2019 PROPOSED PLAN AND EXECUTIVE BUDGET SUMMARY

CITY OF MILWAUKEE

STATE OF WISCONSIN

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Mayor

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Budget and Management Division

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GUIDE TO BUDGET DOCUMENTS

PLAN AND BUDGET SUMMARY

A document containing a fiscal summary of the 2019 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
Early May*	Plans and Budget Requests Due
Mid-August	Mayor's Public Hearing on Plans and Budgets
July - September	Mayor's Executive Plan and Budget Review
Late September**	Plan and Budget Submitted to Common Council
October	Legislative Hearings
Early November	Finance and Personnel Committee Budget Amendment Day
Early November ***	Common Council Action on Budget

* Legal Deadline 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	Alderperson
First	Ashanti Hamilton
Second	Cavalier Johnson
Third	Nik Kovac
Fourth	Robert Bauman
Fifth	Vacant
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 ..... Phillip 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.

2019 PROPOSED BUDGET INTRODUCTION

The City of Milwaukee's mission is to enhance the safety, prosperity, and quality of life of residents, property owners, and employers. In short, the city strives to make Milwaukee a good place to live, work, and invest. The city faces a persistent challenge of achieving "structural balance" in its financing.

Structural balance is a government's ability to fund existing expenditures over time with its projected ongoing revenues. In recent years the city has made significant structural improvements to its budget. However, challenges remain, including State aid decreases, the ongoing need for employer pension contributions, and debt service for increased commitments to infrastructure and neighborhood improvements.

CITYWIDE PRIORITIES

The following priorities guide the city's budget:

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

FINANCIAL OBJECTIVES

To develop the 2019 Proposed Budget, the City established two primary financial objectives:

- Fund mission critical services while limiting the increase in tax levy and municipal service charge on the typical residential property to 3% or less.
- Manage long term obligations such as core infrastructure, debt, and pension benefits in a manner that stabilizes ongoing funding requirements.

BUDGET STRATEGY

The city's strategy to achieve structural balance includes three main components:

- **Resize:** Reduce the scale of city government operations
- **Restructure:** Increase productivity and reduce staffing through technology, automation, and functional consolidations
- **Reinvest:** Make strategic investments in equipment, data applications, process improvements, and people; and engage in redevelopment to improve the tax base and economic opportunities

STATE SHARED REVENUE

Wisconsin's tax system is designed to assess sales, income, and various business and excise taxes, and redistribute a portion of them to municipal governments as "shared revenue." The State shared revenue program distributed payments to municipalities based on their ability to generate revenues. A formula measured the relative wealth of the municipality and provided comparably higher payments to poorer municipalities. This distribution method was abandoned in 2003. Since 2003, the payments were fixed. In 2004 and again in 2011, the State reduced the City's shared revenue payment by a total of $21.8 million. From 2012 to 2018, shared revenue payments to the City increased by only 0.2%. Figure 1 shows the 2003 shared revenue, the shared revenue payment if it increased by the rate of inflation and the 2018 shared revenue payment.

With shared revenue contributing 30% of general fund revenue and experiencing no growth, City non-property tax revenues increase by 1% or less annually. Expenditures increase by 3% annually. A structural budget imbalance of approximately $15 million exists annually prior to decisions on the increase in the property tax levy and service reductions. Limits by State law on the property tax levy growth and charges for service force the City to reduce City services on an annual basis. Over the long run this provides no stability in the provision of services.

Prior to 2011, the City of Milwaukee received more in aids from the State than the taxes paid by the City to the State. By 2015 the City paid the State $464.7 million more than it received in State aids and over the period of 2011 to 2015 paid $1.1 billion more. Instead of returning increased revenue to the City through shared revenue, the State chose to spend the funds on tax breaks and other priorities. Repeated requests by municipalities for more shared revenue have gone unheeded by the State.

Figure 1

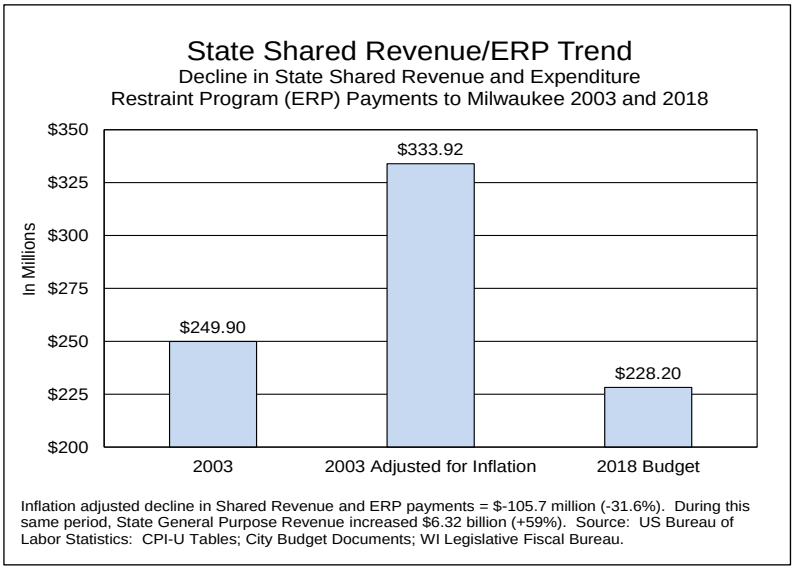
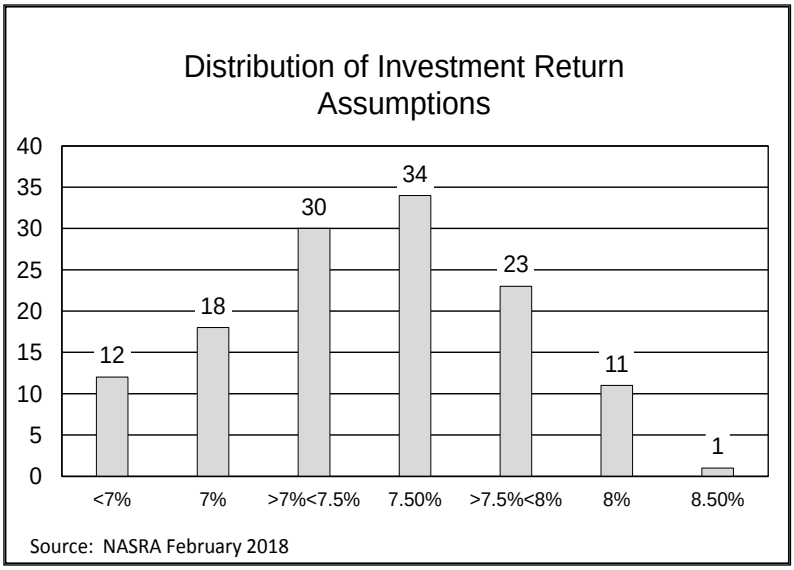


Figure 2



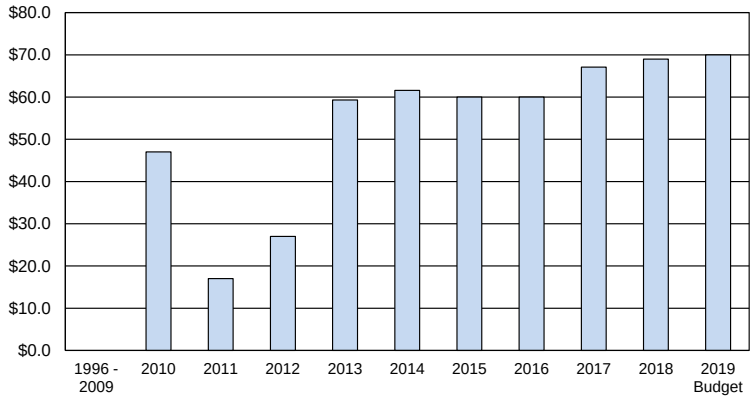
PENSION FUNDING

Costs for current and future pension benefits present another fiscal challenge. Current City employer pension contributions are based on an assumed investment rate of return of 8%. This rate of return is on the higher end of those used by pension systems across the country. A rate of return in the 7% to 7.5% range is used by most pension systems. The higher rate of return the City uses produces an estimated lower pension contribution than the 7% to 7.5% rates and carries a higher risk that the rate of return will not be achieved. The Actuary has already indicated that they will use a lower rate of return for financial reporting in 2019 and will be recommending a lower rate of return when the stable contribution is reset in 2023. A minor decrease in the rate of return of .25% will increase the employer pension contribution by at least $15 million annually assuming the rate of return over the period is 8%. Figure 2 provides investment return rates used by 129 municipalities.

In 2018, the pension contribution included in the budget was $83 million of which $78 million was tax levy supported and $5 million came from the pension reserve account. This was an increase of $22 million from the $61 million included in the 2017 budget. When 2017 pension data was used to re-estimate the payment, the Actuary estimated the payment at $69.6 million for 2018 which was $13.4 million lower than budgeted. With $83 million being paid in January to take advantage early payment savings and the revised contribution estimate becoming available in June, a $13.4 million credit exists in the pension fund. Figure 3 provides the revised growth of employer pension contributions.

This credit will lower the requested 2019 employer pension contribution. It is critical that savings from lower payment be used in a manner that does not enhance future budgetary problems. The proposed budget assumes the savings should be deposited in the employer pension reserve account to begin to address the large future cost of lowering of the rate of return. Any other use could add another $13.4 million to 2020's structural budget problem.

Figure 3



Voluntary contributions in 2011 and 2012 were made to the employer's pension reserve. Source: City budget documents and actuary's presentations.

The $13.4 million will effectively reduce the return on investment from 8% to 7.975% and will allow the City to transition towards a lower return on investment and smooth out the structural budget problem being in 2023.

The 2019 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.

MAJOR PROGRAM INITIATIVES AND CHANGES

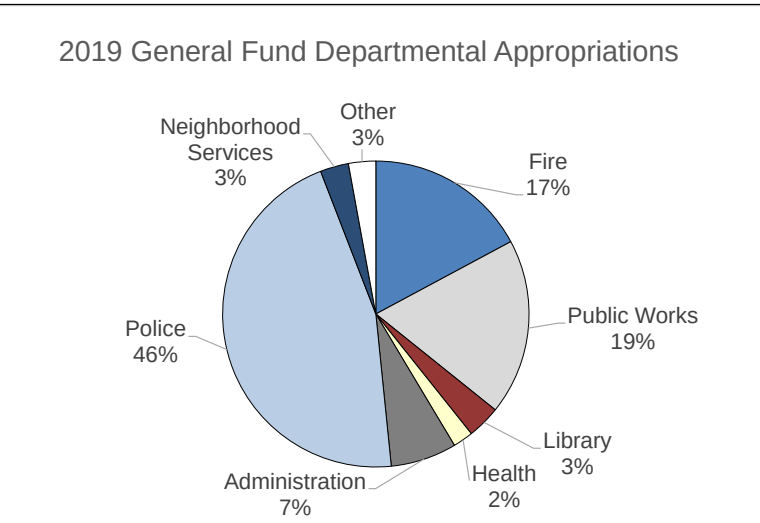
A majority of the general fund is allocated to police, fire and public works. Figure 4 shows the general fund by department. This is followed by funding highlights for the 2019 Proposed Budget:

Public Safety

- The Police Department uses strategic staffing practices to optimize patrol capacity. The 2019 proposed budget includes funding for an average of 1,871 sworn officers. This is an increase of 10 sworn officers from the 2018 strength level. The proposed budget includes funding to hire a total of 100 new police officer recruits through two recruit classes.

- The Fire Department's community paramedic program ensures 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. Through June of 2018, the program has reduced 911 calls by 62% for callers in the program since it began.

Figure 4



- The 2019 proposed budget maintains funding for all Fire Department heavy apparatus and meds units that were funded in 2018. Response times to fire and emergency medical service calls are expected to remain superior to national standards.

- The Fire and Police Commission will continue to lead collaborative efforts with community organizations, residents, and other key stakeholders to determine which recommendations are most beneficial and how they should be implemented.

- In 2018 the City settled a lawsuit by the American Civil Liberties Union of Wisconsin. As part of the settlement a consultant will be hired to ensure the Police department is complying with the reforms included in the settlement agreement. The settlement is a five year agreement with consultant costs of $1.5 million. The 2019 proposed budget includes $300,000 for this effort.

Public Works

- The capital improvement budget continues to fund a high level of investment in core city infrastructure projects, a priority of the 2019 proposed budget. Core infrastructure programs including streets, bridges, street lighting, and sewers total $63.1 million in the 2019 proposed budget.

- The 2019 budget moves the City's tree pruning cycle from eight years to ten. This change is occurring as a result of limited City resources.

- New Self Help rules will now allow small resident contractors to drop of construction debris at the Self Help Centers. This change will assist DPW in controlling illegal dumping.

- The 2019 budget provides funding to replace 1,000 lead water service lines. The City assists with funding of the private side of the replacement and the Water Works funds the public side. Total City funding for 2019 will be $4 million with another $7.4 million from water funding.

- Improve the condition and extend useful life for 25 miles of major streets, local streets and high traffic streets serving commercial corridors.

- The proposed budget provides funding to replace and line 14 miles of medium to large diameter combined, storm and sanitary sewer mains and an additional $2 million to line 9 miles of small diameter sanitary sewer main and inspect sanitary sewer manholes.

- New in the 2019 budget is funding for the downspout disconnection program. The program is in response to MMSD's revised regulations that require residential properties that contain up to four units to disconnect their downspouts from the combined sewer system by January 1, 2025. An estimated 50,000 residential parcels will need their downspout disconnected.

- In 2019, the Water Works will begin using crews to replace the utility owned portion of lead service lines. The budget adds 15 positions, operating funds for materials, and several pieces of equipment to insource some utility side lead service line replacement. This initiative is expected to reduce ratepayer funded costs for lead service line replacement and simplify billing and administration of the lead service line replacement program as a whole.

Neighborhoods and Development

- Mayor Barrett announced during the 2018 State of the City address that over the next ten years, affordable housing opportunities would be improved for 10,000 households. This goal will be achieved through construction, rehabilitation and financing efforts

- The Department of Neighborhood Services and Public Work began implementing improvements to the nuisance garbage policies to facilitate more timely abatement. Potential violations are referred sooner to contractors in order to expedite clean-up and technology has been implemented to enable timely intake and routing of garbage complaints.

- Included $500,000 for strategic site acquisition to maintain affordable housing in areas facing potential displacement.

- Continue funding for the Strong Loan Program and the Code Compliance Loan Program as well as commercial corridor revitalization.

Culture and Recreation

- In 2019, library hours are maintained at 2018 levels. All library facilities are open Monday through Saturday, while Central, Zablocki, and Capitol libraries are open on Sundays from October through April.

- The 2019 capital budget includes $1.4 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.

Health

- The Health Department will work to improve governance and accountability, develop a solid workforce and restore confidence in programs and services. The Mayor will propose the creation of a Board of Health to improve oversight and governance.

- The Health Department will achieve accreditation by the Public Health Accreditation Board (PHAB) which set goals for performance against a set of nationally recognized, practice focused, and evidenced based standards.

- The Blueprint for Peace will continue to focus on prevention of violence before it occurs, as well as intervention efforts after violence to reduce the impacts and prevent future perpetration and victimization.

- In 2019 there will be $7.6 million in total funding available funding for the Lead Program in the Health Department that focuses on lead paint.

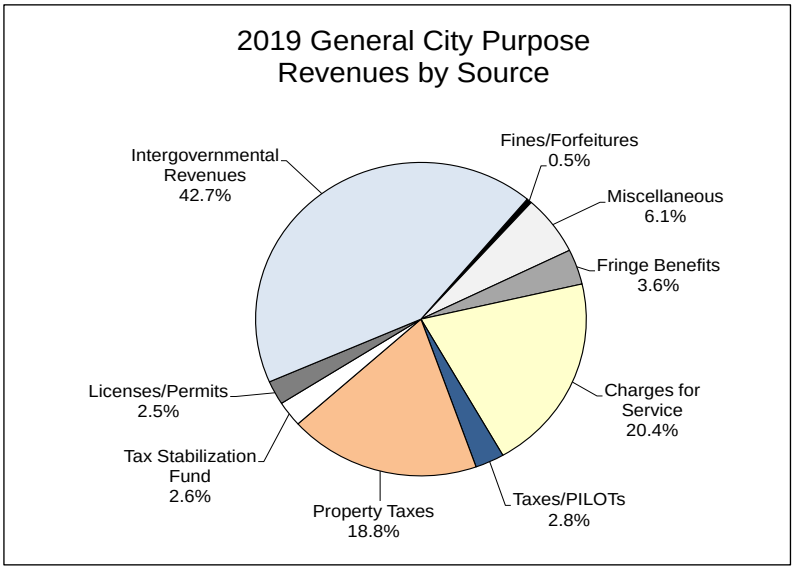
REVENUES

The City of Milwaukee is unusual in its reliance on intergovernmental revenues (36%) and property taxes (28%) of general fund revenue. See figure 5. Research from the Wisconsin Policy Forum 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.

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 to lean on property taxes and service charges to bridge the gap. For example, between 2004 and 2019 the city increased charges for service as a percentage of general city purposes revenue from 11.6% to 20.4%. See figure 5 for a breakdown of City general fund revenues and the large reliance on intergovernmental revenue, property taxes and charges for service.

Figure 5



This trend's implications are particularly evident upon examination of funding for the Milwaukee Police Department. As Figure 6 illustrates, in 2004 the State Shared Revenue payment to Milwaukee was almost $52 million larger than the total operating budget for the Police Department. In 2016, the police budget was greater than the City's property tax levy. By 2019, the Police Department's budget exceeded the city's State Shared Revenue payment by almost $79.5 million. This increasing financial commitment demonstrates the need for revenue diversification to fund City services.

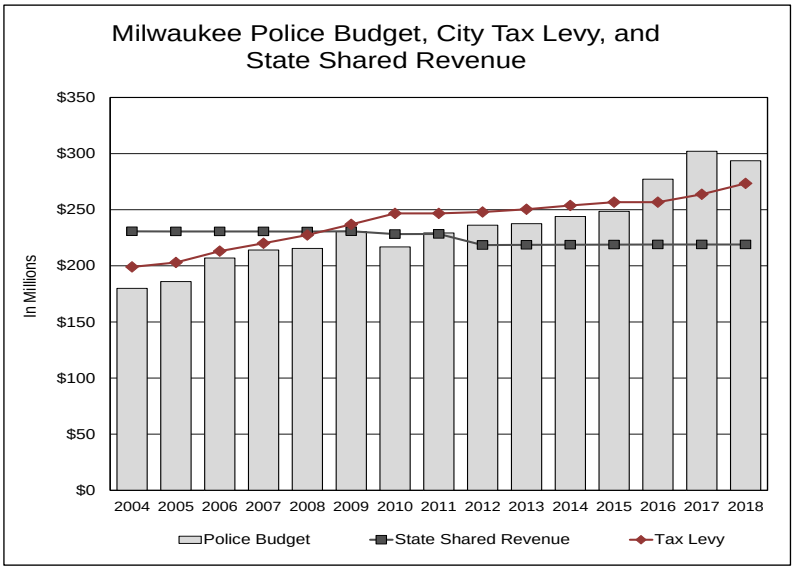
BUDGET BOTTOM LINE

The city's property tax levy for the 2019 proposed budget is $280 million. This is an increase of $6.6 million from the 2018 property tax levy or a 2.4% increase.

The impact of the property tax levy and municipal service charges on the typical residential property is $49.58 or 3.2%. Based on the following factors:

- The average residential property value increased from $103,451 in 2017 to $108,888 in 2018
- The tax rate per $1,000 of assessed value decreased from the 2018 rate of $10.75 to the 2019 rate of $10.55
- City property taxes on the average-valued home increase $36.99
- 2019 municipal service fees increases $12.58 for the typical homeowner

Figure 6



The city's structural imbalance is, in large part, the challenge of public safety funding.

The 2019 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

$80.0 million in levy supported borrowing authority. This is a slight increase of $2.6 million from the 2018 adopted budget. Maintaining this borrowing discipline should avoid additional debt service of more than $15 million over the next four years.

THE MAYOR'S SUSTAINABILITY PROPOSAL

During Mayor Barrett's tenure, the Milwaukee Police Department budget has risen 24.4% more than the rate of inflation; this equates to $58.5 million more than if the 2004 police budget had been held to inflationary growth.

