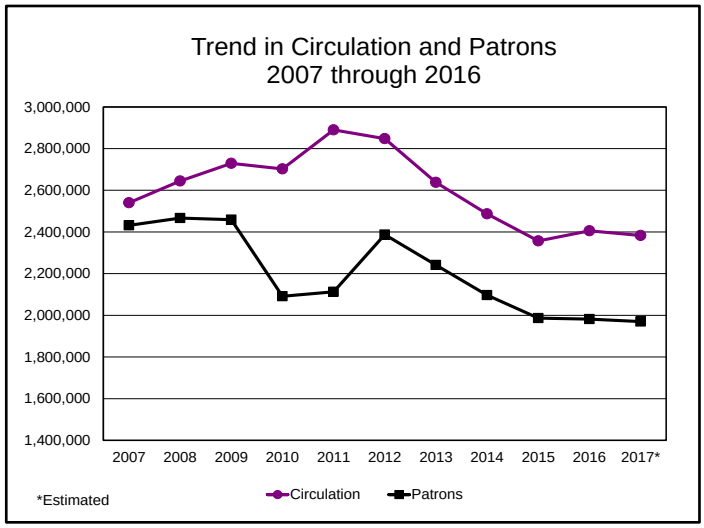
Computer and Internet Access: MPL provides city residents with access to high speed broadband internet, PCs, and laptops. Through June 2017, compared to the same period in 2016, computer use

Figure 1



increased 4.1% and laptop checkout decreased 2.3%. A reversal of the previous downward trend is due to the influx of new student users through the LibraryNOW initiative. 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.

Figure 2



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. Onsite programming and regularly rotating collections were implemented after a program evaluation was completed and have helped increase usage.

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 2017, the Library connected with 210 participants engaged in business and patent programs. The Library continues to expand its work with workforce development partnerships and initiatives. The First Annual Job Expo at Central library connected 206 participants to employment opportunities and community job resources. In 2018, the Library 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.

Job Labs: The Library hosts drop-in job help sessions to assist people who are unemployed and underemployed, helping them effectively search and apply for jobs. Assistance is provided by Library Technology Specialists who rotate among all the branch libraries and provide help in preparing résumés, writing cover letters, searching for jobs, completing online job applications, and submitting materials online. Through July 2016, 1,633 participants utilized drop-in labs. Through July 2017, 453 drop-in labs have been held with 1,461 attendees. The initiative is funded in part with private donations.

Community Engagement and Leadership

One of MPL's strategic goals is 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 volunteer coordinator 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: In 2016, with support from the Milwaukee Public Library Foundation and corporate and community partners, an awareness campaign was launched aimed at attracting new users to the library by challenging outdated perceptions of the library and reintroducing residents to its 21st Century programming, materials, and other offerings. Large scale events at Central library included a live concert and a haunted house. *Library Loud* days continued in 2017 with events geared toward children and teens, including a red carpet teen awards ceremony and birthday parties for *Browser*, the library lion. In the future, *Library Loud* days will incorporate more events at each of the 12 branch libraries.

Out of School Learning for Teens

The Library serves teens with innovative, high quality, technology rich, out-of-school programming. These services help teens build digital literacies, develop social and emotional maturity, and become college and career ready. A space equipped with a recording studio and editing bays will be available in September at the new Mitchell Street branch. Teen interns will program and curate the space and engage their peers by hosting interest based, tech oriented programs. "Near peer" college mentors will provide expert coaching and support for the teen interns. All library branches will offer workforce development related programming including résumé writing workshops, career exploration workshops, college application labs, and FAFSA help sessions. Production centered events and challenges that empower teens to build skills and create content will also be offered. The program is funded in part by grants through the Milwaukee Public Library Foundation and a city administered promise zone grant.

Community Third Place

Third places are anchors of community life that facilitate and foster broader and 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 library and branch libraries creates and maintains 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.

Library Hours: In 2018, library hours are maintained at 2017 levels. This maintains an increase in hours and staffing included in the 2016 budget. All library facilities are open Monday through Saturday, while Central, Zablocki, and Capitol libraries are open on Sundays from October through April.

In 2016, visits to the library reached 1,981,987 and is expected to reach 1,970,121 in 2017. In 2016, circulation of physical collections reached 2,405,729 and is expected to total approximately 2,383,270 in 2017.

Branch Library Improvements: The 2018 proposed capital budget includes $3.95 million for branch library improvements. This funding supports ongoing branch library replacement programs for the Capitol and Martin Luther King libraries. Both will be built within mixed-use developments. An agreement with the developer to build the new Martin Luther King branch is being negotiated. Site selection for a new Capitol branch is under discussion. Prior year funding was used to build the new Mitchell Street branch library, which replaces the old Forest Home library and opens on September 30, 2017. The Mill Road mixed-use library development is underway. The project was awarded and the development agreement and needed tax credits along with the

conceptual library design are in progress. In 2020, it is anticipated that planned renovations will be completed, providing residents with newer facilities with enhanced amenities, including flexible meeting spaces that expand programming potential. 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.

Central Library Improvements: The capital budget includes approximately $745,000 for Central library improvements. This includes ongoing repair and replacement of the building air handling units. MPL will also be working with the Environmental Collaboration Office to replace lighting at Central library.

Mill Road Library Operating Changes: The 2018 proposed budget includes operating changes at the Mill Road library in order to achieve $308,000 in budget savings. In 2018, the Mill Road library will operate with the same 47 hours per week Monday through Saturday. While the new Mill Road library is under construction the scope of services provided will be reduced, enabling the library to operate with fewer staff and at a lower cost. Full service will return with the opening of the new library.

Other Operating Changes: The 2018 proposed budget includes several other changes, including a $100,000 decrease in computer replacement, holding three positions at Central library vacant, including one Custodial Worker II, one Library Technician II and a Library Circulation Assistant I position. In addition, $45,000 is added for licensing costs for automated materials handling equipment and a Library Education Outreach Specialist will be funded through the Milwaukee Public Library Foundation.

Contingent Energy Financing: The 2018 proposed budget includes a new contingent energy financing special fund totaling $137,000. These funds were reallocated from the Library's energy account in order to fund energy efficiency and renewable energy projcts. These projects will be funded over time on a contingent basis once energy savings are verified. The Library, in partnership with the Environmental Collaboration Office, will use this approach to finance energy improvements at library facilities.

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		Personnel Analyst Senior	Position change adopted in 2017 in CCFN 161331.
1	1.00		Human Resources Analyst Senior	
-1	-1.00		General Accounting Manager	Position change adopted in 2017 in CCFN 161175.
1	1.00		Library Business Manager	
-1	-1.00		Library Reference Assistant	Position change adopted in 2017 in CCFN 170079.
1	1.00		Library Technology Training Coordinator	
	-1.00		Library Branch Manager	Reduce scope of services provided at the Mill Road branch library during construction of the new Mill Road library.
	-1.00		Librarian II	
	-1.00		Library Reference Assistant	
	-1.00		Library Circulation Assistant I	
	-1.06		Library Circulation Assistant I (0.53 FTE)	
	-0.60		Custodial Worker II City Laborer	
10			Teen Outreach Intern	Positions added in 2017 in CCFN 161331.
-4			Librarian Intern	Position change adopted in 2017 in CCFN 170414.
4			Librarian Associate	
		1.00	Library Education Outreach Specialist	Position funded by Milwaukee Public Library Foundation.
	-1.00		Custodial Worker II	Hold positions vacant for budget savings.
	-1.00		Library Technician II	
	-1.00		Library Circulation Assistant I	
1		1.00	Library Reference Assistant	Changes in Wisconsin Talking Book and Braille Library staffing.
-1		-1.00	Office Assistant II	
-1		-0.56	Library Circulation Aide (0.56 FTE)	
1		0.53	Library Circulation Assistant I (0.53 FTE)	
	-2.40		Various Positions	Increase in estimated vacancy rate.

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: Provide safety and stability for all Milwaukee neighborhoods.

Increase economic opportunity and family supporting employment for all Milwaukeeans.

Protect children's health and put them on a path for educational success from birth through adulthood.

Preserve and leverage the city's environmental and physical assets.

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

STRATEGIES: Staff and fund responsive and effective police and fire services.

Manage city finances and long term fiscal obligations responsibly.

Work with local and regional partners to create and retain jobs.

Invest in neighborhood development and stabilization.

Continue increased investment in local streets, sewers, and water infrastructure.

Continue to secure federal and state funds to improve Milwaukee.

Promote energy efficiency and renewable energy on a regional basis.

BUDGET SUMMARY

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	10.81	13.75	13.75	13.75	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	15	16	14	14	-2	0
Expenditures						
Salaries and Wages	$795,781	$971,313	$933,064	$933,064	$-38,249	$0
Fringe Benefits	396,219	437,091	429,209	429,209	-7,882	0
Operating Expenditures	70,871	45,000	45,000	45,000	0	0
Equipment	0	0	0	0	0	0
Total	$1,262,871	$1,453,404	$1,407,273	$1,407,273	$-46,131	$0

Since 2004, Mayor Tom Barrett has steered Milwaukee on a positive course. The Mayor's budgets have invested hundreds of millions of dollars in public safety, neighborhood stability, affordable housing, employment opportunity, and the health and wellbeing of Milwaukee's children. The Mayor has consistently proposed budgets that achieve results:

- A 70% reduction in children with elevated blood lead levels,
- Over 9,000 new affordable housing units,
- Billions in downtown development, and
- New highs for employment of Milwaukee residents.

The Mayor's Office provides executive direction and management to city government, including appointments to dozens of boards and commissions, lobbying and coordination with other levels of government, and policy direction for city departments. The Mayor's Office also leads implementation of the Mayor's signature initiatives; Earn & Learn summer youth employment, Accountability in Management, and the Walk 100 Miles campaign. The Mayor represents the City of Milwaukee on numerous local boards and commissions, including the Criminal Justice Coordinating Committee, Milwaukee Succeeds, Employ Milwaukee, and the Milwaukee County Intergovernmental Coordinating Council.

Mayor Barrett Proposes Sales Tax for Public Safety: The City of Milwaukee continues to face major financial challenges in delivering services, especially police and fire services. Funding for the Police Department is critical to keeping Milwaukee residents safe and neighborhoods stable. A 0.5% local sales tax would generate revenue that would offset cost increases to police and fire budgets. That revenue would also allow the city to use local property tax dollars to provide crime prevention services.

The Mayor's proposal would require the passage of an April 2018 referendum by residents because those who pay property and sales taxes deserve to decide if an increase in police officers is worth increasing their taxes. If the referendum passes, two fire apparatus proposed to be browned out during 2018 would be restored and a proposed third police officer class would begin in December 2018 to ramp up staffing toward an average strength of 1,900.

Since 2010, the amount of sales and income taxes generated by Milwaukee for the State of Wisconsin has increased, but the amount of those revenues sent to the city has decreased. In 2015, the "dividend" sent to Madison from the City of Milwaukee was $460 million *more* than the city received in state aid. While state revenues have increased nearly $7 billion since 2010, including from sales and income tax generated in Milwaukee, the city's shared revenue allocation has been flat or cut in each of those years. Even though Milwaukee's economy has grown, the state has kept the revenue the city generates, and local property owners still have to shoulder the majority of costs for city services.

The coming 2018 and 2019 budgets present a set of serious choices for city service levels and public safety services. Even with spending and staffing cuts to other departments and further cuts in future years, maintaining existing police staffing at the 2017 level of 1,888 sworn officers becomes nearly impossible.

Implementing a sales tax will address both the annual increase in funding existing police staffing as well as the disproportionate burden on property taxpayers to fund it. A sales tax will capture some of the huge increase in value generated downtown and share it with the city's neighborhoods.

At the heart of this proposal is fairness. Milwaukee is the state's economic engine, generating employment and revenue for the entire state. The city is a national and regional destination. Under our current revenue structure, the burden of paying for the services and infrastructure to keep our city safe falls entirely on local property owners. A sales tax makes the financing of those services fairer, and makes the city's economic growth more beneficial for our residents and the region.

Violence Prevention: In 2017, Mayor Barrett appointed a diverse steering committee to provide leadership and oversight and charged the Milwaukee Health Department's Office of Violence Prevention with facilitating a transparent process with broad community input that would engender collaboration, solutions, and action. The planning process will result in a vision for violence prevention and community safety for Milwaukee, an action plan that draws on community assets and best practices, and increased readiness for collaborative action by multiple sectors.

Mayor Barrett has provided $280,000 in the 2018 proposed budget to fund a *Ceasefire* program that will be included in the action plan. *Ceasefire* is part of a strategy that focuses on preventing gun violence, including homicides and non-fatal shootings, through strategic, timely, and coordinated efforts among residents and first responders, including mental health providers, community health workers, and other partners. The goal recognizes that timely violence surveillance data are essential to identify hotspots of violent activity in the city and guide efforts.

The program revolves around an expanded street outreach and community norm change effort to mediate conflicts, prevent retaliation and other potentially violent situations, and connect individuals to community supports. A key element is the identification of individuals who are at high risk of becoming victims of or perpetrators of violence. The program is based on "violence interruption" models that have been used in Baltimore, Chicago, and New York City.

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 includes collaboration with the Health Department, Milwaukee Police Department District 5 and 7, and Wraparound Milwaukee's Mobile Urgent Treatment Team (MUTT). The project was piloted in District 7 and expanded to District 5.

As of July, 2017 the Mobile Urgent Treatment Team (MUTT) has received a total of 400 referrals since the beginning of the program in June, 2015.

***Compete Milwaukee*:** In 2018, 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.

Compete Milwaukee includes a transitional jobs effort that places participants in job and life skills training to provide them a career pathway. Workers spend six months in that training and also work assisting in providing critical city services.

In 2015 and 2016, 159 Milwaukee residents have started a career path through *Compete Milwaukee*, with 70% of those participants gaining long term unsubsidized employment. Those *Compete Milwaukee* alumni have earned over $1 million in wages since their participation in the program, a huge success.

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.

The 2018 proposed budget includes the hiring of 70 individuals in transitional job placements. Twenty will be police ambassadors and the remaining 50 will work in the Departments of Public Works and Neighborhood Services, as well as the Port of Milwaukee.

Connecting Residents and Youth with Employment: A quality workforce is a crucial component of investment and industrial location decisions. Mayor Barrett is utilizing the Employ Milwaukee to launch programs to connect the city's unemployed residents to jobs with local manufacturing companies.

Initiated in 2012, the Mayor's Manufacturing Partnership addresses 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 employ 1,788 in manufacturing jobs since 2012.

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 résumés. Through clerical, recreation, food service, and manual work the youth in this program develop beneficial work habits and confidence. Between 2005 and 2017, 28,559 Milwaukee youth gained critical employment experience through the Earn & Learn program.

Lead Abatement and Service Line Replacement: There are approximately 70,000 water service lines in the city that are made with lead. Mayor Barrett's 2017 budget began a new policy of full replacement for all lead service lines in Milwaukee and included nearly $11 million for lead abatement. The Mayor's $50 million commitment since 2005 for work on lead paint abatement has reduced the rate of children with elevated blood lead by nearly 70% in that time.

Full **r**eplacement of lead service lines began in January of 2017, and nearly 500 lines have already been replaced this year. The city's 2018 capital budget includes $1.4 million in levy supported borrowing for the city share of lead service line replacement costs. Approximately $1.4 million of principal forgiveness funding through the Safe Drinking Water Loan Program (SDWLP) is also available in 2018 for these efforts.

The Mayor's proposed budget continues funding for filtration devices for at-risk families in 2018. 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. In the 2018 proposed budget there is $8.8 million for 800 service lines.

Strong Neighborhoods Plan: The 2018 proposed budget includes $8.6 million for the Strong Neighborhoods Plan, Mayor Barrett's effort to fight vacancy and foreclosure. The 2018 proposed budget includes $2 million to help owners avoid foreclosure through the code compliance and strong homes loan programs. Both loan programs assist homeowners in making necessary property improvements to avoid building code violations and perhaps foreclosure.

Since 2014, the Mayor's Strong Neighborhoods effort has resulted in sales of more than 1,700 improved properties, with a recovered taxable value of over $75 million. The vast majority are one and two family homes that provide opportunities for families to build wealth; these sales, renovations, and re-occupancy of formerly vacant properties also strengthen the neighborhoods in which they are located.

Libraries: The Mayor has led an ambitious and innovative plan to replace most of the city's neighborhood libraries, creating development partnerships that combine 21st century libraries with new mixed use development. This model reduces the cost of library projects and provides even more opportunity to connect the libraries with the communities they serve. The Villard and East libraries were completed under this model, and in fall 2017 the Mitchell Street branch will open. In 2018, the Mill Road, King, and Capitol libraries will be under development, funded by $4 million in the 2018 proposed budget. Since 2015, Mayor Barrett has invested nearly $11 million in new library projects, helping the library expand its reach of services and educational opportunities.

Through the LibraryNOW partnership with MPS, the Milwaukee Public Library issued library cards to all 70,000 MPS students in 2016. In 2018, the library will continue to promote library services to those students and convert those accounts to keep students engaged both in and out of school. The Mayor's budget also continues $100,000 in funding for the Teacher in the Library program, which places teachers in branch libraries after school hours to help first and eighth graders and their parents with homework and learning strategies to keep them on track.

Infrastructure: Continuing high levels of investment in core city infrastructure projects is a priority in 2018. Core infrastructure programs including streets, bridges, street lighting, and sewers total $65 million. Since 2004, funding for core infrastructure has increased by $22.1 million, nearly 52%. Since Mayor Barrett took office in 2004, $149.5 million have been invested in city streets through the local street and high impact street programs.

The high impact streets program developed under the Mayor's leadership uses a curb-to-curb asphalt resurfacing approach to extend street life and increase pavement quality. In the 2018 proposed budget, a portion of the local street program funding will apply the same approach to neighborhood streets. The 2018 proposed budget funds upgrades to 34 miles of neighborhood and commercial district streets through the local street and high impact street programs.

Environmental Sustainability: Mayor Barrett understands that cities that want to attract young talent need to evolve to become more environmentally sustainable. The Mayor understands the climate change presents real threats to the U.S. economy and Wisconsin, particularly by increasing the risk of costly flooding. In summer of 2017, the Mayor joined over 377 climate Mayors to show that Milwaukee remains committed to the principles of the Paris Climate Agreement. To ensure that science can continue to inform policy, the City of Milwaukee has also joined 13 other U.S. cities to re-publish EPA climate information that had been removed from the federal website.

The city's Environmental Collaboration Office 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 5%. This reflects "Source Energy Use Intensity" as reported in the EPA's Portfolio Manager. Since 2010, energy efficiency strategies have saved the city $2.1 million in its municipal buildings.

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

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 and technology to make court services accessible to the public.

Continue effective enforcement of court judgments through various collection methods.

Use alternative sentencing to enable defendants to satisfy legal judgments.

BUDGET SUMMARY

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	31.00	33.20	33.00	32.00	-1.20	-1.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	41	40	40	40	0	0
Expenditures						
Salaries and Wages	$1,793,783	$1,870,512	$1,782,928	$1,782,928	$-87,584	$0
Fringe Benefits	798,338	841,730	820,147	820,147	-21,583	0
Operating Expenditures	471,250	487,900	441,300	438,800	-49,100	-2,500
Equipment	5,814	6,000	6,000	6,000	0	0
Special Funds	11,162	40,000	40,000	40,000	0	0
Total	$3,080,347	$3,246,142	$3,090,375	$3,087,875	$-158,267	$-2,500
Revenues						
Charges for Services	$1,240,059	$1,139,000	$899,800	$899,800	$-239,200	$0
Forfeitures	3,524,318	3,703,000	3,001,000	3,001,000	-702,000	0
Total	$4,764,377	$4,842,000	$3,900,800	$3,900,800	$-941,200	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

The Municipal Court adjudicates city ordinance violations including traffic and building code cases. The 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 60,000 and 240,000 cases per year and accounting for approximately $4 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 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. The Court and MATC have recently partnered to create a Drug and Alcohol Awareness Program (DAAP). DAAP is a referral program for those with certain drug or alcohol offenses. The program provides educational information on the use of drugs and alcohol and also provides career services direction and support and advice to those who want to explore further educational opportunities. The court also makes community service referrals to non-profit community organizations, including Youth Services at the Social Development Commission.

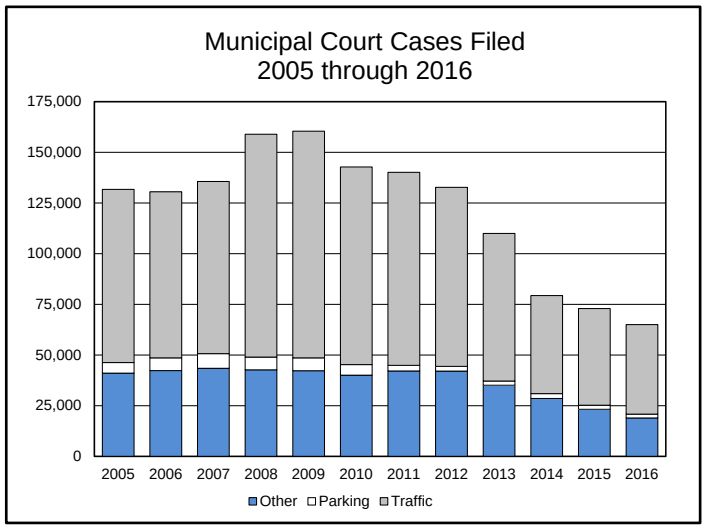
Key Performance Measures	2016 Actual	2017 Projected	2018 Planned
Average days from filing to judgment.	45	30	38
Number of enforced driver license suspensions lifted.	16,382	10,250	13,000

STRATEGY IMPLEMENTATION

The Municipal Court's 2018 proposed budget is based on an estimated 60,000 cases. Case volume has been decreasing since 2010. As of July 2017, case volume is 31% lower than in 2016. In 2016, filings decreased by 10.9% from 72,923 to 65,007. Traffic cases were 68% of total case filings in 2016, an increase from 65.4% in 2015 (see Figure 1).

Begun in 2003, evening court sessions were offered on eleven dates in 2016. In 2016, a total of 25 sessions were scheduled for 495 defendants on 730 cases with 359 defendants or about 72.5% appearing in court. Since evening court is more convenient, a high percentage of scheduled defendants 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 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:

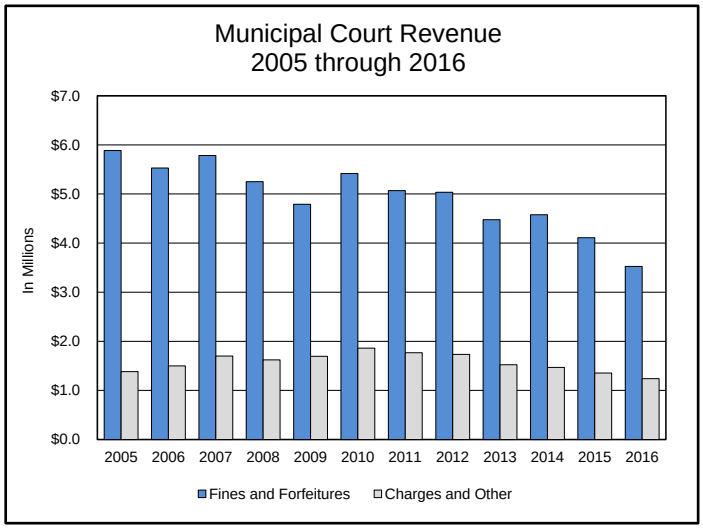
- Allow walk-in hearings. Few courts in the nation hear unscheduled cases. Walk-ins allow people the opportunity to appear before a judge without having to schedule a court date ahead of time, which means not having to wait until a court date is available.
- Utilize conditional sentences of community 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 a municipal court's discretion, 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 2016, the court lifted 16,382 driver's license suspensions for 7,542 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: In 2016, total court revenue decreased by approximately $704,000 from 2015 a 12.9% 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 citations and cases, timeliness of adjudication, defendants' ability to pay, changes in forfeiture and fine amounts, and the effectiveness of collection efforts. In 2018, court revenue is estimated to decrease $863,000 or 18% from the 2016 actual revenue.

Figure 2



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.

The program provides alternatives to jail or forfeiture payments for 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 reduce Milwaukee County Criminal Justice Facility and House of Correction populations and the cost to the city of housing these offenders.

In 2016, of the 243 people who agreed to do community service in lieu of payment, 41% completed the program in 2016, thereby reducing the debt owed to the city. Of the 29 people participating in a program on AODA issues, 14% completed all requirements in lieu of payment during 2016; of the 99 people referred to services related to mental health, 60% completed all requirements in lieu of payment during 2016; of the 27 people with co-occurring disorders related to mental health and AODA, 30% completed all requirements in lieu of payment during 2016; of the 60 people referred to a program related to retail theft, 63% completed all requirements in lieu of payment in 2016; and of the 447 people referred to the Social Development Commission, 42% completed all requirements in lieu of payment in 2016.

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. In 2011, return on the court's investment in technology began, with $50,000 in recurring annual savings from eliminating paper case file jackets. In 2012, process improvements and other efficiencies enabled the elimination of three positions, providing approximately $153,000 in salary and fringe benefit savings. In 2013 and 2014, two Court Services Assistant II positions were not funded generating $66,500 in savings. In 2016, a Court Services Assistant III position was not funded saving $34,700 in salaries. In 2018, annual recurring savings of more than $350,000 will be realized from the project.

CATS and Website Upgrade: Capital funding was appropriated in prior years to upgrade the court automated tracking system (CATS), the case management information system that supports the court's operations. 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, making access to the system easier for various users and facilitating easier access at community court sessions. The project is anticipated to be completed in 2019.

Operating Changes and Reductions: The 2018 proposed budget reduces funding for two Municipal Court Clerk I positions by $91,078. The Court has implemented changes in its operations that allow it to function with two less court clerks. The decline in case filings contributes to a $32,500 reduction in mailing costs, a $4,000 reduction in lien fees, and a $3,000 reduction in interpreter and witness fees.

MPS Driver's Education: The 2018 proposed budget eliminates funding for the MPS Driver's Education special purpose account. This account had provided funding to support a Milwaukee Public School (MPS) initiative to offer free driver's education to some students. MPS plans to continue the program, as the program has other funding sources.

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
	-1.20		Municipal Court Clerk I	Adjust staffing to new operational practices.
0	**-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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	222.47	205.10	189.35	195.35	-9.75	6.00
FTEs - Other	31.67	50.15	53.15	50.15	0.00	-3.00
Total Positions Authorized	293	289	270	274	-15	4
Expenditures						
Salaries and Wages	$11,876,418	$11,691,954	$10,975,026	$11,107,693	$-584,261	$132,667
Fringe Benefits	5,422,375	5,261,379	5,048,512	5,109,539	-151,840	61,027
Operating Expenditures	1,393,492	1,249,500	1,230,900	1,195,200	-54,300	-35,700
Equipment	38,146	15,000	0	0	-15,000	0
Special Funds	1,955,614	2,010,000	2,012,000	2,007,000	-3,000	-5,000
Total	$20,686,045	$20,227,833	$19,266,438	$19,419,432	$-808,401	$152,994
Revenue						
Charges for Services	$16,818,105	$16,540,000	$16,177,000	$16,191,000	$-349,000	$14,000
Licenses and Permits	9,011,052	8,839,600	8,720,400	8,720,400	-119,200	0
Intergovernmental Aids	1,139,924	1,100,000	1,100,000	1,130,000	30,000	30,000
Total	$26,969,081	$26,479,600	$25,997,400	$26,041,400	$-438,200	$44,000

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 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. The city 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 or not 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, renters occupy a majority 58% of the city's housing units while owner occupancy rates have decreased a trend that is mirrored nationally. To compound this issue, most renters, 57%, have a high housing cost burden spending 30% or more of their income on housing costs.

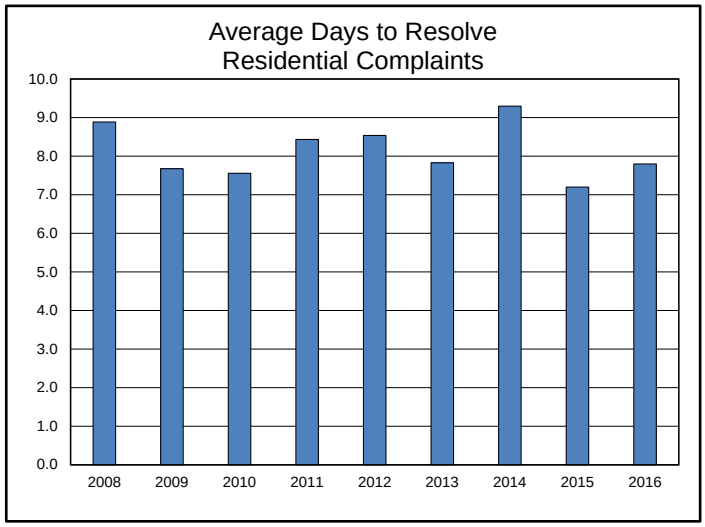
Furthermore, foreclosures and related impacts, including boarded-up, vacant, and blighted properties, continue to impact neighborhoods. While mortgage foreclosures have declined since their peak in 2009, the city continues to acquire hundreds of properties each year through tax foreclosure. In 2016, the city filed foreclosures against 1,366 tax delinquent properties and acquired 764. As of August 2017, there were approximately 4,179 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.

Key Performance Measures	2016 Actual	2017 Projected	2018 Planned
Average days to respond to complaints.	7.8	12.7	10
Orders issued.	51,868	51,000	50,000
Number of vacant buildings.	4,305	4,179	4,000
Number of properties that received code compliance loans.	35	54	54

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 2016, average response time for residential complaints was 7.8 days (see Figure 1). Verified complaints result in orders to correct conditions that violate city ordinances. In 2016, 30,113 complaints were closed, 49,983 violation orders were closed, and 3,211 graffiti complaints were closed.

Figure 1



Vacant Building Registration Program: The vacant building registration program was created to help 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. This program requires specific buildings that are vacant for more than 30 days to register with DNS. DNS conducts a building inspection to ensure that no critical code violations exist. If violations exist, an order is issued 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.

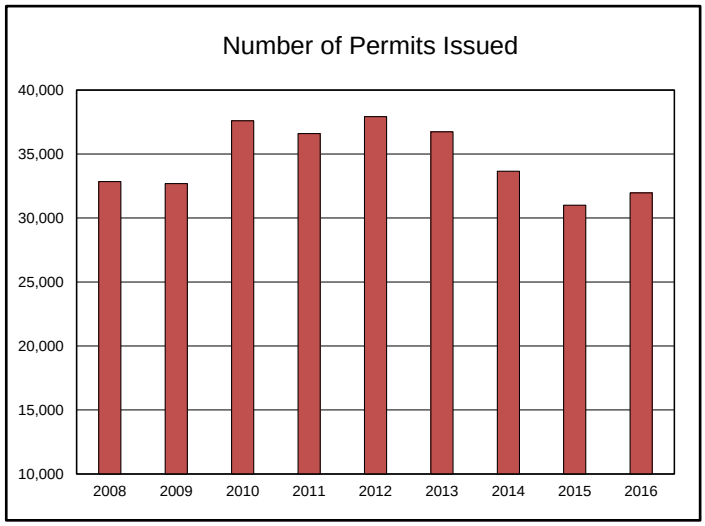
Foreclosures: Foreclosures represent a continuing challenge for the city. As of August 2017, there were 1,800 city properties in foreclosure and subject to the residential properties pending foreclosure ordinance. If foreclosed properties are abandoned or are not adequately maintained they create blight in neighborhoods. DNS issues orders to banks and lenders who file foreclosure actions requiring the bank or lender to register the property with the city. The city inspects the property, and if found vacant, the bank needs to secure and maintain the property.

The city works closely with banks and lenders to ensure that properties acquired through foreclosure are properly monitored and maintained. The department monitors bank foreclosure actions, investigates property transfers, researches corporate entities, and analyzes trends of bank actions. This monitoring allows the city to hold banks and lenders accountable by ensuring foreclosed properties do not become a blighting influence.

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.

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. The trend in the number of permits issued is shown in Figure 2.

Figure 2



Milwaukee is experiencing an unprecedented building boom, creating workload challenges for DNS. DNS has implemented several initiatives to facilitate the development process and minimize the impact on developers. Initiatives include online permit access that allows customers to request permits 24 hours a day, outsourcing select plan reviews to an external vendor (SAFEbuilt) to expedite the review process and eliminate backlog, and encouraging staff members to attend training sessions to gain new skills. Created in 2017, DNS has filled the new Operations Director position in order to provide additional management and oversight of the Development Center and Construction Trades Division.

RESTRUCTURE, RESIZE, AND REINVEST

Demolition Funding: The 2018 proposed budget includes $1.2 million in capital funding for demolitions. 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 will provide 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 DPW demolition crews expedites demolition of these properties, quickly removing blighting and unsafe properties from neighborhoods. In 2018, an estimated 137 properties will be demolished or deconstructed, including residential and some smaller commercial properties. In 2017, an estimated 368 properties will have outstanding demolition orders.

Compliance Loan Program: In 2018, the compliance loan program continues with $800,000 in funding the same level of funding as provided in 2017. DNS inspectors use the program to refer residential properties for repair to avoid 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 2017, 34 loans have been approved committing approximately $430,000. Given current applicants and demand, DNS anticipates expending all remaining funds in 2017. In 2018, approximately 54 loans will be awarded.

Arena Staffing: Given the extensive plan review and inspection activity required for the new Milwaukee Bucks Basketball Arena, the 2016 budget created five positions dedicated to the project. These positions are funded by permit fees and additional charges paid by the Milwaukee Bucks. Once construction of the new arena and related

buildings is complete, the positions will be eliminated. DNS has not experienced any significant challenges managing the increased workload. The arena project is currently on time and on budget.

Other Position Changes: The 2018 proposed budget eliminates several positions, including one Program Assistant II and one Building Construction Inspector that supported condemnation activities, one Environmental Risk Officer, four Residential Code Enforcement Inspectors that work in vacant building inspections, and one Office Assistant. The 2018 proposed budget reduces funding for two positions, one Plumbing Inspector and one Neighborhood Improvement Project Inspector. Eliminating the Residential Code Enforcement Inspectors requires a change in vacant building inspection. Scheduled vacant building inspections will occur quarterly, rather than monthly, and will comprise only the exterior of buildings, rather than the interior. Staff will still respond to complaints involving vacant buildings.

Other Budget Changes: The 2018 proposed budget reduces funding for the community sanitation fund by $13,000; increases the member contribution to the Milwaukee Area Domestic Animal Control Commission by $30,000; reduces the Anderson Lake Tower special fund by $20,000; provides no equipment funding; and reduces the operating expenditures account by $54,300 to reflect decreases in expenses resulting from various position reductions.

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		Housing Policy and Compliance Manager	Position change approved in 2017 in CCFN 161583.
1	1.00		DNS Personnel Officer	
-1	-1.00		Program Assistant II	Positions eliminated for budget savings.
-1	-1.00		Building Construction Inspector	
-1	-1.00		Environmental Risk Officer	
-4	-4.00		Residential Code Enforcement Inspector	
-1	-1.00		Office Assistant III	
	-1.00		Plumbing Inspector	Funding for positions eliminated.
	-0.75		Neighborhood Improvement Project Inspector	
-1			Condemnation Program Coordinator	Eliminated unfunded vacant positions.
-1			Program Assistant II	
-5			Residential Code Enforcement Inspector	
-15	**-9.75**	**0.00**	**Totals**	

POLICE DEPARTMENT

EXECUTIVE SUMMARY

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

OBJECTIVES: Reduce levels of crime, fear, and disorder through community based, problem oriented, and data driven policing.

Actively engage in thorough investigation and clearance of crimes to promote successful prosecution within the criminal justice system.

Further community support by enhancing partnerships with stakeholders while actively seeking trust and achieving legitimacy through constitutional policing practices.

Provide department wide investment in personnel by providing them quality training that enhances effectiveness and prepares them for leadership opportunities.

Build capacity usage of field technology and provide metrics for evaluating usage and maintaining accountability.

STRATEGIES: **Community Based:** Work with citizens to reduce their level of victimization and improve their capacity to proactively work together, providing the foundation for sustainable public safety.

Problem Oriented: Short term improvements in crime rates can be achieved through police tactics but long term improvements require communication, coordination and cooperation in neighborhoods to combat problems and preserve public peace.

Data Driven: Data is a core component of neighborhood safety and serves as a mobile tactical resource of great value.

BUDGET SUMMARY

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	2,730.27	2,729.27	2,731.00	2,692.61	-36.66	-38.39
FTEs - Other	46.44	46.44	50.00	56.10	9.66	6.10
Total Positions Authorized	2,839	2,828	2,834	2,824	-4	-10
Expenditures						
Salaries and Wages	$194,855,528	$191,107,755	$186,216,412	$189,111,912	$-1,995,843	$2,895,500
Fringe Benefits	93,530,653	91,731,722	85,659,550	86,991,480	-4,740,242	1,331,930
Operating Expenditures	14,866,101	15,922,439	15,467,129	16,887,729	965,290	1,420,600
Equipment	1,693,030	2,557,852	150,000	150,000	-2,407,852	0
Special Funds	527,600	763,252	368,404	218,404	-544,848	-150,000
Total	$305,472,912	$302,083,020	$287,861,495	$293,359,525	$-8,723,495	$5,498,030
Revenues						
Intergovernmental	$851,434	$1,006,200	$811,400	$1,183,400	$177,200	$372,000
Charges for Services	2,800,055	2,888,600	2,898,100	2,989,100	100,500	91,000
Total	$3,651,489	$3,894,800	$3,709,500	$4,172,500	$277,700	$463,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

1. Create and maintain neighborhoods capable of sustaining civic life.
   - Reduce levels of crime, fear, and disorder through community based, problem oriented, and data driven policing.
   - Actively engage in thorough investigation and clearance of crimes to promote successful prosecution within the criminal justice system.
   - Further community support by enhancing partnerships with stakeholders while actively seeking trust and achieving legitimacy through constitutional policing practices.
   - Provide department wide investment in personnel by providing them quality training that enhances effectiveness and prepares them for leadership opportunities.
   - Build capacity usage of field technology and provide metrics for evaluating usage and maintaining accountability.

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	2016 Actual	2017 Projected	2018 Planned
Decrease total crime by 5% annually.	-5%	-5%	-5%
Achieve a 70% homicide clearance rate.	67%	70%	70%
Guns seized.	2,419	2,500	2,500

STRATEGY IMPLEMENTATION

The department uses strategic staffing practices to optimize patrol capacity. The 2018 proposed budget includes funding for an average of 1,855 sworn officers. This is a reduction of 33 sworn officers from 2017, or -1.7%. The budget includes funding to hire 3 recruit classes of 65 recruits each during 2018, or a total of 195 new police officer recruits. If a local public safety sales tax is approved the department expects to be able to increase staffing levels to an average of 1,900 sworn officers beginning in 2019. However, if a public safety local sales tax is not approved, the third class maybe cancelled and police officers staffing in 2019 may fall below the 2018 level.

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

UCR Summary Crime Statistics for the Milwaukee Police Department

WI Department of Justice UCR Summary Crime Reporting (SRS), 2007 to 2016												
Offense	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**15-16 Change**	**07-16 Change**
Murder	105	71	72	95	87	91	105	86	146	141	-3%	34%
Rape (11A,11B,11C)	502	408	388	299	347	453	465	431	441	482	9%	-4%
Robbery	3,543	3,249	3,181	2,947	3,093	3,099	3,285	3,554	3,752	3,262	-13%	-8%
Aggravated Assault	5,170	4,989	3,924	3,737	3,256	4,506	4,408	4,875	5,254	5,286	1%	2%
Burglary	6,217	6,350	6,578	6,207	7,080	7,039	6,498	5,951	5,487	5,834	6%	-6%
Larceny Theft	24,402	23,795	23,479	21,231	19,028	18,588	16,138	14,944	12,766	12,245	-4%	-50%
Motor Vehicle Theft	7,752	6,541	4,875	4,329	4,562	4,814	4,389	6,654	7,386	6,157	-17%	-21%
Arson	349	320	359	249	272	309	292	280	224	309	38%	-11%
Violent Crime	**9,320**	**8,717**	**7,565**	**7,078**	**6,783**	**8,149**	**8,263**	**8,946**	**9,593**	**9,171**	**-4%**	**-2%**
Property Crime	**38,720**	**37,006**	**35,291**	**32,016**	**30,942**	**30,750**	**27,317**	**27,829**	**25,863**	**24,545**	**-5%**	**-37%**
Part I Total	**48,040**	**45,723**	**42,856**	**39,094**	**37,725**	**38,899**	**35,580**	**36,775**	**35,456**	**33,716**	**-5%**	**-30%**

*The data was obtained from the WI Department of Justice (DOJ) and reflects preliminary UCR Summary Statistics for the time perriod of January 1 - December 31, 2007-2016. UCR statistics are subject to change for a period of up to two years. The rape category reflects the updated FBI definition for the categories 11A, 11B, and 11C.

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 2016. 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 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 30% decrease in Part 1 crime from 2007 to 2016, and a 37% decrease in property crime during the same time. Violent crime decreased 4% and property crime decreased 5% in 2016 from 2015. Homicides decreased 3% and non-fatal shootings decreased 12% from 2015 to 2016 citywide.

RESIZE, RESTRUCTURE, AND REINVEST

Funded Strength and Recruit Classes: The 2018 proposed budget funds an average annual sworn strength of 1,855. The budget includes funding for three recruit classes of 65 recruits in spring, summer, and late 2018 for a total of 195 new police officer recruits. The third recruit class in late 2018 is in anticipation of a successful approval a local public safety sales tax. If the local public safety sales tax is approved this class will proceed as planned and will assist the department in increasing the average sworn strength to 1,900 beginning in 2019. If the local public safety sales tax is not approved, the recruit class could be delayed until 2019 depending on actual staffing levels experienced during 2018.

Community Service Officers: Community service officers are civilian employees who support basic police operations by performing a variety of duties that do not require the attention of sworn personnel.

Essential functions of a community service officer include:

- Respond to non-emergency, low priority calls for service, including theft, non-injury traffic accidents or vandalism.
- Inspect property damage and accident sites and take photos; canvas for and interview witnesses.
- Document observations, determine findings, and prepare reports.
- Based upon investigation and assessment, determine whether sworn law enforcement should be called to the scene.
- Testify in court and provide depositions, as required.
- Take and file complaints from individuals who walk into the police stations.
- Assist community liaison officers with nuisance property investigations.
- Respond to call outs in cases of severe weather and natural disasters.
- Provide services at special events, including traffic control.

National Public Safety Partnership: In March 2016, the City of Milwaukee participated in the National Public Safety Partnership (PSP), formerly Violence Reduction Network, program and will conclude its engagement in September 2018. The partners include the Milwaukee Police Department, the Milwaukee County District Attorney's Office, the Bureau of Alcohol, Tobacco and Firearms (ATF), the Drug Enforcement Agency (DEA), the Federal Bureau of Investigation (FBI), the United States Marshals Service (USMS), and the United States Attorney's Office Eastern District of Wisconsin. Milwaukee's PSP strategic plan creates a forum for continuous collaboration among local and federal law enforcement and aims to reduce firearm related violent crime in an identified hot spot, the Center Street Corridor (CSC). The CSC is a 2.3 square mile area that drives 10% of Milwaukee's violent crime and 11% of the MPD's priority calls for service.

As part of Milwaukee's PSP strategic plan, the partners developed a new CompStat model that provides a collaborative and proactive environment among local, state, and federal partners and promotes constant communication and accountability through analysis and reporting of violent crime metrics. The interagency CompStat meeting is conducted every six weeks and is attended by executives from all partner agencies. This strategic and collaborative process has already proved effective in less than a year of implementation. In 2016, homicides saw a reduction of 7%, robberies a reduction of 17%, and overall violent crime in the Center Street Corridor decreased 14% compared to 2015. The PSP strategy and CompStat process now serves as a model for other PSP sites.

Byrne Criminal Justice Innovation (BCJI) Amani: In 2016, the City of Milwaukee was awarded a $740,811 BCJI grant for the Amani neighborhood. The grant is for 36 months and supports a comprehensive, community based planning for crime prevention and reduction in areas of concentrated violence and disorder in the Amani neighborhood.

The Amani neighborhood is less than one square mile in the heart of the 53206 zip code. Amani is one of the most distressed neighborhoods in the city. Since 2012, Amani has been part of the White House Neighborhood Revitalization Initiative's Building Neighborhood Capacity Program (BNCP) because of the extent of concentrated disadvantage in the neighborhood. Community change efforts are beginning to take root, however high rates of crime and violence threaten neighborhood transformation.

The grant establishes a network of cross sector partners focused on creating a plan directed by community stakeholders. The multi-disciplinary group is composed of the Milwaukee Police Department, Dominican Center for Women, resident led Amani United Neighborhood Association (Amani United), Local Initiatives Support Coalition, Milwaukee Safe & Sound Inc., Milwaukee County District Attorney's Office, and an independent researcher. Together, with other neighborhood based planning partners, the team will confirm crime locations, trends and drivers, assess perceptions of crime and police legitimacy, and engage stakeholders in the identification of evidenced based strategies.

Crime Guns Intelligence Center and National Ballistic Information Network (NIBIN): The MPD's Gun Crime Intelligence Center (CGIC) is located in the Intelligence Fusion Center. The CGIC is an interagency collaboration which focuses on collection, management, and analysis of crime gun data. The mission of the CGIC is to prevent gun violence through the consistent production of timely, precise, and actionable intelligence concerning gun crimes and to identify armed violent offenders for investigation and targeted enforcement.

In 2016, the MPD was awarded $1,000,000 to increase the processing of all crime guns through the CGIC to assist in firearm related incident linkages where the same firearm was used in multiple incidents. The funding has been utilized to hire additional staff, including a forensic NIBIN technician and crime analyst, obtain investigative software and equipment, enhance training, and partner with an independent researcher for evaluation. Comparing the first six months of 2016 and 2017, the department has had an 8% increase in gun recoveries, increased NIBIN entries by 26%, increased test fire entries by 123%, increased total leads by 18%, and increased NIBIN cases by 21%.

Sojourner Family Peace Center: The Sojourner Family Peace Center is a collaborative effort that houses in one location the essential agencies and organizations needed to assist survivors of domestic violence. Partnering agencies work collaboratively to help families heal from the effects of domestic violence, sexual assault, dating violence, stalking, and to create peaceful communities. Programming within the center includes direct services for survivors, children and families impacted by domestic violence and sexual assault within the community.

The Sensitive Crimes Division (SCD) has operated out of the Sojourner Family Peace Center since 2015. SCD is responsible for investigations involving domestic violence, crimes against children, sexual assaults, interference with child custody matters, missing persons, human trafficking, and other matters of a sensitive nature. By working together within the Family Peace Center, the department is able to help families identify strategies to enhance safety and break the cycle of domestic violence.

Sisters Diversion Program: The Sisters Diversion program is collaboration between the Benedict Center, the Police Department, and the Milwaukee County District Attorney's Office. The program's harm reduction model's purpose is to divert women involved in street prostitution who suffer from drug addiction and mental health issues, away from the criminal justice system and into a service provision model. This program compliments enforcement efforts by using a public health approach, rather than a traditional criminal justice approach to assist women in addressing their underlying needs. The goals of the program include safety, support, and treatment (drug addiction, mental health).

Milwaukee Police Ambassador Program: The 2018 proposed budget includes $200,000 to continue the Police Ambassador program. The department, in collaboration with Employ Milwaukee, provides meaningful work assignments for the ambassadors and pairs them with mentors who are experienced members of the Police Department. Mentors provide guidance and support to help ambassadors achieve their professional goals while building relationships with other members of the department. Program goals include:

- Provide meaningful work experience to young adults who are interested in pursuing careers in community service or continuing their interest in public safety.
- Utilize the ambassador program as another tool for encouraging diversity in hiring of police officers and other careers within the Police Department.
- Expand on and strengthen current community partnerships.
- Provide individualized guidance and growth through paired professional and peer mentors.
- Strengthen opportunities for young adults through a two-way ambassadorship model.

CAPITAL BUDGET

The 2018 proposed capital budget continues reinvestment in key areas of the department.

Police Vehicles: The 2018 proposed capital budget includes $3.9 million for police vehicle replacement. The funding will provide 50 fully equipped squad car replacements, 2 prisoner conveyance vehicles, and 10 motorcycles.

9-1-1 and Phone System Upgrade: The 2018 proposed capital budget includes $2 million for an upgrade to 9-1-1 and phone systems. The upgrade will ensure that the 9-1-1 emergency system is reliable and secure.

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. In 2016, project implementation began. The 2018 proposed budget includes $500,000 to complete the project.

District Station Renovation Program: The 2018 proposed budget includes $470,000 for various repairs and upgrades at the district stations.

Interview Room Recording System Expansion: The 2018 proposed budget includes $150,000 to expand the department's interview room recording system as required by law.

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
	-38.66	5.66	Police Officer	Reduce funded strength from 1,888 to 1,855 assume COPS hiring grant awarded.
-10			Emergency Communications Operator II (Aux)	Positions eliminated.
-5	-5.00		Forensic Investigator	
-1	-1.00		Police ID Supervisor	
5	5.00		Prisoner Processors	New positions.
1	1.00		Civilian Forensics Supervisor	
2		2.00	Crime Analyst	Grant funded positions.
1		1.00	Forensic Ballistic Specialist	
1		1.00	Detective	
1	1.00		Police Sergeant	One position added.
-2	-2.00		Telecommunications Specialist	Positions retitled and reclassified.
2	2.00		Facilities Coordinator	
-5	-5.00		Network Coordinator Senior	
7	7.00		IT Support Specialist Senior	
-2	-2.00		Applications Support Analyst	
-1	-1.00		Office Assistant III	
1	1.00		Police Office Supervisor	
1	1.00		Program Assistant III	New position.
-4	**-36.66**	**9.66**	**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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	19.88	20.50	25.00	19.00	-1.50	-6.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	37	37	35	35	-2	0
Expenditures						
Salaries and Wages	$1,211,572	$1,263,305	$1,233,000	$1,233,000	$-30,305	$0
Fringe Benefits	804,484	568,487	567,180	567,180	-1,307	0
Operating Expenditures	1,161,270	1,214,000	1,196,000	1,216,000	2,000	20,000
Special Funds	1,718,320	2,930,000	2,708,000	2,124,000	-806,000	-584,000
Total	$4,895,646	$5,975,792	$5,704,180	$5,140,180	$-835,612	$-564,000
Revenues						
Charges for Services	$5,464,890	$5,975,792	$5,704,180	$5,465,000	$-510,792	$-239,180
Total	$5,464,890	$5,975,792	$5,704,180	$5,465,000	$-510,792	$-239,180

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. In addition to those employed by Port tenants,

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 American Family Insurance 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	2016 Actual	2017 Projected	2018 Planned
Tonnage growth.	-7.5%	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 the tax stabilization fund (TSF).	$751,886	$1,000,000	$0

STRATEGY IMPLEMENTATION

In 2016, the Port generated operating revenue of approximately $3.8 million, a 10% decrease from 2015. Approximately 65% of the Port's total revenues were a combination of facility rentals and the lease of the 75 acre Maier Festival Park to Milwaukee World Festivals, Inc. The lease to Summerfest generated $1.5 million in 2016.

In addition to property leases, tonnage totals also affect Port revenues. In 2016, total tonnage dropped by 197,344 metric tons (7.5%) to 2.4 million metric tons. The overall decrease in tonnage was mitigated by an increase of 114% in grain tonnage. Grain was approximately 16% of the Port's overall cargo tonnage in 2016.

Mild weather for the winter season of 2015 lessened the need for salt to replenish stockpiles for 2016 and led to the overall decrease in the Port's tonnage totals. Previously, waterborne salt accounted for approximately 42% of the overall tonnage, which dropped to 30.6% for 2016.

The Port's land use strategy is to maximize productive use of its properties and services by replacing less productive activities with more productive activities.

RESIZE, RESTRUCTURE, AND REINVEST

Position Changes and Consolidation: The 2018 proposed budget eliminates the vacant Marketing Manager position. The Port Director and Trade Development Representative have absorbed the duties including promoting the Port brand and conducting market research for new business opportunities. In addition, the 2018 proposed budget includes $20,000 for marketing activities.

Foreign Trade Zone No. 41: In 2011, the Port of Milwaukee took over as the grantee of Foreign Trade Zone (FTZ) No. 41. As the grantee, 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 merchandise brought through FTZ No. 41 exceeded $1.6 billion. This is an increase of $400 million when compared to 2014. In 2015, the value of goods moving through FTZ 41 exceeded $1 billion for the third consecutive year. Table 1 summarizes the success of FTZ 41.

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

Port Facilities: The 2018 proposed budget includes $594,000 for the maintenance and improvement of facilities. Maintaining high quality facilities helps attract tenants, increases revenues, and positively influences the local economy. The largest budgeted items include:

- **Environmental Cleanup:** The 2018 proposed budget provides funding of $100,000 for environmental cleanup and will allow the Port to cleanup the grounds for new uses, buildings, and tenants.
- **Equipment Rehab and Upgrade:** The 2018 proposed budget provides $210,000 for equipment rehab and upgrade. This will ensure equipment is properly maintained and replaced.

Revenues and Tonnage: In 2018, 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 efforts are expected to increase annual tonnage to 50,000 tons.

CAPITAL BUDGET

Dockwall and Breakwater Rehabilitation: The 2018 proposed budget includes $200,000 to fund an ongoing dockwall rehabilitation program. The Port will perform maintenance on approximately 150 feet of the dockwall in need of repair and approximately 200 feet of general maintenance. This maintenance program helps prevent the need for unplanned emergency repairs and ensure the availability of the dockwall for cargo loading and unloading.

Rail Track Upgrades: The Port will continue its rail track and replacement program initiated in 2013 to address safety and service load requirements. The 2018 proposed budget includes $300,000 for additional improvements to the 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, Berth, and Channel Improvements: The 2018 proposed capital budget includes $200,000 for the pier, berth, 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. Funding will be used for structural repairs to the ferry terminal building.

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
	-0.50		Graduate Intern	Position unfunded.
-1	-1.00		Port Marketing Manager	Vacant position eliminated.
-1			Civil Engineer III	Elimination of vacant unfunded position.
-2	**-1.50**	**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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	43.29	37.17	37.50	35.50	-1.67	-2.00
FTEs - Other	4.68	4.83	8.50	8.50	3.67	0.00
Total Positions Authorized	49	43	46	45	2	-1
Expenditures						
Salaries and Wages	$2,459,025	$2,028,158	$2,036,657	$1,975,869	$-52,289	$-60,788
Fringe Benefits	1,090,066	912,671	936,862	908,900	-3,771	-27,962
Operating Expenditures	272,832	235,000	230,000	230,000	-5,000	0
Equipment	0	2,000	2,000	2,000	0	0
Special Funds	0	0	92,835	0	0	-92,835
Total	$3,821,923	$3,177,829	$3,298,354	$3,116,769	$-61,060	$-181,585
Revenues						
Charges for Services	$1,417,509	$1,353,500	$1,791,400	$1,791,400	$437,900	$0
Licenses and Permits	2,042,398	1,767,500	1,687,500	1,687,500	-80,000	0
Total	$3,459,907	$3,121,000	$3,478,900	$3,478,900	$357,900	$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	2016 Actual	2017 Projected	2018 Planned
SBE participation as a percent of total annual contract payments.	32.7%	30%	30%
RPP hours worked as a percentage of total contract hours.	42%	40%	40%
Employee work days lost due to injury.*	7,759	5,300	5,200

* OSHA recording regulations require that weekend days, holidays, vacation 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 whether or not the employee was scheduled to work on those days. The 2016 outcome is higher than typical due to the hiring of temporary employees.

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 reduces both work days lost due to injury and costs associated with injury pay.