In 2011, Wisconsin Act 10 has not resolved the local government cost control problem. Act 10 significantly curtailed 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 2019 Proposed Budget, 65.3% of the tax levy supported wages are for sworn police and fire employees, who are members of the three protective service unions. 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 2018, 77% of the annual cost of pension benefits accrual pertained to sworn police and fire fighters.

Projections indicate that maintaining the reduced 2019 budget expenditures through 2023 will require an annual tax levy increase between 4% and 5%. Returning to annual 2% tax levy increases in 2020, on the other hand, is estimated to result in approximately $43 million of expenditure reductions by 2023. 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.

Milwaukee is at a fiscal crossroad. To preserve critical services and current police and fire staffing, the Mayor has proposed a local sales tax that would require adoption of a referendum. The sales tax is expected to generate $35 million annually by 2020. The sales tax can maintain police strength at 1,900 FTEs; restore two Fire Department apparatus and 30 FTEs; 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 2019 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 that need to be taken to avoid service and staffing cuts. 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.

2019 PROPOSED BUDGET AND TAX RATE COMPARED TO PRIOR YEAR

PURPOSE OF EXPENDITURE AND FUNDING SOURCE	2018 ADOPTED BUDGET	2019 PROPOSED BUDGET	CHANGE 2019 MINUS 2018 ADOPTED	2018 ADOPTED BUDGET	2019 PROPOSED BUDGET	CHANGE 2019 MINUS 2018 ADOPTED
A. GENERAL CITY PURPOSES						
1. Budget (Expenditure Authority)	$622,329,416	$633,399,383	$11,069,967			
2. Non Tax Levy Funding	515,137,605	514,537,155	-600,450			
3. Tax Levy Funding	107,191,811	118,862,228	11,670,417	$4.22	$4.48	$0.26
B. EMPLOYEE RETIREMENT						
1. Budget (Expenditure Authority)	$125,773,335	$112,752,456	$-13,020,879			
2. Non Tax Levy Funding	31,584,674	26,144,255	-5,440,419			
3. Tax Levy Funding	94,188,661	86,608,201	-7,580,460	$3.70	$3.26	$-0.44
C. CAPITAL IMPROVEMENTS						
1. Budget (Expenditure Authority)	$143,328,000	$149,353,000	$6,025,000			
2. Non Tax Levy Funding	142,439,000	148,239,000	5,800,000			
3. Tax Levy Funding	889,000	1,114,000	225,000	$0.03	$0.04	$0.01
D. CITY DEBT						
1. Budget (Expenditure Authority)	$280,283,500	$275,058,000	$-5,225,500			
2. Non Tax Levy Funding	214,068,000	206,594,000	-7,474,000			
3. Tax Levy Funding	66,215,500	68,464,000	2,248,500	$2.60	$2.58	$-0.03
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	$0.19	$-0.01
SUBTOTAL (A+B+C+D+E+F)						
1. Budget (Expenditure Authority)	**$1,176,714,251**	**$1,175,562,839**	**$-1,151,412**			
2. Non Tax Levy Funding	**903,229,279**	**895,514,410**	**-7,714,869**			
3. Tax Levy Funding	**273,484,972**	**280,048,429**	**6,563,457**	**$10.75**	**$10.55**	**-$0.20**
G. TRANSPORTATION FUND						
1. Budget (Expenditure Authority)	$47,759,648	$50,220,892	$2,461,244			
2. Non Tax Levy Funding	47,759,648	50,220,892	2,461,244			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
H. GRANT AND AID						
1. Budget (Expenditure Authority)	$42,847,051	$48,244,023	$5,396,972			
2. Non Tax Levy Funding	42,847,051	48,244,023	5,396,972			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
I. DEVELOPMENT FUND						
1. Budget (Expenditure Authority)	$11,443,004	$11,286,498	$-156,506			
2. Non Tax Levy Funding	11,443,004	11,286,498	-156,506			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
J. WATER DEPARTMENT						
1. Budget (Expenditure Authority)	$139,532,000	$136,258,000	$-3,274,000			
2. Non Tax Levy Funding	139,532,000	136,258,000	-3,274,000			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
K. SEWER MAINTENANCE FUND						
1. Budget (Expenditure Authority)	$107,718,016	$105,155,744	$-2,562,272			
2. Non Tax Levy Funding	107,718,016	105,155,744	-2,562,272			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
M. COUNTY DELINQUENT TAXES FUND						
1. Budget (Expenditure Authority)	$7,740,000	$8,000,000	$260,000			
2. Non Tax Levy Funding	7,740,000	8,000,000	260,000			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
SUBTOTAL (G+H+I+J+K+M)						
1. Budget (Expenditure Authority)	**$357,039,719**	**$359,165,157**	**$2,125,438**			
2. Non Tax Levy Funding	**357,039,719**	**359,165,157**	**2,125,438**			
3. Tax Levy Funding	**0**	**0**	**0**	**$0.00**	**$0.00**	**$0.00**
TOTAL (A thru M)						
1. Budget (Expenditure Authority)	**$1,533,753,970**	**$1,534,727,996**	**$974,026**			
2. Non Tax Levy Funding	**1,260,268,998**	**1,254,679,567**	**-5,589,431**			
3. Tax Levy Funding	**273,484,972**	**280,048,429**	**6,563,457**	**$10.75**	**$10.55**	**-$0.20**

Tax Rates and Assessed Value - 2019 rate column is based on an estimated assessed value of: $26,547,783,880 as of September 14, 2018.

Comparisons by Budget Sections Between 2019 Proposed Budget Versus 2018 Adopted and 2019 Requested Budgets, Revenues, Tax Levies, and Resulting Changes

	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
A. General City Purposes					
Appropriations					
Salaries and Wages	$391,297,743	$399,000,235	$400,636,047	$9,338,304	$1,635,812
Fringe Benefits	176,462,672	177,161,621	178,693,628	2,230,956	1,532,007
Operating Expenditures	78,624,813	78,886,857	77,735,920	-888,893	-1,150,937
Equipment Purchases	4,838,859	4,809,166	4,457,865	-380,994	-351,301
Special Funds	11,771,819	11,235,114	12,141,449	369,630	906,335
Special Purpose Account Miscellaneous*	17,481,602	18,028,102	17,628,102	146,500	-400,000
Workers Compensation Special Purpose Accounts	11,000,000	11,500,000	11,500,000	500,000	0
Employee Health Care Special Purpose Accounts	107,314,580	109,500,000	109,300,000	1,985,420	-200,000
Fringe Benefit Offset	-176,462,672	-177,161,621	-178,693,628	-2,230,956	-1,532,007
Total Appropriations	$622,329,416	$632,959,474	$633,399,383	$11,069,967	$439,909
Funding Sources					
General City Revenues	$496,137,605	$492,703,717	$497,914,155	$1,776,550	$5,210,438
Tax Stabilization Fund Withdrawal	19,000,000	16,000,000	16,623,000	-2,377,000	623,000
Property Tax Levy	107,191,811	124,255,757	118,862,228	11,670,417	-5,393,529
Total Revenues	$622,329,416	$632,959,474	$633,399,383	$11,069,967	$439,909
B. Employee Retirement					
Total Appropriations	$125,773,335	$125,817,456	$112,752,456	$-13,020,879	$-13,065,000
Funding Sources					
Non-Property Tax Revenue	$31,584,674	$30,144,255	$26,144,255	$-5,440,419	$-4,000,000
Property Tax Levy	94,188,661	95,673,201	86,608,201	-7,580,460	-9,065,000
Total Revenues	$125,773,335	$125,817,456	$112,752,456	$-13,020,879	$-13,065,000
C. Capital Improvements					
Total Capital Improvements Program					
Appropriations	$143,328,000	$190,545,000	$149,353,000	$6,025,000	$-41,192,000
Funding Sources					
1. Borrowing (General Obligation)					
a. New	$77,424,000	$123,931,000	$79,984,000	$2,560,000	$-43,947,000
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	$2,885,000	$3,200,000	$3,000,000	$115,000	$-200,000
4. Cash Financed					
a. From Revenues	$18,130,000	$18,550,000	$21,255,000	$3,125,000	$2,705,000
c. From Tax Levy	889,000	864,000	1,114,000	225,000	250,000
d. Total Cash Financed	19,019,000	19,414,000	22,369,000	3,350,000	2,955,000
Total Revenues (Capital Improvements)	$143,328,000	$190,545,000	$149,353,000	$6,025,000	$-41,192,000
D. City Debt					
Total Appropriations					
(Includes Borrowing for Milwaukee Public Schools)	$280,283,500	$276,258,000	$275,058,000	$-5,225,500	$-1,200,000

	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Funding Sources					
Revenues	$32,018,000	$40,542,000	$42,042,000	$10,024,000	$1,500,000
TID Increments	28,209,000	30,957,000	30,957,000	2,748,000	0
Delinquent Tax Revenue	15,541,000	23,595,000	23,595,000	8,054,000	0
Offset and Premium	138,300,000	110,000,000	110,000,000	-28,300,000	0
Property Tax Levy	66,215,500	71,164,000	68,464,000	2,248,500	-2,700,000
Total Revenues	$280,283,500	$276,258,000	$275,058,000	$-5,225,500	$-1,200,000
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	$1,176,714,251	$1,230,579,930	$1,175,562,839	$-1,151,412	$-55,017,091
Less: Non-Property Tax Revenues	$903,229,279	$933,622,972	$895,514,410	$-7,714,869	$-38,108,562
Property Tax Levies	$273,484,972	$296,956,958	$280,048,429	$6,563,457	$-16,908,529
Special Revenue Accounts (Items G through M)					
G. Transportation Fund					
Total Appropriations	$47,759,648	$52,500,690	$50,220,892	$2,461,244	$-2,279,798
Funding Sources					
Current Revenues	$23,164,500	$22,459,200	$26,858,624	$3,694,124	$4,399,424
Capital Improvements from Reserves	0	0	0	0	0
Withdrawal from Reserves	5,170,648	7,036,065	4,977,268	-193,380	-2,058,797
Citation Revenue and Processing	16,000,000	14,981,400	15,000,000	-1,000,000	18,600
New Borrowing	3,424,500	8,024,025	3,385,000	-39,500	-4,639,025
Total Revenues	$47,759,648	$52,500,690	$50,220,892	$2,461,244	$-2,279,798
H. Grant and Aid					
Total Appropriations	$42,847,051	$45,206,435	$48,244,023	$5,396,972	$3,037,588
Funding Sources					
Grantor Share	$42,847,051	$45,206,435	$48,244,023	$5,396,972	$3,037,588
Total Revenues	$42,847,051	$45,206,435	$48,244,023	$5,396,972	$3,037,588
I. Economic Development					
Total Appropriations	$11,443,004	$11,333,110	$11,286,498	$-156,506	$-46,612
Funding Sources					
BID Assessment/Excess TID Revenue	$11,443,004	$11,333,110	$11,286,498	$-156,506	$-46,612
Total Revenues	$11,443,004	$11,333,110	$11,286,498	$-156,506	$-46,612
J. Water Works					
Appropriations					
Operating Budget	$92,548,000	$94,185,635	$95,254,222	$2,706,222	$1,068,587
Capital Improvements Program	32,780,000	32,435,000	31,385,000	-1,395,000	-1,050,000
Debt Service (Principal and Interest)	8,731,000	8,731,000	8,901,000	170,000	170,000
Capital Funding from Borrowing and Other Sources	10,000	0	0	-10,000	0
Capital Funding from Retained Earnings	5,463,000	32,425,000	717,778	-4,745,222	-31,707,222
Total Appropriations	$139,532,000	$167,776,635	$136,258,000	$-3,274,000	$-31,518,635

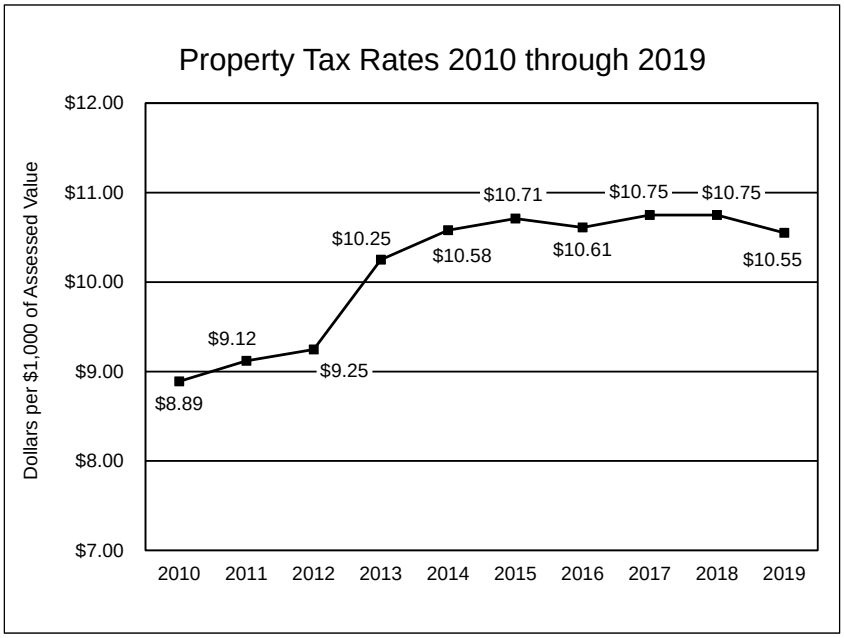
	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Funding Sources					
Current Operating Revenues	$96,452,000	$92,871,000	$92,871,000	$-3,581,000	$0
Non-Operating Revenues	10,310,000	12,612,000	12,012,000	1,702,000	-600,000
Proceeds from Borrowing	27,307,000	32,425,000	30,657,222	3,350,222	-1,767,778
Use of Retained Earnings	5,463,000	29,868,635	717,778	-4,745,222	-29,150,857
Total Revenues	$139,532,000	$167,776,635	$136,258,000	$-3,274,000	$-31,518,635
K. Sewer Maintenance					
Appropriations					
Operating Budget	$70,204,016	$71,031,323	$71,205,744	$1,001,728	$174,421
Capital Improvements Program	37,514,000	35,850,331	33,950,000	-3,564,000	-1,900,331
Total Appropriations	$107,718,016	$106,881,654	$105,155,744	$-2,562,272	$-1,725,910
Funding Sources					
Sewer User Fee	$30,398,262	$30,811,900	$31,956,653	$1,558,391	$1,144,753
Storm Water Management Fee	33,127,000	33,888,300	34,120,814	993,814	232,514
Charges for Services	1,660,300	1,673,500	1,673,500	13,200	0
Miscellaneous Revenue and Retained Earnings	10,032,454	11,807,954	8,104,777	-1,927,677	-3,703,177
Proceeds from Borrowing	32,500,000	28,700,000	29,300,000	-3,200,000	600,000
Total Revenues	$107,718,016	$106,881,654	$105,155,744	$-2,562,272	$-1,725,910
M. County Delinquent Taxes					
Appropriations					
Operating Budget	$7,740,000	$8,000,000	$8,000,000	$260,000	$0
Total Appropriations	$7,740,000	$8,000,000	$8,000,000	$260,000	$0
Funding Sources					
Operating Revenue	$7,740,000	$8,000,000	$8,000,000	$260,000	$0
Total Revenues	$7,740,000	$8,000,000	$8,000,000	$260,000	$0
Subtotals Special Revenue Account Budgets (Items G through M)					
Total Budgets	$357,039,719	$391,698,524	$359,165,157	$2,125,438	$-32,533,367
Total Revenues (Non-Property Tax)	$357,039,719	$391,698,524	$359,165,157	$2,125,438	$-32,533,367
Grand Totals (Items A through M)					
Budget Appropriations	$1,533,753,970	$1,622,278,454	$1,534,727,996	$974,026	$-87,550,458
Less: Non-Property Tax Revenues	$1,260,268,998	$1,325,321,496	$1,254,679,567	$-5,589,431	$-70,641,929
Property Tax Levies	$273,484,972	$296,956,958	$280,048,429	$6,563,457	$-16,908,529

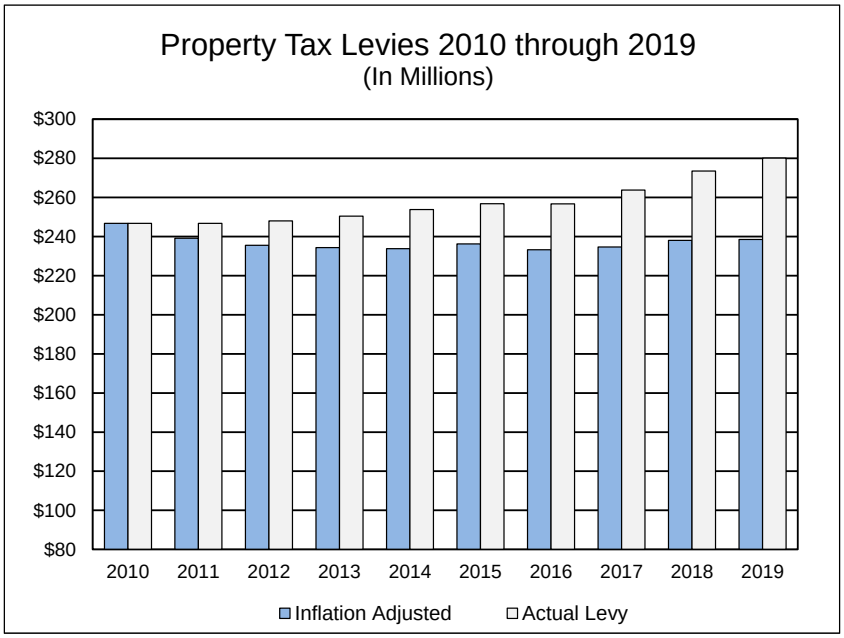
Note: All adopted budgets for governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance reserved for tax stabilization. For budget purposes, the fund balance reserved for tax stabilization is reflected as other financing 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 2010 through the 2019 budget. The 2019 tax rate of $10.55 is $0.20 lower than the 2018 rate of $10.75. The 2019 tax levy of $280 million is $6.6 million higher than the 2018 levy. The property tax rate has increased by $1.66 from $8.89 in 2010 to the 2019 rate of $10.55. During this same period, the "real" or inflation adjusted property tax levy has decreased by $8.2 million.

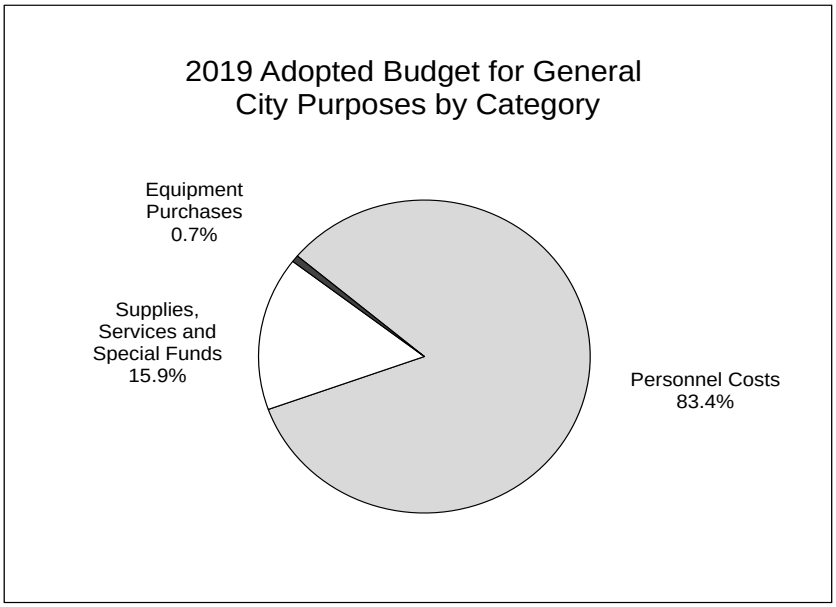




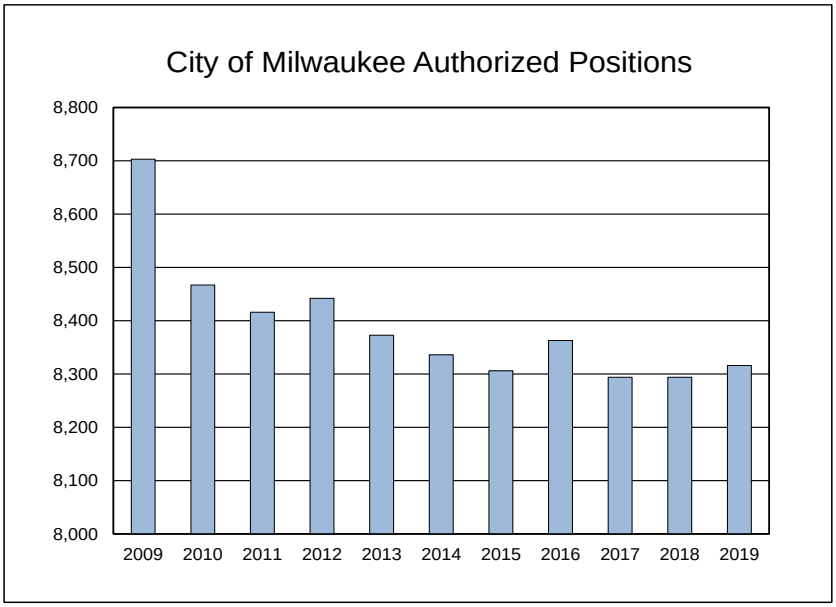
GENERAL CITY PURPOSES SPENDING

The pie chart below depicts the proportions of general city purposes spending allocated to personnel costs (83.4%), supplies, services, and special funds (15.9%), and equipment purchases (0.7%) in the 2019 budget.

It should be noted that the 2019 budget also funds approximately $12.6 million of major equipment purchases in the capital budget.



The following bar graph indicates changes in authorized positions from 2009 to 2019. Funding for personnel costs (which include salary and wages) relates directly to the number of positions authorized citywide. Excluding temporary and seasonal staff, the 2019 budget reflects an increase of 22 positions from 2018 levels (8,294 in 2018 to 8,316 in 2019).



CHANGE IN POSITIONS

	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
General City Purposes					
Administration, Department of	152	147	149	-3	2
Assessor's Office	59	59	59	0	0
City Attorney	65	65	65	0	0
City Development, Department of	127	125	125	-2	0
Common Council City Clerk	125	125	124	-1	-1
Comptroller's Office	64	64	64	0	0
Election Commission	2,262	1,543	1,517	-745	-26
Employee Relations, Department of	68	78	79	11	1
Fire and Police Commission	29	29	30	1	1
Fire Department	898	888	871	-27	-17
Health Department	254	254	275	21	21
Library	375	377	377	2	0
Mayor's Office	16	16	16	0	0
Municipal Court	40	40	40	0	0
Neighborhood Services, Department of	280	275	292	12	17
Police Department	2,832	2,828	2,828	-4	0
Port of Milwaukee	35	33	35	0	2
Public Works, Department of **(Total)**	**(2,300)**	**(2,302)**	**(2,290)**	**(-10)**	**(-12)**
Administrative Services Division	45	45	45	0	0
Infrastructure Services Division	815	823	822	7	-1
Operations Division	1,440	1,434	1,423	-17	-11
Special Purpose Account	11	11	11	0	0
Treasurer's Office	59	48	48	-11	0
General City Purposes Total	**10,051**	**9,307**	**9,295**	**-756**	**-12**
General City Purposes Total *				**0**	**0**
Pensions	0	0	0		
Deferred Compensation	3	3	3	0	0
Employees' Retirement System	63	61	61	-2	0
Pensions Total	**66**	**64**	**64**	**- 2**	**0**
Special Revenue Funds					
Transportation Fund	118	137	126	8	-11
Sewer Maintenance Fund	144	146	147	3	1
Water Works	406	431	430	24	-1
Special Revenue Funds Total	**668**	**714**	**703**	**35**	**-11**
Subtotal Budgeted Positions	**10,785**	**10,085**	**10,062**	**-723**	**-23**
Less Temporary Positions	2,491	1,772	1,746	-745	-26
Total Budgeted Positions	**8,294**	**8,313**	**8,316**	**22**	**3**

ESTIMATED FULL TIME EQUIVALENTS
O&M Funded

	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
General City Purposes					
Administration, Department of	97.80	96.60	97.00	-0.80	0.40
Assessor's Office	49.00	49.00	49.00	0.00	0.00
City Attorney	60.00	63.00	60.00	0.00	-3.00
Common Council City Clerk	101.07	101.07	100.07	-1.00	-1.00
Comptroller's Office	52.30	50.30	50.02	-2.28	-0.28
Department of City Development	51.86	53.00	52.85	0.99	-0.15
Election Commission *	9.00	9.00	9.00	0.00	0.00
Employee Relations, Department of	41.65	41.25	42.71	1.06	1.46
Fire and Police Commission	19.40	19.40	19.90	0.50	0.50
Fire Department	879.80	855.50	883.50	3.70	28.00
Health Department	136.70	136.70	141.70	5.00	5.00
Library	280.06	292.48	292.33	12.27	-0.15
Mayor's Office	13.75	12.75	13.75	0.00	1.00
Municipal Court	32.00	32.00	32.00	0.00	0.00
Neighborhood Services, Department of	201.35	191.66	194.02	-7.33	2.36
Police Department	2,701.19	2,697.00	2,724.60	23.41	27.60
Port of Milwaukee	19.00	19.00	19.00	0.00	0.00
Public Works, Department of **(Total)**	(1,060.67)	(1,057.74)	(1,049.24)	(-11.43)	(-8.50)
Administrative Services Division	35.50	37.10	35.10	-0.40	-2.00
Infrastructure Services Division	354.27	357.89	356.89	2.62	-1.00
Operations Division	670.90	662.75	657.25	-13.65	-5.50
Special Purpose Accounts	4.33	4.33	4.33	0.00	0.00
Treasurer's Office	29.66	29.99	29.99	0.33	0.00
General City Purposes Total	**5,840.59**	**5,811.77**	**5,865.01**	**24.42**	**53.24**
Pensions					
Deferred Compensation	3.00	3.00	3.00	0.00	0.00
Employees' Retirement System	48.50	48.50	48.50	0.00	0.00
Pensions Total	**51.50**	**51.50**	**51.50**	**0.00**	**0.00**
Special Revenue Funds					
Transportation Fund	116.25	135.25	118.00	1.75	-17.25
Sewer Maintenance Fund	100.50	100.35	101.15	0.65	0.80
Water Works	371.02	396.04	396.37	25.35	0.33
Special Revenue Funds Total	**587.77**	**631.64**	**615.52**	**27.75**	**-16.12**
Grand Total	**6,479.86**	**6,494.91**	**6,532.03**	**52.17**	**37.12**

*Election Commission does not include temporary election workers (61.38 FTEs in 2018 and 2.63 FTEs in 2019) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
Non-O&M Funded

	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
General City Purposes					
Administration, Department of	36.75	35.25	35.85	-0.90	0.60
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	1.40	-0.20	-0.20
Comptroller's Office	5.70	5.70	5.98	0.28	0.28
Department of City Development	44.89	42.10	42.25	-2.64	0.15
Election Commission	0.00	0.00	0.00	0.00	0.00
Employee Relations, Department of	11.11	16.67	16.67	5.56	0.00
Fire and Police Commission	0.00	0.00	0.00	0.00	0.00
Fire Department	3.20	0.50	0.50	-2.70	0.00
Health Department	108.85	108.85	124.45	15.60	15.60
Library	18.63	20.33	22.23	3.60	1.90
Mayor's Office	0.00	1.00	0.00	0.00	-1.00
Municipal Court	0.00	0.00	0.00	0.00	0.00
Neighborhood Services, Department of	50.15	46.83	59.48	9.33	12.65
Police Department	56.10	37.50	37.50	-18.60	0.00
Port of Milwaukee	0.00	0.00	0.00	0.00	0.00
Public Works, Department of **(Total)**	(378.70)	(391.53)	(389.03)	(10.33)	(-2.50)
Administrative Services Division	7.50	8.90	9.90	2.40	1.00
Infrastructure Services Division	314.26	317.54	315.54	1.28	-2.00
Operations Division	56.94	65.09	63.59	6.65	-1.50
Special Purpose Accounts	0.00	0.00	0.00	0.00	0.00
Treasurer's Office	0.00	0.00	0.00	0.00	0.00
General City Purposes Total	**717.68**	**709.86**	**737.34**	**19.66**	**27.48**
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					
Transportation Fund	0.00	0.00	0.00	0.00	0.00
Sewer Maintenance Fund	12.00	13.35	13.05	1.05	-0.30
Water Works	20.07	20.05	20.05	-0.02	0.00
Special Revenue Funds Total	**32.07**	**33.40**	**33.10**	**1.03**	**-0.30**
Grand Total	**749.75**	**743.26**	**770.44**	**20.69**	**27.18**

ESTIMATED FULL TIME EQUIVALENTS
All Funding Sources

	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
General City Purposes					
Administration, Department of	134.55	131.85	132.85	-1.70	1.00
Assessor's Office	49.00	49.00	49.00	0.00	0.00
City Attorney	62.00	65.00	62.00	0.00	-3.00
Common Council City Clerk	102.67	102.67	101.47	-1.20	-1.20
Comptroller's Office	58.00	56.00	56.00	-2.00	0.00
Department of City Development	96.75	95.10	95.10	-1.65	0.00
Election Commission *	9.00	9.00	9.00	0.00	0.00
Employee Relations, Department of	52.76	57.92	59.38	6.62	1.46
Fire and Police Commission	19.40	19.40	19.90	0.50	0.50
Fire Department	883.00	856.00	884.00	1.00	28.00
Health Department	245.55	245.55	266.15	20.60	20.60
Library	298.69	312.81	314.56	15.87	1.75
Mayor's Office	13.75	13.75	13.75	0.00	0.00
Municipal Court	32.00	32.00	32.00	0.00	0.00
Neighborhood Services, Department of	251.50	238.49	253.50	2.00	15.01
Police Department	2,757.29	2,734.50	2,762.10	4.81	27.60
Port of Milwaukee	19.00	19.00	19.00	0.00	0.00
Public Works, Department of **(Total)**	(1,439.37)	(1,449.27)	(1,438.27)	(-1.10)	(-11.00)
Administrative Services Division	43.00	46.00	45.00	2.00	-1.00
Infrastructure Services Division	668.53	675.43	672.43	3.90	-3.00
Operations Division	727.84	727.84	720.84	-7.00	-7.00
Special Purpose Accounts	4.33	4.33	4.33	0.00	0.00
Treasurer's Office	29.66	29.99	29.99	0.33	0.00
General City Purposes Total	**6,558.27**	**6,521.63**	**6,602.35**	**44.08**	**80.72**
Pensions					
Deferred Compensation	3.00	3.00	3.00	0.00	0.00
Employees' Retirement System	48.50	48.50	48.50	0.00	0.00
Pensions Total	**51.50**	**51.50**	**51.50**	**0.00**	**0.00**
Special Revenue Funds					
Transportation Fund	116.25	135.25	118.00	1.75	-17.25
Sewer Maintenance Fund	112.50	113.70	114.20	1.70	0.50
Water Works	391.09	416.09	416.42	25.33	0.33
Special Revenue Funds Total	**619.84**	**665.04**	**648.62**	**28.78**	**-16.42**
Grand Total	**7,229.61**	**7,238.17**	**7,302.47**	**72.86**	**64.30**

*Election Commission does not include temporary election workers (61.38 FTEs in 2018 and 2.63 FTEs in 2019) due to staffing fluctuations between election and non-election years.

Comparison of 2019 Proposed Expenditures and Funding Sources with Prior Years by Major Budget Sections and Subsections

Section 1. City Budgets Under Control of the Common Council

Comparison of 2019 Proposed Expenditures and Funding Sources with Prior Years by Major Budget Sections and Subsections

Section 1. City Budgets Under Control of the Common Council

	2016 Actual** Expenditures	2017 Actual** Expenditures	2018 Adopted Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted Budget
A. General City Purposes					
1. Budgets for General City Purposes					
Administration, Department of	$11,515,653	$12,731,392	$13,731,036	$12,617,832	$-1,113,204
Assessor's Office	4,711,026	4,533,725	4,709,627	4,519,596	-190,031
City Attorney	7,710,959	7,403,126	7,365,342	7,085,492	-279,850
City Development, Department of	4,804,539	5,078,506	5,222,716	4,974,757	-247,959
City Treasurer	2,959,679	2,764,579	3,000,697	3,515,255	514,558
Common Council City Clerk	8,987,711	9,243,533	9,239,890	9,100,024	-139,866
Comptroller	5,078,810	4,915,616	4,953,536	4,745,966	-207,570
Election Commission	3,532,528	1,281,482	2,871,969	1,311,702	-1,560,267
Employee Relations, Department of	4,612,254	3,885,216	4,004,802	3,989,730	-15,072
Fire and Police Commission	1,734,186	2,215,136	3,087,727	3,019,034	-68,693
Fire Department	127,690,693	123,508,289	111,234,000	111,967,165	733,165
Health Department	13,136,803	13,409,735	13,674,571	14,107,910	433,339
Library	22,731,484	23,591,512	23,206,425	22,956,510	-249,915
Mayor's Office	1,262,871	1,423,340	1,400,850	1,348,629	-52,221
Municipal Court	3,080,347	3,054,476	3,075,602	2,983,973	-91,629
Neighborhood Services, Department of	20,686,045	19,201,821	19,823,367	19,565,516	-257,851
Police Department	305,472,912	308,327,269	293,672,222	299,584,671	5,912,449
Port of Milwaukee	4,895,646	4,860,458	5,131,693	4,953,155	-178,538
Public Works Department **(Total)**	(129,729,082)	(124,987,488)	(122,671,933)	(121,515,190)	(-1,156,743)
Administrative Services Division	3,821,923	3,053,810	3,103,169	3,069,060	-34,109
Infrastructure Services Division	40,658,281	39,265,408	37,984,935	38,827,372	842,437
Operations Division	85,248,878	82,668,270	81,583,829	79,618,758	-1,965,071
Special Purpose Accounts	130,903,934 *	132,792,912 *	146,714,083	158,230,904	11,516,821
Fringe Benefit Offset	-185,464,934	-188,032,844	-176,462,672	-178,693,628	-2,230,956
Total Budgets for General City Purposes	$629,772,228 **	$621,176,767 **	$622,329,416	$633,399,383	$11,069,967

* 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	$19,014,257	$18,931,097	$17,590,600	$17,984,000	$393,400
Licenses and Permits	16,767,350	15,597,298	15,937,400	15,672,000	-265,400
Intergovernmental Revenue	265,190,617	265,700,346	268,191,400	270,206,000	2,014,600
Charges for Services	123,460,681	123,245,889	129,144,693	128,907,155	-237,538
Fines and Forfeitures	3,524,318	3,274,953	3,001,000	3,251,000	250,000
Miscellaneous Revenue	38,454,108	38,722,995	39,272,512	38,894,000	-378,512
Fringe Benefits	22,786,519	22,527,543	23,000,000	23,000,000	0
Total Revenues	$489,197,850	$488,000,121	$496,137,605	$497,914,155	$1,776,550
Tax Stabilization Fund Withdrawals	$21,087,000	$27,579,000	$19,000,000	$16,623,000	$-2,377,000
Property Tax Levy	105,404,962	112,354,318	107,191,811	118,862,228	11,670,417
Total Financing for General City Purposes	$615,689,812	$627,933,439	$622,329,416	$633,399,383	$11,069,967

	2016 Actual** Expenditures	2017 Actual** Expenditures	2018 Adopted Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted Budget
B. Employees' Retirement					
1. Budgets for Employees' Retirement					
Firemen's Pension Fund					
Lump Sum Supplement Contribution	$47,500	$38,000	$30,000	$25,000	$-5,000
Policemen's Pension Fund					
Pension Contribution	188,214	176,239	290,000	135,000	-155,000
Lump Sum Supplement Contribution	21,500	10,000	10,000	10,000	0
Employees' Retirement Fund					
Pension Contribution	$60,000,000	$67,938,024	$78,000,000	$56,600,000	$-21,400,000
Administration	17,880,765	18,376,299	23,656,880	23,205,973	-450,907
Employers' Share of Employees' Annuity Contribution	0	0	0	0	0
Annuity Contribution Employer's Reserve Fund	0	0	5,000,000	13,400,000	8,400,000
Social Security					
Social Security Tax	$18,170,596	$18,895,891	$18,308,691	$18,900,000	$591,309
Former Town of Lake Employees' Retirement Fund					
Pension Contribution	$5,853	$7,300	$0	$0	$0
Deferred Compensation	324,232	335,560	477,764	476,483	-1,281
Total Budgets for Employees' Retirement	$96,638,660 **	$105,777,313 **	$125,773,335	$112,752,456	$-13,020,879
2. Source of Funds for Employees' Retirement					
Fringe Benefits Pension	$1,170,775	$1,163,665	$1,499,058	$1,489,647	$-9,411
Charges to Retirement Fund	17,374,977	18,209,109	23,305,852	22,870,125	-435,727
Charges to Deferred Compensation	324,232	335,560	477,764	476,483	-1,281
Miscellanous and Other	988,955	991,775	1,302,000	1,308,000	6,000
Reserve Fund	0	0	5,000,000	0	-5,000,000
Property Tax Levy	78,532,396	77,982,361	94,188,661	86,608,201	-7,580,460
Total Financing for Employees' Retirement	$98,391,335	$98,682,470	$125,773,335	$112,752,456	$-13,020,879
C. Capital Improvements					
1. Budgets for Capital Improvements					
Special Capital Projects or Purposes	$1,744,277	$786,218	$8,514,000	$8,514,000	$0
Administration, Department of	2,481,387	2,928,285	1,660,000	2,590,000	930,000
Assessor's Office	304,352	388,135	0	0	0
City Development, Department of	44,578,797	54,107,039	53,420,000	55,890,000	2,470,000
Common Council City Clerk	222,721	3,132	0	150,000	150,000
Fire and Police Commission	0	0	0	150,000	
Fire Department	2,448,187	1,193,995	1,555,000	3,324,000	1,769,000
Health Department	386,709	38,862	660,000	760,000	100,000
Library	1,388,794	6,602,975	4,695,000	2,150,000	-2,545,000
Municipal Court	0	128,491	0	0	0
Neighborhood Services, Department of	3,169,720	2,197,553	2,000,000	1,800,000	-200,000
Police Department	12,032,641	5,892,263	7,001,000	6,416,000	-585,000
Port of Milwaukee	3,198,744	260,697	700,000	1,450,000	750,000
Public Works, Department of **(Total)**	(68,974,829)	(88,971,074)	(63,123,000)	(66,159,000)	(3,036,000)
Administration Division	0	0	0	0	
Infrastructure Services Division	57,730,429	85,400,695	53,448,000	57,149,000	3,701,000
Operations Division	11,244,400	3,570,379	9,675,000	9,010,000	-665,000
Total Budgets for Capital Improvements (Other than Transportation, Water Works and Sewer Maint.)	$140,931,158 **	$163,498,719 **	$143,328,000	$149,353,000	$6,025,000

	2016 Actual** Expenditures	2017 Actual** Expenditures	2018 Adopted Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted Budget
2. Source of Funds for Capital Improvements					
General Obligation Borrowings					
New Borrowing	$91,565,580	$108,113,105	$77,424,000	$79,984,000	$2,560,000
Tax Increment District Public Improvements					
New Borrowing	$36,616,368	$48,708,050	$44,000,000	$44,000,000	$0
Anticipated Special Assessments					
New Authorizations	$1,270,788	$2,297,540	$2,885,000	$3,000,000	$115,000
Capital Improvement Revenues					
Cash Revenues	$10,997,497	$3,907,890	$18,130,000	$21,255,000	$3,125,000
Property Tax Levy	480,925	472,134	889,000	1,114,000	225,000
Total Financing for Capital Improvements					
(Other than Transportation, Water Works and Sewer Maint.)	$140,931,158 *	$163,498,719 *	$143,328,000	$149,353,000	$6,025,000
* Does not include School Board expenditures.					
D. City Debt (Including School Purposes)					
1. Budget for City Debt					
Bonded Debt (Principal)	$249,135,001	$263,486,636	$241,900,000	$229,085,000	$-12,815,000
Bonded Debt (Interest)	41,878,013	40,366,238	44,807,500	53,611,000	8,803,500
Bonded Debt (Fees)	1,057,894	165,909	385,000	325,000	-60,000
Bonded Debt (Issuance Expenses)	1,305,279	1,357,835	1,740,000	1,761,000	21,000
Subtotal	$293,376,187	$305,376,618	$288,832,500	$284,782,000	$-4,050,500
Less: Prepayment					
Prepayment Deduction (PDAF)	$-7,000,000	$-8,500,000	$-8,500,000	$-9,700,000	$-1,200,000
Special Assessment	-418,876	0	-49,000	-24,000	25,000
Total Budget for City Debt	$285,957,311 **	$296,876,618 **	$280,283,500	$275,058,000	$-5,225,500
2. Source of Funds for City Debt					
Revenues	$43,590,628	$43,696,549	$32,018,000	$42,042,000	$10,024,000
TID Increments from Prior Year	28,543,283	42,617,342	28,209,000	30,957,000	2,748,000
Delinquent Tax Revenues	30,900,130	29,640,633	15,541,000	23,595,000	8,054,000
Offsets and Premium	126,000,000	124,363,201	138,300,000	110,000,000	-28,300,000
Property Tax Levy	61,160,365	65,280,205	66,215,500	68,464,000	2,248,500
Total Financing for City Debt	$290,194,406	$305,597,930	$280,283,500	$275,058,000	$-5,225,500
F. Common Council Contingent Fund					
1. Budget for Common Council Contingent Fund					
Common Council Contingent Fund	[5,000,000] *	[2,328,014] *	$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)	$1,153,299,357	$1,187,329,417	$1,176,714,251	$1,175,562,839	$-1,151,412
Non-Tax Levy	$899,628,063	$939,623,540	$903,229,279	$895,514,410	$-7,714,869
Tax Levy	$250,578,648	$261,089,018	$273,484,972	$280,048,429	$6,563,457
Subtotal Financing for (Estimated Revenues) Common Council Controlled Budgets					
(Except Water and Special Revenue Accounts)	$1,150,206,711	$1,200,712,558	$1,176,714,251	$1,175,562,839	$-1,151,412