In 2016, 237 deaths occurred nationwide due to tools dropped from heights. To address this issue, OSHA is considering adding a safety requirement to tether hand tools when working at heights. The Safety Section has been working with a Minneapolis company to pilot a program for tool tethering. An electrician in the Public Works Electrical Services Section has been provided with a complete tethered set of tools and has reported evaluations for possible improvements. The department is the first municipality nationwide to test these products. The Safety Section has also partnered with additional companies to test and evaluate safety products. Two recent new products are glow-in-the-dark safety vests and safety toe boots.

RESIZE, RESTRUCTURE, AND REINVEST

Residents Preference Program: The Administrative Services Division is responsible for administering the city's residents preference program 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 to create employment opportunities for city residents to build work experience and skills development in the construction trades. For contracts closed in 2016, the RPP provided 530,527 hours of work, or 42% of total contract hours, and $7.3 million of wage income. In 2016, wages paid to RPP workers on lot maintenance contracts accounted for 40.5% of all contract wages.

In 2016, as a result of recommendations made to the Common Council by the Workforce Organizational Reform Committee, 25% of the required RPP hours must come from residents of the most impoverished zip codes of the city in order to target individuals that are the most in need. Another change 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 update of the city's ordinances.

***Compete Milwaukee* Program:** The *Compete Milwaukee* program connects unemployed Milwaukee residents with opportunities to gain meaningful work experience. The program provides paid transitional jobs and career pathways trainings with a goal of equipping residents with the skills needed to compete for family supporting employment. Since *Compete Milwaukee's* inception in 2014, 273 adult city residents have participated in the program. Over 70% of participants from the past two years have gained employment after program completion, with over $1 million in post program wages flowing into city neighborhoods. In 2018, *Compete Milwaukee* will continue to provide city residents with opportunities to gain marketable work experience and participate in career pathways trainings.

Position Changes: The 2018 proposed budget eliminates one vacant Program Assistant I position from the Administrative Services Division Commissioner's Office. The duties have been absorbed by other staff.

Two new positions are added in the 2018 proposed budget, the Streetcar Safety Manager and a Civil Engineer II. The Streetcar Safety Manager will be responsible for the streetcar safety and security certification program, overseeing the program through design, construction, integrated testing, and operational readiness activities. The Civil Engineer II will work with the small cells program and will conduct site visits, review plans and designs, and assist with permitting. Both positions will be fully reimbursed by non-tax levy supported funds.

The Administrative Services Manager position is transferred from the Operations Division to consolidate budget related activities in the Administrative Services Division. Having this position and the Finance and Planning Manager located in the same division will enable greater responsiveness to requests for information and create efficiencies in the processing of budget related data. In addition, the two positions will collaborate on special assignments related to the budget and other finance matters.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Program Assistant I	Position eliminated.
1	1.00		Administrative Services Manager	Position transferred from Operations Division.
1		1.00	Civil Engineer II	New position will work for the small cell program.
1		1.00	Streetcar Safety Manager	New position will oversee streetcar safety.
	-1.67	1.67	Various Positions	Miscellaneous adjustments.
2	**-1.67**	**3.67**	**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 28 miles of streets in 2018.

Improve bicycle and pedestrian access and safety.

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

BUDGET SUMMARY

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	397.13	367.29	356.74	348.94	-18.35	-7.80
FTEs - Other	250.82	290.96	308.79	318.59	27.63	9.80
Total Positions Authorized	790	805	812	813	8	1
Expenditures						
Salaries and Wages	$17,627,003	$17,303,324	$16,481,422	$16,263,214	$-1,040,110	$-218,208
Fringe Benefits	7,876,188	7,786,392	7,581,454	7,481,078	-305,314	-100,376
Operating Expenditures	14,143,493	14,138,000	13,966,000	13,803,000	-335,000	-163,000
Equipment	468,946	442,200	223,000	223,000	-219,200	0
Special Funds	542,651	0	0	0	0	0
Total	$40,658,281	$39,669,916	$38,251,876	$37,770,292	$-1,899,624	$-481,584
Revenues						
Charges for Services	$4,075,299	$4,552,100	$4,325,100	$4,345,100	$-207,000	$20,000
Miscellaneous	218,229	297,500	368,600	368,600	71,100	0
Total	$4,293,528	$4,849,600	$4,693,700	$4,713,700	$-135,900	$20,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increasing investment and economic vitality throughout the city.
   - Improve infrastructure condition.

The Infrastructures Service Division's (ISD) primary mission is to provide safe, attractive, and efficient public ways and infrastructure systems. These systems contribute to the city's goal of strengthening the local economy by increasing investment and economic vitality throughout the city.

ISD is responsible for design, construction, and maintenance of the city's infrastructure systems including streets and alleys, bridges, sewers, sidewalks, traffic control devices, street lights, and underground conduits. In addition, the division performs transportation planning, coordinates transportation improvements with other governmental agencies and railroad companies, undertakes engineering studies, and investigates various permits, plans, and easements. The division also manages the city's building facility assets by improving the functionality of existing facilities. The division provides building services such as design, construction, and maintenance for city facilities excluding the Library, Port, and Health Department clinics.

In 2018, ISD will use approximately $126.8 million to support its objectives including $37.8 million in operating funds, $53.4 million in capital funds, and $35.6 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 2018, grant funds constitute 91% of the major bridge program and 84% 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	2016 Actual	2017 Projected	2018 Planned
Percentage of bridges with sufficiency rating greater than 50.	96.2%	96.8%	96%
Miles of bicycle lanes or trails added.	15 miles	6 miles	8 miles
Miles of streets with useful life improved through local street and high impact street programs.	30 miles	26 miles	21 miles
Street lights converted from series to multiple circuitries.	498	425	100

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 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	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2018 - 2023 Average
City Funding (1)	$5,763,000	$8,795,000	$9,311,000	$8,187,000	$7,178,000	$9,027,000	$8,043,500
Assessable (2)	$385,000	$145,000	$574,000	$368,000	$402,000	$389,000	$377,167
Grant and Aid	$30,157,000	$27,486,000	$32,723,000	$33,495,000	$34,922,000	$33,704,000	$32,081,167
Annual Totals	**$36,305,000**	**$36,426,000**	**$42,608,000**	**$42,050,000**	**$42,502,000**	**$43,120,000**	**$40,501,833**

(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 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 $42.6 million per year has been dedicated to the preservation and reconstruction of these streets. The American Recovery and Reinvestment Act 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 2018 proposed budget includes $36.3 million for the major street program, of which $5.8 million is city funding (see Table 1). In 2018, grant funding was obtained for seven major street reconstruction projects and for 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 collectors not typically being funded under the state transportation program. These streets are reconstructed and resurfaced with capital funds through the resurfacing and reconstruction program.

In 2018, $6.7 million is funded for the resurfacing and reconstruction of local streets. The funding will improve approximately four miles of local streets along with $2.3 million 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 2016 compared to 2014. In 2016, a total of 9,563 potholes were reported and repaired, a decrease of 7,241 or 43%. Through mid-August of 2017, there were approximately 8,800 potholes reported, compared to approximately 13,400 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. Pothole patching and other street maintenance activities are funded through the department's operating budget. In 2018, $2.5 million is included in the department's operating budget for patching and other related street maintenance activities.

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 "super crews" improves the overall street condition for the long term.

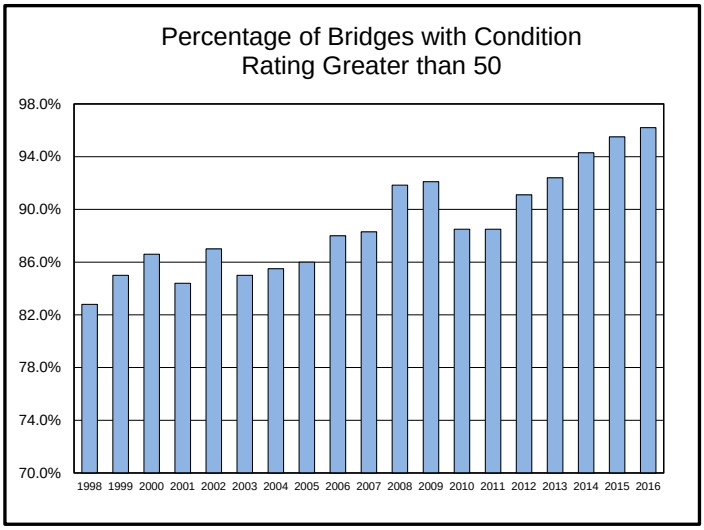
Table 2

Local and High Impact Street Programs 2017 - 2018

Preservation Strategy vs. Traditional Reconstruction

	Miles of Streets Improved		
Program Strategy	**2017**	**2018**	**Total**
Conventional Reconstruction	15	13	28
Preservation Strategy	26	21	47

Figure 1



High Impact Streets: The high impact street program uses a curb-to-curb asphalt resurfacing approach that improves two and a half 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. In 2018, approximately one-third of the high impact streets program will target local streets. Between the local and high impact streets programs, ten miles of local streets will be improved in 2018. The 2018 proposed budget includes $7.4 million for the high impact street program.

DPW has incorporated curb ramp repair into the high impact street program. Whenever a street is resurfaced or reconstructed, any curb ramp at adjacent intersections that is not up to the current applicable standards will be replaced. This will improve the accessibility and usability of the city's pedestrian walkway system for persons with disabilities. Curb ramp repairs increase the cost of high impact projects for $333,000 per mile to $400,000 per mile.

Major Bridges: The major bridge program preserves and maintains a bridge system that ensures the safe and efficient movement of vehicles, people, and commodities. In 2018, the major bridge program is funded at $5.9 million including $525,000 in city capital funding and $5.5 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 where the deck, superstructure, or substructure is in poor condition. In 2016, 96.2% 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 three of nine 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. Beginning in 2016, budgets for the local bridge program have been decreased as the overall condition of the bridge system improve. The 2018 proposed budget provides $5.9 million in capital funding for local bridge projects, an increase from the 2016 and 2017 average of $4.8 million. Investment in bridge rehabilitation and replacement has

resulted in the highest percentage of bridges with a condition rating greater than 50 since such records were kept. In 2018, funding is provided for the first phase of rehabilitation of the Michigan Street lift bridge over the Milwaukee 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 within the city. In 2016, the city conducted 24,166 bridge raisings to accommodate water traffic, a 10% increase from 2015 and a 73% increase from 2014.

Alley Reconstruction: The alley reconstruction program replaces aging alleys. In the 2018 proposed budget, $900,000 is for alley reconstruction which will fund approximately nine alley reconstruction projects. DPW has obtained grant funding from MMSD to add sections of permeable pavement to alleys when they are reconstructed. This reduces the amount of stormwater entering the sewer system during rain events, limiting the number of basement backups and other stormwater related issues.

As part of the 2017 budget, the assessable recovery ratio for alley reconstruction was increased from 30% to 50%. Increasing the portion of project cost on property owners who will most directly benefit from the reconstructed alley allows for more alley projects to take place with limited city funding.

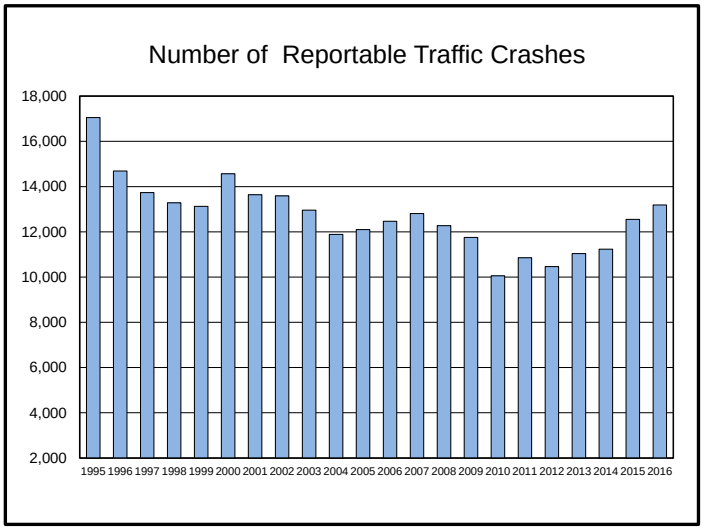
Street Lighting: The 2018 proposed street lighting program includes $5 million in capital funding, which will be supplemented by $4 million in funding from prior years. The 2018 proposed street lighting program includes $5.3 million for paving related improvements, mainly in conjunction with state and federal aid paving projects on major thoroughfares. Infrastructure Services installs 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. The department continues to focus on converting temporary overhead lighting to permanent lighting based on neighborhood and council input.

Infrastructure Services will utilize $1 million to reduce series circuits 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. Through mid-year 2017, the department restored over 1,600 outages of three or more streetlights on a circuit and 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, targeting 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. The series circuit conversion effort will eventually reduce costs as the overall number of circuit outages decreases.

Since 2000, approximately 8,600 street lights have been converted from series to multiple circuitries. Approximately 63% of the street lighting system is now utilizing multiple circuitries, an increase from 53% of the system on multiple circuits in 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. In 2018, $2.2 million in capital funds are provided for the traffic control program. In 2017 and 2018, the department will begin replacing LED traffic signals that were installed beginning in 2005. Converting traffic signals to LED lights has reduced energy consumption by approximately 75%. Replacement of LED traffic signals will be phased over six years at

Figure 2



an estimated cost of $2.5 million. In 2015, the department installed nine new traffic signals and one pedestrian hybrid signal. The 2018 proposed budget includes funding for two new signalized intersections. Since 1995, the traffic control program has contributed to a reduction in the number of reported traffic crashes by 24% (see Figure 2).

Sidewalks: In 2018, $1.5 million of funding is allocated to replace or repair defective or unsafe sidewalks. Property owners will contribute approximately $500,000 in special assessments. Approximately $500,000 is allocated to the scattered site sidewalk program, which replaces sidewalk sections that are upheaved by the roots of trees owned by the city. The remaining $1 million is allocated to the traditional quarter section program. The quarter section program replaces any sidewalks needing repair within the boundaries of a particular section of the city. This program works on a rotating basis to ensure that each section of the city sees a substantial effort to improve sidewalks every 40 years.

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 has added bicycle racks to park more than 2,000 bikes in neighborhoods across the city. The *Bikeshare* program, in partnership with the non-profit *Bublr Bikes*, currently operates 28 stations. By the end of 2018, the department anticipates having an additional 28 operational stations. The department has been awarded a $1.3 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. Unexpended funds from prior years are available and will supplement the $600,000 in the 2018 proposed budget for this program.

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 2018 proposed budget includes $400,000 of new capital funding for this program in addition to an anticipated $1 million in carryover funding. In 2013, the department initiated a five year inspection program to survey all 7,559 of the city's electrical manholes. Inspections conducted in 2013 to 2016, found that 1,375 or approximately 23% of electrical manholes surveyed are deficient and require repairs or replacement. In 2016, the manhole repair crew replaced 44 manholes and repaired 135 manholes.

FACILITIES CAPITAL PROJECTS

Aging city facilities present multiple challenges and are prioritized based on the probability and consequences of asset failure and the operational benefits and cost associated with each project. The 2018 proposed budget for traditional facilities projects is $2,275,000, which is the same amount as in 2017. Since 2016, budgets for traditional facilities projects were decreased 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 2018 proposed budget includes $9 million for the third phase of the restoration of the city hall foundation. This project will ensure the foundation's continued functionality by installing steel micro-pilings to support the building. These steel micro-pilings will shift the weight of city hall off of the original timber pilings, which have deteriorated. Deterioration of the timber pilings caused an uneven settlement of the building, putting stress on walls of the building which can lead to serious structural problems. This stress has so far resulted in only minor cracking on interior walls, but the risk of a major structural failure would increase with each year. The foundation restoration project is a long term, 100 year design solution.

In 2016 and 2017, pilings were replaced in the northwest corner of the building. In addition, the area of the basement housing the building's mechanical equipment was affected by the repairs and the mechanical equipment needed to be temporarily relocated and replaced. New mechanical systems will require significantly less maintenance. In 2018, work will shift to the northeast and east portions of the building, including the section containing the tunnel connecting city hall to the Zeidler Municipal Building and the 809 Building.

Environmental Remediation Program: Funding of $150,000 is provided 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 2018 proposed budget includes $2 million for the ADA compliance program. In 2018, funding is required to improve accessibility in various city facilities as part of a settlement agreement entered with the United States Department of Justice (USDOJ) in 2016. The ADA compliance program will address improvements directly related to the settlement agreement in all city facilities. For a more detailed discussion of the city's ADA compliance settlement agreement with USDOJ refer to the *Capital Improvements* section of the *2018 Proposed Plan and Executive Budget Summary*.

Facilities Exterior Program: The 2018 proposed budget includes $600,000 for projects to maintain watertight integrity, improve energy efficiency, and provide for safe conditions in city facilities. The facilities exterior program includes $200,000 for exterior painting at the Forestry facility at 52nd Street and State Street, $50,000 to repair a retaining wall at the Forestry facility at 20th Street and Holt Avenue, $150,000 for repairs to a deteriorated driveway at the Lincoln Garage being utilized daily by garbage packers, sweepers and dump trucks, and $200,000 for emergency repairs.

Facilities Systems Program: The 2018 proposed budget includes $825,000 for facility systems improvements. Funding will be used for emergency mechanical and electrical repairs, fire life safety, replacement of an emergency generator serving the city's IT servers in the 809 Building, elevator controllers in city hall, and security and access control updates at various facilities.

***MKE Plays* Initiative:** The 2018 proposed budget includes $250,000 for the *MKE Plays* initiative. Headed 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 2018 proposed budget includes $400,000 for space planning, alterations, and engineering. Funding includes $150,000 for the facilities condition assessment program to survey city buildings in order to develop long term maintenance plans for each building.

North Point Water Tower Restoration: The 2018 proposed budget includes $50,000 for the design of repairs to the exterior of the North Point water tower. The preliminary estimated cost for these repairs is $380,000.

RESIZE, RESTRUCTURE, AND REINVEST

The Infrastructure Services Division's 2018 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 2.5 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 2018 proposed budget adds seven positions for installation of small cell technology on the city's street light poles. The city currently has agreements with five cellular service providers to permit installation of their equipment on street light poles. The city earns $1,800 per pole each year per the terms of the agreement. DPW projects as many as 300 installations by the end of 2017. The costs of installation by crews are fully reimbursed by the service provider. Pending state legislation seeks to limit the amount of revenue the city can earn from small cell installations.

- 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 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. Because funding limitations make an aggressive conversion plan impractical, LED conversion will occur through existing programs. LED lighting will be installed to replace HPS lighting on all new capital projects, including street reconstruction and series circuit conversion. In 2016, 548 street lights were converted to LED.

- Beginning in 2018, the Transportation Operations section will adjust the deployment of crews in the street lighting and traffic control sections to reflect a greater focus on capital programs. Prior to this change, crews were pulled from capital projects when the demand for emergency response was at peak. Emergency response typically involves restoration of street lighting outages, including entire circuit outages and individual lamp outages. As a result of this change in focus, response times for some services may increase. For example, nearly 100% of street lighting circuit outages are currently restored in less than 24 hours. In 2018, under the new crew deployment plan the department has estimated approximately 80% of street lighting circuit outages would be restored in less than 24 hours. The new deployment strategy will allow crews to make more progress on a number of initiatives in the street lighting and traffic control capital programs. Crews will be able to replace temporary overhead lighting with permanent street lights following paving projects more quickly. This change allows $500,000 in salary to be charged to capital programs instead of the operating budget.

- The Motor Vehicle Registration Fee was established in 2008 through Common Council File Number 080034. This legislation enabled the city to eliminate special assessments for paving improvements and increase budgets for paving city streets. Prior to the implementation of the fee, the 2008 budget included $5.5 million of city funding for the local street paving program. Local street program budgets increased to $14.3 million by 2011, and the 2017 budget included $15.5 million for the local and high impact paving programs. The Motor Vehicle Registration Fee annually generates $6.7 million of general fund operating revenue. The fee directly funds services such as maintenance of streets, street lighting and traffic signs and signals, which allows the city to fund debt service for the increased borrowing for paving projects. Before the fee was adopted, property owners were assessed as much as $2,000 when the street contiguous to their property was reconstructed. Since the special assessment for paving improvements was eliminated, the percent of proposed projects approved by property owners increased from less than 50% to over 90%. This streamlines the approval process and allows the department to avoid spending engineering and design efforts on projects that are rejected by property 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	Streetcar System Manager	To manage the city's streetcar operations.
1		1.00	Accountant III	Moved from Sewer Maintenance Fund to restructure supervisory relationship.
2		2.00	Municipal Services Electrician	Additional positions for small cell installation.
2		2.00	Electrical Worker	
2		2.00	Special Laborer, Electrical Services	
1		1.00	Electrical Engineer II	
-2	-2.00		Custodial Worker II/City Laborer	Reduced in order to meet budget target.
-1	-1.00		Painter Leadworker, House	
2	0.20	0.80	Engineering Intern	To assist with various capital projects and provide opportunities for students.
		1.00	Milwaukee Plays Coordinator	Reflect full time position in budget.
	-2.55	3.83	Various Positions	Adjustment based on prior experience in the Bridges and Buildings Division.
	-10.00	10.00	Various Positions	Change reflects increased effort on capital programs instead of on emergency response in the Transportation Operations Division.
	-2.00	2.00	Various Positions	Permanent street repairs shifted from O&M to capital.
	-1.00	1.00	Various Positions	Drafting positions adjustment based on prior experience.
8	**-18.35**	**27.63**	**Totals**	

DEPARTMENT OF PUBLIC WORKS
OPERATIONS DIVISION

EXECUTIVE SUMMARY

MISSION: Provide essential services that maintain the cleanliness, availability, safety and attractiveness of Milwaukee to enhance the quality of life for citizens, businesses, and visitors.

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 stormwater 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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	714.26	672.90	672.90	670.90	-2.00	-2.00
FTEs - Other	51.23	56.94	56.94	56.94	0.00	0.00
Total Positions Authorized	1,443	1,443	1,443	1,440	-3	-3
Expenditures						
Salaries and Wages	$36,137,655	$35,296,439	$34,550,617	$35,330,266	$33,827	$779,649
Fringe Benefits	16,082,492	15,883,399	15,893,284	16,251,923	368,524	358,639
Operating Expenditures	28,656,619	27,225,139	27,378,563	26,525,163	-699,976	-853,400
Equipment	1,681,373	1,649,211	1,837,711	1,626,711	-22,500	-211,000
Special Funds	2,690,739	2,678,320	2,629,620	2,518,620	-159,700	-111,000
Total	$85,248,878	$82,732,508	$82,289,795	$82,252,683	$-479,825	$-37,112
Revenues						
Charges for Services	$74,858,894	$77,730,800	$77,572,700	$81,053,100	$3,322,300	$3,480,400
Miscellaneous	1,527,062	1,397,700	1,673,000	1,673,000	275,300	0
Total	$76,385,956	$79,128,500	$79,245,700	$82,726,100	$3,597,600	$3,480,400

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.

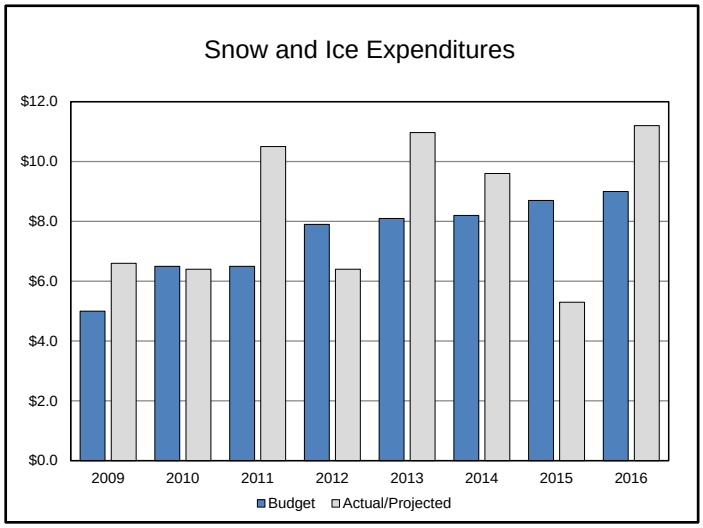
Key Performance Measures	2016 Actual	2017 Projected	2018 Planned
Fleet availability.	Police 90.3% Light 89.9% Heavy 90%	Police 90% Light 95% Heavy 90%	Police 90% Light 95% Heavy 90%
Reduce tons of residential solid waste sent to landfill by 2%.	-0.9%	-2%	-2%
Reduce tons of all solid waste sent to landfill by 2%.	-0.8%	-2%	-2%
Increase household recycling by 2%.	0.5%	2%	2%
Tons of salt used.	56,688	44,000	44,000
Number of trees pruned.	21,340	24,000	24,000
Trees planted.	3,962	3,843	3,720

STRATEGY IMPLEMENTATION

The Department of Public Works Operations Division is comprised of Sanitation, Forestry, and Fleet Operations. 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 2018 proposed budget provides $82.3 million in operating funds, $2.3 million of grant and reimbursable funding, and $9.7 million of capital funds for Operations Division's services to residents and businesses.

Figure 1



Snow and Ice Control Operations: 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 travel of all types and modes and to minimize economic losses. A well run snow and ice removal operation adds value by allowing year round operation of the regional economy.

DPW has improved the efficiency of its snow and ice control operations by utilizing a variety of chemicals to combat ice and using multi-purpose vehicles for plowing operations. Multi-purpose vehicles allow 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.

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 2018 proposed budget includes $9 million for snow and ice control operations. This amount represents approximately 95% of the average cost for snow and ice control in recent years (see Figure 1). This level of funding supports 42 general ice control operations and 3 full plowings. In 2016, the snow and ice costs were approximately $11.2 million.

Sanitation 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 2018 proposed budget includes $10.3 million for landfill tipping fees and recycling processing, a $100,000 increase from 2017.

In an effort to control solid waste disposal costs, Mayor Barrett established a *"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 was implemented in three phases. The city is currently in the third phase:

- 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 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 2013–2014.
    - Annual compost bin one day truckload sales (2012–2017).
    - Source separated organics collection pilot program began in November 2016 with 500 households participating.
  - Continue efforts to increase diversion of other materials including plastics, fiber, and Styrofoam.
  - Distribution of right sized garbage carts.

40% DIVERSION OF SOLID WASTE BY 2020

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 completed and parts of Phase III are currently being implemented.

Food waste and other organics are estimated to contribute more than 20% of the municipal solid waste stream going to landfills. Sanitation's efforts to address this portion of the waste stream shows potential. A Department of Public Works demonstration project and study showed that during the period of 2013-2014 households reduced their food waste in the garbage by 25% by utilizing backyard composting or in-sink food waste disposer units. In November 2016, a pilot program was implemented in an effort to determine the feasibility of a citywide household collection of separated compostable material. Five hundred "early adopter" households subscribed to participate in the fee based program. The program allowed kitchen food scraps, yard clippings, and other compostable items to be placed curbside in a separate cart for collection and composing. During the first nine months, the program collected over 130 tons, 525 pounds per household.

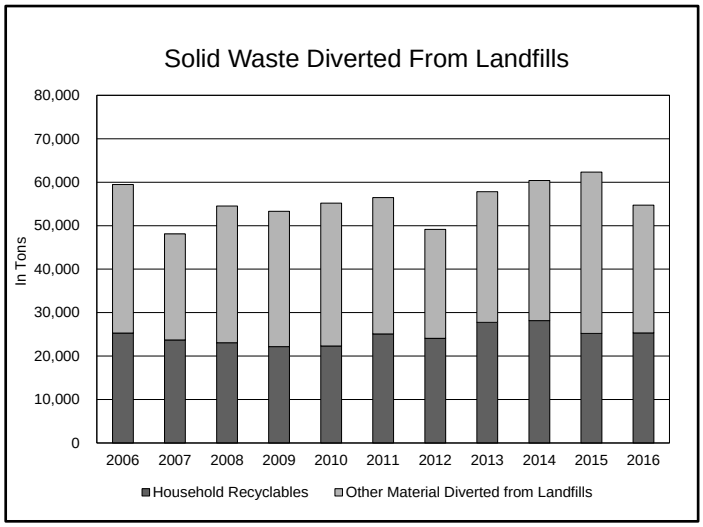
In January 2015, a feasibility report estimated the departments' potential recovery of 15,000 tons per year if 20% of households citywide participated in the program. Initial pilot data supports those numbers. With this additional tonnage, a citywide compost program could increase the recovery rate to approximately 30% and move closer to the city's goal of 40% landfill diversion.

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. In 2016, the recycling program generated revenues of approximately $1.7 million an increase of $1 million from 2015. In 2018, recycling materials are expected to generate $1.3 million.

In 2018, the recycling program is fully funded with $3.3 million in operating funds and $2.3 million in grant funds. The program's mission is to divert an increasing amount of recyclables from the waste stream. The department continually explores 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 2016, approximately 179,400 tons of residential solid waste was collected. In addition, 25,326 tons of recyclables, 29,416 tons of compost and other materials of residential waste was diverted from landfills (see Figure 2).

Figure 2



In 2016, recycling on a pounds per household basis increased for the seventh consecutive year. While tonnage has flattened out over the past three years, residents have sustained a 14% increase in recycling. This is a 21% increase on a pounds per household basis compared to the program's lowest tonnage in 2009.

The 2018 proposed budget includes $350,000 for the disposal of electronic waste (e-waste). Sanitation has implemented a lower cost collection system at its drop off centers to counter the high costs of managing the growing residential waste stream in landfills.

Forestry Operations: Forestry is responsible for tree and landscape management. Forestry 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 city's environmental sustainability by helping to manage stormwater runoff. Forestry is responsible for the maintenance of approximately 4,600 vacant lots and foreclosed properties.

The emerald ash borer emerged as a threat to the state's ash tree population with its discovery in Ozaukee and Washington counties and has been discovered in Milwaukee. The city has approximately 31,000 ash trees at risk of infestation. Forestry is working with the state on a pest control strategy which 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.

Fleet Operations: Fleet Operations maintains and operates the departments' centralized fleet of more than 4,000 motor vehicles and related equipment. The division provides equipment and vehicles for other DPW divisions and various city departments, and repair services for vehicles owned by the Library, Health Department, Police Department, Water Works, Sewer Maintenance, and Parking.

The division has used Congestion Mitigation and Air Quality (CMAQ) grant funding to cover the marginal cost of purchasing compressed natural gas (CNG) packers. Adding CNG packers to the fleet reduces fuel costs. Currently the cost per mile for a diesel powered packer is more than two times the cost of a CNG packer. There are currently 64 CNG vehicles in the fleet, including 56 refuse packers, 5 vans, and 3 cars. In 2016, 14 CNG packers were added to the fleet and reduced fuel costs by approximately $30,000. The current fleet of 56 CNG packers generates fuel savings of approximately $300,000 annually. In 2018, CMAQ funding will be used to purchase an additional five packers. When the CMAQ grant expires in 2020, the city will have purchased 66 CNG vehicles with annual fuel savings of approximately $325,000.

Fleet Operations provides repair and maintenance service to over 4,000 vehicles and pieces of equipment and 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 for light and police equipment, the division did achieve a 90% overall in-service rate for heavy equipment (see Table 1).

RESIZE, RESTRUCTURE, AND REINVEST

The 2018 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.

Table 1

Fleet In-Service Measures			
	Goal	2015	2016
Light Equipment	95%	93%	89.9%
Heavy Equipment	90%	90%	90%
Police Equipment	95%	91%	90.3%

Strong Neighborhoods Plan: The Operations Division operates programs related to Mayor Barrett's Strong Neighborhoods Plan which improve the overall condition of Milwaukee's neighborhoods. The 2018 proposed budget includes the following programs:

- **In-House Demolition:** The 2018 proposed budget provides $600,000 for the in-house demolition program. This level of funding will support the demolition of approximately 80 properties. In 2016, the in-house demolition program demolished 90 properties and is on pace to demolish another 90 city owned properties in 2017.
- **Property Management**: The 2018 proposed budget includes $2.2 million for maintenance of city owned properties including debris removal, grass mowing, and snow removal. The program maintains over 3,300 city owned vacant lots and nearly 1,300 improved properties. Funding includes $90,000 to support the city's accelerated foreclosure program. The 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 2018, the city will continue its collaboration with UMOS and Employ Milwaukee on the transitional jobs program. Participants that complete the six month program will be equipped with new skills that will enable them to compete for family supporting jobs and give them an opportunity to develop useful skills in the Forestry and Sanitation Services sections.

Pruning: The 2018 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.

Residential Disposal Costs: In 2018, funding for landfill waste is $10.3 million. Landfill tonnage costs are budgeted for 235,000 tons and represent a modest increase from 2017. In 2018, landfill costs will increase to $44.01 per ton.

Automated Collection Routes: The use of automated collection vehicles improves productivity and reduces worker compensation costs, increases operational efficiency, and provides greater flexibility in assigning staff. Routes that are converted to a one person operation instead of a two person operation save approximately $80,000 annually. In 2017, three more automated routes were added, increasing the total to 19 automated collection vehicles. While Sanitation does not expect to increase the number of automated routes in 2018, the department will continue to evaluate the use of semi-automated collection and the impacts on bulky garbage collection and snow and ice operations.

FEES

- **Solid Waste Fee:** The 2018 proposed solid waste fee per quarter will increase 3% from $50.71 to $52.23 per residential unit. The annual impact on households with one garbage cart is an increase of $6.08 from $202.84 to $208.92. The 3% increase is necessary to recover the cost of wage increases, increased tipping fees, and debt service for the MRF facility and fleet vehicles. The fee will generate approximately $39 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:** In 2018, the apartment garbage rates will not change. The current fees are necessary to support the expenses of the apartment garbage program. The revenue from this program will allow the city to recoup 100% of the costs related to providing the service.
- **Snow and Ice Control Fee:** The 2018 proposed snow and ice control fee will increase by 3% to $0.971 per front footage. The annual cost for a homeowner with a typical property with 40 feet of street frontage is $38.85 annually. The fee will generate approximately $9 million or 97% 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. In 2018, 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 and service upon request at no extra charge.

CAPITAL PROJECTS

Tree Planting and Production: The 2018 proposed capital budget provides $1.45 million for the tree planting and production program. This funding will replace approximately 3,720 street trees as part of the city's commitment to improve the environment. Since 2012 the annual tree mortality rates are higher than average at 1.8%, this is due to an aging Norway maple population and an increase in street tree removals accompanying major street reconstruction projects. In 2016, the mortality rate was 2.2%.

Stump Removal: The 2018 proposed capital budget provides $500,000 for the stump removal program. This funding will remove approximately 2,000 tree stumps. In 2018, the estimated stump backlog should decrease to 900.

Concealed Irrigation and Landscaping: The 2018 proposed capital budget provides $350,000 for boulevard irrigation system replacements and replacing approximately 100 taps. The replaced systems provide water for plant beds on boulevards.

Emerald Ash Borer: The 2018 proposed capital budget includes $1 million for treatment of ash trees. Treatable ash trees are injected with a pesticide to protect against the emerald ash borer. The program's goal is to inject half of the city's 31,000 ash trees each year.

The emerald ash borer beetle has not been found in treated city trees but has been discovered in privately owned trees citywide. 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 ten year period. The 2018 proposed capital budget provides $75,000 for this program.

Major Capital Equipment: The 2018 proposed capital budget includes $6.3 million for major capital equipment that costs more than $50,000 per unit and has a life cycle of approximately ten years. This funding replaces garbage and recycling packers and equipment that support the 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
			Administration	
-1	-1.00		Administrative Services Manager	Moved to DPW Administrative Services.
1	1.00		Program Assistant I	Moved from DPW Administrative Services.
			Fleet Services Section	
-1	-1.00		Quality Assurance Coordinator	Positions eliminated.
-1	-1.00		Power Fluid Systems Technician	
1	1.00		Fleet Systems Manager	Replaced Quality Assurance Coordinator.
1	1.00		Machine Repair Person	Replace Power Fluid Systems Technician.
			Fleet Operations Section	
-1	-1.00		Operations Driver Worker	Efficiencies related to packer automation.
			Sanitation Section	
-1	-1.00		Sanitation Yard Attendant	Staff reduction.
-1	-1.00		Utility Crew Worker	Positions eliminated.
-1			Office Assistant IV (Aux)	
1	1.00		Sanitation Yard Supervisor	New position.
-3	**-2.00**	**0.00**	**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 2018 proposed budget provides funding of $28 million for miscellaneous special purpose accounts and total funding of $146.6 million for all special purpose accounts. Highlights of the 2018 miscellaneous special purpose accounts (SPAs) include:

New Accounts

FMLA Fund: The 2018 proposed budget creates a new FMLA Fund special purpose account with funding of $100,000. The intent is to hire a vendor to administer leave under the federal and state Family Medical Leave Act (FMLA). The vendor will assure compliance with all FMLA regulations, monitor legislative and regulatory changes, review FMLA eligibility and entitlement, review and process leave requests, and train supervisors on FMLA regulations and procedures.

Discontinued Accounts

Counsel for Indigent Court Defendants: The 2017 budget created a new Counsel for Indigent Court Defendants special purpose account funded at $45,000. The intent was to provide a resource to assist indigent defendants when they appear before the Municipal Court. No funding for this account is included in the 2018 proposed budget.

Keeping the Promise: The 2017 budget created a new Keeping the Promise special purpose account funded at $472,000. Funding supported efforts to improve public safety, employment opportunities, and education attainment in several target neighborhoods. No funding for this account is included in the 2018 proposed budget.

Midnight Basketball League: The 2017 budget created a new Midnight Basketball League special purpose account funded at $10,000. The intent was to use these funds in conjunction with funding provided through corporate sponsors to establish a midnight basketball league. No funding for this account is included in the 2018 proposed budget.

MPS Driver's Education: This account provided funding to support the Milwaukee Public School district pilot program that offered free driver's education to students. No funding for this account is included in the 2018 proposed budget.

Safe Zone Initiative: This account provided funding to be used to contract with community organizations in the most challenged neighborhoods to work with community members to defuse tensions and reduce criminal activity. No funding for this account is included in the 2018 proposed budget.

Other Changes

Audit Fund: This account pays for the cost of contracting for a private audit of the city's Comprehensive Annual Financial Report, among other activities. The 2018 proposed budget increases funding by $10,500 to $270,500.

Children's Savings Accounts: This account supports program administration and implementation costs for an initiative that encourages college savings for children. Children entering kindergarten are 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. Funding for this account in the 2018 proposed budget is decreased by $25,000 to $25,000.

eCivis Grants Locator: This account pays the annual cost for the eCivis grants locator, which provides customized grant searches, e-mail notifications of grant opportunities and support for writing grant applications. The 2018 proposed budget decreases funding by $12,000 to $15,000.

Insurance Fund: This account provides funding for insurance premiums for city policies. In 2018, the account is increased by $30,000 to $685,000. This funding amount reflects anticipated insurance premium payments in 2018.

Maintenance of Essential Utility Services: This account funds activities that correct conditions threatening the life, health, and safety of citizens in properties when the owner fails to correct these conditions. Funding is decreased by $10,000 to $55,000 in the 2018 proposed budget.

Retirees Benefit Adjustment Fund: This account makes supplemental pension benefits for certain non-employee retirement service retirees. Funding for the account is decreased by $20,000 to $60,000. This funding amount reflects anticipated benefit payments in 2018.

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 $10.6 million in 2018. This amount will fund anticipated compensation increases for city employees.

SPECIAL PURPOSE ACCOUNTS SUMMARY

Special Purpose Accounts Miscellaneous	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Alternative Transportation for City Employees	$101,626	$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	269,290	260,000	270,500	270,500	10,500	0
Boards and Commissions Reimbursement Expense	14,912	18,000	18,000	15,000	-3,000	-3,000
Care of Prisoners Fund	11,966	20,000	20,000	20,000	0	0
Children's Savings Accounts	0	50,000	50,000	25,000	-25,000	-25,000
City Attorney Collection Contract	1,242,082	1,125,000	1,125,000	1,125,000	0	0
City Memberships	81,893	88,000	88,000	88,000	0	0
Community Work Partnership	14,354	0	0	0	0	0
Contribution Fund General	0	3,000,000	3,000,000	3,000,000	0	0
Counsel for Indigent Court Defendants	0	45,000	0	0	-45,000	0
Crisis Response for Trauma Informed Care Counseling	169,131	180,000	180,000	180,000	0	0
Damages and Claims Fund	7,360,152	1,225,000	1,225,000	1,225,000	0	0
eCivis Grants Locator	25,341	27,000	15,000	15,000	-12,000	0
Economic Development Committee Fund	0	20,000	20,000	20,000	0	0
E-Government Payment Systems	34,275	70,000	70,000	65,000	-5,000	-5,000
Employee Training Fund	10,911	20,000	20,000	20,000	0	0
Firemen's Relief Fund	142,490	150,000	150,000	150,000	0	0
Flexible Spending Account	100,000	115,000	115,000	115,000	0	0
FMLA Fund	0	0	100,000	100,000	100,000	0
Graffiti Abatement Fund	63,831	65,000	65,000	65,000	0	0
Group Life Insurance Premium	2,060,388	3,000,000	3,000,000	3,000,000	0	0
Insurance Fund	646,297	655,000	655,000	685,000	30,000	30,000
Keeping the Promise	0	472,000	0	0	-472,000	0
Land Management	723,825	676,000	676,000	676,000	0	0
Long Term Disability Insurance	644,787	650,000	650,000	650,000	0	0
Maintenance of Essential Utility Services	51,409	65,000	65,000	55,000	-10,000	-10,000
Midnight Basketball League	0	10,000	0	0	-10,000	0
Milwaukee Arts Board Projects	146,884	200,000	200,000	200,000	0	0
Milwaukee Fourth of July Commission	109,971	125,000	125,000	125,000	0	0
MPS Driver's Education	50,000	50,000	50,000	0	-50,000	-50,000
MMSD User Charge	0	51,800,001	51,988,303	51,988,303	188,302	0
Less Recover MMSD User Charge	0	-51,800,000	-51,988,302	-51,988,302	-188,302	0
Municipal Court Intervention Program	425,000	425,000	425,000	425,000	0	0
Municipal Identification Card	37,163	0	0	0	0	0
Outside Counsel/Expert Witness Fund	204,859	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	2,273,397	1,200,000	1,200,000	1,200,000	0	0
Reserve for 27th Payroll	0	1,500,000	1,800,000	1,500,000	0	-300,000
Retirees Benefit Adjustment Fund	71,410	80,000	80,000	60,000	-20,000	-20,000
Safe Zone Initiative	74,800	75,000	75,000	0	-75,000	-75,000

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Summer Jobs for Adults Initiative	146,191	0	0	0	0	0
Tuition Reimbursement Fund	718,216	725,000	725,000	725,000	0	0
Unemployment Compensation Fund	573,661	600,000	600,000	600,000	0	0
Wages Supplement Fund	0	1,200,000	13,200,000	10,600,000	9,400,000	-2,600,000
Total Miscellaneous SPAs	$18,607,546	$19,158,102	$31,029,602	$27,971,602	$8,813,500	$-3,058,000
Board of Zoning Appeals	$352,813	$340,187	$345,194	$345,194	$5,007	$0
Workers' Compensation Fund	$8,055,899	$11,000,000	$11,000,000	$11,000,000	$0	$0
Employee Health Care Benefits						
Administration Expenses	$6,442,996	$6,700,000	$6,800,000	$6,800,000	$100,000	$0
UHC Choice Plus (formerly Claims)	7,130,114	10,000,000	7,800,000	7,800,000	-2,200,000	0
Wellness Program	2,267,646	2,900,000	2,900,000	2,900,000	0	0
Dental Insurance	1,771,699	1,900,000	1,900,000	1,900,000	0	0
UHC Choice "EPO" (formerly HMOs)	86,262,524	91,450,000	95,000,000	87,800,000	-3,650,000	-7,200,000
High Deductible Health Plan	12,697	1,000,000	100,000	100,000	-900,000	0
Total Employee Health Care Benefits	$103,887,676	$113,950,000	$114,500,000	$107,300,000	$-6,650,000	$-7,200,000
Grand Total Special Purpose Accounts	$130,903,934	$144,448,289	$156,874,796	$146,616,796	$2,168,507	$-10,258,000

SPECIAL PURPOSE ACCOUNT
BOARD OF ZONING APPEALS

BUDGET SUMMARY

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	4.49	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	$222,869	$229,446	$231,839	$231,839	$2,393	$0
Fringe Benefits	98,297	68,085	70,699	70,699	2,614	0
Operating Expenditures	31,647	42,656	42,656	42,656	0	0
Equipment	0	0	0	0	0	0
Total	$352,813	$340,187	$345,194	$345,194	$5,007	$0
Revenues						
Licenses and Permits	$276,338	$293,000	$292,000	$292,000	$-1,000	$0
Total	$276,338	$293,000	$292,000	$292,000	$-1,000	$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	2016 Actual	2017 Projected	2018 Planned
Number of appeals filed.	605	650	650
Number of appeals resolved in one hearing.	484	520	520
Percentage of appeals resolved in one hearing.	80%	75%	75%
Number of days from appeal filing to hearing.	42 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 2018, 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. In 2015, the BOZA compliance inspection program was created 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

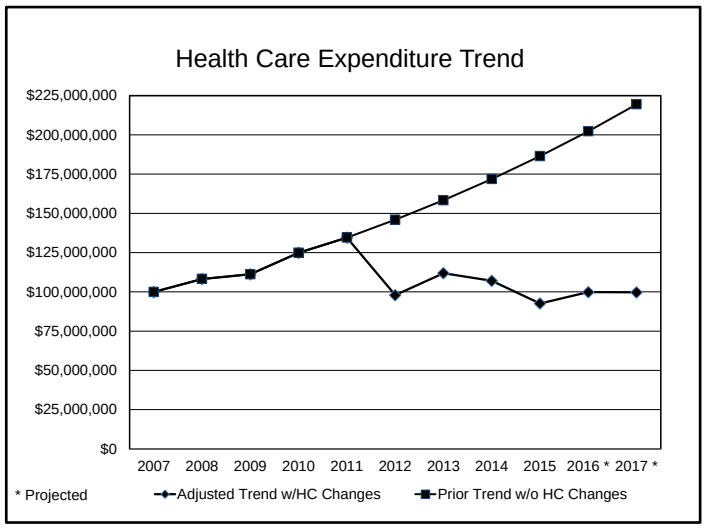
SPECIAL PURPOSE ACCOUNT
EMPLOYEE HEALTH CARE BENEFITS

SUMMARY OF EXPENDITURES

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
UHC Choice Plus PPO	$7,130,114	$10,000,000	$7,800,000	$7,800,000	$-2,200,000	$0
UHC Choice EPO	86,262,524	91,450,000	95,000,000	87,800,000	-3,650,000	-7,200,000
HDHP	12,697	1,000,000	100,000	100,000	-900,000	0
Dental Insurance	1,771,699	1,900,000	1,900,000	1,900,000	0	0
Wellness Program	2,267,646	2,900,000	2,900,000	2,900,000	0	0
Administrative Expense	6,442,996	6,700,000	6,800,000	6,800,000	100,000	0
Total	$103,887,676	$113,950,000	$114,500,000	$107,300,000	$-6,650,000	$-7,200,000

This special purpose account covers employee health care costs for three separate self-funded plans, the Choice Plus PPO, the Choice EPO and a High Deductible Health Plan along with dental insurance, administrative expense and the city's comprehensive wellness program. The Department of Employee Relations (DER) manages the account and all the related benefits, programs and services.

Figure 1



The city's health care expenditure trend shifted dramatically in 2012 (see Figure 1). Prior to that, total health care expenditures increased at a rate of 8% to 9% per year, reaching almost $139 million in 2011 and were projected to reach $187 million by 2015. In light of this unsustainable trend, the city with the support of policy makers, elected officials, employee, and vendor partners took steps to control the rising costs of health care, encourage better utilization by employees, increase employee engagement through a formalized wellness program and minimize and prevent workplace injuries.

Each of the aforementioned areas presented unique challenges which were exacerbated by rising health care costs and increased expenditures in other areas like worker's compensation. Around 2009-2010 initiatives were launched to combat cost and utilization trends. The city began examining changes to encourage more appropriate utilization of health care benefits and also initiated a wellness program to help with those efforts. The city also launched a risk management program to better understand the factors driving workplace injury trends and increasing expenditures associated with worker's compensation and safety.

The following table summarizes the various health care changes and expanded wellness and safety programming.

2009 - 2010	2011 - 2012	2013 - 2014	2015	2016
2009 - 2010 - Collective bargaining agreements include Wellness Program and Labor Management Wellness Committee (WPLMC). 2010 October - Participation based wellness program begins. 2009 - City implements risk management program to mitigate rising worker's compensation expenditure trend. Health care expenditure trend of 8% - 9% annual increases continue -- unsustainable.	City faced with reducing workforce to offset rising costs of health care - $139M. 2012 - City implements benefit design changes including 12% employee premium, deductibles, co-insurance, and out of pocket maxium (OOPM). City moves to self-funded for health care absorbing the risk. Second year of 3 step wellness program with over 80% participation rates. 2012 - Health care expenditures drop to $102M.	Onsite Wellness Center. Diabetes prevention program begins. Shift to outcomes based wellness program. Healthy rewards begins, participants earn HRA for earning 100 points form biometrics and activities. City begins pilot physical therapy program in DPW offering free onsite physcial therapy care to prevent injuries.	Workplace clinic opens, hours are expanded after three months of experience. Healthy rewards participation doubles and HRA award increased to $250. City changes pharmacy from 3 tier co-pay to 20% co-insurance. City implements further benefit design changes, increases deductible and co-insurance to $750, $1,500 OOPM, and $200 ER co-pay. City links co-insurance to UHC's premium provider program.	Employee premiums remain flat for 5th year in a row. Workplace clinic expands to over 40 hours per week. City opens onsite early intervention physical therapy. City implements UHC's real appeal program. City hires third party administrator for worker's comp to better address claims administration and workplace injuries. City implements work life balance initiative.

Recognizing the importance of these ongoing efforts as well as the link between employee health care, wellness and safety, the department has been working to better integrate these areas into a model of total worker health and employee wellbeing.

Employee Wellbeing, Health Care, Wellness, and Safety: DER works with multiple partners to create a workplace culture that enhances employee lives and offers all the tools necessary to meet employees wherever they are on the road to good health. The model strives to ensure that employees are well at work, well at home and well into retirement.

Health Care: The city continues to experience positive trends with health care expenditures as demonstrated by flat premiums for active employees since 2012 and no additional benefit design changes since 2015. This contrasts with national trends that have seen premiums increase by 20% since 2012 and deductibles that are significantly higher than the city's. This success is largely attributable to the city's ongoing efforts to integrate wellness, health care and safety programming and work geared towards educating employees on making smart health care utilization choices. The city's partnership with United Healthcare (UHC) has contributed significantly to this success. Over the last several years, UHC has demonstrated its commitment to providing comprehensive health and wellness services to city employees, spouses and partners and actively participated in the development and implementation of the city's total worker health model. UHC continues to help employees navigate the complex health care landscape with tools such as Nurseline, Care 24, personal health support through disease management, referral and resource services for complex medical conditions and decision assistance for medical treatment.

A new pilot program through UHC will be launched in late 2017 to better support city employees in understanding the nuances of each program and making decisions that best meet their medical needs. An onsite nurse liaison will assist employees, spouses and partners enrolled in the city's health benefits make better health care choices while teaching them how to access and utilize the available tools and resources.

The pilot program will address the following objectives with a goal to close gaps in care:

- Improve employee health literacy including the importance of follow-up steps and recommendations after medical appointments and procedures.
- Help employees manage a chronic or serious medical condition.
- Determine the appropriate level of care (urgent care versus emergency room).
- Address various barriers to access care, including economic and social.
- Provide referrals to the appropriate programs and resources (UHC, city, and workforce health).
- Increase the member's physician engagement when appropriate.
- Improve disease management leading to better health care decisions.
- Increase wellness and preventive care visits.
- Decrease member health care costs.

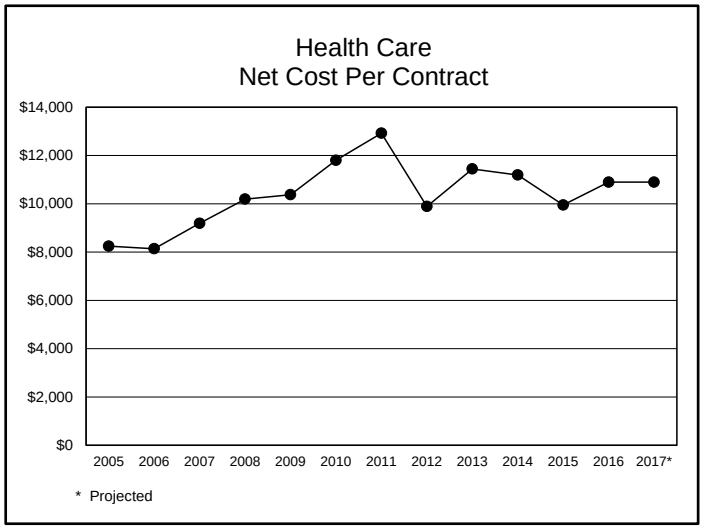
Wellness Program: The city's comprehensive wellness program, administered by Froedtert Workforce Health (WFH), provides a wide range of programs, services and resources including an onsite wellness center, traveling wellness center sites, year round coaching, access to registered dieticians, educational sessions, group fitness classes and department specific initiatives. WFH also oversees and staffs the city's onsite Workplace Clinic and Injury Prevention Clinic. The continued success and significant expansion of the city's comprehensive wellness program are possible because of the support and commitment DER and WFH have received from the Mayor, Council members and the many employees who help champion wellness efforts at the department level. The ongoing work and input from the Wellness and Prevention Labor Management Committee has also been crucial to the program's success. The wellness program has positively impacted the city's efforts to control health care costs while providing great benefits to employees and contributing to DER's goal of creating and supporting an integrated model for total worker health, safety, and wellbeing.

The most recent wellness executive summary demonstrates continual high participation rates in the health appraisal process including an 18% improvement in the number of individuals with normal blood pressure, a 26% decrease in citywide tobacco usage, and a 13% decrease in the city's rate of pre-diabetes and diabetes. Approximately 38% of participants are also engaged in three or more coaching sessions and participation in the *Healthy Rewards* program increased by 30%. In 2016, the workplace clinic had over 3,400 visits and 4,000 are anticipated by the end of 2017.

In 2017, DER worked with WFH and the Labor Management and Wellness Promotion Committee to completely revamp two large components of the wellness program. Significant changes were made to the health appraisal and *Healthy Rewards* program based on employee feedback and experience to ensure the program aligns with other city health, wellness, and safety efforts and supports the following goals:

- Create a streamlined user friendly process that is more meaningful and encourages participation.
- Allow customization for the participant based on their readiness to change.
- Expand educational opportunities regarding the tools, resources, and services available for participants to improve or maintain their health.
- Provide greater incentives and easier access through a tiered point and reward system for the *Healthy Rewards* program.

Figure 2



Employee Safety and Worker's Compensation: In 2016, DER transitioned to Gallagher Bassett (GB) to provide third party administrator services for

worker's compensation for the city. GB has fully integrated with the city's health and wellness initiatives and staff members regularly attend labor and management meetings and respond to member concerns. There is a strong link between a healthy work environment and employee safety. Healthy employees are less likely to get injured and are able to return to work sooner when an injury occurs.

2018 Highlights

Continued improvement in health care utilization allows the city to maintain the employee's 12% premium. The 2017 cost per health care contract is expected to remain relatively flat at $10,900. In 2012, the revised health care benefit structure combined with other wellness changes substantially decreased the overall cost per contract (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 2018, the projected cost per contract will be approximately 12% lower than 2011 levels.