	2016 Actual** Expenditures	2017 Actual** Expenditures	2018 Adopted Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted Budget
Special Revenue Accounts Sections G through M					
G. Transportation Fund					
1. Budget for Transportation Fund					
Operating and Maintenance Expense	$26,357,653	$25,747,442	$27,212,143	$30,835,892	$3,623,749
Transfer to General Fund	17,008,956	16,600,000	17,123,005	16,000,000	-1,123,005
Capital Improvement Program	716,633	1,132,411	3,424,500	3,385,000	-39,500
Total Budget for Transportation Fund	$44,083,242 **	$43,479,853 **	$47,759,648	$50,220,892	$2,461,244
2. Source of Funds for Transportation					
Parking Permits	$4,552,754	$4,131,028	$4,647,000	$4,391,600	$-255,400
Meters	5,179,881	4,984,644	5,378,500	4,765,400	-613,100
Rental and Lease of Facilities	7,424,053	7,352,182	6,539,000	6,797,000	258,000
Towing of Vehicles	3,938,247	3,886,825	4,000,000	3,700,000	-300,000
Vehicle Disposal	1,628,841	2,155,253	1,400,000	1,718,900	318,900
Miscellaneous and Other	1,037,336	-502,474	1,200,000	5,485,724	4,285,724
Subtotal Financing for Transportation	$23,761,112	$22,007,458	$23,164,500	$26,858,624	$3,694,124
Other Funding Sources					
Withdrawal from Reserves	$4,042,146	$0	$5,170,648	$4,977,268	$-193,380
Citation Revenue	15,563,351	15,042,911	16,000,000	15,000,000	-1,000,000
Capital Improvements to be Financed from Available:					
Cash Reserves	$0	$0	$0	$0	$0
New Borrowing	716,633	6,240,997	3,424,500	3,385,000	-39,500
Subtotal Other Funding Sources	$20,322,130	$21,283,908	$24,595,148	$23,362,268	$-1,232,880
Total Financing for Transportation	$44,083,242	$43,291,366	$47,759,648	$50,220,892	$2,461,244
H. Grants and Aids Projects (Except Capital Projects)					
1. Budget for Grants and Aids Projects					
Grantor Share (Non-City)	$45,351,112	$42,518,323	$42,847,051	$48,244,023	$5,396,972
Total for Grants and Aids Projects	$45,351,112 **	$42,518,323 **	$42,847,051	$48,244,023	$5,396,972
2. Source of Funds for Grants and Aids Projects					
Grantor Share (Non-City)	$45,351,112	$42,518,323	$42,847,051	$48,244,023	$5,396,972
Total Financing for Grants and Aids Projects					
(Except Capital Projects)	$45,351,112	$42,518,323	$42,847,051	$48,244,023	$5,396,972
I. Economic Development Fund					
1. Budget for Economic Development Fund					
Business Improvement Districts	$9,877,350	$10,172,352	$11,443,004	$11,286,498	$-156,506
Total Budget for Economic Development Fund	$9,877,350	$10,172,352	$11,443,004	$11,286,498	$-156,506
2. Source of Funds for Economic Development Fund					
Business Improvement District Assessments/Excess TID Revenue	$9,877,350	$10,172,352	$11,443,004	$11,286,498	$-156,506
Total Source of Funds for Economic Development Fund	$9,877,350	$10,172,352	$11,443,004	$11,286,498	$-156,506
J. Water Works					
1. Budget for Water Works, Department of Public Works					
Operating Budget	$90,642,548	$85,016,158	$101,279,000	$104,155,222	$2,876,222
Capital Improvements Program	21,495,740	20,989,710	32,780,000	31,385,000	-1,395,000
Retained Earnings, Borrowing, and Other Accounts	41,500,580	43,291,721	5,473,000	717,778	-4,755,222
Total Expenditures and Deposits	$153,638,868 **	$149,297,589 **	$139,532,000	$136,258,000	$-3,274,000

	2016 Actual** Expenditures	2017 Actual** Expenditures	2018 Adopted Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted Budget
2. Source of Funds for Water Works					
Operating Revenue	$92,398,069	$92,262,027	$96,452,000	$92,871,000	$-3,581,000
Non-Operating Revenue	9,143,697	28,841,537	10,300,000	7,602,000	-2,698,000
Proceeds from Borrowing	20,000,000	20,360,922	27,307,000	30,657,222	3,350,222
Retained Earnings/Miscellaneous	32,097,102	7,833,103	5,473,000	5,127,778	-345,222
Total Source of Funds for Water Works	$153,638,868	$149,297,589	$139,532,000	$136,258,000	$-3,274,000
K. Sewer Maintenance					
1. Budget for Sewer Maintenance					
Operating Budget	$40,353,342	$51,623,808	$70,204,016	$71,205,744	$1,001,728
Capital Budget	34,029,633	35,159,473	37,514,000	33,950,000	-3,564,000
Deposit to Retained Earnings	23,281,512	17,007,604	0	0	0
Total Budget for Sewer Maintenance	$97,664,487 **	$103,790,885 **	$107,718,016	$105,155,744	$-2,562,272
2. Source of Funds for Sewer Maintenance					
Sewer User Fee	$29,901,758	$30,865,122	$30,398,262	$31,956,653	$1,558,391
Storm Water Fee	31,303,387	32,621,896	33,127,000	34,120,814	993,814
Charges for Services	1,741,920	1,652,503	1,660,300	1,673,500	13,200
Miscellaneous Revenue	97,354	133,892	57,200	137,000	79,800
Retained Earnings	0	0	7,661,254	4,317,777	-3,343,477
Proceeds from Borrowing/Grants/Developer	34,620,068	38,517,472	34,814,000	32,950,000	-1,864,000
Total Source of Funds for Sewer Maintenance	$97,664,487	$103,790,885	$107,718,016	$105,155,744	$-2,562,272
M. Delinquent County Taxes					
1. Budget for Delinquent County Taxes					
Delinquent County Taxes and Tax Certificate Purchases	$7,739,540	$7,627,921	$7,740,000	$8,000,000	$260,000
2. Source of Funds for Delinquent County Taxes	$7,739,540	$7,627,921	$7,740,000	$8,000,000	$260,000
Purchase of Milwaukee County Delinquent Taxes	$7,739,540	$7,627,921	$7,740,000	$8,000,000	$260,000
Total Source of Funds for Delinquent County Taxes	$7,739,540	$7,627,921	$7,740,000	$8,000,000	$260,000
Subtotal Budget Authorization for Special Revenue Accounts	$358,354,599	$356,886,923	$357,039,719	$359,165,157	$2,125,438
Subtotal Estimated Revenues for Special Revenue Accounts	$358,354,599	$356,698,436	$357,039,719	$359,165,157	$2,125,438
Total All Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,511,653,956	$1,544,216,340	$1,533,753,970	$1,534,727,996	$974,026
Total Financing Revenues of Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	$1,508,561,310	$1,557,410,994	$1,533,753,970	$1,534,727,996	$974,026

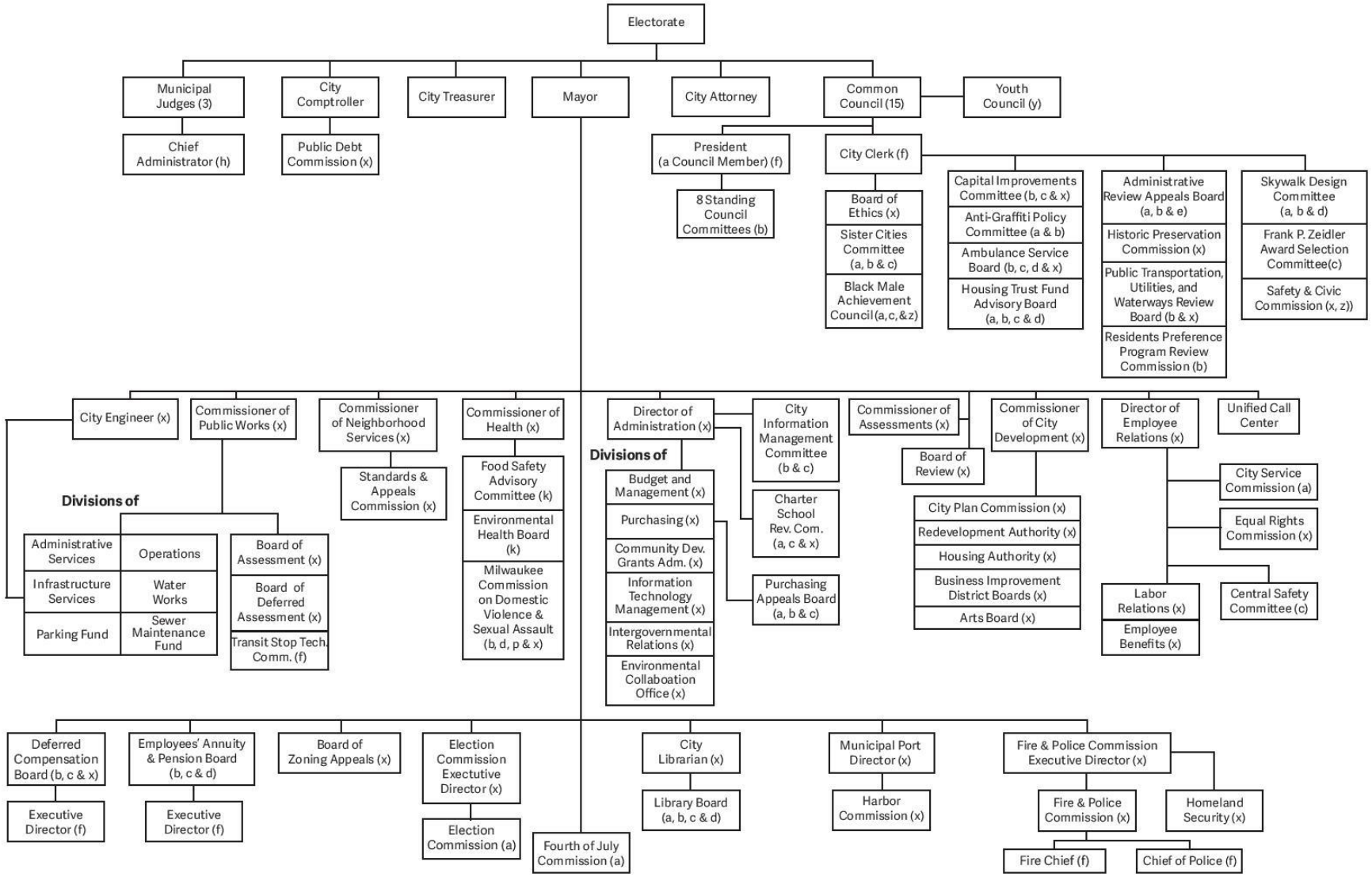
** Expenditures include funding carried over from prior year.

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

	2017	2018	2019
General Obligation Bonds or Short Term Notes			
New Borrowing			
General City Purposes	$91,350,000	$80,848,500	$83,369,000
Schools	2,000,000	2,000,000	2,000,000
Subtotal	**$93,350,000**	**$82,848,500**	**$85,369,000**
Special Assessment Borrowing			
New Borrowing	$1,517,000	$2,885,000	$3,000,000
Subtotal	**$1,517,000**	**$2,885,000**	**$3,000,000**
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	$44,000,000	$44,000,000	$44,000,000
Subtotal	**$44,000,000**	**$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	$21,938,000	$27,307,000	$30,657,222
Subtotal	**$21,938,000**	**$27,307,000**	**$30,657,222**
Sewer Maintenance Fund Borrowing			
New Borrowing	$33,500,000	$32,500,000	$29,300,000
Subtotal	**$33,500,000**	**$32,500,000**	**$29,300,000**
Total All Borrowing			
New Borrowing	$831,305,000	$826,540,500	$829,326,222
Total	**$831,305,000**	**$826,540,500**	**$829,326,222**

CITY OF MILWAUKEE ORGANIZATION CHART

Source: City Clerk's Office • September 2018



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	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
A. General City Purposes	$621,176,767	$622,329,416	$632,959,474	$633,399,383	$11,069,967	$439,909
B. Employees' Retirement	105,777,313	125,773,335	125,817,456	112,752,456	-13,020,879	-13,065,000
C. Capital Improvements	163,498,719	143,328,000	190,545,000	149,353,000	6,025,000	-41,192,000
D. City Debt	296,876,618	280,283,500	276,258,000	275,058,000	-5,225,500	-1,200,000
F. Contingent Fund	[2,328,014]	5,000,000	5,000,000	5,000,000	0	0
Total	$1,187,329,417	$1,176,714,251	$1,230,579,930	$1,175,562,839	$-1,151,412	$-55,017,091

*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.

Provide reliable and quick access to City data for internal and external use.

Help Milwaukee become a world class eco-City by taking practical action to address climate change and restore the natural environment.

STRATEGIES: Implement budget stabilization actions that achieve ongoing structural budget balance.

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

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.

Maintain and promote the City's Open Data Portal and collaborate with city departments to identify and provide commonly requested data sets.

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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	92.52	97.80	96.60	97.00	-0.80	0.40
FTEs - Other	26.28	36.75	35.25	35.85	-0.90	0.60
Total Positions Authorized	153	152	147	149	-3	2
Expenditures						
Salaries and Wages	$6,124,747	$5,946,909	$5,924,516	$5,960,116	$13,207	$35,600
Fringe Benefits	2,727,065	2,735,577	2,669,320	2,682,053	-53,524	12,733
Operating Expenditures	1,796,449	2,371,500	2,449,910	1,919,910	-451,590	-530,000
Equipment	24,964	30,300	20,300	30,300	0	10,000
Special Funds	2,058,167	2,646,750	1,975,453	2,025,453	-621,297	50,000
Total	$12,731,392	$13,731,036	$13,039,499	$12,617,832	$-1,113,204	$-421,667
Revenues						
Charges for Services	$72,686	$86,000	$82,000	$82,000	$-4,000	$0
Miscellaneous	308,843	351,500	291,000	291,000	-60,500	0
Total	$381,529	$437,500	$373,000	$373,000	$-64,500	$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 residents 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 residents.

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 transparency of City operations and performance.
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, developing policy and programs for

environmental sustainability, and supporting the development of information technology and use of technology in delivering city services.

Key Performance Measures	2017 Actual	2018 Projected	2019 Planned
Combined percentage increase from prior year of changes to the property tax levy and municipal service charges on the average valued residential property.	3.1%	3.1%	3.2%
Percent of tax levy allocated to debt service and employer pension contribution.	47.9%	52.7%	55.4%
Combined number of jobs created and persons trained and placed in jobs through CDBG funded projects.	418	525	475
Number of firms receiving SBE certification.*	83	90	90
RPP hours worked as a percentage of total project hours.**	46%	40%	40%
Procurement requests processed within 100 days.	N/A	N/A	80%
Average speed time for response at Unified Contact Center {minutes:seconds}.	:35	:55	1:10
Datasets available on the Open Data Portal.	57	66	76
Number of homes receiving energy efficiency upgrades via *Me2* and *Milwaukee Shines*.	45	30	80

* 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: The City faces challenges to structural balance as a result of changes in State Shared Revenue policy, limited revenue growth, the growing costs of employee fringe benefits and debt service.

DOA's annual budget 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 2019 budget includes a 3% increase to the four city municipal service charges. Combined with the property tax levy charge, this equates to an increased city government cost of approximately $49.58 or 3.2% 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 is increasingly difficult to sustain critical services within the 3% guideline, unless the city can gain an additional or increased revenue source. This requires the state government to take action to enable improvement to the city's fiscal capacity. 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. 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.

Intergovernmental Relations Division (IRD): Milwaukee continues to face a challenging political environment. IRD seeks bipartisan opportunities, builds collaborative partnerships with other jurisdictions and state departments, and works to maintain local control and flexibility. 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. The division aids the City in seeking additional, diverse sources of revenue, which are needed to maintain the services provided to Milwaukee's residents and businesses.

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. IRD's efforts focus on furthering job creation and workforce development, securing funds for public works infrastructure such as 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 addressing residential property issues such as foreclosures and problem landlords.

Milwaukee is the heart of Wisconsin's economy and is a net contributor to the state's tax base. As the largest contributor to the state's economy, investment in Milwaukee reaps dividends for the rest of the state. IRD will continue to advance the message that Milwaukee's health is 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 surplus, obsolete, and confiscated goods. The division manages the procurement process in a transparent, socially conscious and ethical manner and negotiates cost savings for approximately 600 requisitions received annually from city departments.

Core functions of the division include maximizing cost savings and achieving efficiencies. In 2019, the division will explore the possibility of leveraging existing technology to further digitize the evaluation process for formal bids. Since 2015, the division has used BonFire, a web based solution, to streamline the request for proposal (RFP) process. Purchasing is exploring the use of BonFire for bids. With the continued use of BonFire and other efficiency measures, the division projects an average completion of informal bids within 60 days, formal bids within 90 days, and RFPs within 200 days.

The Purchasing Division implements and supports best practices that foster inclusion in the city's procurement practices. In 2019, the division will build on its efforts as a participant in the nationally recognized Living Cities City Accelerator initiative. These efforts include implementing the Disparity Study RFP, the ongoing release of the City's Buying Plan through internal and external engagement efforts, and working to increase prime contract awards to local minority and women owned firms.

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 2017, OSBD processed a total of 115 applications and approved 83 certifications including 13 new applications and 70 renewal applications. A loan of $35,000 was issued to a small business that led to the creation of 3 jobs and retention of 25 jobs. In 2018 and 2019, a total of $311,131 is available for revolving loans to small business enterprise firms located in the city of Milwaukee. 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 resident 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 unemployed or underemployed

residents, with a goal of 40% of total work hours. In 2017, RPP workers completed 625,480 hours of work or 46% of the total work hours on private development projects.

In 2019, 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 goal is 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. Finally, OSBD will continue to explore creative ways to increase the availability and capacity of diverse businesses certified as SBEs and the number of SBE firms actively engaged in the city's contracting process. This goal continues the work initiated by the city's engagement in the Living Cities-City Accelerator initiative. Alongside city contracting departments and key community stakeholders, OSBD will continue to host events and review administrative and policy changes to address barriers impacting small business participation.

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 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 and continuing through 2018, five AmeriCorps workers were hired and assigned to five community agencies to assist with implementing specific goals from the MBK action plan. The focus of these workers is building capacity to address barriers to employment, housing, education, economic advancement, and overall wellness. These are the focus areas for the various Fatherhood Summits held since 2017. In 2017, the CEAC Director began diversity training for city employees focused on the development of inclusive beliefs and behaviors. Building connections to align racial equity and inclusion efforts with special focus on boys and men of color is a priority for the CEAC. Partnerships have been formed with several 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.