SPECIAL PURPOSE ACCOUNT
WORKER'S COMPENSATION

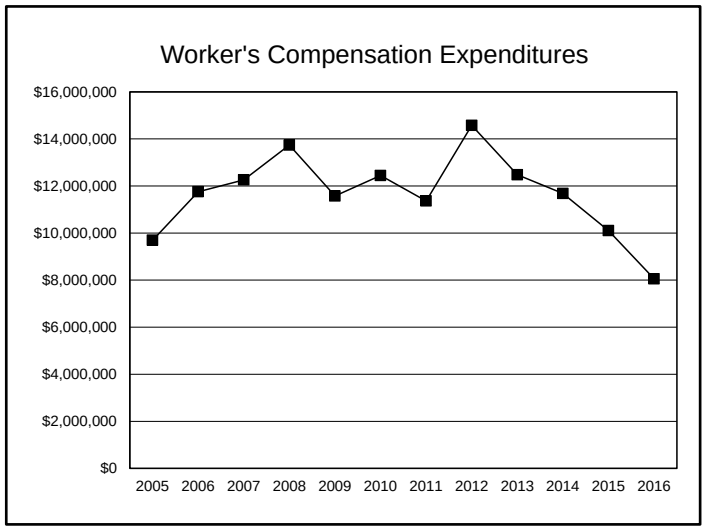
SUMMARY OF EXPENDITURES

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Worker's Compensation	$8,055,899	$11,000,000	$11,000,000	$11,000,000	$0	$0
TOTAL	$8,055,899	$11,000,000	$11,000,000	$11,000,000	$0	$0

The Worker's Compensation Special Purpose Account, managed by 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.

The 2018 proposed budget for the worker's compensation account totals $11 million; expenditures for 2017 are projected to be between $10 million and $11 million. Since 2011, worker's compensation expenditure trends have remained relatively flat and are not expected to increase unless unforeseen events occur that lead to more severe injuries and higher injury rates (see Figure 1).

Figure 1



The worker's compensation program is self-funded and was previously self-administered. In 2015, the Common Council authorized DER to explore the use of a third party administrator (TPA) for worker's compensation services. The use of a TPA was explored because while the city achieved significant reductions since implementing the risk management program in 2009, some of the annual decreases had leveled off and average costs per claim continued to increase. The cost drivers for worker's compensation required an investment in comprehensive utilization review interventions, clinical management tools, and predictive analytics.

In 2016, DER transitioned to Gallagher Bassett (GB) to provide third party administrator services for worker's compensation. The transition had several challenges including difficulties migrating and mapping the legacy claim data, unexpected turnover of assigned team members, a steep learning curve for GB resolution managers, and complexities with decentralized business functions within GB. These challenges required GB to redefine workflow and processes and make changes to adapt to the city's overall complexity. GB has fully integrated with the city's health and wellness initiatives. Staff members attend labor and management meetings and respond to member concerns.

Field Employees' Safety: In response to the tragic death of the Department of Neighborhood Services employee killed in the line of duty on Wednesday, March 22, 2017 the Department of Employee Relations conducted a comprehensive review of departmental policies and practices related to city employees working in the field. This review included collecting and analyzing information about field safety practices from departments, assessing the

needs and priorities of the departments based on employee feedback, and exploring the availability of resources to address those concerns. Specific recommendations presented to the Common Council and implemented include:

- Creation of department specific field safety policies.
- Use of decals for vehicles and uniforms or uniform items to increase employee visibility in the field.
- Distribution of panic alarms for field employees.
- Implementation of flight plan protocols to document known daily activities and stops of employees in the field.
- Coordination of situational awareness training for field employees.
- Developing and implementing an incident tracker application to report, document, and track incidents by field employees to be shared across departments.

DER continues to work closely with departments and the Milwaukee Police Department to ensure all employee safety concerns and issues are addressed in a timely manner.

FRINGE BENEFIT OFFSET

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Fringe Benefit Offset	$-185,464,934	$-185,638,351	$-174,380,757	$-176,242,339	$9,396,012	$-1,861,582
Total	$-185,464,934	$-185,638,351	$-174,380,757	$-176,242,339	$9,396,012	$-1,861,582

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 2018 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 2018 amounts to approximately $176.2 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 2018, the city anticipates generating approximately $620.7 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 $25 million higher than the inflation adjusted revenue for 2018 of $379 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 2018 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 43% in 2018.

Over the same time period, the city's reliance on property taxes increased from 10.6% to 17.3%. The city has increased its efforts to diversify revenues by increasing charges for service as a percentage of revenue from 4.3% to 20.9%.

Figure 1

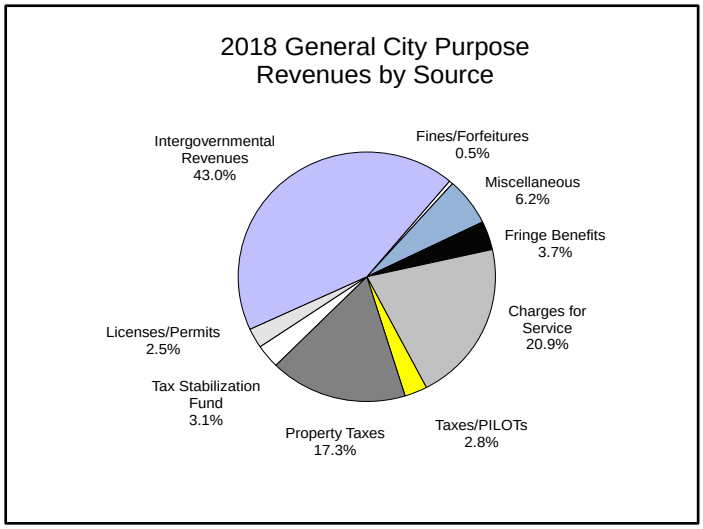
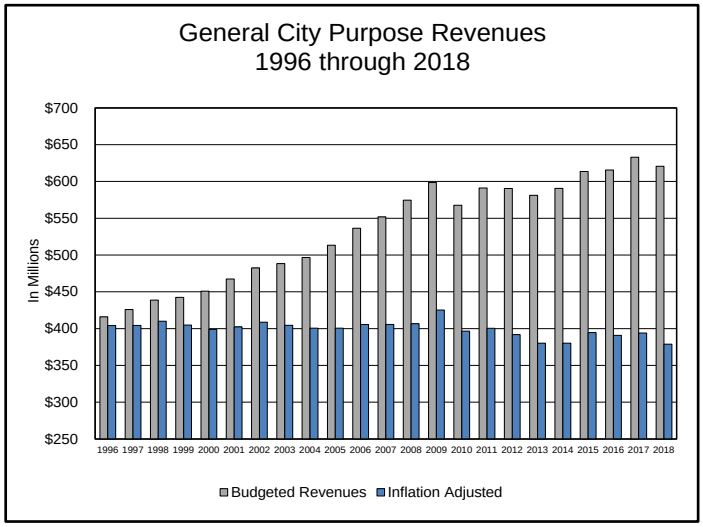


Figure 2



From 2008 to 2018, intergovernmental revenues decreased by $4.2 million from $271.3 million to $267.1 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 2018 proposed budget, intergovernmental revenues total $267.1 million. This is an increase of $1.8 million from 2017. The majority of the increase is from increased transportation aid.

The largest amount of state aids received by the city comes in the form of state shared revenue. In 2018, the city expects to receive $219.1 million of shared revenue, $16,000 higher than 2017.

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 $100.7 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. In 2018, these aids total $28 million, a $1.2 million increase from 2017.

Another state aid is the expenditure restraint payment. The program provides payments to 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 2018 is $9.1 million, which is $0.1 million higher than 2017.

Figure 3

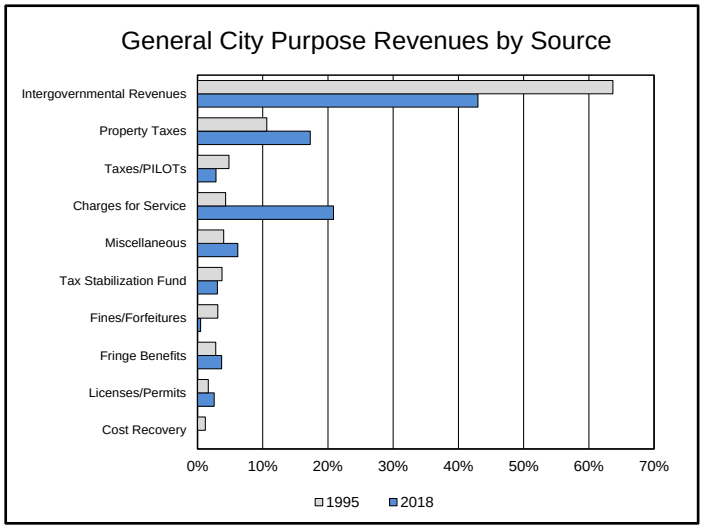
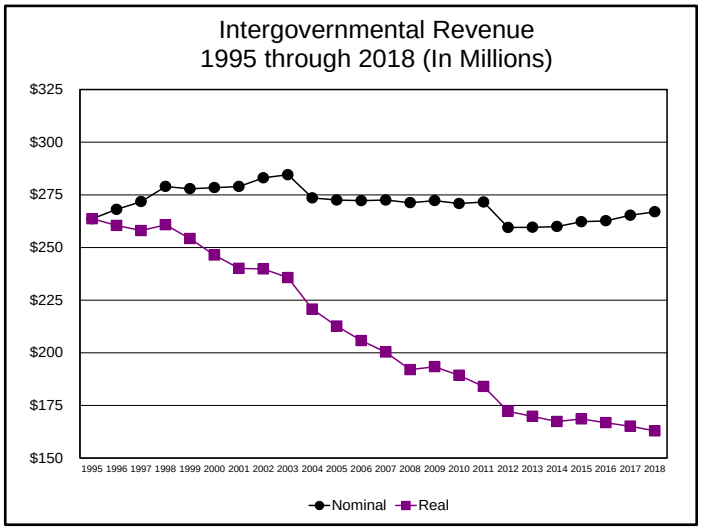


Figure 4



Property Taxes: The property tax levy will provide $107.2 million in revenue for the general city purposes budget in 2018. In 2018, the total city tax levy will be $273.5 million a $9.7 million increase in the tax levy from the 2017 budget.

Taxes and Payments in Lieu of Taxes: The 2018 proposed budget includes an estimated $17.6 million in revenue attributable to taxes and payments in lieu of taxes (PILOTs), a decrease of $108,000 from 2017. 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 2018 proposed budget includes $129.5 million in revenue from charges for services, an increase of $2.4 million from 2017. This category of funding encompasses revenue received for services provided by city operating departments.

Figure 5

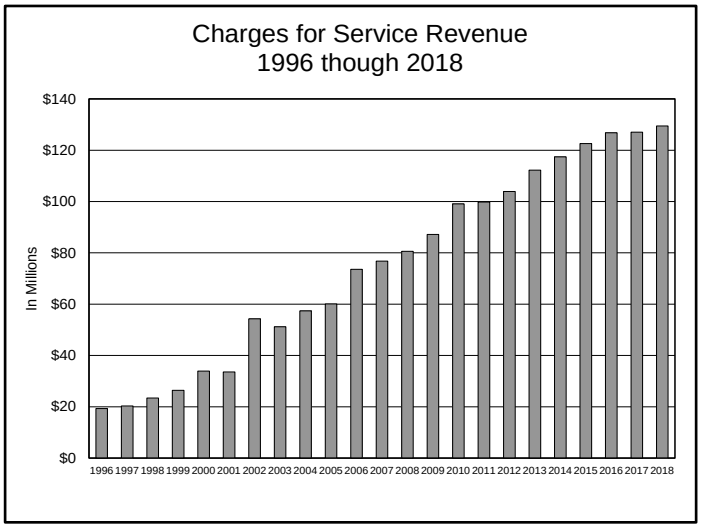


Figure 5 illustrates the increased city reliance on user based fees. Charges for service revenues increased from $19.3 million in 1996 to $129.5 million in 2018. This trend is also evident in Figure 3, where charges for service revenues increased from 4.3% of revenues to 20.9%. Fees for solid waste, snow and ice, and sewer maintenance are charged to city property owners according to usage, instead of through the tax levy.

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 remains at $60 per cart above one cart per household the same as in 2017. There is no charge for additional recycling carts. The solid waste fee will increase from $202.84 per year for residential units to $208.92 per year, a 3% increase and will generate $40.4 million when combined with the extra garbage cart fee.

The snow and ice fee will increase from an annual rate of $0.943 to $0.971 per foot of property frontage, a 3% increase. In 2018, the fee will generate a total of $9.2 million.

Forestry stormwater management costs will continue to be recovered through the sewer maintenance fee. The budget reflects tree pruning costs which are charged to the sewer maintenance fee. This is done in the form of a $21.7 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. In 2018, these revenues are expected to total $38.4 million, an increase of $1.2 million from 2017. Changes include a $275,300 increase in revenue from the sale of recyclable materials, a $100,000 increase in the vehicle registration fee revenue, a $404,000 increase in investment earnings, a $175,000 increase in the Potawatomi payment.

Fines and Forfeitures: Revenue of $3 million related to fines and forfeitures is included in the 2018 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: In 2018, revenue from licenses and permits is estimated at $15.9 million, a decrease of $265,900 from 2017. 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 2018.

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, 2017 was $50.8 million. The 2018 withdrawal will be $19 million which is 37.4% of the fund balance.

2. SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

Taxes and Payments in Lieu of Taxes	2015 Actual Expenditures	2016 Actual Expenditures	2017 Adopted Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted Budget
Housing Authority	$729,615	$811,558	$700,000	$700,000	$0
Parking	1,669,268	1,566,944	1,600,000	1,455,000	-145,000
Water Works	12,880,259	12,767,171	12,700,000	12,700,000	0
Trailer Park Taxes	72,935	71,894	70,000	70,000	0
Payment in Lieu of Taxes Other	451,415	476,330	435,000	474,000	39,000
Interest/Penalties on Taxes	1,705,055	1,693,903	1,481,500	1,693,900	212,400
TID Excess Revenue	665,111	700,917	500,000	270,000	-230,000
Other Taxes	-194,252	925,540	212,100	227,700	15,600
Total Taxes	$17,979,406	$19,014,257	$17,698,600	$17,590,600	$-108,000
Licenses and Permits					
Licenses					
Amusement Dance/Music	$67,610	$68,075	$0	$0	$0
Dog and Cat	75,315	113,009	75,300	88,100	12,800
Food City Clerk	2,179,577	2,150,728	2,083,300	2,050,000	-33,300
Food Health Department	208,468	175,344	200,000	160,000	-40,000
Health Department Non-Food	15,871	15,009	15,400	15,400	0
Liquor and Malt	242,991	247,236	0	0	0
Scales	691,022	404,901	686,900	400,000	-286,900
Miscellaneous City Clerk	2,187,666	2,197,385	2,182,300	2,461,000	278,700
Miscellaneous Neighborhood Services	308,950	231,105	231,600	246,600	15,000
Miscellaneous Department Public Works Administration	15,876	15,375	16,000	16,000	0
Permits					
Board of Zoning Appeals	$301,288	$276,338	$293,000	$292,000	$-1,000
Zoning Change Fees	66,200	65,875	60,000	63,000	3,000
Building	4,274,333	4,734,346	4,741,000	4,594,300	-146,700
Building Code Compliance	280,546	56,326	0	0	0
Curb Space Special Privilege	325	0	0	0	0
Electrical	1,365,817	1,586,562	1,424,000	1,500,000	76,000
Elevator	496,487	321,456	464,000	369,000	-95,000
Occupancy	459,618	413,087	460,000	450,000	-10,000
Plumbing	792,777	870,831	780,000	800,000	20,000
Miscellaneous Neighborhood Services	95,964	113,659	116,000	109,500	-6,500
Sign and Billboard	92,438	112,503	93,000	114,000	21,000
Special Events	283,021	235,174	280,000	280,000	0
Miscellaneous Department of Public Works	345,228	294,840	317,000	287,000	-30,000
Special Privilege Miscellaneous Neighborhood Services	377,405	382,189	350,000	357,000	7,000
Sprinkler Inspection	177,919	188,988	180,000	180,000	0
Use of Streets Excavating	1,227,375	1,497,009	1,154,500	1,104,500	-50,000
Total Licenses and Permits	$16,630,087	$16,767,350	$16,203,300	$15,937,400	$-265,900

	2015 Actual Expenditures	2016 Actual Expenditures	2017 Adopted Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted Budget
Intergovernmental Revenue					
Fire Insurance Premium	$1,079,636	$1,139,924	$1,100,000	$1,130,000	$30,000
Local Street Aids	26,434,660	27,756,658	26,840,000	28,040,000	1,200,000
Payment for Municipal Services	2,513,997	2,335,748	2,100,000	2,100,000	0
State Payments Police	740,662	851,434	1,006,200	1,183,400	177,200
State Shared Revenue (General)	219,039,229	219,087,542	219,038,000	219,054,000	16,000
Other State Payments	7,034	7,034	7,000	7,000	0
Expenditure Restraint Aid	8,751,753	8,721,789	9,001,000	9,134,000	133,000
Computer Exemption Aid	4,782,272	5,290,488	6,200,000	6,443,000	243,000
Total Intergovernmental Revenue	$263,349,243	$265,190,617	$265,292,200	$267,091,400	$1,799,200
Charges for Services - General Government					
City Attorney	$1,252,359	$826,600	$818,700	$929,700	$111,000
Department of Employee Relations	166,597	163,461	178,800	190,000	11,200
City Treasurer	156,081	155,796	108,800	104,600	-4,200
Common Council City Clerk	152,853	258,267	225,400	226,800	1,400
Cable Franchise Fee	5,025,185	4,825,134	5,000,000	5,000,000	0
Comptroller	698,565	616,908	625,000	575,000	-50,000
Election Commission	0	93,782	0	0	0
Municipal Court	1,353,212	1,240,059	1,139,000	899,800	-239,200
Assessor	842,786	845,494	890,500	1,060,300	169,800
Department of City Development	8,983	9,660	9,500	10,000	500
Department of Administration	164,720	114,971	80,500	86,000	5,500
Fire Department	6,651,837	6,654,756	6,795,000	6,545,000	-250,000
Police Department	711,563	2,800,055	2,888,600	2,898,100	9,500
Department of Neighborhood Services	16,090,166	13,052,324	13,160,000	12,602,000	-558,000
Building Razing	1,424,005	1,287,273	1,000,000	1,100,000	100,000
Fire Prevention Inspections	2,248,191	2,071,471	1,900,000	2,000,000	100,000
Essential Services	67,530	63,439	69,000	67,000	-2,000
Placard Fee	21,720	16,618	24,000	22,000	-2,000
IT/Training Surcharge Department of Neighborhood Services	377,398	326,980	387,000	400,000	13,000
Department of Public Works Operations Buildings and Fleet	3,766,206	3,733,693	3,720,000	3,820,000	100,000
Department of Public Works Infrastructure Division	5,852,573	4,075,299	4,552,100	4,345,100	-207,000
Department of Public Works Operations Division Forestry	136,967	181,963	141,000	160,000	19,000
Harbor Commission	5,905,581	5,464,890	5,975,792	5,465,000	-510,792
Department of Public Works Administrative Services	2,171,847	1,417,509	1,353,500	1,791,400	437,900
Department of Public Works Operations Division Sanitation	4,354,473	4,354,127	4,304,300	4,441,100	136,800
Solid Waste Fee	36,391,922	36,712,824	37,931,000	38,923,000	992,000
Extra Garbage Cart Fee	1,767,570	1,613,700	1,640,000	1,500,000	-140,000
Snow and Ice Control Fee	8,697,232	8,787,665	8,958,500	9,227,000	268,500
Forestry Stormwater Management	16,060,000	18,126,000	19,626,000	21,682,000	2,056,000
Apartment Garbage Pickup	1,529,886	1,346,741	1,410,000	1,300,000	-110,000
Health Department	1,084,294	1,163,608	1,045,200	1,061,300	16,100
Public Library	382,864	331,814	362,600	301,800	-60,800
County Federated System	709,361	725,619	725,000	744,000	19,000
Recycling Contract	589,288	2,181	0	0	0
Total Charges for Services	$126,813,815	$123,460,681	$127,044,792	$129,478,000	$2,433,208
Fines and Forfeitures					
Municipal Court	$4,110,140	$3,524,318	$3,703,000	$3,001,000	$-702,000
Total Fines and Forfeitures	$4,110,140	$3,524,318	$3,703,000	$3,001,000	$-702,000

	2015 Actual Expenditures	2016 Actual Expenditures	2017 Adopted Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted Budget
Miscellaneous Revenue					
Transfer from Other Funds	$17,000,000	$16,599,956	$16,600,000	$16,600,000	$0
Interest on Investment	682,765	1,352,684	885,200	1,289,200	404,000
Contributions	2,588,721	2,377,329	3,000,000	3,000,000	0
Department of Administration Property Sales	346,738	203,567	342,200	351,500	9,300
Department of City Development Property Sales	15,600	140,723	10,000	15,000	5,000
Department of Public Works Infrastructure Division Rent	238,106	218,229	297,500	368,600	71,100
Comptroller Rent	162,865	179,773	164,900	174,900	10,000
Department of City Development Rent	26	25,018	0	12,000	12,000
Sale of Recyclable Materials	775,713	1,527,062	1,397,700	1,673,000	275,300
Other Miscellaneous	1,372,541	1,722,571	661,000	911,300	250,300
Insurance Recovery	205,082	310,122	210,000	40,000	-170,000
Potawatomi	5,410,827	5,574,766	5,575,000	5,750,000	175,000
Harbor Commission Transfer	1,580,000	1,501,000	1,516,000	1,530,700	14,700
Vehicle Registration Fee	6,653,772	6,721,308	6,600,000	6,700,000	100,000
Total Miscellaneous Revenue	$37,032,756	$38,454,108	$37,259,500	$38,416,200	$1,156,700
Fringe Benefits					
Fringe Benefit Offset	$21,393,005	$22,786,519	$23,000,000	$23,000,000	$0
Total Fringe Benefits	$21,393,005	$22,786,519	$23,000,000	$23,000,000	$0
Total General Fund Revenue	$487,308,452	$489,197,850	$490,201,392	$494,514,600	$4,313,208
Amount to be Raised Pursuant to 18-02-6	$130,964,667	$126,491,962	$142,791,740	$126,229,761	$-16,561,979
Less:					
Tax Stabilization Fund Withdrawal (Sustainable)	$16,700,000	$21,087,000	$27,579,000	$19,000,000	$-8,579,000
Property Tax Levy	$114,264,667	$105,404,962	$115,212,740	$107,229,761	$-7,982,979
Total Sources of Fund for General City Purposes	$618,273,119	$615,689,812	$632,993,132	$620,744,361	$-12,248,771

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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Rquested
Firemen's Pension Fund						
Lump Sum Supplement Contribution	$47,500	$40,000	$30,000	$30,000	$-10,000	$0
Subtotal	$47,500	$40,000	$30,000	$30,000	$-10,000	$0
Policemen's Pension Fund						
PABF Payroll	$188,214	$320,000	$200,000	$290,000	$-30,000	$90,000
Lump Sum Supplement Contribution	21,500	10,000	10,000	10,000	0	0
Subtotal	$209,714	$330,000	$210,000	$300,000	$-30,000	$90,000
Employees' Retirement Fund						
Employer's Pension Contribution	$60,000,000	$61,000,000	$76,000,000	$78,000,000	$17,000,000	$2,000,000
Employer's Pension Contribution - Employers' Reserve Fund	0	0	0	5,000,000	5,000,000	5,000,000
Administration	17,880,765	24,983,109	23,529,009	23,656,880	-1,326,229	127,871
Annuity Contribution Employer's Reserve Fund	0	0	5,000,000	0	0	-5,000,000
Subtotal	$77,880,765	$85,983,109	$104,529,009	$106,656,880	$20,673,771	$2,127,871
Social Security Tax	$18,170,596	$18,500,000	$18,800,000	$18,300,000	$-200,000	$-500,000
Former Town of Lake Employees' Fund						
Employer's Pension Contribution	$5,853	$7,300	$0	$0	$-7,300	$0
Subtotal	$5,853	$7,300	$0	$0	$-7,300	$0
Deferred Compensation Plan	$324,232	$365,367	$515,386	$477,764	$112,397	$-37,622
Total	$96,638,660	$105,225,776	$124,084,395	$125,764,644	$20,538,868	$1,680,249
Revenues						
Fringe Benefits Pensions	$1,170,775	$1,283,620	$1,458,770	$1,499,058	$215,438	$40,288
Charges for Service ERS	17,374,977	24,598,428	23,177,981	23,305,852	-1,292,576	127,871
Charges to Other Funds	904,955	904,000	1,200,000	1,200,000	296,000	0
Charges for Service Deferred Compensation	324,232	365,367	515,386	477,764	112,397	-37,622
Property Tax Levy	78,532,396	77,982,361	92,630,258	94,179,970	16,197,609	1,549,712
Employer's Reserve Fund	0	0	5,000,000	5,000,000	5,000,000	0
Miscellaneous Employees' Retirement System	84,000	92,000	102,000	102,000	10,000	0
Total	$98,391,335	$105,225,776	$124,084,395	$125,764,644	$20,538,868	$1,680,249

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 27,387 members in the system as of December 31, 2016.

The Policemen's Annuity and Benefit Fund (PABF) administers pensions for city police officers employed prior to 1947. There were 27 members as of January 1, 2017.

Funds in the Firemen's Pension Fund are provided for retired fire fighters who were employed prior to 1947. This fund had 20 members as of January 1, 2017.

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 will be updated every five years.

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 policy allows the city to retain vital services while responsibly financing pensions.

SERVICES

Employer's Pension Contribution: Every five years the blended rate is modified to reflect the current condition of the fund. Since the stable contribution policy began in 2013, it will be modified for the 2018 pension contribution. It will reflect an expected change from an 8.25% rate of return to an 8% rate of return. Other changes will be determined from an experience study. The experience study analyzes the ages of retirements by employee groups, morality rates and other actuarial factors that are used to estimate future pension fund needs. In 2018, the blended rate will preliminarily be modified to 9.25% for general city, 30.16% for police and 28.71% for fire. These rates will be solidified by November or December, 2017 upon the completion of an experience study by the actuary. For 2018, the pension contribution included in the budget is $83 million of which $78 million will be tax levy supported

and $5 million will come from the pension reserve account. This is an increase of $22 million over the $61 million included in the 2017 budget.

Employer's Reserve Fund: A balance of approximately $15.6 million is in the Employer's Reserve Fund at the end of 2017. The 2018 proposed budget includes the use of $5 million from 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 will increase at least $22 million in 2018. The use of $5 million from the reserve fund will help smooth the pension contribution increase.

Social Security Payments: In the 2018 proposed budget, $18.3 million is provided for social security payments.

Administration: In the 2018 proposed budget, ERS administrative costs are $23.7 million.

Employer's Pension Contribution (PABF): The 2018 proposed budget does not include a contribution for the former Policemen's Annuity and Benefit Fund. Instead the city will provide $290,000 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 $30,000 is provided in the 2018 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 2018 proposed budget to provide a pension supplement.

EMPLOYES' RETIREMENT SYSTEM

EXECUTIVE SUMMARY

MISSION: Administer the plan as provided under the city charter, maintain member records, pay the benefits to which members and beneficiaries are entitled, and invest and manage the funds of the trust in a prudent and vigilant manner.

OBJECTIVES: Achieve assumed long term 30 year average annual return target set by the Annuity and Pension Board (currently 8.5% subject to revision for 2018 as required by chapter 36 of the city charter).

Determine strategic asset allocation and asset class strategies.