Equal Rights Commission: The Equal Rights Commission consists of nine members appointed by the Mayor and the Common Council and is staffed by the Equal Rights Specialist. The commission provides internal accountability, enforces the housing and employment discrimination provisions of the Milwaukee Code of Ordinances, and works 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 2017, the ERC revised Chapter 109 of the Milwaukee Code of Ordinances and will complete a strategic planning session to set goals and objectives to guide its work over the next few years. In 2019, 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 2019 budget includes $25,000 in a special fund for the Milwaukee Fatherhood Initiative.

Children's Savings Accounts: In 2015, research began for a Children's Savings Account (CSA) program in the city to change educational aspirations of low income children and improve the economic mobility of their families. In 2016, a CSA working group comprised of representatives from government, education, financial institutions, philanthropy, and community based organizations outlined a proposed model. In 2017 and 2018, work continues to form additional partnerships, raise funds and finalize the implementation plan.

The Milwaukee CSA program will be formally launched in the 2018-2019 school year. The program's goal is to offer every Milwaukee child a CSA upon entry to kindergarten. Each child enrolled will receive a $25 seed deposit and the opportunity to receive matches of comparable amounts. The incentive portion of the program will be phased in over three years. 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. 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, Edvest College Savings Plan, the Greater Milwaukee Foundation, United Way, and other community stakeholders. The 2019 budget provides $25,000 in the Children's Savings Accounts special purpose account for program operations. Additional funding will be provided by partnering organizations.

Environmental Collaboration Office: The Environmental Collaboration Office (ECO) strives to make Milwaukee a world class eco-city on America's Fresh Coast. 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
- 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 contributes to the city's 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 signature HOME GR/OWN project in 2017 and 2018 was the design and construction of Fondy Park next to the Fondy Farmers Market. This award-winning park helps the city manage over 70,000 gallons of stormwater per rain event, offers an ADA accessible stage for performances, beautiful plants and seating, and public Wi-Fi. In 2018 and 2019, HOME GR/OWN is concentrating its vacant lot beautification efforts on commercial corridors, particularly North Avenue from North 5th Street to Sherman Boulevard. By adding hanging baskets, landscaping, and stormwater improvements, ECO

seeks to demonstrate how improved green spaces can improve the natural environment and support vibrant business districts. Other key projects include Victory over Violence Park on MLK Drive and support for litter reduction efforts through Keep Greater Milwaukee Beautiful.

Taking action on climate change, ECO collaborates with facility managers from various City departments, which comprise the Energy Reduction Team. The Energy Reduction Team works towards the City's energy efficiency and renewable energy goals as outlined in *ReFresh Milwaukee*. This includes working to increase efficiency in municipal buildings by 20% from the year 2009 and getting 25% of the City's electric power from renewable energy sources by 2025. To help improve efficiency of City buildings, ECO is supporting a large energy efficiency project at four Milwaukee Public Libraries, including Central Library though an energy savings performance contract. ECO has also worked with Edison Energy to retro-commission and "tune-up" 50 city-owned buildings through the Focus on Energy program.

To accelerate the transition to renewable energy, ECO shifted strategies in 2018. Instead of operating a solar group buy for residential customers, the Milwaukee Shines program has been working on a large solar services agreement to install 1MW of solar (3,600 solar panels) on six city buildings. Milwaukee Shines and the Department of Neighborhood Services also worked together to dramatically reduce permitting fees for solar to make it more affordable for the private sector.

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. Over 100 buildings have joined the Challenge. 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".

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

- Water leadership
- Water technology
- Green infrastructure
- Applied water research and policy
- Fishable and swimmable rivers and water bodies
- Sustainable and Healthy water supply
- Arts, Talent, Culture, and Education

To advance these principles in 2018, ECO worked with the Department of Public Works, MMSD, and the Department of City Development, and interns from the UWM School of Freshwater Sciences and Marquette University Water Law and Policy initiative to complete a Green Infrastructure Plan Framework that will be presented to Council for approval. The Framework outlines recommended ordinance revisions to require green infrastructure on private development and working with Milwaukee Public Schools to add quality green space to their schoolyards. ECO also works with the UN Compact Cities program to promote Milwaukee's leadership on water issues around the globe.

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. While the program continues to make loans available for energy efficiency improvements, activity in the program has slowed considerably since there is no longer a marketing budget or homeowner grants as there were from the American Recovery and Reinvestment Act.

In 2018, ECO worked with ITMD, the Midwest Energy Research Consortium (MWERC), and private sector technology leaders to develop "Smart Tech" recommendations for the City. The report outlines potential

opportunities to use "internet of things" and other "smart city" technologies to improve city services. The report can provide support for future capital planning efforts and helps demonstrate that Milwaukee is preparing for 21st century infrastructure.

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 2017, the combined number of jobs created, persons trained, and placed in jobs through Community Development Block Grant (CDBG) funded projects was 418. Of those individuals, 78% obtained full time positions. A total of 92 low income city residents received specialized training in areas including manufacturing, construction, and food services. Of those residents, 42% obtained a job in their respective field, 97% were full time.

The City of Milwaukee Block Grant entitlement allocation for 2019 totals $22.5 million, a reduction of approximately $1.4 million from the actual 2018 funding award. CDBG funds account for the largest portion of those funds with $15 million, a reduction of approximately $835,000 from the actual 2018 funding award.

Improving the Effectiveness and Transparency 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. ITMD provides IT services, staffing, and the majority of purchasing for most cabinet level departments. The Municipal Court, Water Works, Police and Fire departments continue to purchase and maintain their own IT assets.

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. The Land Management System (LMS) was implemented in 2016 to both improve city systems and to provide residents with enhanced services. Since the implementation of LMS, residents have used the system to pull more than 164,000 permits and paid more than $46 million in related fees. Many of these transactions were done during non-business hours, an option that was not previously available.

The City's new Open Data Portal launched in 2018. The Open Data Portal provides a centralized location for access to City data in a machine readable, searchable, and easy to use formats. The data portal features a user-friendly interface that allows for simplified navigation and search functions, as well as a modern design that is responsive to mobile devices. Overall, the Open Data Portal provides a more effective, usable and coherent user experience for citizens to easily access and leverage City data.

The 2019 budget includes several position changes. One Programmer Analyst position is eliminated. One IT Support Specialist position is eliminated. This position provided support to the legacy mainframe computer system but the mainframe has been decommissioned, eliminating the need for the position. One Programmer Analyst position is eliminated but is replaced by a new Program Manager position, which will manage the department's Open Data efforts. One Administrative Assistant II position is eliminated but is replaced by an additional Customer Service Representative III position, which will improve call response in the Unified Call Center.

The 2019 capital budget provides $1.7 million for ITMD projects. New projects planned for 2019 include modernization of GIS Street data, replacement of the CityWatch application, replacement of the Voice Recording system, and a needs study to develop a request for proposal for an electronic medical records system. The 2019 budget includes funding for the continuation of the IT upgrades and replacements, FMIS and HRMS enterprise system upgrades and public facilities communications programs and completion of the ADA web and public application compliance 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 residents 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.

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 2019 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 residents and will continue efforts to ensure compliance with the Americans with Disabilities Act (ADA). The 2019 budget includes $150,000 in an ADA compliance special fund. Funding supports an independent licensed architect (ILA) and training for employees that interact with individuals with disabilities. The department's ADA Coordinator plans and manages compliance projects, completes Department of Justice mandated reporting, and coordinates employee training.

Since this effort began in 2016, significant progress has been made with inspections by the ILA and training for city employees. Almost half of the violations identified by U.S. Department of Justice (DOJ) have been remediated and nearly 3,800 employees have been trained in eleven city departments including the Police, Fire, and Health departments and the Milwaukee Public Library. The ILA has surveyed all city facilities not previously reviewed by the DOJ and provided facilities survey reports. The ILA reviews all remediation work for ADA-compliance and generates Certificate of Compliances for corrected items.

As the demand for direct access to services and information increases, it is important to ensure that the city's websites are in compliance with ADA regulations. ITMD worked with a consultant to test the city's web pages and identify barriers for residents with disabilities. The 2019 budget provides $250,000 in capital funding to ensure that the City maintains its website and public facing applications in accordance with the ADA. The project will update the website to ensure that online services and applications are accessible and comply with ADA requirements.

Other Budget Changes: An unfunded Fiscal Planning Specialist position in the Budget and Management Division is eliminated. Funding for the Graduate Intern positions in ECO is eliminated. The Enterprise Resource Management Special Fund is increased by $45,200 to ensure continuing support of the financial and human resources enterprise systems.

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		Administrative Specialist	Reflect actual staffing
	1.00		Program Assistant III	
	0.40	-0.40	Comm. Engage & Achieve Collab. Mgr.	Reduction in grant funding
-1			Fiscal Planning Specialist-Senior	Eliminate unfunded position
	-0.20		Graduate Intern (0.2 FTE)	Eliminate funding
-1	-1.00		Systems Analyst/Project Leader	Change in staffing to support operational needs
1	1.00		Systems Analyst - Sr.	
-1	-1.00		Programmer Analyst	Position eliminated
-1	-1.00		Programmer Analyst	Change in staffing to support Open Data efforts
1	1.00		Program Manager	
-1	-0.50		IT Support Specialist	Position no longer needed with decommissioning of mainframe
	0.50	-0.50	IT Support Specialist	Reduction in grant funding
-1	-1.00		Administrative Assistant II	Change in staffing to support Call Center operations
1	1.00		UCC Customer Service Rep. III	
-3	**-0.80**	**-0.90**	**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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	48.05	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	59	59	59	0	0
Expenditures						
Salaries and Wages	$2,899,520	$2,905,034	$2,772,235	$2,772,235	$-132,799	$0
Fringe Benefits	1,304,835	1,336,315	1,247,506	1,247,506	-88,809	0
Operating Expenditures	246,485	398,278	429,855	429,855	31,577	0
Equipment	0	0	0	0	0	0
Special Funds	82,885	70,000	70,000	70,000	0	0
Total	$4,533,725	$4,709,627	$4,519,596	$4,519,596	$-190,031	$0
Revenues						
Charges for Services	$622,486	$1,060,300	$863,000	$863,000	$-197,300	$0
Total	$622,486	$1,060,300	$863,000	$863,000	$-197,300	$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.

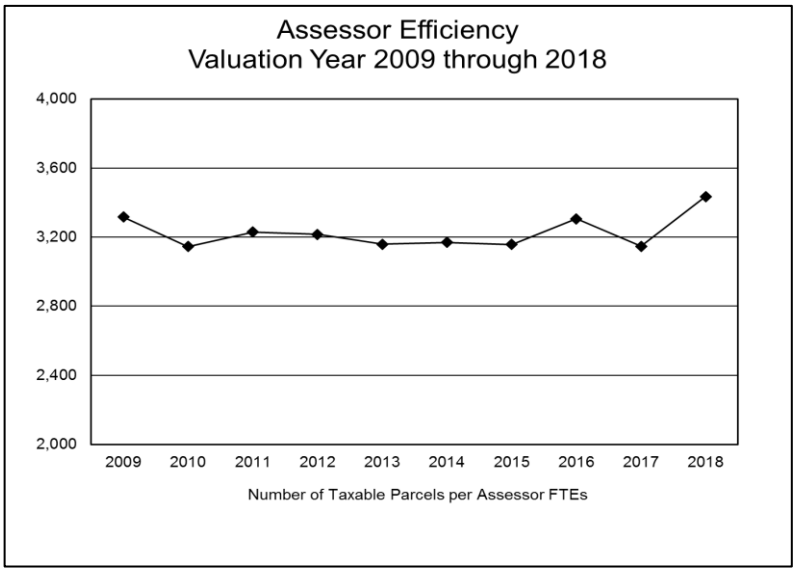
Technology has dramatically increased the availability of property information. The internet helps potential buyers and sellers of properties and has significantly reduced the number of telephone inquiries received by the department. Recent technology upgrades have improved the primary departmental computer system and other technologies used within the office. These modernization efforts will advance through 2018 and beyond as the Assessor's Office continues to upgrade technology based solutions. In addition to providing better information to the public, the technologies will offer increased access to assessment information by other city departments and create operational efficiencies. Additional improvements implemented in the future will help streamline office workflows and provide more detailed information to city employees and the public. The first of these projects will be the creation of geo-referenced digital sketches – this project is planned for completion in 2020.

Key Performance Measures	2017 Actual	2018 Projected	2019 Planned
Contacts with Property Owners during Open book	2.84%	2.80%	2.80%
Objection Forms provided to Property Owners during Open Book	1.08%	1.07%	1.07%
Formal Objections as a percentage of taxable parcels.	1.08%	1.07%	1.07%
Appeals to the Board of Review as a percentage of taxable parcels.	.10%	.10%	.10%
Assessment ratio (assessed value/sale price) for properties sold during the year.	100%	98%	98%

STRATEGY IMPLEMENTATION

The Assessor's Office performance in producing fair, accurate, and equitable assessments is measured through several statistics. One key statistic is the assessment ratio, which compares the assessed value of sold homes with their sale prices. The Assessor's Office exceeded its goal of residential assessments being within 10% of sales prices in 2017. The assessment ratio of 1.002% in 2017 reflects continued assessment accuracy in a complicated housing market.

Figure 1



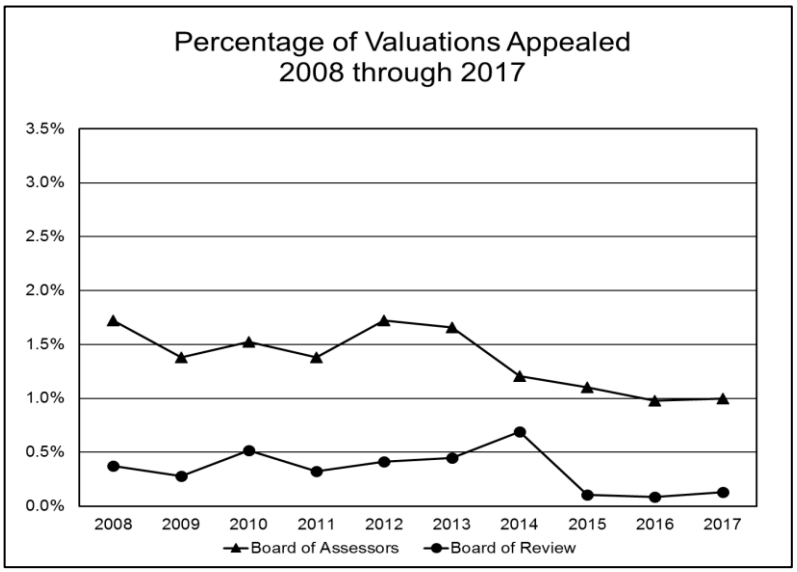
Staffing. The department has used innovative technology and other efficiency improvements to maintain productivity and manage an average parcel count per Full Time Equivalent (FTE) of 3,200 between 2009 and 2018 (see Figure 1). FTEs have decreased from 50 to 45 in that time period. The Assessor's Office continues to meet customer service demands without a demonstrable decrease in accuracy or increase in contested assessments.

Oversight by DOR: The quality of assessments is continually monitored by the Wisconsin Department of Revenue. Initial statistics are provided by the DOR in the spring of each year and final ratio reports are sent to the City in December. Annual revaluations ensure the Milwaukee assessments are in compliance with state standards.

Appeals: The Board of Assessors and the Board of Review hear assessment appeals, allowing property owners to voice concerns or contest their assessments. 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 2).

Litigation: The Assessor's Office currently engages in litigation with a small percentage of property owners over valuation disputes under s. 74.37, Wis. Stats. Property owners are provided with outlets to appeal property assessments through both a 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.

Figure 2



Exempt Properties: For 2018, the city has 9,908 tax exempt properties with an estimated exempted value of more than $5.1 billion. To protect the city's tax base, the department critically reviews 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.

PILOTS: The Assessor's Office has 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 developments. The Assessment Commissioner is working with the Mayor and Common Council to develop a plan and a strategy to increase the number of PILOTs entered into by these organizations.

RESIZE, RESTRUCTURE, AND REINVEST

As a result of retirements, the Assessor's Office continues to experience high turnover of property appraisers. 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. As more property appraisers become eligible for retirement, the career ladder is an important recruitment and retention tool.

In 2013, the Wisconsin Department of Revenue changed its data management requirements and the requirements for property inspections. All data held by assessors is required to be stored electronically. The Milwaukee Assessor's Offices has created a multiyear plan for implementing the required changes. New technologies and processes are being implemented for the creation and management of digital sketches, geo-referencing of these sketches, new street

level imagery, GIS integration, and regular inspections and valuation updates. Best practices from the international Association of Assessing Officers are being referenced while the department develops these new standards. Additionally, the Assessor's Office continues to review and reclassify positions in order to maximize resources and accommodate these mandates.

In 2018, the Assessor's Office will complete a four year project to upgrade to a Computer Assisted Mass Appraisal (CAMA) system. The CAMA system will accommodate tablet and mobile technologies for assessment work in the field and will reduce data entry time and errors by appraisers. The new CAMA system will be used for the 2019 annual revaluation. As part of the new software the valuation models will be reviewed by the software provider and the International Association of Assessing Officers.

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	0.00	Senior Property Appraiser	Position Reclassified
1	1.00	0.00	Property Assessment Technician	
0	**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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	55.54	60.00	63.00	60.00	0.00	-3.00
FTEs - Other	0.98	2.00	2.00	2.00	0.00	0.00
Total Positions Authorized	65	65	65	65	0	0
Expenditures						
Salaries and Wages	$4,833,439	$4,661,886	$4,625,512	$4,625,512	$-36,374	$0
Fringe Benefits	2,111,655	2,144,425	$2,081,480	2,081,480	-62,945	0
Operating Expenditures	426,408	437,031	355,581	342,500	-94,531	-13,081
Equipment	31,624	122,000	42,000	36,000	-86,000	-6,000
Special Funds	0	0	0	0	0	0
Total	$7,403,126	$7,365,342	$7,104,573	$7,085,492	$-279,850	$-19,081
Revenues						
Charges for Services	$1,085,485	$929,700	$904,000	$904,000	$-25,700	$0
Total	$1,085,485	$929,700	$904,000	$904,000	$-25,700	$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, assisting with economic development and affordable housing efforts, 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	2017 Actual		2018 Projected	2019 Planned
Number of assessment appeals successfully defended.	Opened (during 2017)	27	18	22
	Dismissed (during 2017)	12	9	10
	Pending (as of 12/31/2017)	38	43	40

STRATEGY IMPLEMENTATION

The City Attorney's Office is divided into four sections that include the Neighborhood Revitalization and Ordinance Enforcement Section, the Real Estate / Education / Housing Section, the Employment / Labor / Benefits / Contracting Section and the Litigation Section. Each section has six to ten attorneys and is managed by a Deputy City Attorney.

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 chronic neighborhood and housing-related problems. This includes investigating exploitative 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 2017-2018, the Neighborhood Revitalization and Ordinance Enforcement Section litigated several large scale receivership actions and/or bankruptcy adversarial proceedings against exploitative landlords and chronic debtors. In 2017, the Ordinance Enforcement Division appeared in over 10,000 municipal court cases, including 10,101 pre-trial conferences and 1,513 trials in municipal court. Year to date through August 2018, the Ordinance Enforcement

Division conducted 8,296 pre-trial conferences and 1,155 trials in municipal court. The section also appeared in circuit court in 75 property returns in 2017 and 61 property returns as of August, 2018. In addition, the section appears in circuit court for dozens of appeals of municipal court convictions annually. In conjunction with the Municipal Court and the Milwaukee Area Technical College, the Neighborhood Revitalization and Ordinance Enforcement Section spearheads numerous problem-oriented programs and initiatives to address recidivism and promote public safety. These initiatives provide remedial consequences to common problems such as alcohol and drug abuse and traffic safety. Looking forward to 2019, our community prosecution efforts will focus on problems associated with prostitution, street disorder associated with homelessness, chronic building code violations and retaliatory evictions, drug houses, abusive business practices and real estate fraud.