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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	43.73	43.50	47.50	48.50	5.00	1.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	58	58	62	63	5	1
Expenditures						
Salaries and Wages	$2,601,012	$2,852,489	$3,171,239	$3,258,822	$406,333	$87,583
Fringe Benefits	1,170,775	1,283,620	1,458,770	1,499,058	215,438	40,288
Operating Expenditures	13,833,345	20,283,000	18,270,000	18,270,000	-2,013,000	0
Equipment	275,633	564,000	629,000	629,000	65,000	0
Special Funds	0	0	0	0	0	0
Total	$17,880,765	$24,983,109	$23,529,009	$23,656,880	$-1,326,229	$127,871
Revenues						
Charges for Services	$17,374,977	$24,598,428	$23,177,981	$23,305,852	$-1,292,576	$127,871
Miscellaneous	84,000	92,000	102,000	102,000	10,000	0
Total	$17,458,977	$24,690,428	$23,279,981	$23,407,852	$-1,282,576	$127,871

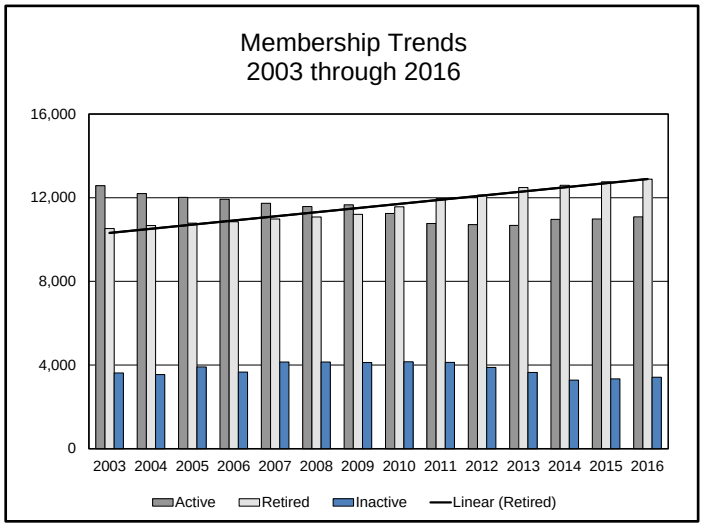
DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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 2016, there were 27,387 members and beneficiaries in the Employes' Retirement System, approximately 60% 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.

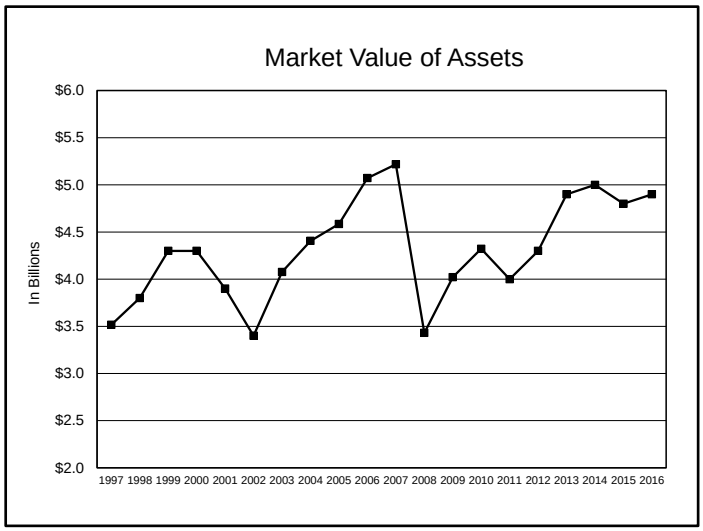
Key Performance Measures	2016 Actual	2017 Projected	2018 Planned
Annualized excess return above the blended benchmark index, gross of fees (over the past five years).	0.7%	0.5%	0.5%
Exceed 95% favorable rating on customer satisfaction survey.	99%	99%	100%

STRATEGY IMPLEMENTATION

The actuarial accrued liabilities on behalf of ERS members are approximately $5.3 billion as of January 1, 2017. Market volatility in recent years has made it challenging to maintain a fully funded retirement system at all times. In 2016, the fund earned a net of fee return of 8.8%. All of the fund's asset classes generated positive returns net of fees. The fund's allocations to public equities and fixed income generated net of fee returns of 9.4% and 7.4% in 2016. The fund's allocations to real estate, private equity, and absolute return strategies generated net of fee returns of 9.1%, 9.1%%, and 5.1% in 2016.

Despite recent fluctuations, the fund's asset value has been restored since the low point of the 2008-2009 financial crises (see Figure 2).

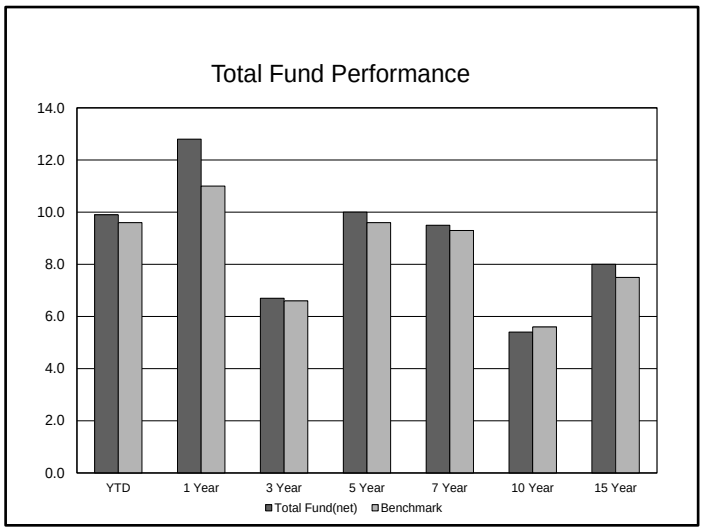
Figure 2



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%
- S&P Global Infrastructure Index
- FTSE EPRA/NAREIT Developed Index
- S&P Global Natural Resources Index
- Barclays U.S. TIPS Index
- Bloomberg Commodity Total Return Index

Figure 3



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

As seen in Figure 3, the fund's net of fee performance in the time periods ending July 31, 2017 indicate the fund has been able to generate returns that exceed its discount rate in the year-to-date, 1, 5, and 7 year time periods. The fund's returns either exceed or 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.

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 optimal cost effectiveness.

The 2018 proposed budget decreases by approximately $1.3 million or 5.3%. Most of the decrease is from reduced real estate investment manager fees and insourcing of some IT contractor positions. The ERS board terminated the contract with its outsourced real estate manager and shifted greater responsibility to the in-house ERS investment team and general asset consultant concerning the recommendations and administration of its real estate portfolio. ERS will use a portion of the real estate investment manager fee savings to fund an additional position within the ERS investment.

ERS continues to upgrade information technology equipment and its network, which supports the information systems managing retirement benefits. The 2018 proposed budget includes $629,000 to replace parts of the storage area network that is reaching end of life. Replacing this equipment will ensure that the data storage requirements for the primary ERS application (MERITS), its sub-systems, and other systems are met adequately, and the equipment is supported by the vendor and manufacturer.

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		Disability Deputy Director	New position created due to the complexity and volume of disability claims.
1	1.00		Deputy Chief Investment Officer	Real Estate portfolio now being administered in house.
1	1.00		Server Administrator	Creating efficiency by reducing IT contractors and insource IT responsibilities.
1	1.00		Senior Database Administrator	
1	1.00		Senior Java Developer	
5	**5.00**	**0.00**		

DEFERRED COMPENSATION PLAN

EXECUTIVE SUMMARY

MISSION: To 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.

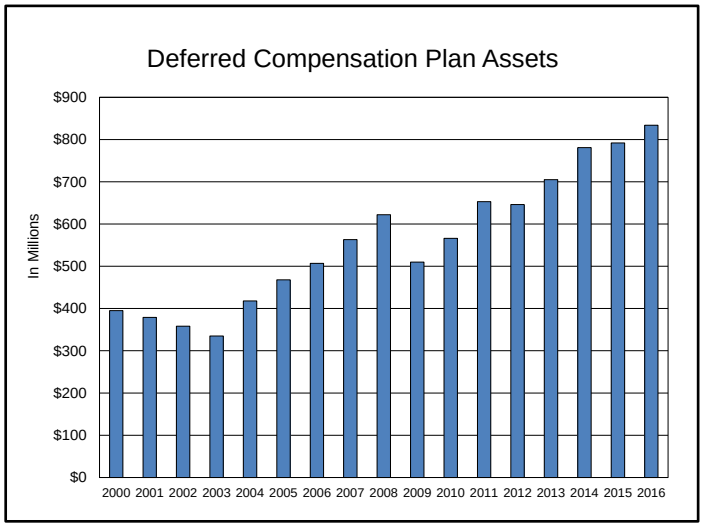
Administer the plan in accordance with applicable regulations to maintain the Plan's tax deferred status.

BUDGET SUMMARY

	2016 Actual Expenditures	2017 Adopted Budget	2018 Proposed Budget	2018 Requested Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	2.00	2.00	3.00	3.00	1.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	2	2	3	3	1	0
Expenditures						
Salaries and Wages	$177,494	$170,608	$216,028	$192,989	$22,381	$-23,039
Fringe Benefits	81,509	76,774	99,373	88,775	12,001	-10,598
Operating Expenditures	64,519	37,985	117,985	116,000	78,015	-1,985
Equipment	710	5,000	7,000	5,000	0	-2,000
Special Funds	0	75,000	75,000	75,000	0	0
Total	$324,232	$365,367	$515,386	$477,764	$112,397	$-37,622
Revenues						
Charges for Services	$324,232	$365,367	$515,386	$477,764	$112,397	$-37,622
Total	$324,232	$365,367	$515,386	$477,764	$112,397	$-37,622

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. 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, a Plan Coordinator and an Administrative Assistant II, 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.

In June 2016, the board voted to recommend changes to the plan design to encourage greater participation and savings in the plan by eligible employees, as well as to simplify plan investment options and reduce costs, which were approved by the Common Council in July 2016 via amendments to the Plan's Master Agreement. These changes included the addition of default provisions for eligible employees and non-employee participants in the plan. These default provisions went into effect on October 3, 2016.

As of December 31, 2016, active and retired participants totaled 8,374; the overall participation rate for City of Milwaukee employees was 81% compared to the 2015 participation rate of roughly 65%. Previously, participation rates had remained steady since 2010. As of December 31, 2016, plan assets equaled $834 million, a 5.3% increase from 2015.

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 Plan Coordinator, 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.

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.

The Plan offers 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. Investment performance net of administrative and asset management fees is routinely monitored. Plan trustees and staff look to reduce fees through contract renegotiations and by market testing current pricing arrangements through regularized requests for proposal processes.

In addition, the plan and its partners provide a wide array of in-person, on-line, over-the-phone, and written financial educational information, as well as retirement planning tools and ongoing financial wellness and retirement 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 a variety of 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, 2017, are listed in the table below.

Investment Performance as of June 30, 2017*				
		% Rate of Return**		
Investment Option	**Market Value as of 6-30-17 in $ Millions**	**One Year**	**Three Year**	**Five Year**
Actively Managed Equity	$163.5	19.14	6.68	12.73
AMEA Benchmark		18.60	7.35	13.05
Actively Managed Income	$49.3	1.68	1.32	2.51
AMIA Benchmark		(0.39)	2.45	2.21
Stable Value	$173.6	1.65	1.43	1.27
SVA Benchmark		0.66	0.36	0.22
Passive International Equity	$52.6	20.11	1.27	7.46
MSCU ACWI ex US		20.45	0.80	7.22
Passive U.S. Equity	$168.0	18.32	8.79	14.28
JPMorgan Target Active SR Income	$27.5	7.62	4.08	6.31
JPMCB Active SR Income Idx		7.27	3.92	5.72

Investment Performance as of June 30, 2017*				
		% Rate of Return**		
Investment Option	**Market Value as of 6-30-17 in $ Millions**	**One Year**	**Three Year**	**Five Year**
JPMorgan Target Active SR 2015	$21.5	7.65	4.22	7.09
JPMCB Active SR 2015		7.27	4.05	6.45
JPMorgan Target Active SR 2020	43.1	9.76	5.03	8.44
JPMCB Active SR 2020		9.44	5.09	7.97
JPMorgan Target Active SR 2025	42.5	11.56	5.44	9.41
JPMCB Active SR 2025		11.28	5.67	9.03
JPMorgan Target Active SR 2030	28.1	13.26	5.82	10.34
JPMCB Active SR 2030		13.15	6.08	9.88
JPMorgan Target Active SR 2035	20.8	14.60	5.99	10.87
JPMCB Active SR 2035		14.51	6.34	10.57
JPMorgan Target Active SR 2040	11.5	15.97	6.27	11.27
JPMCB Active SR 2040		15.89	6.63	10.95
JPMorgan Target Active SR 2045	6.8	16.00	6.29	11.22
JPMCB Active SR 2045		15.98	6.66	10.97
JPMorgan Target Active SR 2050	2.8	16.06	6.25	11.23
JPMCB Active SR 2050		15.98	6.66	10.97
JPMorgan Target Active SR 2055	1.2	15.89	6.06	-
JPMCB Active SR 2055		15.98	6.66	-
Schwab Brokerage Window^	$49.8	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 2016 include:

- Transitioned to the new record keeper and moved towards full automation of deferral processing, as well as electronic forms and signatures to minimize error and better preserve and maintain plan records.
- Transitioned to a new investment management platform, as well as changes to the investment line up, resulting in significant fee savings 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).
- Implemented a new enrollment and elections process.
- Annual member's contribution increased to 3% of their wages if they contributed less than 3%, unless they opted out. Members were placed in an age appropriate investment plan, unless they opted out.
- Completed restatement of all plan documents including the master agreement, investment policy statement, and administrative rules.

- Renegotiated and restatement of the plan's contract with its self-directed brokerage account vendor, Schwab, as well as implemented access and transaction restrictions on a go forward basis.
- Issued a new and improved fee disclosure statement. This disclosure marked a significant improvement over prior disclosures by:
  - Reporting investment 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.
- Created a 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.
- Second consecutive year of decreases in plan operating expenses.

The plan continues the new budgeting approach begun in 2016. All professional fees and other operating expenses no longer appear in the city's budget, with limited exceptions since 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. To ensure transparency, the plan's 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.

Professional and operating expenses include recordkeeping (Voya), 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.

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

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	1.00		Administrative Assistant II	Increase in plan participation.
1	**1.00**	**0.00**	**Totals**	

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 infrastructure.

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

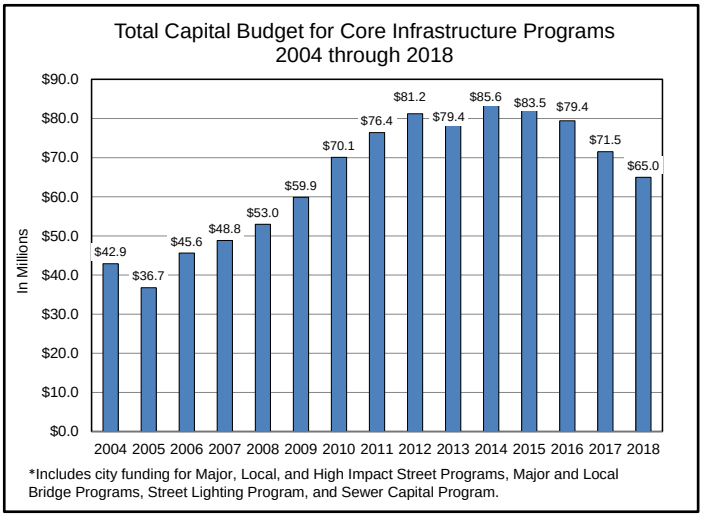
The 2018 proposed capital improvements budget represents the initial year of a six year capital improvements plan. The budget and plan identify the city's capital funding needs and provide funding sources to support these needs. Capital improvements generally include projects to reconstruct, rehabilitate, 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 2018 proposed general city capital improvements budget totals $142.8 million, a decrease of $8.2 million from the 2017 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 $77.8 million. This is a decrease of $12.1 million or 13.5% from the 2017 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

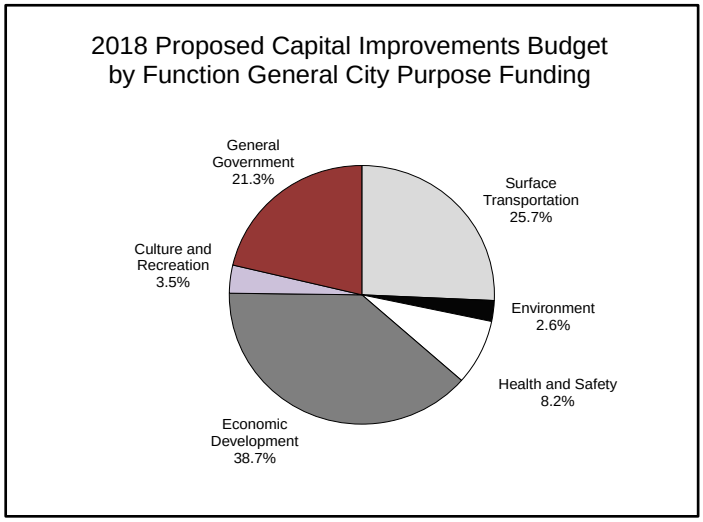
Figure 1



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 is a priority of the 2018 proposed budget. Core infrastructure programs including streets, bridges, street lighting, and sewers total $65 million in the 2018 proposed budget. Figure 1 shows improvements made in core infrastructure funding from 2004 to 2018. Since 2004 funding for core infrastructure has increased by $22.1 million, or 52%. The 2018 proposed capital budget will utilize significant amounts of carryover funding in the street lighting program, which accounts for the $6.5 million reduction in core infrastructure programs from 2017 to 2018.

Figure 2



The 2018 proposed budget includes $18.9 million for facility improvement projects, which is 24% of the levy supported general city capital budget. The city hall foundation repair project is the largest single facility improvement project in the 2018 proposed budget at $9 million, and the ongoing rebuilding of neighborhood libraries is the second largest facility project at $4 million.

The 2018 proposed budget limits use of tax levy cash for capital improvements. In 2018, funding of $889,000 of cash from the tax levy is used for capital improvements. The Department of City Development's advanced planning fund and several IT upgrade projects are funded with tax levy cash in the 2018 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 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 $56.4 million or 38.7% of the general city funded capital budget. In 2018, new borrowing for economic development is decreased by $1.2 million compared to 2017. Borrowing for tax incremental districts (TIDs) totals $49.5 million, a $2 million increase from the 2017 budget. This includes $5.4 million for developer funded TID's. In 2018, the budget for developer funded TID's is increased by $1.9 million from 2017 primarily due to the Northwestern Mutual building project.

Surface transportation projects constitute the second largest functional category, which is 25.7% of the general city funded capital budget or $36.7 million. Including grant and aids, total surface transportation spending is $75.7 million, a decrease of $9.8 million from 2017.

The general government project category constitutes the third largest functional area with $30.5 million or 21.3% of total funding provided for this purpose. This is a net decrease of $6.5 million from 2017. This category consists of buildings, non-police IT projects, and major capital equipment.

The health and safety project category comprises 8.2% of the 2018 proposed general city funded capital budget. This includes Fire, Police, and Health departments capital programs. This category also includes the city contribution towards the lead service line replacement program. Culture and recreation projects include a $250,000 allocation for the *MKE Plays* program, which leverages private investment to create innovative play spaces in city neighborhoods. This category also includes the Library's neighborhood library reconstruction program. The culture and recreation project category represents 3.5% of the city funded capital budget. Environment programs include forestry and environmental remediation programs. These projects are 2.6% of the city funded capital budget.

Figure 3

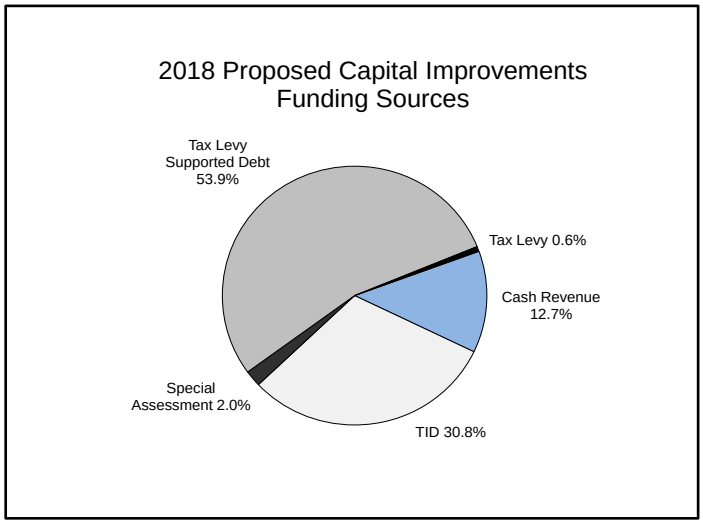
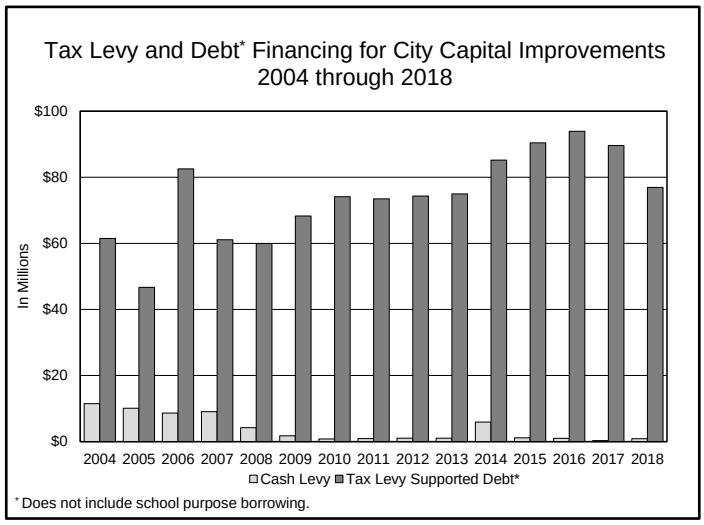


Figure 4



Funding Sources: The 2018 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 2018 proposed city funded capital budget (excluding grant and aids).

For 2018 the largest funding source is tax levy supported debt financing, composing 53.9% of total funding sources. Levy supported GO borrowing in the capital budget is $76.9 million, a decrease of $12.1 million from 2017. Given the life expectancy of the facilities to be constructed or equipment to be purchased, borrowing is used to maximize the city's capital investments and spread the cost of long term investments to all beneficiaries. Adjusted for inflation, this level of debt is nearly the same as in 2004.

Another major source of funding for capital projects is TID borrowing, with $44 million or 30.8% of total funding sources. TID borrowing is self-supporting because the improvements made within these districts are financed through property tax revenue generated from the incremental values resulting from the improvements. The 2018 proposed budget includes borrowing authority for TIDs of $44 million which is the same amount as the 2017 budget. The borrowing authority is required because of several large TIDs including Lakefront Gateway, the new arena, and the street car project.

In addition to TID financing, other self-supporting funding sources include $18.1 million of cash revenues, which represents 12.7% of the total and $2.9 million of special assessments, which represents 2%. Figure 3 does not include capital grant and aids for street reconstruction and bridge rehabilitation, which are anticipated to be $36.4 million in 2018.

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 has declined from the high of $17 million in 2002 to $889,000 in the 2018 proposed budget.

2018 HIGHLIGHTS AND CHANGES

Strong Neighborhoods Plan: In 2018, the Department of Neighborhood Services (DNS), supported by Department of Public Works crews, will demolish or deconstruct 137 vacant buildings. The 2018 proposed capital budget includes $1.2 million for the DNS concentrated blight elimination program. Approximately $122,000 of this amount is for a lower impact hybrid deconstruction program for eight properties, while the remainder will fund demolition activities.

The Department of City Development has allocated capital funds totaling $2.5 million to fund renovation and redevelopment of city owned residential and commercial property through a number of incentive and direct programs. The 2018 proposed capital budget includes $400,000 of city funding for the strong homes loan program in addition to $750,000 in cash revenues from loan repayments. Funding for the commercial investment program totals $1 million in 2018.

Facility, Information Technology (IT), and Equipment: The 2018 proposed capital budget includes $18.9 million in capital funding for projects to upgrade or construct city facilities, $4.2 million for IT related capital projects, and $11.6 million for capital equipment. 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.

The 2018 proposed budget includes $18.9 million for city facility projects. Of this amount, $4.7 million will be used to continue the ongoing replacement of several branch libraries as well as improvements at Central library. The 2018 proposed budget includes $4 million to continue a multi-year project to replace the Capitol Drive and Martin Luther King Jr. libraries. The Department of Public Works facilities capital program funding is $4.2 million and will be used for ADA compliance and exterior and building mechanical upgrades of DPW facilities in 2018.

The most costly single facility project in the 2018 proposed budget is the city hall foundation repair project at $9 million. This amount will fund the third 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 *2018 Proposed Plan and Executive Budget Summary*.

In 2018, opportunities for increased efficiency and the need to upgrade existing systems result in increased funding for IT projects. Over $4.2 million in capital funding is directed to IT related upgrades and improvements. The largest single IT project is the final phase of an upgrade to the Police Department's phone system and 9-1-1. The 2018 proposed budget includes $2 million for the phone system and 9-1-1. Another major IT project included is $500,000 for the final phase of the Police Department's records management system. The Information and Technology Management Division utilizes $1.6 million in the 2018 proposed budget for a number of IT projects including GIS street data modernization, open data dashboard and analytics, and a $250,000 project to ensure that city websites and apps are compliant with the Americans with Disabilities Act.

Capital equipment includes fleet vehicles for the Department of Public Works, fire engines and medical units for the Fire Department, and various vehicles used by the Police Department. In 2018, capital equipment totals $11.6 million, an increase of $3.3 million from the 2017 budget. This increase is due to police vehicles being included in the capital budget. Police vehicles including squad cars, motorcycles, and prisoner conveyance vehicles had previously been funded in the Police Department's operating budget.

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

The 2018 proposed capital budget includes $2 million to remediate all remaining Title II violations listed in the settlement agreement requiring completion within the first 24 months of the agreement and to begin design work for Title II violations requiring completion within 36 months.

The city has made significant progress in remediating barriers to access since the agreement went into effect. Through July 2017, the city has brought into compliance 311 of the 953 non-compliant items identified by USDOJ surveys. The items that have been addressed so far primarily consist of adjustments to signage and proper identification of barriers or hazards. The ADA compliance capital program has spent slightly over $300,000 through July 2017 to remediate these items. The items that must be addressed in the second and third years of the agreement include plumbing and structural work and will entail significantly more planning, effort, and cost. City and contract forces will be utilized to accomplish this work within the prescribed timeframe.

The City of Milwaukee was 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 is surveying city facilities not previously surveyed by the USDOJ and is generating reports listing identified ADA violation. The ADA Coordinator is 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. Through July 2017, the ILA has surveyed 155 polling locations, 5 facilities not surveyed by the USDOJ, 9 facilities built or altered after the USDOJ survey and 102 curb ramps. If the ILA identifies barriers to access in the surveyed facilities, the city will address these barriers.