The Real Estate/Education/Housing Section provides legal services to Milwaukee Public Schools, the Housing Authority, the Redevelopment Authority and various City departments. In addition to managing the City's risk and liabilities through document drafting, this section works with City departments and elected officials to facilitate economic development and sales of City owned property for development and housing, implement tax incremental and other financing necessary to assist in development, implement workforce development programs, address zoning and other land use issues, advise departments and City officials on the public records and open meetings laws and advise the City's Ethics Board. Services provided by this section in 2017 and 2018 included:

- Provided approximately 20 different public records and open meeting training sessions to various City departments and agencies including the Health Department, MPD and the Fire and Police Commission.
- Provided legal assistance in the creation of TIDs 90, 91, 92, 93 and 94; and the amendment of TIDs 50, 79 and 82.
- Assisted on development projects including the Good Hope library, the Griot/Garfield School redevelopment, development in Westlawn for HACM, completion of construction of the Fiserv Forum, the Sherman Phoenix project, redevelopment of the Grand Theater for the Milwaukee Symphony Orchestra, development of The Beacon in Bayview, the Washington Park Townhomes project, sale of a Century City building to Good City Brewing and redevelopment of the Blommer Ice Cream Factory.
- Worked with the City's Intergovernmental Relations Division to change state law to allow for online sheriff sales of foreclosed properties and to clean up bidder eligibility requirements for such sales.

The Employment/Labor/Benefits/Contracting Section provides general legal services to City departments including drafting of contracts; navigating the City's purchasing requirements and providing 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. Services provided by this section in 2017 and 2018 included:

- Successful arbitration of the Milwaukee Police Association's grievance regarding furloughs, saving the City $1.2 million in potential back pay.
- Negotiation and drafting of agreements for sale of water to City of Waukesha.
- Working with DPW on various streetcar related contracts.
- Preparation of legal opinions and ordinances relating to replacement of lead service lines at child care facilities.

The Litigation Section handles litigation, property assessment challenges, licensing matters and bankruptcy cases in which the City is a debtor. This Section 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 late 2017, the City negotiated a complete dismissal in regard to the assessments of a medical office building owned by a publically traded real estate investment trust. The City's financial exposure in that case exceeded $920,000. In 2018, the Wisconsin Supreme Court affirmed the reasonableness of the City's assessments in relation to certain apartment complexes located in the City, saving the City approximately $2 million in tax refund. This spring, the City Attorney successfully defended the City's property assessment of a hotel following a trial in the circuit court, saving the City

approximately $1 million. The City Attorney also tried another hotel assessment case this summer (decision pending) and will try two more hotel assessment cases by the end of 2018. The financial exposure in those three cases is approximately $500,000. By the end of 2018, the City Attorney will also defend the City's property assessment of the largest office tower in the State of Wisconsin. The financial exposure in that case is approximately $5.3 million.

The Litigation Section of the City Attorney's Office has also defended a number of significant police-related lawsuits in the past year. The class action lawsuit brought by the ACLU was resolved through a settlement involving agreed-upon changes in certain police policies, training and supervision along with the payment of certain attorneys' fees and the retention of a consultant who will be providing reports for five years of progress in implementation of the settlement terms. The office's attorneys successfully defended a high-profile arrest and use-of-force lawsuit and continues to defend the City and its officers in an appeal of the jury's verdict. The office was able to reach settlement agreements in nine of the strip search and body cavity search cases that were brought separately from a 2016 group settlement. The office successfully defended a claim based upon an unlawful arrest and unlawful interrogation first in federal and then in the last year in state court. In addition, the office has successfully defended civil actions relating to sewer operations, motor vehicle operations, and prosecution of nuisance actions in state court.

RESIZE, RESTRUCTURE, AND REINVEST

Staff Restructuring: In 2015, a new merit pay plan for Assistant City Attorneys was implemented and will continue in 2019. 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 2018, the position of Special Assistant to the City Attorney was eliminated and replaced with two newly created positions, Personnel Officer and Business Finance Officer. This was done to better manage the volume of work assigned to the Special Assistant in the areas of human resources management and budget finance management. By eliminating the Special Assistant position and dividing the responsibilities assigned to that position into more clearly defined administrative roles, the department has been able to devote the appropriate attention to each.

In 2018, 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 legal organizations. The department hired a summer clerk for ten weeks during 2018. The clerk worked on prosecution matters in the department's Ordinance Enforcement Division. The department first participated in the Diversity Clerkship Program in 2017 and the intern from that year came back to the department for the summer of 2018 paid by funds provided by his law school to work on real estate matters and a project for Channel 25 to inform the public on the City's property purchasing process.

Technology: In 2019, the City Attorney's Office will be looking at replacement options for its current document management system. The ability to integrate with the current case and matter management system will be a crucial determining factor with respect to choosing a new system.

Special Purpose Accounts: The City Attorney's Office utilizes various special purpose accounts to manage the City's legal issues. These funds support payment of legal claims and settlements, insuring the City against loss, and expert witnesses. The 2019 budget provides $1,225,000 for the damages and claims fund for anticipated liability exposure. The outside counsel and expert witness special purpose account is funded at $850,000 and will be used to prepare for upcoming lawsuits. These are the same as the 2018 budgeted amounts. The insurance fund, which provides policy premiums for the local government insurance fund, is funded at $655,000. 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 Collection Contract Special Purpose Account (SPA) funds payments to outside contractors for collection efforts on behalf of the City Treasurer and the Municipal Court. In 2019, separate appropriations are established within the Collection Contract SPA for the Treasurer and the Municipal Court. The Treasurer appropriation will be $625,000 and the Court appropriation will be $500,000, for a total appropriation of $1,125,000, same as in the 2018 budget.

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
			No Changes	
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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	26.51	29.66	29.99	29.99	0.33	0.00
FTEs - Other	0.38	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	59	59	48	48	-11	0
Expenditures						
Salaries and Wages	$1,461,403	$1,561,070	$1,634,268	$1,587,100	$26,030	$-47,168
Fringe Benefits	654,398	718,092	735,421	714,195	-3,897	-21,226
Operating Expenditures	621,998	683,615	655,800	556,650	-126,965	-99,150
Equipment	8,000	0	0	0	0	0
Special Funds	18,780	37,920	20,975	657,310	619,390	636,335
Total	$2,764,579	$3,000,697	$3,046,464	$3,515,255	$514,558	$468,791
Revenues						
Charges for Services	$152,852	$104,600	$104,000	$104,000	-600	0
Licenses and Permits	86,486	88,100	89,000	89,000	900	0
Miscellaneous	1,412,397	1,289,200	2,060,000	2,260,000	970,800	200,000
Total	$1,651,735	$1,481,900	$2,253,000	$2,453,000	$971,100	$200,000

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

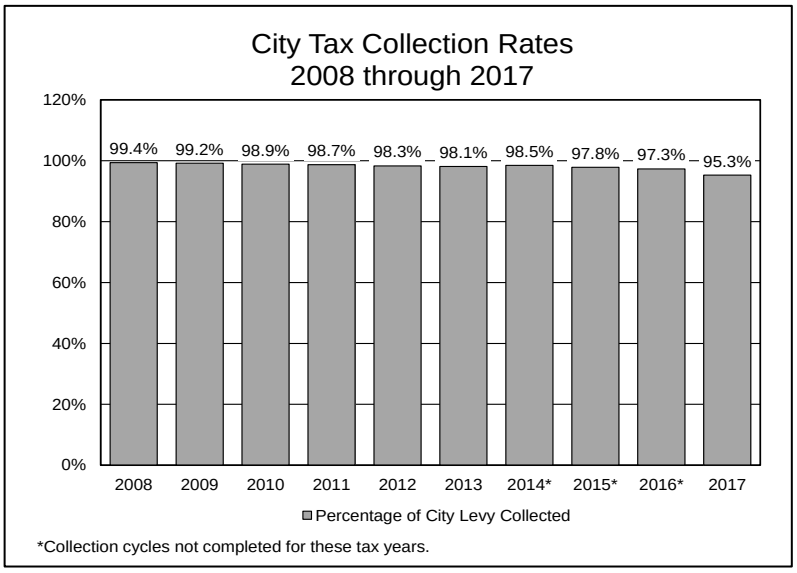
such as State Shared Revenue. In making investment decisions, the Treasurer's Office considers the safety, liquidity, and rate of return of various investment instruments. The Treasurer's Office also supports the city's efforts to deliver services at a competitive cost by controlling tax collection costs. The department's 2019 budget totals approximately $3.5 million, an increase of approximately $500,000 more than the 2018 budget. This increase can be attributed to the cost of the service contract for the tax collection system being moved from the Department of Administration's budget to the City Treasurer's budget.

Key Performance Measures	2017 Actual	2018 Projected	2019 Planned
Cost of property tax collection as a percentage of property taxes collected.	.2800%	.2927%	.2854%
General fund investment revenue realized on short term pooled cash investments.	$979,605	$602,000	$1,630,000
General fund investment revenue realized on long term pooled cash investments.	$606,651	$687,167	$712,163

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%. 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



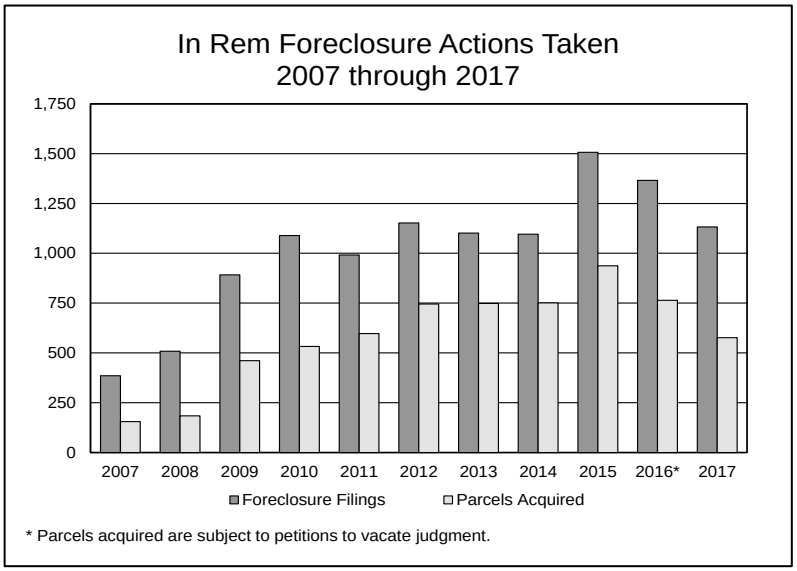
Despite these changes, the economic and housing market downturn continues to contribute to a substantial number of foreclosure filings and tax delinquent parcels acquired. In 2017, the city filed against 1,366 properties through *in rem* foreclosure and acquired 764 of those properties. Filings and acquisitions are expected to remain at an elevated level in 2018 and 2019.

RESIZE, RESTRUCTURE, AND REINVEST

***In Rem* Tax Foreclosure Filings:** The 2019 budget provides funding for three 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 2019 budget continues 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.

Figure 2



Reorganization: The City Treasurer Office reorganization that was initiated in 2017 was completed during the 2019 budget process. The reorganization resulted in several salary reclassifications and the elimination of eleven Temporary Customer Service Rep. Positions.

Tax Collection System Replacement: The department's mainframe legacy Tax Collection System is over 30 years old and was replaced with the Tyler Technologies' Munis Tax System at the end of 2017. The new system went live in November 2017.

While the upgrade did allow the City Treasurer's Office to achieve some efficiencies, it has not delivered on some of the most anticipated outcomes. The City Treasurer will continue its efforts to resolve all issues associated the upgrade.

Once all major issues are addressed with The Munis Tax System, the City Treasurer's Office will operate more efficiently and provide an even higher level of customer service. So far, the City Treasurer's Office has been able to

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

The full capabilities are of the City's new tax collection system have not been fully implemented

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
-11	0.33		Temp. Customer Service Rep. I	Reorg. (hours reduced)
-11	**0.33**	**0.00**	**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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	97.59	101.07	101.07	100.07	-1.00	-1.00
FTEs - Other	0.80	1.60	1.60	1.40	-0.20	-0.20
Total Positions Authorized	125	125	125	124	-1	-1
Expenditures						
Salaries and Wages	$5,785,762	$5,676,404	$5,794,370	$5,614,475	$-61,929	$-179,895
Fringe Benefits	2,591,041	2,611,146	2,607,467	2,526,514	-84,632	-80,953
Operating Expenditures	794,242	892,905	872,880	849,000	-43,905	-23,880
Equipment	46,802	22,400	14,000	8,000	-14,400	-6,000
Special Funds	25,686	37,035	112,035	102,035	65,000	-10,000
Total	$9,243,533	$9,239,890	$9,400,752	$9,100,024	$-139,866	$-300,728
Revenues						
Charges for Services	$4,856,500	$5,226,800	$4,830,000	$4,830,000	$-396,800	$0
Licenses and Permits	4,643,722	4,911,000	4,485,000	4,635,000	-276,000	150,000
Total	$9,500,222	$10,137,800	$9,315,000	$9,465,000	$-672,800	$150,000

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.

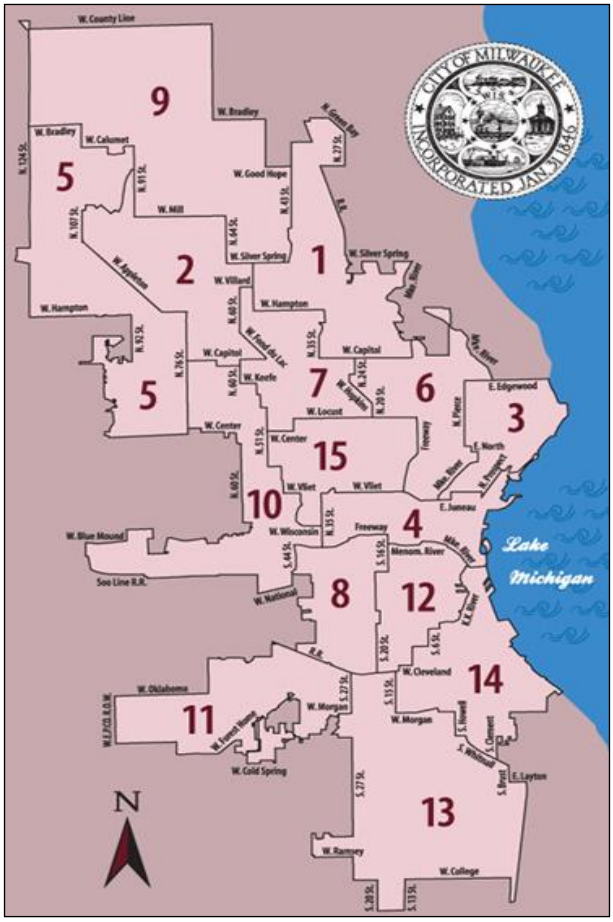
The City Clerk's Office performs city government and licensing functions with efficiency and fairness. In addition, the department maintains accurate and up-to-date records of city government actions and ordinances and keeps constituents informed of the actions of their council representatives. The City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

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.

Map 1 City of Milwaukee Aldermanic Districts



The License Division registers lobbyists and administers various licenses including liquor, bartender, home improvement, and other occupational licenses. The Municipal Research Center combines the city's mailroom and records center, which provide departments with records services, information management, mail services, with the research capabilities of the Legislative Reference Bureau Library, and the regulatory and informational services of the Historic Preservation Section. Workforce Development, is establishing a new approach to connecting Milwaukee job-seekers with the resources and opportunities they need to be successful.

RESIZE, RESTRUCTURE, AND REINVEST

The Common Council City Clerk's 2019 budget totals $9.1 million, a decrease of $140,000 from the 2018 budget. The decrease results from eliminating a Production Technician, adjustments to reflect current salary rates of employees, a decreased fringe benefit rate, $44,000 reduction in operating expenditures, a $14,000 reduction in equipment funding, and an increase of $65,000 in special funds.

Municipal Research Center: By the end of 2018, the relocation of the Legislative Reference Bureau Library and the staff of the Historic Preservation Commission to a shared space in the basement of the Zeidler Municipal Building will be complete. This move, necessitated by the repair of the City Hall foundation, has already resulted in significant review of and improvement to the processes of the City Records Center. Going forward, new opportunities will be sought to improve efficiency between these agencies and turn the MRC into a true "one stop shop" for those seeking information from the City.

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 Common Council City Clerk's YouTube channel.

The Red Tape Rescue program also provides quarterly electronic newsletters and social media updates. Resources are made available in multiple languages. The License Division continues to evaluate opportunities to achieve greater efficiency, effectiveness, and long-term sustained improvements that help businesses thrive in Milwaukee.

Workforce Development: The Council's workforce development staff provides expertise to Common Council Members on Workforce Development policy and systems. Goals include:

- Finalize a Workforce Development Office landing page.
- Update Common Council member's vision work plans and develope a user-friendly intranet function within the Workforce Developement Office's landing page.
- Enhance involvement of strategic and collaborative efforts with Milwaukee County's Coordinating Council hosted by Employ Milwaukee, Inc.

The Workforce Development Office takes tactical perspective by creating awareness about job training and placement opportunities in order to create innovative and collaborative strategies in closing the skills gap. Goals include:

- Enhance the design and brand of DirectConnectMKE (DCMKE) to include upgraded functions recommended by Phase One Inaugural Members, comprised of 30 employment and supportive service agencies.
- Promote DCMKE with e-notify subscribers and maintain a posting presence on e-notify.
- Maintain existing membership of Phase One DCMKE Members and Users, including Milwaukee Promise Zone partners.
- Expand DCMKE's reach and usage by 25% to include job seekers, career mentors and corporate champions.

Workforce Development is also partnering with The Office of Small Business Development to:

- Promote business procurement enhancements recommended by the City Accelerator Program to improve economic opportunity for businesses of color.
- Implement the Disparity Study.

Position Changes: The 2019 budget includes the elimination a Production Technicion position and two position title changes. Position title changes include the Workforce Development Specialist title changing to Workforce Outreach Specialist, and a Document Technicion title changing to Document Technician Supervisor.

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		Workforce Development Specialist	Position Change
1	1.00		Workforce Outreach Specialist	
1	1.00		Document Services Supervisor (Y)	Position Change
-1	-1.00		Document Technician	
		-0.20	Document Technician	FTE correction
-1	-1.00		Production Technician	Position eliminated
-1	**-1.00**	**-0.20**	**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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	48.02	52.30	50.30	50.02	-2.28	-0.28
FTEs - Other	6.64	5.70	5.70	5.98	0.28	0.28
Total Positions Authorized	65	64	64	64	0	0
Expenditures						
Salaries and Wages	$3,255,943	$3,236,669	$3,131,639	$3,115,087	$-121,582	$-16,552
Fringe Benefits	1,431,929	1,488,867	1,409,238	1,401,789	-87,078	-7,449
Operating Expenditures	135,658	223,000	224,090	224,090	1,090	0
Equipment	92,086	5,000	5,000	5,000	0	0
Special Funds	0	0	0	0	0	0
Total	$4,915,616	$4,953,536	$4,769,967	$4,745,966	$-207,570	$-24,001
Revenues						
Charges for Services	$600,528	$575,000	$580,000	$580,000	$5,000	$0
Total	$600,528	$575,000	$580,000	$580,000	$5,000	$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	2017 Actual	2018 Projected	2019 Planned
Percentage of actual revenues to revenue estimate.	98%	100%	100%
Internal audit work products.	7	14	12
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.

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
	-2.28	0.28	Various Positions	Increased grant funding
0	**-2.28**	**0.28**	**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 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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	56.76	51.86	53.00	52.85	0.99	-0.15
FTEs - Other	32.73	44.89	42.10	42.25	-2.64	0.15
Total Positions Authorized	121	127	125	125	-2	0
Expenditures						
Salaries and Wages	$3,224,467	$3,208,513	$3,289,923	$3,289,689	$81,176	$-234
Fringe Benefits	1,484,173	1,475,915	1,480,465	1,480,360	4,445	-105
Operating Expenditures	204,038	138,288	144,474	144,708	6,420	234
Equipment	0	0	0	0	0	0
Special Funds	165,828	400,000	200,000	60,000	-340,000	-140,000
Total	$5,078,506	$5,222,716	$5,114,862	$4,974,757	$-247,959	$-140,105
Revenues						
Taxes and PILOTS	$826,239	$700,000	$780,000	$780,000	$80,000	$0
Charges for Services	12,714	10,000	10,000	10,000	$0	0
Licenses and Permits	88,437	63,000	80,000	80,000	$17,000	0
Miscellaneous	300	27,000	22,000	22,000	$-5,000	0
Total	$927,690	$800,000	$892,000	$892,000	$92,000	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

2. Increase investment and economic vitality throughout Milwaukee.
   - Invest strategically in housing and business development through targeted programs.
   - Leverage private and other investment to match city commitments.
   - Utilize tax increment financing as a development tool throughout Milwaukee.
   - 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	2017 Actual	2018 Projected	2019 Planned
Net new construction (% of equalized value).	1.656%	1.66%	1.66%
Sales, transfers, and dispositions of tax foreclosed property.	429	400	400
Percentage increase in value of property for closing tax increment districts.	270%	566%	521%
Projected number of strong homes loans closed.	96	90	90

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. Milwaukee residents benefit from this growth as developers and business owners support the City. Development agreements for new projects often include residential employment requirements and Payments in Lieu of Taxes (PILOTs) agreements.