2018 LARGE SCALE STREET PROJECTS FUNDING BY SOURCE

Major Streets		Construction	Traffic Control	Street Lighting, Conduit and Manholes	Project Total
West Layton Avenue - South 27th Street to South Howell Avenue	**Grantor Share**	$4,579,487	$0	$0	$4,579,487
	City/Assessable	1,499,260	0	0	1,499,260
	Total	$6,078,747	$0	$0	$6,078,747
South 60th Street - West Morgan Avenue to Kinnickinnic River Pwky	**Grantor Share**	$3,714,000	$0	$0	$3,714,000
	City/Assessable	1,028,000	0	90,000	1,118,000
	Total	$4,742,000	$0	$90,000	$4,832,000
South Chase Avenue - West Ohio Avenue to West Lincoln Avenue	**Grantor Share**	$9,141,245	$140,000	$200,860	$9,482,105
	City/Assessable	427,055	0	75,000	502,055
	Total	$9,568,300	$140,000	$275,860	$9,984,160

Summary of Departmental Appropriations
Overview of 2018 Proposed Capital Budget General City Purposes

City Funded	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Special Projects	$8,739,000	$8,516,000	$8,514,000	$-225,000	$-2,000
Administration, Department of	3,045,000	2,015,000	1,660,000	-1,385,000	-355,000
Assessor's Office	350,000	0	0	-350,000	0
City Development, Department of	53,517,000	50,800,000	52,920,000	-597,000	2,120,000
Common Council City Clerk	438,000	0	0	-438,000	0
Fire Department	2,948,000	1,585,000	1,555,000	-1,393,000	-30,000
Health Department	731,000	675,000	660,000	-71,000	-15,000
Fire and Police Commission	0	250,000	0	0	-250,000
Library	2,844,000	5,345,000	4,695,000	1,851,000	-650,000
Municipal Court	384,000	0	0	-384,000	0
Neighborhood Services, Department of	2,900,000	2,491,000	2,000,000	-900,000	-491,000
Police Department	7,589,000	19,239,000	7,001,000	-588,000	-12,238,000
Port of Milwaukee	640,000	1,550,000	700,000	60,000	-850,000
Public Works, Department of	66,904,000	72,556,000	63,123,000	-3,781,000	-9,433,000
Subtotal City Funded	$151,029,000	$165,022,000	$142,828,000	$-8,201,000	$-22,194,000
Grants and Aids Funding					
Port of Milwaukee	$400,000	$800,000	$800,000	$400,000	$0
Public Works, Department of	43,643,000	35,570,000	35,570,000	-8,073,000	0
Subtotal Grants and Aids Funding	$44,043,000	$36,370,000	$36,370,000	$-7,673,000	$0
Enterprise Funds					
Parking	$8,340,000	$6,240,997	$3,424,500	$-4,915,500	$-2,816,497
Sewer Maintenance	38,714,000	41,514,000	37,514,000	-1,200,000	-4,000,000
Water	29,210,000	33,080,000	32,780,000	3,570,000	-300,000
Subtotal Enterprise Funds	$76,264,000	$80,834,997	$73,718,500	$-2,545,500	$-7,116,497
Total Capital Plan	$271,336,000	$282,226,997	$252,916,500	$-18,419,500	$-29,310,497

2018 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	0	25,000	0	0	0	25,000	0	25,000
Housing Trust Fund								
Budget	0	400,000	0	0	0	400,000	0	400,000
Capital Improvements Committee								
Budget	89,000	0	0	0	0	89,000	0	89,000
Total	**$89,000**	**$425,000**	**$0**	**$0**	**$8,000,000**	**$8,514,000**	**$0**	**$8,514,000**
Department of Administration								
IT Upgrades								
Budget	$100,000	$200,000	$0	$0	$0	$300,000	$0	$300,000
Open Data Dashboard and Analytics								
Budget	150,000	0	0	0	0	150,000	0	150,000
City Assessor Modernization								
Budget	0	170,000	0	0	0	170,000	0	170,000
ADA Web and Public App Compliance								
Budget	250,000	0	0	0	0	250,000	0	250,000
Better Buildings Challenge								
Budget	0	100,000	0	0	0	100,000	0	100,000
PeopleSoft PUM Upgrade								
Budget	150,000	0	0	0	0	150,000	0	150,000
Public Facility Communications								
Budget	0	540,000	0	0	0	540,000	0	540,000
Total	**$650,000**	**$1,010,000**	**$0**	**$0**	**$0**	**$1,660,000**	**$0**	**$1,660,000**
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	5,385,000	49,385,000	0	49,385,000
TID Housing Revenues								
Budget	0	0	0	0	85,000	85,000	0	85,000
In Rem Property Program								
Budget	0	515,000	0	0	85,000	600,000	0	600,000
Strong Homes Loan Program								
Budget	0	400,000	0	0	750,000	1,150,000	0	1,150,000
Commercial In Rem Property								
Budget	0	200,000	0	0	0	200,000	0	200,000
Housing Infrastructure Preservation Fund								
Budget	0	100,000	0	0	0	100,000	0	100,000
Commercial Investment Program								
Budget	0	1,000,000	0	0	0	1,000,000	0	1,000,000
Brownfield Program								
Budget	0	250,000	0	0	0	250,000	0	250,000
Total	**$150,000**	**$2,465,000**	**$44,000,000**	**$0**	**$6,305,000**	**$52,920,000**	**$0**	**$52,920,000**
Fire Department								
Fire Facilities Maintenance Program								
Budget	$0	$349,000	$0	$0	$0	$349,000	$0	$349,000
Major Capital Equipment								
Budget	0	1,106,000	0	0	0	1,106,000	0	1,106,000
Extrication Equipment Replacement								
Budget	0	100,000	0	0	0	100,000	0	100,000
Total	**$0**	**$1,555,000**	**$0**	**$0**	**$0**	**$1,555,000**	**$0**	**$1,555,000**
Health Department								
Lead Paint Prevention/Abatement								
Budget	$0	$340,000	$0	$0	$0	$340,000	$0	$340,000

	Tax Levy	General Obligation	TID	Special Assessments	Cash Revenues	City Budget Total	Grant and Aid Financing	Project Total
Lab Equipment								
Budget	0	165,000	0	0	0	165,000	0	$165,000
Health Facilities Capital Projects								
Budget	0	155,000	0	0	0	155,000	0	155,000
Total	**$0**	**$660,000**	**$0**	**$0**	**$0**	**$660,000**	**$0**	**$660,000**
Library								
Central Library								
Central Library Improvements Fund								
Budget	$0	$745,000	$0	$0	$0	$745,000	$0	$745,000
Neighborhood Libraries								
Branch Library Construction								
Budget	0	3,950,000	0	0	0	3,950,000	0	3,950,000
Total	**$0**	**$4,695,000**	**$0**	**$0**	**$0**	**$4,695,000**	**$0**	**$4,695,000**
Neighborhood Services								
Concentrated Blight Elimination								
Budget	$0	$1,200,000	$0	$0	$0	$1,200,000	$0	$1,200,000
Code Compliance Loans								
Budget	0	800,000	0	0		800,000	0	800,000
Total	**$0**	**$2,000,000**	**$0**	**$0**	**$0**	**$2,000,000**	**$0**	**$2,000,000**
Police Department								
District Station Repairs								
Budget	$0	$470,000	$0	$0	$0	$470,000	$0	$470,000
9-1-1 and Phone System Upgrade								
Budget	0	2,000,000	0	0	0	2,000,000	0	2,000,000
Police Vehicles								
Budget	0	3,881,000	0	0	0	3,881,000	0	3,881,000
RMS System								
Budget	0	500,000	0	0	0	500,000	0	500,000
Interview Room Recording System								
Budget	0	150,000	0	0	0	150,000	0	150,000
Total	**$0**	**$7,001,000**	**$0**	**$0**	**$0**	**$7,001,000**	**$0**	**$7,001,000**
Port of Milwaukee								
Dockwall Rehabilitation								
Budget	$0	$200,000	$0	$0	$0	$200,000	$0	$200,000
Rail Track and Service Upgrades								
Budget	0	300,000	0	0	0	300,000	0	300,000
Pier Berth and Channel Improvements								
Budget	0	200,000	0	0	0	200,000	800,000	1,000,000
Total	**$0**	**$700,000**	**$0**	**$0**	**0**	**$700,000**	**$800,000**	**$1,500,000**
Public Works, Department of								
Infrastructure Services Division								
Bridge Construction								
Bridge State and Federal Funded								
Budget	$0	$525,000	$0	$0	$0	$525,000	$5,413,000	$5,938,000
Bridge Reconstruction Local								
Budget	0	5,900,000	0	0	0	5,900,000	0	5,900,000
Total	**$0**	**$6,425,000**	**$0**	**$0**	**$0**	**$6,425,000**	**$5,413,000**	**$11,838,000**
Street Paving Construction								
Street Reconstruction City Contribution to State and Federally Aided Projects								
Budget	$0	$5,763,000	$0	$385,000	$0	$6,148,000	$30,157,000	$36,305,000
Street Reconstruction or Resurfacing Regular City Program								
Budget	0	6,200,000	0	500,000	0	6,700,000	0	6,700,000
High Impact Street Program								
Budget	0	7,400,000	0	0	0	7,400,000	0	7,400,000
Alley Reconstruction Program								
Budget	0	500,000	0	400,000	0	900,000	0	900,000
New Street Developer								
Budget	0	0	0	0	400,000	400,000	0	400,000
Street Improvements Sidewalk Replacement								
Budget	0	1,000,000	0	500,000	0	1,500,000	0	1,500,000

	Tax Levy	General Obligation	TID	Special Assessments	Cash Revenues	City Budget Total	Grant and Aid Financing	Project Total
Street Improvements Street Lighting								
Budget	0	5,000,000	0	0	0	5,000,000	0	5,000,000
Street Improvements Traffic Control Facilities								
Budget	0	2,200,000	0	0	0	2,200,000	0	2,200,000
Street Improvements Underground Conduit and Manholes								
Budget	0	600,000	0	0	0	600,000	0	600,000
Underground Electrical Manhole Reconstruction								
Budget	0	400,000	0	0	0	400,000	0	400,000
Lead Service Line Replacement Program								
Budget	0	1,400,000	0	1,100,000	0	2,500,000	0	2,500,000
Total	**$0**	**$30,463,000**	**$0**	**$2,885,000**	**$400,000**	**$33,748,000**	**$30,157,000**	**$63,905,000**
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	825,000	0	0	0	825,000	0	825,000
Environmental Remediation Program								
Budget	0	100,000	0	0	50,000	150,000	0	150,000
ADA Compliance Program								
Budget	0	2,000,000	0	0	0	2,000,000	0	2,000,000
Facilities Exterior Upgrades Program								
Budget	0	600,000	0	0	0	600,000	0	600,000
North Point Tower Restoration								
Budget	0	50,000	0	0	0	50,000	0	50,000
City Hall Foundation Repair								
Budget	0	9,000,000	0	0	0	9,000,000	0	9,000,000
Total	**$0**	**$13,225,000**	**$0**	**$0**	**$50,000**	**$13,275,000**	**$0**	**$13,275,000**
Infrastructure Services Division Total	**$0**	**$50,113,000**	**$0**	**$2,885,000**	**$450,000**	**$53,448,000**	**$35,570,000**	**$89,018,000**
Operations Division								
Fleet Section								
Major Capital Equipment								
Budget	$0	$6,300,000	$0	$0	$0	$6,300,000	$0	$6,300,000
Total	**$0**	**$6,300,000**	**$0**	**$0**	**$0**	**$6,300,000**	**$0**	**$6,300,000**
Forestry Section								
Concealed Irrigation and General Landscaping								
Budget	$0	$0	$0	$0	$350,000	$350,000	$0	$350,000
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	0	0	0	75,000	75,000	0	75,000
Emerald Ash Borer Readiness and Response								
Budget	0	0	0	0	1,000,000	1,000,000	0	1,000,000
Total	**$0**	**$0**	**$0**	**$0**	**$3,375,000**	**$3,375,000**	**$0**	**$3,375,000**
Operations Division Total	**$0**	**$6,300,000**	**$0**	**$0**	**$3,375,000**	**$9,675,000**	**$0**	**$9,675,000**
Public Works, Department of Total	**$0**	**$56,413,000**	**$0**	**$2,885,000**	**$3,825,000**	**$63,123,000**	**$35,570,000**	**$98,693,000**
Capital Projects Grand Total	**$889,000**	**$76,924,000**	**$44,000,000**	**$2,885,000**	**$18,130,000**	**$142,828,000**	**$36,370,000**	**$179,198,000**

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, both Fitch and Standard & Poor's rated them AA stable. Table 1 details the city's performance on several commonly used debt indicators.

Table 1

City Debt Indicators Relationship to Standard & Poor's Debt Benchmarks

Debt Indicators		S & P Rating
Economic		
Income as Percent of 2010 National Average	73.0%	Adequate
Market Value Per Capita	$42,887	Adequate
Taxpayer Concentration (Top Ten Taxpayers)	4.5%	Very Diverse
Financial		
Unreserved General Fund Balance	7.2%	Adequate
Debt		
Direct Debt Per Capita	$1,354	Low
Direct Debt Percent of Market Value	3.1%	Low
Debt Maturing Within Ten Years	84.0%	Standard is 50.0%

OVERVIEW

The 2018 debt expenditures total $280.3 million, a decrease of $2 million from 2017. 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 $215.5 million in 2018, an increase of $8.6 million from 2017. The property tax levy for debt service is $66.2 million, an increase of $0.9 million from 2017.

Table 2

CITY DEBT EXPENDITURES	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	28,833,790	15,541,000	15,541,000	-13,292,790	0
MPS Loans, ADA and Information System	4,355,368	7,313,075	7,313,075	2,957,707	0
Parking	1,811,994	1,718,892	1,718,892	-93,102	0
Sewer Maintenance Fund	3,855,618	2,626,251	2,626,251	-1,229,367	0
Special Assessments	105,931	49,000	49,000	-56,931	0
Tax Increment Districts	28,373,966	28,209,000	28,209,000	-164,966	0
Water Works	1,251,316	1,609,837	1,609,837	358,521	0
Subtotal	$69,651,322	$58,130,394	$58,130,394	$-11,520,928	$0
Tax Levy Debt					
General City	$206,881,130	$215,484,832	$215,484,832	$8,603,702	$0
RANs City and MPS	2,968,750	5,291,667	5,291,667	2,322,917	0
Schools	7,461,142	7,793,107	7,793,107	331,965	0
Subtotal	$217,311,022	$228,569,606	$228,569,606	$11,258,584	$0
Total Debt Needs	$286,962,344	$286,700,000	$286,700,000	$-262,344	$0
Fees and Issuance Costs	1,936,200	2,125,000	2,125,000	188,800	0
Deduction for PDAF Prepayment	-6,500,000	-6,500,000	-8,500,000	-2,000,000	-2,000,000
Deduction for Segregated S.A.	-105,931	-49,000	-49,000	56,931	0
Total	$282,292,613	$282,276,000	$280,276,000	$-2,016,613	$-2,000,000

Table 3

CITY DEBT SOURCE OF FUNDS	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	28,833,790	15,541,000	15,541,000	-13,292,790	0
MPS Loans, ADA and Information System	4,355,368	7,313,075	7,313,075	2,957,707	0
Parking	1,811,994	1,718,892	1,718,892	-93,102	0
Sewer Maintenance Fund	4,655,618	3,470,251	3,470,251	-1,185,367	0
Tax Increment Districts	28,373,966	28,209,000	28,209,000	-164,966	0
Water Works	2,451,316	2,884,837	2,884,837	433,521	0
Subtotal	$71,545,391	$60,200,394	$60,200,394	$-11,344,997	$0
General Obligation Debt Financing					
Other Revenues	$145,467,017	$153,867,606	$153,867,606	$8,400,589	$0
Tax Levy	65,280,205	68,208,000	66,208,000	927,795	-2,000,000
Subtotal	$210,747,222	$222,075,606	$220,075,606	$9,328,384	$-2,000,000
Total Debt Needs	$282,292,613	$282,276,000	$280,276,000	$-16,613	$-2,000,000

Milwaukee Public Schools (MPS): The debt service cost for school borrowing will be $7.8 million in 2018, an increase of $0.3 million from 2017. 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 2018 proposed budget, debt service for TIDs is $28.2 million with revenues from tax increments supporting that debt service cost.

Delinquent Taxes: The 2018 proposed budget includes $15.5 million to finance delinquent tax borrowing which is $13.3 million less than 2017. Debt changed to a ten year basis versus the previous six year basis. This debt change will more closely match the revenues to the debt payments. Estimates of sources of funds from the collection of delinquent taxes and interest penalties are $15.5 million in 2018 a decrease of $13.3 million from 2017. 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 2018 debt budget, the parking fund provides $1.7 million to finance debt service costs associated with parking capital projects.

Special Assessments: The abutting property owners pay for a portion of the project's infrastructure cost through an assessment charge. When taxpayers choose a six year payment option, the city borrows money to finance the project. The 2018 debt budget includes approximately $49,000 to finance debt service costs associated with special assessment borrowing.

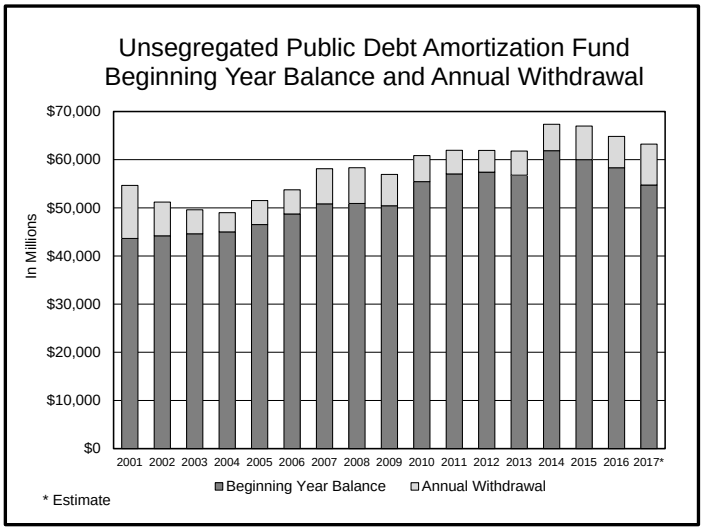
Water Works: The 2018 debt budget includes $1.6 million for Water Works' debt service costs. The Water Works' uses annual earnings to pay water related debt service costs. Future Water Works' borrowings may be converted to revenue bonds.

Sewer Maintenance: Approximately $2.6 million in debt service for 2018 relates to sewer capital projects, a decrease from 2017 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 2018 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 2018, the rental payment is $2.3 million.

Figure 1



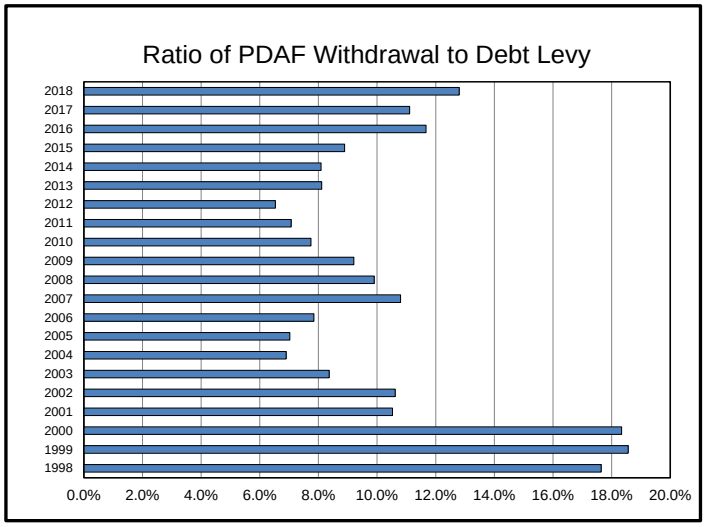
DEBT TAX LEVY STABILITY

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 2018 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 2018 proposed budget is $8.5 million, an increase of $2.0 million from the 2017 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 $58.8 million, despite a low interest rate environment.

The 2018 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 2018 proposed budget maintains a 12.8% 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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Common Council Contingent Fund	[$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

SOURCE OF FUNDS

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 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 needing a contingent fund transfer;
  - 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 requires 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 three years, usage was 100%. In three years, usage was greater than 85% but less than 100%. In four years, usage was less than 85%.

SPECIAL REVENUE FUNDS

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Parking Fund	$44,083,242	$52,520,574	$50,970,552	$47,759,648	$-4,760,926	$-3,210,904
Grant and Aid Project Fund	45,351,112	45,199,364	41,705,851	42,847,051	-2,352,313	1,141,200
Economic Development Fund	9,877,350	11,582,033	11,443,004	11,443,004	-139,029	0
Water Works	153,638,868	131,237,000	171,326,601	139,532,000	8,295,000	-31,794,601
Sewer Maintenance Fund	97,664,487	108,889,344	109,964,862	107,718,016	-1,171,328	-2,246,846
Delinquent County Taxes Fund	7,739,540	8,215,000	7,740,000	7,740,000	-475,000	0
Total	$358,354,599	$357,643,315	$393,150,870	$357,039,719	$-603,596	$-36,111,151

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 costs and maintain an asset-to-liability ratio over 2.0.

Mitigate risk and provide safe conditions for public parking and tow facilities.

BUDGET SUMMARY

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	112.58	116.25	119.00	116.25	0.00	-2.75
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	121	118	119	118	0	-1
Expenditures						
Salaries and Wages	$4,539,581	$4,746,791	$4,801,880	$4,698,448	$-48,343	$-103,432
Fringe Benefits	2,327,266	2,136,056	2,064,808	2,020,333	-115,723	-44,475
Operating Expenditures	14,157,232	15,043,650	15,175,000	14,960,000	-83,650	-215,000
Equipment	458,101	88,871	671,500	515,000	426,129	-156,500
Special Funds	4,875,473	5,565,206	5,416,367	5,541,367	-23,839	125,000
Transfer to General Fund	17,008,956	16,600,000	16,600,000	16,600,000	0	0
Total Operating	$43,366,609	$44,180,574	$44,729,555	$44,335,148	$154,574	$-394,407
Capital Projects	$716,633	$8,340,000	$6,240,997	$3,424,500	$-4,915,500	$-2,816,497
Total Budget	$44,083,242	$52,520,574	$50,970,552	$47,759,648	$-4,760,926	$-3,210,904

STATEMENT OF REVENUES

Operating Revenues						
Structures	$7,404,939	$7,454,000	$6,524,000	$6,524,000	$-930,000	$0
Meters	5,179,881	4,768,200	5,378,500	5,378,500	610,300	0
Permits	4,552,754	4,139,500	4,647,000	4,647,000	507,500	0
Towing	3,938,247	4,300,000	4,000,000	4,000,000	-300,000	0
Lots	19,114	30,700	15,000	15,000	-15,700	0
Parking Citation Revenue	15,563,351	17,500,000	16,000,000	16,000,000	-1,500,000	0
Miscellaneous	1,037,336	1,398,174	1,200,000	1,200,000	-198,174	0
Vehicle Disposal	1,628,841	1,200,000	1,400,000	1,400,000	200,000	0
Sale of Real Property	0	0	0	0	0	0
Withdrawal From Reserves	4,042,146	3,390,000	4,372,421	5,170,648	1,780,648	798,227
Total Operating Revenues	$43,366,609	$44,180,574	$43,536,921	$44,335,148	$154,574	$798,227

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Capital Financing						
Permanent Improvement Reserve Fund	$0	$5,000,000	$0	$0	$-5,000,000	$0
Proceeds from Borrowing	716,633	1,730,000	6,240,997	3,424,500	1,694,500	-2,816,497
Retained Earnings	0	1,610,000	1,192,634	0	-1,610,000	-1,192,634
Total Capital Financing	$716,633	$8,340,000	$7,433,631	$3,424,500	$-4,915,500	$-4,009,131
Total Source of Funds	$44,083,242	$52,520,574	$50,970,552	$47,759,648	$-4,760,926	$-3,210,904

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 more than 7,000 on-street metered parking spaces, manages approximately 45 parking lots, issues over 600,000 parking citations each year, annually tows over 20,000 illegally parked and abandoned vehicles, and issues approximately 170,000 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	2016 Actual	2017 Projected	2018 Planned
Number of parking citations issued.	626,464	617,600	700,000
Number of vehicles towed to the city's tow lot.	23,871	23,272	22,700
Number of night parking permits issued.	172,646	172,000	173,000

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 2016, the fund's ratio was 4.4:1 and the 2017 ratio is projected to be 4:1 (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 by limiting the impact if one revenue underperforming in any given year. The largest revenue source is citations, which generated $15.6 million in 2016. Citation revenue is driven by issuance, which has been reduced due to economic factors and greater compliance.

Technology Improvements: In 2017, the multi-space meter project began 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 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 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 printing and issuance function is no longer required.

Figure 1

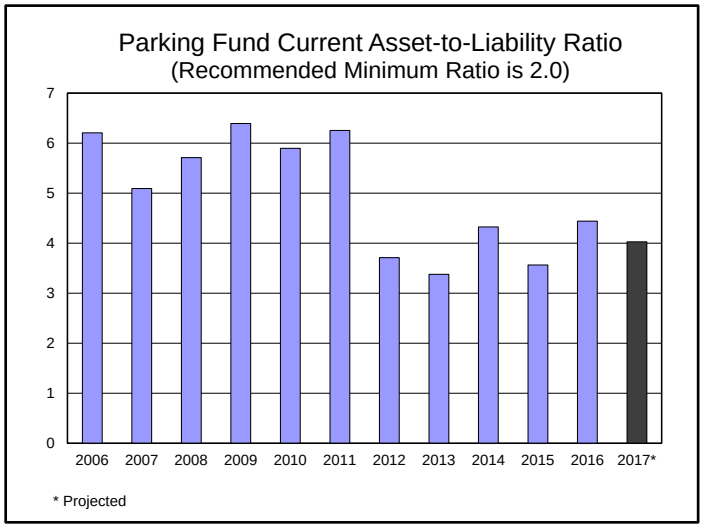
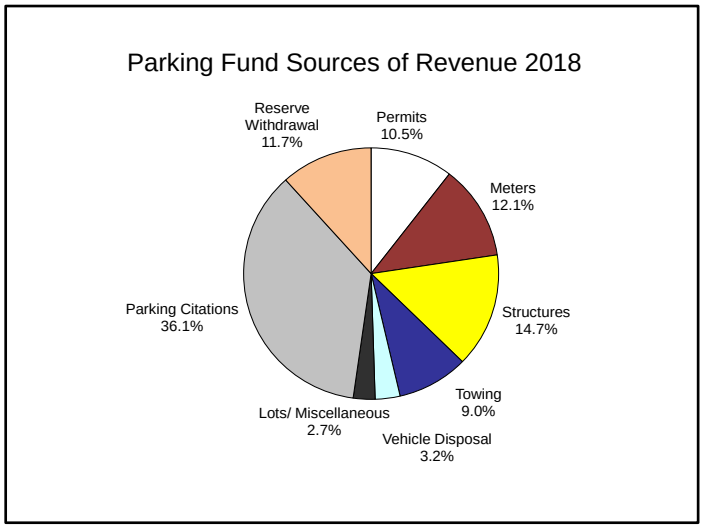


Figure 2



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.

- **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):** 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 $33.8 million in outstanding parking debt has been collected by the city. In 2016, TRIP collections were approximately $2.5 million and are estimated to be approximately $2 million in 2017.

- **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 2010, more than 28,000 payment plans have been initiated, covering more than 187,000 citations.

RESIZE, RESTRUCTURE, AND REINVEST

The 2018 proposed budget includes a $16.6 million transfer to the general fund, maintaining the 2017 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 increased compliance while reducing citations issuance.

Parking Fund capital projects include a major renovation at the MacArthur Square structure. The 2018 proposed budget includes $2.1 million for this multi-year project. The MacArthur Square renovation will be coordinated with Wisconsin Department of Transportation's Kilbourn Tunnel project, which will occur at the same time. Capital funding is also included to update single space parking meters following a pilot program in 2017. The new meters will have credit card and coin payment options and replacements will be phased in over three years. Capital improvement costs for Parking Fund projects total $3.4 million.

Development projects continue to create new economic opportunities throughout Milwaukee. City owned parking structures serve as viable options to meet parking needs when they are located near new and redeveloped buildings. In 2016, 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. In 2016, the 4th and Highland structure was demolished to make way for a new structure. While it is expected that some parking needs will be met at neighboring structures, the department does not project a full recovery. The structure is expected to be replaced by the end 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 $3.3 million to the department's 2018 budget. Debt and pension costs and constraints on revenue growth may require the Parking Fund to reduce the general fund transfer in coming years to maintain adequate reserves.

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

H. GRANT AND AID FUND

EXECUTIVE SUMMARY

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

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

Identify and obtain new grant funding sources.

Assist departments in identifying and applying for potential grant funding.

BUDGET SUMMARY

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Grantor Share (Non-City)	$45,351,112	$45,199,364	$41,705,851	$42,847,051	$-2,352,313	$1,141,200
TOTAL	$45,351,112	$45,199,364	$41,705,851	$42,847,051	$-2,352,313	$1,141,200

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 2018 grant and aid budget is $42.8 million, a $2.3 million decrease from 2017. Unanticipated grant funding remains at $8 million; the same funding level as 2017 (see Table 1).