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 2019, 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.

The 2019 capital budget includes $6.3 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.

In 2018, Mayor Barrett announced the 10,000 Homes Initiative, which seeks to improve the housing circumstances of 10,000 low- and moderate-income Milwaukee households over the next decade. The Initiative will be implemented using three key strategies: Develop new and preserve existing affordable housing units in neighborhoods throughout Milwaukee, including units for rental and owner-occupancy; retain and promote homeownership; and maintain and improve the City's affordable housing stock.

As part of the efforts, DCD administers programs that focus primarily on revitalization and renewal, including the sale of city owned properties to responsible private owner occupants and investors. In 2017 DCD sold 429 improved properties and 175 vacant lots. Approximately 50% 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, 45 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. During 2017, 105 Strong Homes Loans were approved totaling $1.6 million.

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 2017, broker listed sales accounted for 30% of *in rem* property sales. This successful partnership will continue in 2019.

Art & Resource Buildings Program: The Art & Resource Buildings program is a pilot loan program that encourages the purchase of *in rem* properties for 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.

Milwaukee Employment and Renovation Initiative: In 2016, a $1 million grant from the Wisconsin Department of Financial Institutions facilitated creation of a special initiative to renovate 100 city owned foreclosed properties in the greater Sherman Park neighborhood. Six buyers selected for the program purchased houses for $1 each. Grant funds will reimburse a portion of the renovation expenses up to $10,000 per property. Renovations will be completed in 2019.

Vacant Lot Loan Program: This program offers residents the opportunity 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.

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 Corp. (WWBIC), and Kiva. 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 January 2018, 158 loans totaling $864,900 were made through the Kiva lender network to support small businesses throughout Wisconsin. Of those, 95 loans supported entrepreneurs in greater Milwaukee.

Commercial Revitalization and Business Investment: DCD's commercial corridor staff 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 2017, these programs made 109 grants totaling $1.36 million. The city's grant investment leveraged commercial development projects involving total investment of more than $4.7 million. Funds from the Zilber Family Foundation, US Bank and Old National Bank supplemented City commercial grant funds in selected neighborhoods. Commercial corridor staff also provide assistance and oversight to the city's 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 2017:

- Jobs created: 1,170
- New housing constructed: 1,265 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 2017, the city created four tax increment financing (TIF) districts. These new TIFs supported conversion of the vacant Blommer Ice Cream factory building into affordable housing, and the development of affordable housing in the Walker's Point neighborhood. TIFs also assisted improvements at the Park Place business park, on the city's far northwest side, and the redevelopment of the former BMO Harris bank building into the Sherman Phoenix business incubator. Other major developments in 2017 included the completion of the 32-story Northwestern Mutual Tower, and ongoing construction of the Lakefront Gateway project, the BMO Harris Financial Center, the conversion of the Button Block building to Hilton Homewood Suites, conversion of the Mackie Building to market-rate apartments, the Milwaukee Bucks Arena, Phase V of the North End apartment complex, the Northwestern Mutual apartment tower, conversion of the former Milwaukee Enterprise Center to affordable apartments and office space, conversion of the former 5th Street School to affordable senior apartments, conversion of the former St. Anthony's Hospital to supportive housing units, conversion of the former Garfield School to affordable apartments, conversion of the Century and Germania buildings to apartments, and new Riverwalk segments.

Earn & Learn Program: DCD works with Employ Milwaukee 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 2017, 3,411 youth were placed in city, private sector, and non-profit internships, including 144 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.

The mission of the Redevelopment Authority of the City of Milwaukee (RACM) is aligned with the department's efforts to eliminate blight and foster business and reinvestment throughout the city. In recent years, positions supported by RACM have been transferred to city employment. In 2018, all remaining RACM positions were transferred to city employment. The positions will continue to be funded by RACM through reimbursement. This change places RACM positions under the rules of the City Service Commission.

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 2019 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 ($6.5 million):** Provides authority to pay the increment on current developer financed TIDs. There are offsetting revenues for these payments.
- **Capitalized Interest ($4 million):** Provides authority to pay for interest costs associated with TID borrowing for the first two years of debt service payments.

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

Housing Infrastructure Preservation Fund ($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 ($1,770,000):** 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 2019, *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.

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	-1.00		Housing Services Specialist	Reclassification
1	1.00		Housing Program Specialist	
-1		-1.00	Accounting Assistant II	
1	1.00		Office Assistant III	
	-0.15		Finance and Administration Manager	
-1		-1.00	Building Maintenance Mechanic II	
-1		-1.00	Office Assistant IV	
	0.14		Various Positions	
		0.36	Various Positions	
-2	**0.99**	**-2.64**	**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 two scheduled elections in 2019.

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 or eliminate existing barriers to voting.

Eliminate physical and language barriers at voting sites through compliance with Section 203 of the Voting Rights Act and meeting voting site accessibility requirements.

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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	9.88	70.38	11.63	11.63	-58.75	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	820	2,262	1,543	1,517	-745	-26
Expenditures						
Salaries and Wages	$800,304	$2,044,066	$910,960	$860,960	$-1,183,106	$-50,000
Fringe Benefits	226,003	228,372	196,204	218,105	-10,267	21,901
Operating Expenditures	255,175	599,531	232,637	232,637	-366,894	0
Equipment	0	0	0	0	0	0
Total	$1,281,482	$2,871,969	$1,339,801	$1,311,702	$-1,560,267	$-28,099

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Conduct fair, accessible, accurate, and transparent elections.
   - Support the pre-election voter registration of all eligible City of Milwaukee voters by disseminating information on the voter registration process and promoting WisVote, the state's online voter registration system.
   - Maintain an accurate database of registered voters by promptly removing deceased or otherwise ineligible voters, while maintaining accurate records for eligible voters.
   - 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 reduce 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 275,000 registered voters and operates approximately 190 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	2017 Actual	2018 Projected	2019 Planned
Enter 100% of voter registrations in a prompt and timely manner.	100%	100%	100%
Number of disenfranchised and provisional ballot voters.	133	35	<25
Mail all absentee ballots within 48 hours of request receipt.	100%	100%	100%
Maintain an average wait time at voting sites of less than 15 minutes.	90%	80%	100%
Elections programming occurs with 100% accuracy.	100%	90%	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%	90%	90%

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 improving 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. The following elections are upcoming:

- Spring Primary and Spring Elections:
  - State: Justice of the State Supreme Court, Circuit Court,
  - Local: Municipal Judge branches 2 and 3, Milwaukee Public School Director, Districts 1, 2, 3, 8 and at-large

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

Milwaukee uses neighborhood based voting to encourage accessible elections for city residents. The commission uses data gathered from voters and community members regarding the location and appropriateness of voting sites and 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 affect elections in 2019. 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 significantly impacts 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.

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
-37	-1.17		Temporary Office Assistant II (0.39 FTE)	Decrease in number of scheduled elections.
-8	-1.46		Temporary Election Laborer (0.73 FTE)	
-700	-56.12		Various Positions	
-1	-1.00		Election Services Administrator	Position Change
1	1.00		Election Services Office Administrator	
-745	**-58.75**	**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.

Facilitate workforce planning programs to help departments meet their current and future staffing needs.

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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	42.65	41.65	41.25	42.71	1.06	1.46
FTEs - Other	5.56	11.11	16.67	16.67	5.56	0.00
Total Positions Authorized	68	68	78	79	11	1
Expenditures						
Salaries and Wages	$2,436,661	$2,431,127	$2,345,785	$2,431,469	$342	$85,684
Fringe Benefits	1,076,183	1,118,318	1,055,603	1,094,161	-24,157	38,558
Operating Expenditures	268,836	315,357	314,100	314,100	-1,257	0
Equipment	1,923	2,000	2,000	2,000	0	0
Special Funds	101,613	138,000	138,000	148,000	10,000	10,000
Total	$3,885,216	$4,004,802	$3,855,488	$3,989,730	$-15,072	$134,242
Revenues						
Charges for Services	$199,797	$190,000	$194,000	$194,000	$4,000	$0
Miscellaneous	625	40,000	16,000	16,000	-24,000	0
Total	$200,422	$230,000	$210,000	$210,000	$-20,000	$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	2017 Actual	2018 Projected	2019 Planned
Turnaround time between notification of position vacancy and establishment of eligible list.	112 days	113 days	110 days
Percentage of candidates referred who are minorities.	51%	50%	50%
Percentage of candidates referred who are women.	50%	50%	50%
Health care cost per contract for active employees.	$11,964	$13,000	$13,000
Worker's compensation expenditures.	$11,220,864	$11,580,000	$12,100,000

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 2017, DER processed 6,231 applications and facilitated 232 competitive selection processes including 83 open and competitive exams, 36 continuous exams, 48 transfer and promotional opportunities, and 14 exempt advisory processes.

DER works with City departments to address high rates of separations in the form of resignations and service retirements. While the number of general city resignations has increased steadily since 2011, from 56 to 145 in 2017, this rate might be slowing down. The number of resignations in 2017 a decreased 3% from 2016. Reducing resignations is important to stabilize turnover rates given the number of general city employees who are eligible for service retirement. By 2020 a total of 950 or 27% of the general city workforce will be able to retire.

Given these trends, DER works with departments to better anticipate and respond to vacancies. In 2017 DER established a workplace planning initiative to address the significant rate of separations and streamline processes associated with filling vacant positions. This initiative helps departments identify and better anticipate staffing needs, streamline placement processes, and develop targeted recruitment and retention efforts. The initiative relies on department specific workforce analysis data that allows departments to better anticipate staffing needs, challenges, and opportunities. In 2018 DER realigned internal resources to support this effort by designating one position in the Staffing Division as a Workforce Planning and Certification Coordinator. This position is responsible for strategic planning and monitoring relative to vacancies within general City employment by creating reports regarding vacancies, EEO statistics, anticipated retirements, attrition and other factors related to retention, succession planning and recruitment.

One strategy to address the City's workforce challenges in the area of recruitment and retention is to expand internship and apprenticeship programs and opportunities to include occupations that offer alternative paths to successful full time and benefits- eligible employment. Opportunities such as the City's Management Trainee, Code Enforcement Inspector Intern, Library Associate (Intern), Library Circulation Aide, Engineering Intern, Graduate Intern, Urban Forestry Arborist Apprentice, and the Electrical Apprentice programs have provided the City with well qualified and trained individuals eligible for promotional opportunities. These programs allow existing employees to share their expertise by mentoring new hires and play an integral role in training and developing the future workforce. These programs create great connection and collaboration between Milwaukee academic institutions, including high schools, and the many opportunities associated with City employment.

DER is also working on expanding opportunities for alternate path to entry level, full-time, benefit eligible employment in the trades, technicians, and administrative support fields. In partnership with the Common Council's

workforce development initiative, DER is creating the classification, compensation and staffing framework needed to recruit and hire individuals who may be new to the workforce into internship or trainee assignments in classifications such as Construction Laborer Interns, Drafting Technician Intern, and Administrative Support Intern. Placement into an internship or training position helps individuals develop or enhance work readiness skills that facilitate a path to full time employment with the City. Upon successful completion of the internship, individuals may be promoted into civil service positions for which they qualify.

Expanding internship and apprenticeship opportunities in other areas of the City will require a targeted approach led by departmental representatives and supported by DER's Staffing and Compensation Divisions as well as the Diversity Recruiter. An example is DPW's creation of a City Laborer internship opportunity, in cooperation with the Milwaukee Public Schools. Under the proposed program, the internship would be an underfill of the existing City Laborer classification, providing students with paid classroom, field training and work experience. Upon successful completion of the training program, the interns would be promoted to the City Laborer classification. By the end of the training program, students will have received a CDL permit with an air brake endorsement and have practiced for the City Laborer physical ability test. Pending Civil Service Commission and Common Council approval, it is anticipated that this particular internship opportunity will result in the hiring of up to 20 individuals ages 17-19 in January of 2019.

DER is working with other departments to identify internship and apprenticeship opportunities in the trades, administrative support and technical occupations where recruitment and retention difficulties have impacted service delivery capacity. These opportunities will enhance the City's diversity recruitment efforts and provide individuals with training in a range of critical skills. The support of the Diversity Recruiter position is critical to this initiative.

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, cross trained workforces and a decrease in turnover in these positions. Because of the city's limited financial resources, DER continues to work with the Budget and Management Division to ensure 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 2018 approval and funding for the implementation of pay progression for general city positions continued. Management, professional, and supervisory positions continue 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 three 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 recommending similar proposals for 2019.

Turnover in the Compensation and Staffing Divisions has created the opportunity to reorganize certain functions to improve and augment pay administration capacity and expand auditing activities while providing critical backup for internal finance and budget functions. A redefined Intern position will enhance the Division's capacity to provide training to payroll personnel on an on-going and consistent basis and to audit payroll and personnel transactions from the Fire and Police Departments in an attempt to reduce biweekly adjustments and corrections.

Anti-Harassment Policy Development and Training: In 2018 DER updated the Anti-Harassment Policy for general City employees. The new Policy was drafted to comply with the EEOC guidelines relative to harassment prevention and response. Training on conducting workplace investigations was conducted by representatives from DER and the City Attorney's Office. A total of 411 managers and supervisors were trained in 2017 by a consultant who served as a subject matter expert for the EEOC. Finally, through the acquisition of a learning management system, training on the new Policy and on roles and responsibilities in connection with the Policy was completed in 2017.

Management Trainee Program: In 2013, a management trainee program was created to attract new managerial talent to the city and to enhance succession planning initiatives. The program enables 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 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 helps employees be well at work, at home, and into retirement.

Health Care: Since 2012, the city has experienced positive trends with health care expenditures, demonstrated by flat premiums for active employees and no additional benefit design changes since 2015. This contrasts with national trends that have seen premiums increase by 23% 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 educating employees on making smarter health care utilization choices.

In 2017, the City in partnership with UHC launched an Onsite Nurse Liaison program to support employees and spouses including managing chronic health conditions, making better healthcare decisions, assisting with pharmacy and medical claim issues and navigating available health and pharmacy resources. The Nurse Liaison has regular office hours at City Hall and ten offsite locations. The Nurse Liaison is a key partner in developing the City's comprehensive health and wellness program including initiating a diabetes prevention support group and a diabetes management program, expanding offsite locations and offering regular education sessions to employees. The Onsite Nurse Liaison also helps educate and connect employees and spouses to health and wellness programs and initiatives.

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, weight management programs, diabetes prevention, educational sessions, group fitness classes and department specific initiatives. Ongoing input from the Wellness and Prevention Labor Management Committee has 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 spouses.

WFH also oversees and staffs the city's onsite Workplace Clinic and Injury Prevention Clinic. The City's onsite clinics had over 4,100 visits in 2017 and are projected to have similar attendance numbers in 2018. The clinics offer immediate and convenient access to free high quality health care for employees and spouses, support employees' relationship with their Primary Care Provider, assist with management of chronic conditions, mitigate more costly care down the road and coordinate with other City health and wellness services. In addition, the clinics help lower health care costs for both employees and the City. In 2018, DER launched a pilot program with Froedtert FastCare Clinics to expand the City's Workplace Clinic efforts. FastCare Clinics provide similar healthcare services as the Workplace Clinic, offer

evening and weekend hours and can see older age dependents (6 years and older). This expansion will help continue the success of the onsite clinics and enhance a valuable benefit for employees and their families.

Employee Safety and Worker's Compensation: 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. DER's project team worked with GB to try and resolve ongoing complex cases and issues. However, in spite of these efforts and repeated conversations with GB's leadership team, DER continued to have concerns with GB's ability to effectively and efficiently handle the complexity of the City's claims processing and management functions. This ultimately led to terminating the contract in 2018.

DER transitioned worker's compensation third party administrator services from Gallagher Bassett to CorVel Corporation effective March 31, 2018. Corvel has had a long standing relationship with the City of Milwaukee and has been a valuable partner providing bill review and PPO network services when the City self-administered worker's compensation benefits. CorVel has a proactive healthcare approach that puts the injured worker first and ensures that when an employee is hurt, proper medical care is the priority.

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 2019 include:

- Streamlining the onboarding process and replacing the employee orientation program.
- Contracting with a vendor to outsource FMLA administration functions.
- Fully implement the workforce planning initiative and work with departments to align their strategic and operational needs with viable and efficient staffing options.
- Develop and implement internship and apprenticeship initiatives in the trades, technicians, and administrative areas to expand opportunities for alternate path to entry level, full-time, benefit eligible employment in collaboration with the Common Council's workforce development initiatives.
- Redesign provisions of the tuition benefit program and allow the benefit to be used for student loan repayment assistance on a trial basis.
- Continue the implementation of an integrated approach to employee health and wellbeing.
- Develop a recruitment toolkit that focuses on the City's generous healthcare and paid time off benefits and its strong commitment to policies and practices that support work life balance.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Business Operations Analyst	Position Reclassified and Retitled
1	1.00		Business Operations Specialist	
-1	-1.00		Certification and Salary Systems Administrator	Position Retitled
1	1.00		Workforce Planning and Certification Coordinator	
-1	-1.00		Program Assistant II	Position Reclassified and Retitled
1	1.00		Human Resources Analyst Senior	
-1	-1.00		Program Assistant II	Position Reclassified and Retitled
1	1.00		Human Resources Assistant	
-1	-1.00		Program Assistant I	Position Reclassified and Retitled
1	1.00		Human Resources Assistant	
-1	-1.00		Human Resources Representative	Position Retitled
1	1.00		Salary Administrative Coordinator	
-1	-0.50		Graduate Intern	Eliminate Position
1	1.00		Human Resources Assistant	1 Position Added
-1	-1.00		Certification Services Specialist	Position Reclassified and Retitled
1	1.00		Human Resources Analyst	
-2	-2.00		Program Assistant II	Position Reclassified and Retitled
2	2.00		Human Resources Assistant	
1	1.00		Pay Services Specialist	Position Retitled
-1	-1.00		Human Resources Assistant	
-1	-1.00		Customer Service Representative II	Position Reclassified and Retitled
1	1.00		Program Assistant I	
	-0.20		Benefits and Wellness Coordinator	Position Reduced to .8
1	1.00		Management Trainee	1 Position Added
	-0.24		Various Positions	
10		5.56	Auxiliary Positions	
11	**1.06**	**5.56**	**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.

Facilitate resilient, secure, and interoperable emergency communications.

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 process 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 mission of the Office of Emergency Management and Communications.