Community Development Grants Administration: The Community Development Grants Administration (CDGA) anticipates receiving approximately $16.8 million in grant funds. This is a $3.8 million or 18.6% decrease from the 2017 budget. The anticipated funding for the Community Development Block Grant decreases by $2.8 million (19.6%) from the 2017 budget. There are also anticipated decreases of $800,000 (19%) for the HOME grant, $200,000 (16.7%) for the Emergency Solutions grant, and $52,704 (8.8%) for the Housing Opportunities for Persons with AIDS grant. The only anticipated grant increase is the Continuum of Care grant, with funding of $349,575, an increase of $21,063 (6.3%) from the 2017 budget.

Department of City Development grant funding increases by $1.4 million (158%) to $2.3 million. There is $500,000 provided through the Wisconsin Economic Development Corporation grant, which supports environmental enhancements of industrial and commercial development sites. The funding increase reflects an anticipated Milwaukee Employment/Rehabilitation Initiative (MERI) grant of $1 million and a Transit Oriented Development Planning grant of $750,000. There is no change to the Arts Board grant ($35,000 in anticipated funding).

Fire Department grant funding increases by $15,788 (12.5%) to $142,148 from 2017. The department anticipates receiving $67,148 through the EMS Funding Assistance Program, $50,000 in a Special Teams/Emergency Management Funding grant and $25,000 in a Zoo Interchange Project grant.

The Fire and Police Commission does not anticipate any grant funding 2018. In 2017, the Commission anticipated grant funding of $236,666 from four grants, including the Southeast Wisconsin State Communications Interoperability Plan Coordinator, State and Local Implementation Grant Coordinator, Medical Intelligence Threat Analyst and the Urban Areas Security Initiative Planning Position grants.

Table 1

Comparison of Projected Grant Activity
(Grantor Share)

Department	2017	2018	Difference
Administration	$20,624,216	$16,792,575	$-3,831,641
City Development	885,000	2,285,000	1,400,000
Fire	126,360	142,148	15,788
Fire & Police Commission	236,666	0	-236,666
Health	7,332,700	8,034,700	702,000
Library	1,064,997	1,086,420	21,423
Police	4,609,425	4,186,208	-423,217
Public Works	2,320,000	2,320,000	0
Unanticipated	8,000,000	8,000,000	0
Totals	$45,199,364	$42,847,051	$-2,352,313

Health Department grant funding increases by $702,000 (9.6%) to $8 million. There is an increase to the Breast Cancer Well Women Health Initiative and new funding anticipated for the AIDS/HIV Counseling and Testing, Epidemiology and Lab Capacity, Opioid, and Resiliency in Communities After Stress and Trauma grants. There are also decreases to various grants, including Adult Immunization, Breast Cancer Awareness Program, Direct Assistant for Dads, Maternal and Child Health, Milwaukee Comprehensive Home Visiting, NewBorn Hearing Screening, STD Dual Protection and the Survnet grants.

In 2018, Library grant funding increases by $21,423 (2%) from 2017. The Library receives two grants, the Interlibrary Loan Services grant ($96,900) and the Talking Book and Braille Library grant ($989,520). The majority of the increase is in the Talking Book and Braille Library grant, with anticipated funding increasing by $20,820.

Police Department grant funding decreases by $423,217 (9.2%) to $4.2 million. The decrease results primarily from less funding anticipated from the ATF Task Forces grant, the High Intensity Drug Trafficking Area grant, and miscellaneous traffic safety grants.

In 2018, Department of Public Works grant funding is $2.32 million, the same as in 2017. The department anticipates receiving one grant, the State of Wisconsin Recycling grant.

Unanticipated grant funding is $8 million, the same amount as provided in 2017.

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 *2018 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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Business Improvement Districts	$8,499,449	$10,082,033	$10,843,004	$10,843,004	$760,971	$0
Excess TID Revenue	1,377,901	1,500,000	600,000	600,000	-900,000	0
Total	$9,877,350	$11,582,033	$11,443,004	$11,443,004	$-139,029	$0

STRATEGY IMPLEMENTATION

The Economic Development Fund supports the goal of increasing investment and economic vitality throughout the city. The 2018 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 50 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 31 active BIDs and 7 active NIDs throughout Milwaukee; each is governed by a local board. Collectively, these BIDs and NIDs will raise over $11 million in 2018 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 2018 and their corresponding budgets as well as budget authority for new potential BIDs and NIDs:

BID #2 (Historic Third Ward)	$631,766	BID#38 (Cesar East Chavez)	$29,216
BID #4 (Greater Mitchell Street)	$127,233	BID#39 (Center St Market Place)	$50,739
BID #5 (Westown)	$87,266	BID#40 (Airport Gateway)	$370,258
BID #8 (Historic King Drive)	$192,938	BID#41 (Downer)	$85,224
BID #10 (Avenues West)	$372,175	BID#42 (Schlitz Park)	$124,583
BID #11 (Brady Street Business Area)	$143,325	BID#43 (South 27th Street)	$119,420
BID #13 (Oakland Avenue)	$27,563	BID#44 (Kinnickinnic)	$59,156
BID #15 (Riverwalk)	$551,308	BID#48 (Granville)	$536,840
BID #16 (West North Avenue)	$142,503	BID#49 (Reed Street Yards)	$45,161
BID #19 (Villard Avenue)	$70,531	BID#50 (South 13th Street - Oklahoma Avenue)	$47,895
BID #20 (East North Avenue)	$243,941	BID#51 (Harbor District)	$90,369
BID #21 (Downtown Management District)	$3,712,316	Potential New BIDs	$600,000
BID #25 (Riverworks)	$284,290	NID #1 (Brewery)	$149,389
BID #26 (The Valley)	$174,666	NID #3 (Washington Park Partners)	$177,668
BID #27 (Burleigh)	$49,708	NID #4 (Sherman Park)	$220,500
BID #28 (North Ave Gateway District)	$59,222	NID #5 (Heritage Heights)	$20,000
Bid #31 (Havenwoods)	$203,963	NID #6 (Garden Homes)	$17,500
BID #32 (North Ave Market Place)	$85,460	NID #7 (Harambee)	$30,000
BID#35 (Becher/KK)	$4,022	NID #8 (Walkers Point)	$221,196
BID#37 (30th Street Industrial Corridor)	$183,694	Potential New NIDS	$500,000

J. WATER WORKS

EXECUTIVE SUMMARY

MISSION: Provide a safe and reliable supply of water to customers at a competitive price.

OBJECTIVES: Improve the utility's rate of return while maintaining a strong competitive position in the national and regional water market.

Reliably treat, store, and distribute high quality water to all customers.

Achieve 100% compliance with Safe Drinking Water Act standards.

Minimize disruption to the water service of customers.

STRATEGIES: Invest in treatment plants and pumps to maintain reliable operation of the multiple barrier treatment process.

Replace 18 miles of water main with the highest probability of failure in 2018.

Market Milwaukee water to surrounding communities consistent with the Great Lakes Compact.

Balance cost recovery and a manageable debt to equity ratio with affordable and reasonable rates.

BUDGET SUMMARY

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	317.04	358.95	370.52	371.02	12.07	0.50
FTEs - Other	14.89	20.97	20.07	20.07	-0.90	0.00
Total Positions Authorized	381	395	407	406	11	-1
Expenditure Authorizations						
Salaries and Wages	$16,852,839	$19,252,667	$20,137,730	$20,032,133	$779,466	$-105,597
Fringe Benefits	9,966,228	9,331,333	10,450,961	10,411,877	1,080,544	-39,084
Operating Expenditures	46,161,193	55,297,000	58,692,000	55,707,000	410,000	-2,985,000
Equipment	1,875,891	3,693,000	5,364,910	4,096,990	403,990	-1,267,920
Special Funds	15,786,397	7,191,000	10,531,000	11,031,000	3,840,000	500,000
Total	$90,642,548	$94,765,000	$105,176,601	$101,279,000	$6,514,000	$-3,897,601

CAPITAL BUDGET SUMMARY

Capital Budget						
Mains Program	$18,717,761	$22,760,000	$24,820,000	$24,820,000	$2,060,000	$0
Plants and Other	2,782,819	6,450,000	8,260,000	7,960,000	1,510,000	-300,000
Total Capital Budget	$21,500,580	$29,210,000	$33,080,000	$32,780,000	$3,570,000	$-300,000
Capital Financing						
Retained Earnings/Cash	$21,495,740	$7,262,000	$33,070,000	$5,463,000	$-1,799,000	$-27,607,000
Bond Issue	20,000,000	21,938,000	0	27,307,000	5,369,000	27,307,000
Assessments	0	5,000	5,000	5,000	0	0
Developer Financed	4,840	5,000	5,000	5,000	0	0
Total Capital Financing	$41,500,580	$29,210,000	$33,080,000	$32,780,000	$3,570,000	$-300,000

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Revenues						
Operating	$92,398,069	$92,402,000	$96,452,000	$96,452,000	$4,050,000	$0
Non-Operating	9,143,697	6,625,000	7,800,000	7,800,000	1,175,000	0
Developer Capital and Assessments	4,840	10,000	10,000	10,000	0	0
Bond Issue	20,000,000	21,938,000	0	27,307,000	5,369,000	27,307,000
LSL Replacement- City Share	0	0	0	1,400,000	1,400,000	1,400,000
LSL Replacement- Special Assessment	0	0	0	1,100,000	1,100,000	1,100,000
Withdrawal From Retained Earnings	32,092,262	10,262,000	67,064,601	5,463,000	-4,799,000	-61,601,601
Total Revenues	$153,638,868	$131,237,000	$171,326,601	$139,532,000	$8,295,000	$-31,794,601
Expenditure Authorizations						
Operating	$90,642,548	$94,765,000	$105,176,601	$101,279,000	$6,514,000	$-3,897,601
Capital Funding	41,500,580	29,210,000	33,080,000	32,780,000	3,570,000	-300,000
Deposit To Retained Earnings	21,495,740	7,262,000	33,070,000	5,473,000	-1,789,000	-27,597,000
Total Authorizations and Deposits	$153,638,868	$131,237,000	$171,326,601	$139,532,000	$8,295,000	$-31,794,601

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

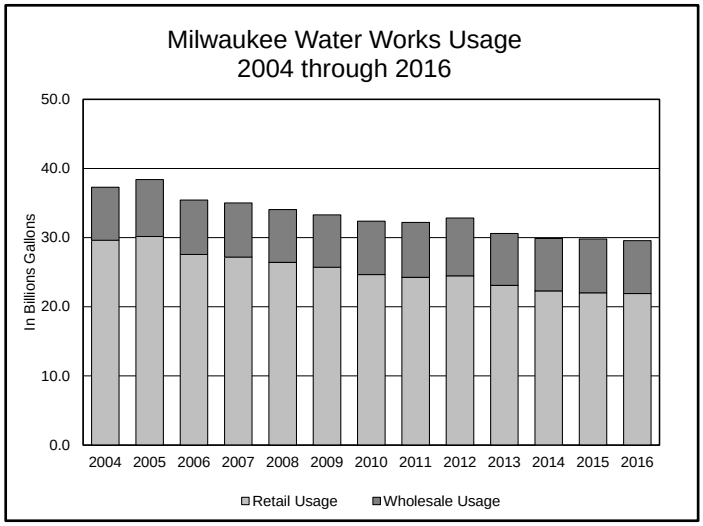
Community Goals and Department Objectives:

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 industries and promotes long term business and residential growth.

Figure 1



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 area. It delivers this water through 1,960 miles of mains to approximately 860,000 customers in the City of Milwaukee and 15 suburbs.

Consistent with recent trends, through July of 2017, water consumption decreased by 1.7% or 286 million gallons compared to the same period in 2016.

However, revenue through July 2017 increased by 1.2% compared to the same period in 2016 due to the 3% rate increase that went into effect in September of 2016. 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 since 2004.

Despite consumption decreases, the cost for electricity, chemicals, and construction and maintenance of the water distribution system does not decrease proportionally. From 2010 through 2016, electricity costs for the utility have increased by 8% or $416,000. The implementation of peak hour plans at some facilities in 2016 is improving this trend.

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.

In 2016, Milwaukee Water Works anticipates recovering approximately $96.5 million of revenue through fees for water service, in addition to $7.8 million of non-operating revenue. In 2017, the average single family residential customer will pay approximately $234 for a full year of water service. In 2017, the department received approval for a simplified rate increase of 3% which became effective in September. The 2017 rate increase will serve primarily to offset continuing losses in consumption. In 2018, the department 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.

Milwaukee Water Works provides reliable, high quality water at competitive rates for residential, commercial and industrial customers. Rates for high volume industrial customers are second lowest among the 90 largest U.S. water utilities, and the lowest in southeastern Wisconsin. MWW's declining block structure for large industrial customers decreases the cost per gallon with increased consumption.

Key Performance Measures	2016 Actual	2017 Projected	2018 Planned
Rank of highest rate for 1 ccf of water residential customer among class AB utilities in the seven county metro area.	20 of 25	21 of 25	21 of 25
Rate of return.	3.81%	3.80%	3.59%
Percent of days in full compliance with water quality parameters of the Safe Drinking Water Act.	100%	100%	100%
Main breaks.	433	400	375

QUALITY AND RELIABILITY

In 2016, the department 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 Works capital budget emphasizes funding for water main replacements, essential to the long term sustainability of the system and the 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 September 1, 2017, 9 miles of water mains have been installed, 7.7 miles are under contract, and an additional 3 miles are installed and undergoing testing. All are projected to be installed and in service at the end of 2017. 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 2018 proposed budget provides $24.8 million for 18 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. Beginning in 2018, segments of water main will be selected for replacement using risk based prioritization that analyzes the probability and consequence of failure for each segment. Variables include the history of breaks, the remaining useful life, and the location of critical users. The primary goal of the main replacement program is to ensure uninterrupted service delivery to all customers. Beginning in 2018, the main replacement program will replace lead service lines that are connected to mains scheduled to be replaced. MWW estimates 100 lead service lines will be replaced in conjunction with the 2018 main replacement program.

In 2018, the department will inspect the service connections of approximately 20,000 commercial, industrial, and multi-family residential properties every two years. These inspections are required by the State of Wisconsin on a two year cycle to protect against cross connection contamination. The 2018 proposed budget includes $1.6 million for inspection of cross connections. This service is performed by the Department of Neighborhood Services plumbing inspectors and costs are then reimbursed by Water Works. The increased frequency of inspections will identify and remediate risks of backflow more quickly.

The 2018 proposed budget includes $2.2 million for the inspection and repair of the North Point tunnel. This tunnel is used to convey treated water from the Linnwod treatment plant to the North Point pumping station and then through the distribution system. Inspecting Water Works' underground infrastructure ensures system reliability and limits the likelihood of unexpected failures that may result in service disruptions and additional cost to ratepayers. The tunnel is expected to be out of service for six months to inspect and make any necessary repairs. The work will take place over winter during low demand months in order to minimize and potential impact on service delivery. Alternating inspections of the Northpoint and Riverside tunnels will continue on a ten year cycle.

Milwaukee Water Works has the capacity to annually treat, pump, and distribute 131.4 billion gallons of water. In 2016, 29.6 billion gallons were consumed by customers, meaning that 23% of Water Works' capacity was utilized. Much of MWW's pumping and treatment infrastructure was optimized for greater levels of demand and consumption. In 2018, Water Works will hire a consultant to perform a comprehensive analysis of the capacity and operation of the treatment process and pumping facilities. The goal of the study is to examine the potential to "right size" treatment and pumping operations for the current level of demand in order to streamline operations and control future ratepayer costs.

In 2018, Milwaukee Water Works will thoroughly examine the causes of water that is pumped into the distribution system but is not accounted for and is considered "lost". In 2016, the statewide average for the percent of water pumped into the distribution system but is not accounted for on customers' meters was 12.25%. Milwaukee Water Works found that in 2016 the percent of "lost water" reached 19%. There are a number of potential causes being examined including leaking pipes, excess lost water from hydrant flushing, and malfunctioning meters or valves. Studying and then resolving the "lost water" problem will make operations more efficient and reduce costs to ratepayers.

Replacement of lead service lines began in January of 2017, with leaks and daycares being targeted first. The city's capital budget includes $1.4 million in levy supported borrowing for the city share of lead service line replacement costs. Approximately $1.4 million of principal forgiveness funding through the Safe Drinking Water Loan Program (SDWLP) is also available in 2018 for these efforts.

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.

Costs include $4.84 million for replacement of the utility owned portion of approximately 800 service lines. A total of $625,000 will fund seven positions to coordinate construction and inspection for service line replacement, assist with sampling and new accounting requirements. Approximately $200,000 will be reprogrammed from other activities to cover the costs of public information campaigns, hosing, filters and bottled water for properties experiencing service disruption as a result of work related to lead service lines. As of September 1, 2017, MWW has 600 lead service replacements under contract and projects up to 650 will be replaced by year end.

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	0.67		Customer Service Representative Lead	Seasonal positions for increased work load during tax season.
1	1.00		Programmer Analyst	Additional position to meet commercial billing and IT programming needs.
1	1.00		Civil Engineer III	Increased main replacement program.
2	2.00		Engineering Technician IV	
1	1.00		Program Assistant III	Enhanced lead service line replacement program.
2	2.00		Water Field Supervisor	
1	1.00		Lead Water Chemist	
1	1.00		Water Chemist Project Leader	
1	1.00		Senior Water Treatment Plant Operator	Reorganization of Linnwood and Howard plant operations management.
1	1.00		Water Plant Operations Supervisor	
-6	-6.00		Water Treatment Plant Operator Trainee	
3	3.00		Water Treatment Plant Operator	
2	2.00		Water Utility Laborer	
-1	-0.50		Water Plant Operations Manager	
	1.90	-0.90	Various Positions	Reflects experience with capital deductions.
11	**12.07**	**-0.90**	**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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Personnel						
FTEs - Operations and Maintenance	89.04	101.40	101.60	100.50	-0.90	-1.10
FTEs - Other	8.04	12.60	11.10	12.00	-0.60	0.90
Total Positions Authorized	146	145	144	144	-1	0
Expenditures						
Salaries and Wages	$4,168,691	$4,843,267	$4,778,964	$4,674,275	$-168,992	$-104,689
Fringe Benefits	3,145,829	2,179,470	2,198,323	2,150,166	-29,304	-48,157
Operating Expenditures	6,979,833	6,993,000	7,253,000	7,253,000	260,000	0
Equipment	47,632	865,000	1,055,000	1,055,000	190,000	0
Special Funds	26,011,357	55,294,607	53,165,575	55,071,575	-223,032	1,906,000
O&M Total	$40,353,342	$70,175,344	$68,450,862	$70,204,016	$28,672	$1,753,154
Capital Projects	$34,029,633	$38,714,000	$41,514,000	$37,514,000	$-1,200,000	$-4,000,000
Deposit to Retained Earnings	23,281,512	0	0	0	0	0
Total	$97,664,487	$108,889,344	$109,964,862	$107,718,016	$-1,171,328	$-2,246,846
Revenues						
Sewer Maintenance Fee	$29,901,758	$29,802,218	$30,139,000	$30,398,262	$596,044	$259,262
Stormwater Management Fee	31,303,387	32,162,140	32,858,700	33,127,004	964,864	268,304
Charges for Services	1,741,920	1,686,500	1,660,300	1,660,300	-26,200	0
Interest Revenue	96,010	27,600	57,200	57,200	29,600	0
Miscellaneous Revenue	1,344	0	0	0	0	0
Developer Financed	5,000	0	0	0	0	0
Proceeds from Borrowing	34,029,633	33,500,000	36,500,000	32,500,000	-1,000,000	-4,000,000
Grant and Aid	585,435	2,314,000	2,314,000	2,314,000	0	0
Assessable	0	0	0	0	0	0
Withdrawal from Retained Earnings	0	9,396,886	6,435,662	7,661,250	-1,735,636	1,225,588
Total	$97,664,487	$108,889,344	$109,964,862	$107,718,016	$-1,171,328	$-2,246,846

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	2016 Actual	2017 Projected	2018 Planned
Sanitary sewer overflows.	6	0	0
Number of basement backups reported.	23	23	0
Miles of sewers replaced or relined.	27	27	18

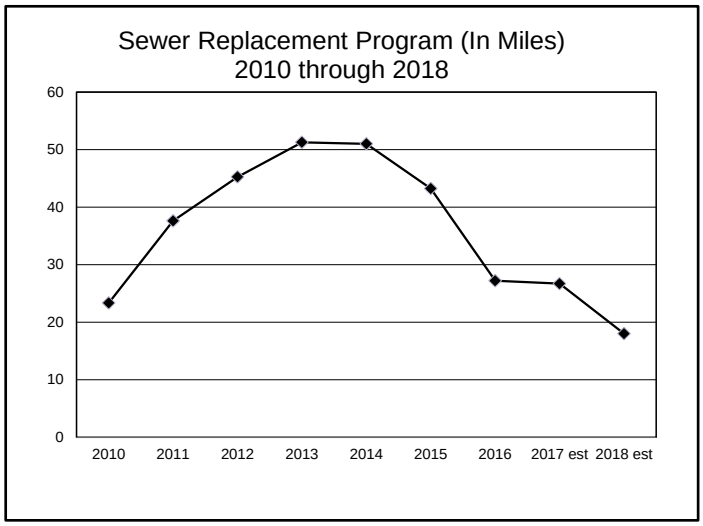
STRATEGY IMPLEMENTATION

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 2010, the city has averaged replacing or lining 36 miles annually, over 33% above the required replacement rate. Figure 1 shows the city's recent history of replacing and lining sewers. The 2018 proposed capital budget includes $28 million to replace and line 5 miles of sewer and an additional $5 million to line 13 miles of sewer and inspect sanitary sewers. In 2017 and 2018, large diameter sewer replacement projects are responsible for reducing the amount of total miles replaced or relined. It is anticipated in future years miles will increase as smaller diameter sewers are replaced. 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.

Leaky sewer laterals located on private property are a major contributor to infiltration and inflow (I&I). The city's Flooding Study Task Force found that private property sources account for between 60% and 80% of the clear water that enters sanitary sewer systems. Since 2011, the city has completed several projects to address private

property I&I. In 2017, the department completed a lateral rehabilitation project of 353 homes in the city's south side. Flow monitoring began before the project and will continue after completion to determine the projects effectiveness.

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.

In 2018, the department is planning for both a lateral lining and a foundation drain project. Flow data will be collected before the project and after completion to analyze and measure the flow reductions. The 2018 proposed capital budget for I&Is 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 2018 proposed capital budget includes $500,000 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 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 2018, the proposed capital budget includes $2.2 million for the installation of bioretention facilities and other green infrastructure projects in conjunction with street repair projects.

Beginning in 2016, the department initiated flood mitigation projects at Dineen Park and Copernicus Park neighborhoods. These neighborhoods have experienced repeated flooding occurrences for over ten years. The city, the County of Milwaukee, and local residents worked together to determine an effective and financially feasible stormwater management plan. During 2017, the city and county signed a Memorandum of Understanding for both projects. Previous budgets have authorized a total of $8.3 million for these projects. Both are expected to be completed by the end of 2018.

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 2018, the proposed capital budget includes $200,000 for various projects throughout the city.

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. Since 2012, this change has helped the department reduce its payment to Fleet Services by a total of $2.7 million.

Stormwater Management Fee: The 2018 proposed stormwater management fee per quarter per equivalent residential unit (ERU) will increase 3%, or $0.61, from $20.18 to $20.79. The annual impact on the typical residential user will increase $2.44 from $80.72 to $83.16. In 2018, this will generate $33.1 million, an increase of $965,000 from 2017. 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 2018 proposed local sewerage charge rate per 100 cubic feet of water (CCF) per quarter will increase 2%, or $0.03, from $1.42 to $1.45 per CCF, resulting in an increase of $0.47 from $23.32 to $23.79 per quarter. The annual impact on the typical residential user will increase $1.87 from $93.28 to $95.15. This will generate $30.4 million in 2018, and increase of $600,000 from 2017.

Payment to the General Fund: The Sewer Maintenance Fund makes an annual transfer to the general fund to pay for all tree care costs and pension payments associated with street sweeping, leaf collection, brush collection, and pruning services provided by the Operations Division. Street trees help reduce stormwater flows by absorbing water through their root system. The 2018 proposed budget will transfer $4 million for street sweeping, $4.3 million for leaf and brush collection, and $13.3 million for pruning for a total transfer of $21.7 million. The transfer also includes $40,000 to fund the Health Department's beach water quality and advisory program. An additional $3.4 million transfer to the capital fund will support tree planting and stump removal, the emerald ash borer prevention program, hazardous tree removal, the environmental remediation program, and concealed irrigation on city boulevards.

Capital Financing: In the 2018 proposed capital budget, the city will cash finance $2.7 million in sewer capital to improve fund sustainability. This cash financing will cover the pump replacement projects, salary, and fringe benefits associated with the design and project management of sewer capital projects, manhole inspection projects, and channel restoration projects.

Debt Fund Transfer: The 2018 proposed budget includes a $2.4 million transfer from the Sewer Maintenance Fund to the debt fund for sewer related general obligation debt service.

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		Management and Accounting Officer	Position transferred.
	0.10	-0.60	Various Positions	Miscellaneous changes.
-1	**-0.90**	**-0.60**	**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

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
Purchase of Delinquent County Taxes	$7,739,540	$8,215,000	$7,740,000	$7,740,000	$-475,000	$0
Total	$7,739,540	$8,215,000	$7,740,000	$7,740,000	$-475,000	$0

SOURCE OF FUNDS

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2018 Proposed Budget	Change 2018 Proposed Budget Versus 2017 Adopted	Change 2018 Proposed Budget Versus 2018 Requested
County Delinquent Taxes Collected	$7,739,540	$8,215,000	$7,740,000	$7,740,000	$-475,000	$0
Total	$7,739,540	$8,215,000	$7,740,000	$7,740,000	$-475,000	$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.

II. BORROWING AUTHORIZATIONS

General Obligation Bonds or Short Term Notes

	New 2018 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.	$4,865,000
B. Public Improvements	
1. Public buildings for housing machinery and equipment.	$14,130,000
2. Harbor improvements.	700,000
3. Parking facility improvements.	3,424,500
4. All Fire borrowing.	1,555,000
5. All Police borrowing.	7,001,000
6. Bridge and viaduct.	6,425,000
7. Sewage disposal, sewer improvement, and construction.	
8. Street improvements and construction.	31,003,000
9. Parks and public grounds.	250,000
10. Library improvements authorized under section 229.11 and 229.17.	4,695,000
11. Rubbish.	6,300,000
Subtotal General Obligation Bonds or Short Term Notes (Sections A and B).	$80,348,500
C. Contingent Borrowing	
Borrowing for a public purpose not contemplated at the time the budget was adopted.	
Contingent borrowing.	$200,000,000
Subtotal General Obligation Bonds or Short Term Notes.	$200,000,000
D. School Board Borrowing	
1. School purposes (1).	$2,000,000
Subtotal General Obligation Bonds or Short Term Notes.	$2,000,000
E. Borrowing for Special Assessments	
1. To finance public improvements in anticipation of special assessments levied against property.	
2. General city.	$1,785,000
3. Water Infrastructure.	1,100,000
Subtotal General Obligation Bonds or Local Improvements Bonds.	$2,885,000
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.	$27,307,000
Subtotal Revenue Bonds or General Obligation Bonds.	$27,307,000
J. Sewer Maintenance Fund Borrowing	
Sewer Maintenance Fund revenue bonds or general obligation bonds.	$32,500,000
Subtotal Revenue Bonds or General Obligation Bonds.	$32,500,000
Total General Obligation Bonds or Short Term Notes	**$826,040,500**

(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 22, 2017: $25,405,884,991

Tax Rate Per $1,000 of Assessed Valuation	Levy Change	Levy Change	Tax Rate Per $1,000 of Assessed Valuation
$0.01	$254,059	$5,000	$0.00
$0.05	$1,270,294	$10,000	$0.00
$0.10	$2,540,588	$50,000	$0.00
$0.25	$6,351,471	$100,000	$0.00
$0.50	$12,702,942	$500,000	$0.02
$1.00	$25,405,885	$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