BUDGET SUMMARY

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	21.37	19.40	19.40	19.90	0.50	0.50
FTEs - Other	0.02	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	25	29	29	30	1	1
Expenditures						
Salaries and Wages	$1,060,277	$1,342,020	$1,319,441	$1,339,441	$-2,579	$20,000
Fringe Benefits	459,294	617,329	593,748	602,748	-14,581	9,000
Operating Expenditures	433,023	717,570	724,310	724,310	6,740	0
Equipment	7,000	2,845	4,999	4,999	2,154	0
Special Funds	255,542	407,963	347,536	347,536	-60,427	0
Total	$2,215,136	$3,087,727	$2,990,034	$3,019,034	$-68,693	$29,000

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 nine part time citizen Commissioners and a full time professional staff led by an Executive Director. The Commissioners and the Executive Director are appointed by the Mayor and approved by the Common Council. The commission's authority and responsibility, including policy oversight, citizen complaints, disciplinary appeals, and recruitment and testing are specified in s. 62.50, Wis. Stats. and 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	2017 Actual	2018 Projected	2019 Planned
Average time to resolve formal complaints.	37 days	50 days	50 days
Average time to resolve disciplinary appeals.	233 days	160 days	160 days
Number of outreach events and community contacts.	260	200	200

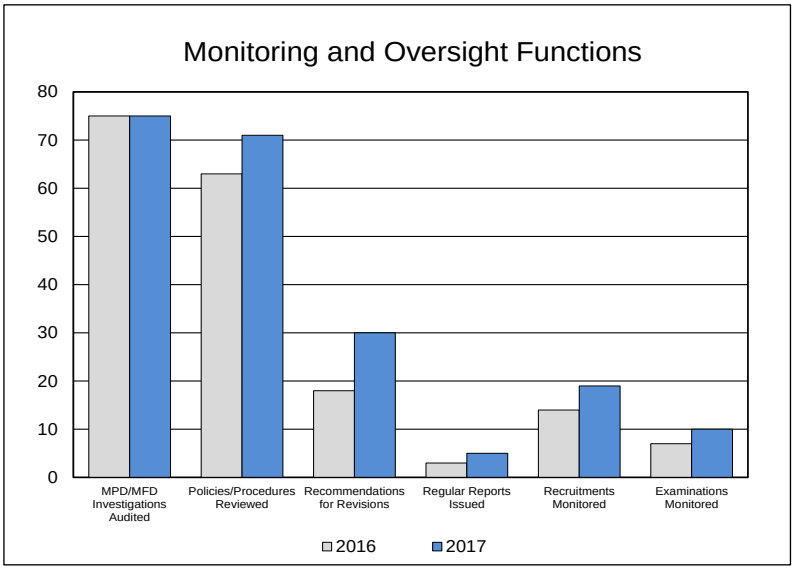
STRATEGY IMPLEMENTATION

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 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 recommend that chiefs consider discipline for misconduct of department employees. 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

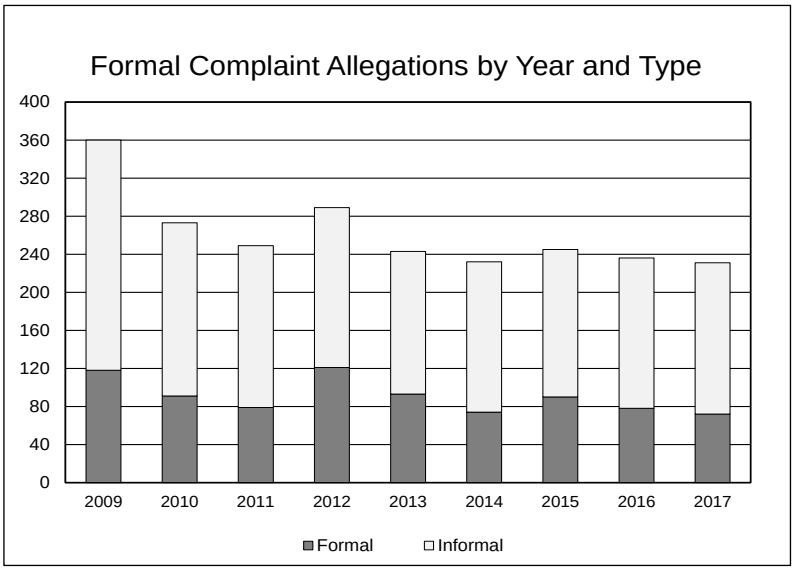


The citizen complaint process has five goals:

- 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.

The current complaint process has significantly shortened the time needed to resolve a complaint from an average of 270 days in 2008 to 37 days in 2017, 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.

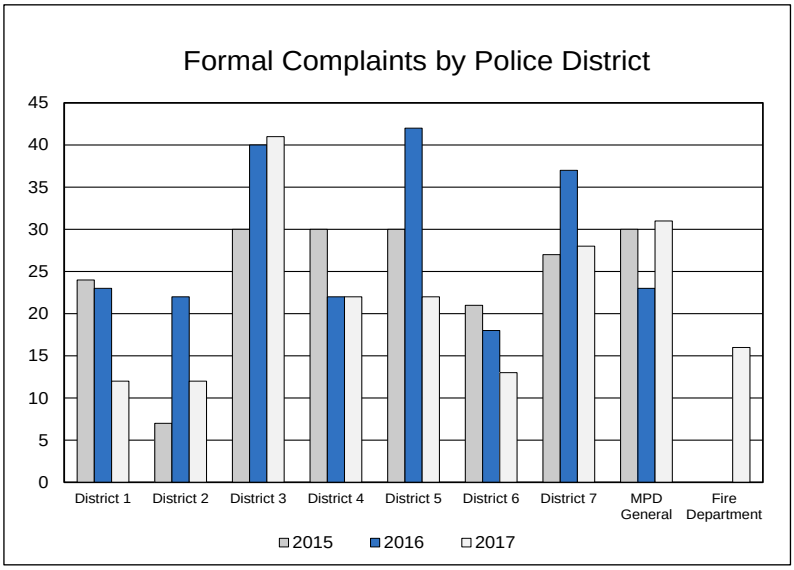
Figure 2



Cases may be resolved through alternatives to the traditional complaint process when appropriate. Alternatives include rapid resolution and mediation. 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.

Figure 3

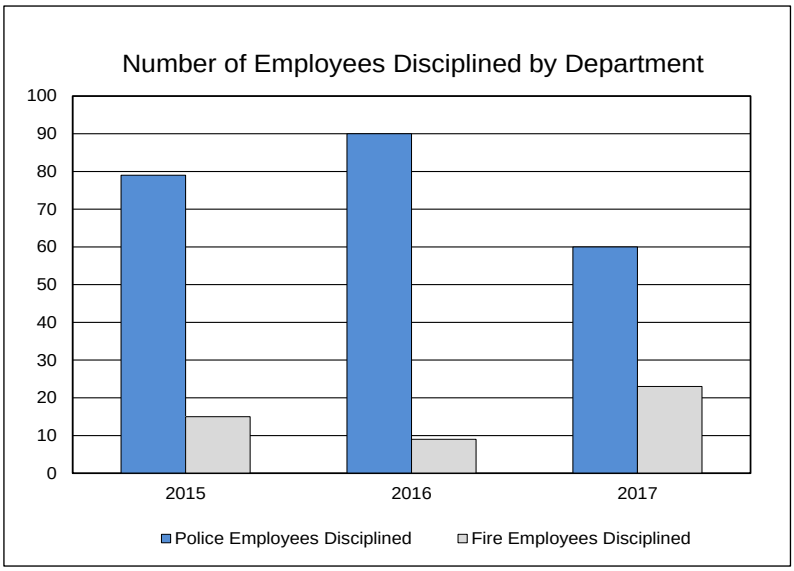


In March 2015, the commission's research committee studied the complaint process and made recommendations for improvements. As a result, complaint forms have been translated into Spanish and Hmong, a fillable form is now available on the FPC's website, and a notary signature will only be required if 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.

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

Figure 4



Community Relations: A critical strategy is expanding community outreach and education. 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 organizes and sponsors 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. The commission also works on matters related to the Department of Justice Collaborative Reform Report and is an active participant in the City's compliance with settlements of lawsuits regarding alleged police misconduct.

The commission has hosted 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 2019 include partnered events with the Sojourner Family Peace Center, the Housing Authority, My Brother's Keeper, Department of Administration, Office of Violence Prevention, Health Department, and private corporations such as Harley Davidson and the Milwaukee Bucks. In 2018, 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, the 2017 pilot program started in Lindsay Heights with a community study and survey with listening sessions at a local coffee shop has been reinstated for 2018 and will continue into 2019. The FPC's recruitment efforts, which expose thousands of citizens to prospective careers within the protective services, are also a community relations tool.

Diversity: The commission is committed to making the public safety workforce representative of the Milwaukee community. Hiring and recruitment practices are reviewed to ensure that they are fair and inclusive. The fire cadet and police aide programs diversify the candidate pools for future fire fighter and police officer classes. Preliminary potential candidate pools from the 2017 recruitment and testing process for police officer positions have been more diverse than those from 2015 recruitments. In 2019, the FPC will conduct a major recruitment for the position of police officer and will employ procedures and recruitment efforts to increase the diversity of the candidate pool.

Office of Emergency Management and Communications (OEMC): OEMC is a restructuring of the previous Office of Emergency Management and Homeland Security to better focus on the City's emergency communications infrastructure and policies which impact both the police and fire departments. This change aligns the city with other statewide organizational structures and provides a mechanism to coordinate first responders during an incident. OEMC coordinates emergency planning, disaster preparedness, and response training for the City of Milwaukee. This effort involves interdepartmental coordination, across all levels of government, public and private partnerships, as well as applying for and managing grants that provide assistance for disaster preparedness.

RESIZE, RESTRUCTURE, AND REINVEST

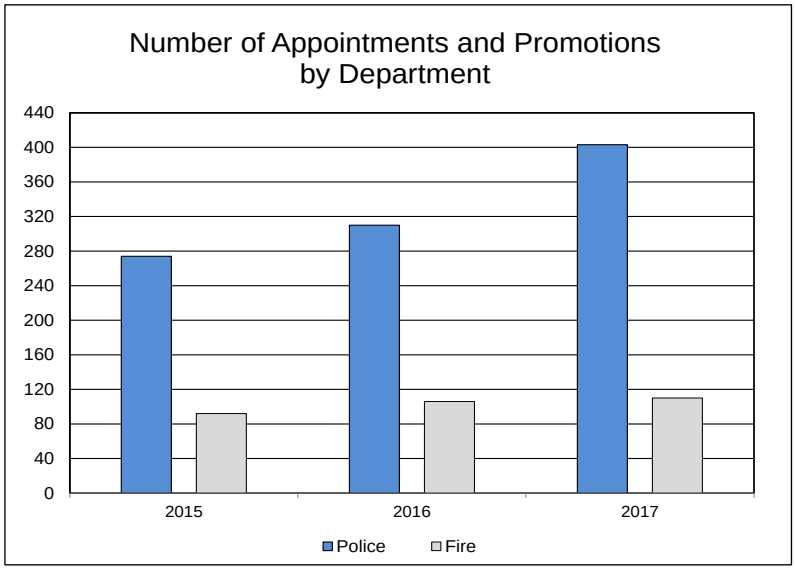
The 2019 proposed budget includes $724,000 for the following:

- Exam costs: $483,000
- Non-exam related professional services: $93,000
- Recruitment and outreach: $41,000
- IT costs: $30,000
- Routine operating expenses: $77,000

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 2019 proposed budget includes $483,000 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 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 exam administration. A total of $285,000 is included in a special fund for costs related to pre-employment drug testing, medical screening, and psychological evaluations.

The 2019 proposed budget includes $36,000 to continue a vendor service contract for background investigations of prospective Fire department employees. The background investigations for the Fire department 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.

Position Changes: The 2019 budget includes two new Program Assistant II positions. These positions will provide additional administrative support for recruitment, testing, and hiring and for the restructured Office of Emergency Management and Communications. The positions will also provide backup for other administrative functions.

Collaborative Reform: In 2018 a special fund was created to assist in the implementation of recommendations put forth in the US Department of Justice draft collaborative review report. The FPC will continue to lead collaborative efforts with community organizations, residents, and other key stakeholders to determine which recommendations are most beneficial and how they should be implemented.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
2	1.50		Program Assistant II	New positions.
-1	-1.00		Homeland Security Director	Position eliminated.
1	**0.50**	**0.00**		

FIRE DEPARTMENT

EXECUTIVE SUMMARY

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

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

Maintain a 95% recovery rate from penetrating trauma.

STRATEGIES: Conduct 25,000 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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	954.05	879.80	855.50	883.50	3.70	28.00
FTEs - Other	3.95	3.20	0.50	0.50	-2.70	0.00
Total Positions Authorized	943	898	888	871	-27	-17
Expenditures						
Salaries and Wages	$77,071,234	$69,636,734	$68,904,591	$69,834,122	$197,388	$929,531
Fringe Benefits	39,652,418	34,122,000	34,452,296	34,917,062	795,062	464,766
Operating Expenditures	5,455,582	6,345,291	6,435,258	6,216,258	-129,033	-219,000
Equipment	673,825	570,410	453,225	423,225	-147,185	-30,000
Special Funds	655,230	559,565	586,498	576,498	16,933	-10,000
Total	$123,508,289	$111,234,000	$110,831,868	$111,967,165	$733,165	$1,135,297
Revenues						
Charges for Services	$5,756,133	$6,545,000	$5,818,000	$5,968,000	$-577,000	$150,000
Total	$5,756,133	$6,545,000	$5,818,000	$5,968,000	$-577,000	$150,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

The Fire Department serves the residents of Milwaukee and West Milwaukee through 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.

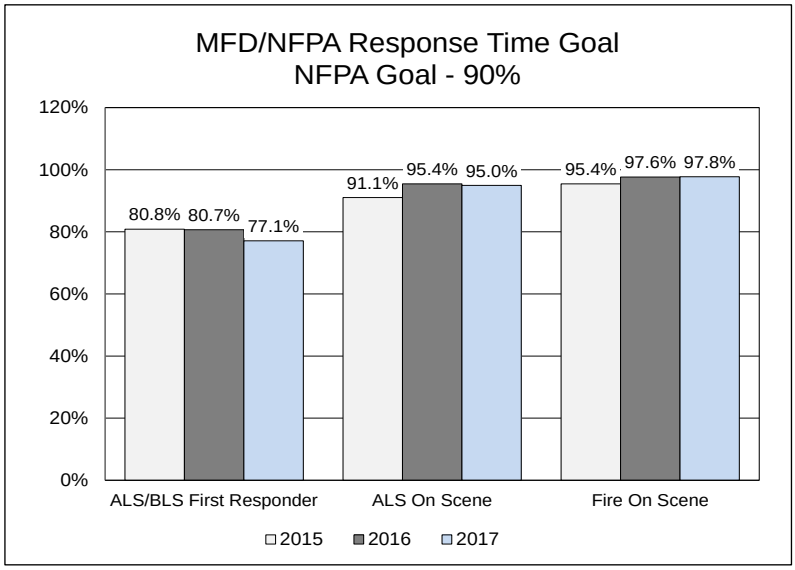
Key Performance Measures	2017 Actual	2018 Projected	2019 Planned
Limit fire related deaths to less than ten per year.	7	6	0
Maintain a 95% recovery rate from penetrating trauma. Gunshot victims: Stabbing victims:	 86.5% 98.5%	 95% 95%	 95% 95%
Make 25,000 community risk reduction visits to single family homes.	12,263	30,000	25,000

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.

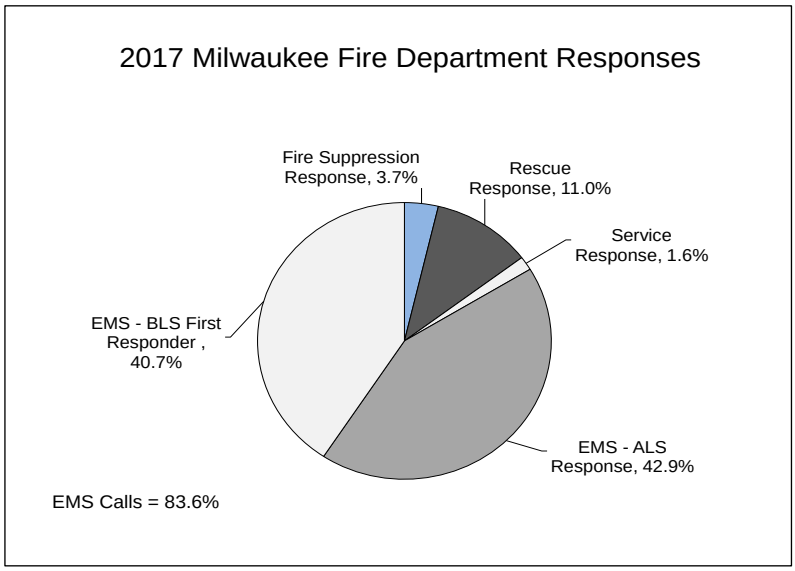
Response Time: The MFD uses response time and geographical coverage data to locate and operate fire suppression and medical services units. As Figure 1 indicates, the department has impressive rates for the most critical types of fire and EMS calls. These are the calls where quick response is most critical to saving lives. Average response time to fires in 2017 was 2 minutes 56 seconds and 2 minutes 55 seconds through June of 2018.

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 2017, incidents treated by responders for stabbing victims had a recovery rate of 98.5% and 86.5% 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 distributing 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 2017, the department distributed 1,973 smoke detectors throughout the city.

RESIZE, RESTRUCTURE, AND REINVEST

The 2019 proposed budget maintains funding for all heavy apparatus and meds units. Response times to fire and emergency medical service calls are expected to remain superior to national standards.

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%. Through June of 2018, the program has reduced 911 calls by 62% since it began. 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
- Reducing citizens' dependency on using 9-1-1 helps them to manage their health on their own.

The 2019 proposed budget includes funding for two additional positions to expand the program. In addition, the Fire Department has signed five memorandums of understandings with regional health care providers to identify additional high volume users of 9-1-1 to enroll them into the program. These memorandums are expected to generate $150,000 in additional revenue.

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 2017, the department went on 273 shared service fire calls and through June 2018 has gone on 180 shared service fire calls. In 2018 the shared service departments entered into an Intergovernmental Cooperation Agreement for sharing and operating of fire, rescue and emergency medical equipment and materials. The agreement allows firefighters to operate apparatus from other municipalities in emergency situations and will allow the participating departments to begin looking at how to be more efficient by taking advantage of existing fire and emergency medical resources in the community.

The Fire Department continues reinvesting through the fire cadet program. The 2019 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 department staff by reducing the likelihood of injuries on the job. Since the program began in 2009, injury claims have been reduced by 56% and lost time injuries reduced by 70%.

CAPITAL PROJECTS

The 2019 proposed capital budget supports the major equipment and facilities maintenance needs of the Fire Department. The capital budget includes $1,677,000 for major equipment replacement, $962,000 for facility upgrades, $500,000 for SCBA replacement, $100,000 for the extrication equipment replacement and $85,000 for auxiliary power supply.

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			Fire Captain	Position authority for two unfunded heavy apparatus are eliminated.
-4			Fire Lieutenant	
-18			Firefighter/Paramedic	
-6			Heavy Equipment Operator	
1	1.00		Fire Lieutenant	New positions for Mobile Integrated Health Care.
1	1.00		Firefighter/Paramedic	
	-2.00		Fire Dispatcher (0.50 FTE)	Technical correction.
1	1.00		Shop Assistant	New Position.
-8	-8.00		Fire Lieutenant	Adjustment to relief positions
16	16.00		Firefighter/Paramedic	
-8	-8.00		Heavy Equipment Operator	
-3	-3.00		Fire Lieutenant	Adjustment to staffing at Training Academy
3	3.00		Firefighter/Paramedic	
	2.70	-2.70	Various positions	Loss of grant funding.
-27	**3.70**	**-2.70**	**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 school immunization compliance at ≥ 90%

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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	$136.70	136.70	136.70	141.70	5.00	5.00
FTEs - Other	108.85	108.85	108.85	124.45	15.60	15.60
Total Positions Authorized	254	254	254	275	21	21
Expenditures						
Salaries and Wages	$7,453,028	$7,460,323	$7,585,323	$7,838,214	$377,891	$252,891
Fringe Benefits	$3,365,914	3,431,748	3,357,145	3,527,196	95,448	170,051
Operating Expenditures	2,100,872	2,065,500	2,065,500	2,010,500	-55,000	-55,000
Equipment	5,000	5,000	5,000	5,000	0	0
Special Funds	484,921	712,000	587,000	727,000	15,000	140,000
Total	$13,409,735	$13,674,571	$13,599,968	$14,107,910	$433,339	$507,942
Revenues						
Charges for Services	$1,267,258	$1,061,300	$1,193,000	$1,218,000	$156,700	$25,000
Licenses and Permits	178,033	175,400	174,000	189,000	13,600	15,000
Total	$1,445,291	$1,236,700	$1,367,000	$1,407,000	$170,300	$40,000

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.

The department's key performance measures will be reviewed and updated as part of a 5-year strategic planning process to be completed in 2019.

Key Performance Measures	2017 Actual	2018 Projected	2019 Planned
Number of immunizations administered for the city and Milwaukee Public Schools (MPS).	8,291	8,000	7,500
Number of clients seen at Sexual/Reproductive Health 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.]	10.4	9.4	9.4

[A] Note: Data is based on three year rolling averages.
[*] Lead data for 2017 is preliminary.

STRATEGY IMPLEMENTATION

Governance and Accountability: To support short and long-term goals and ensure that oversight is maintained, MHD supports the establishment of an oversight body commonly referred to as a Board of Health. The Board of Health will be comprised of community and clinical representatives. Board of Health members will complete initial health equity training in order to support the Board's mission to ensure equitable services and opportunities that reduce health disparities. The Board will rely on support from The Mayor's Office and The Common Council.

Public Health Workforce Development: Restoring the MHD workforce will require assessment and training, promotion of professional development opportunities and certification for clinical, administrative, and public health

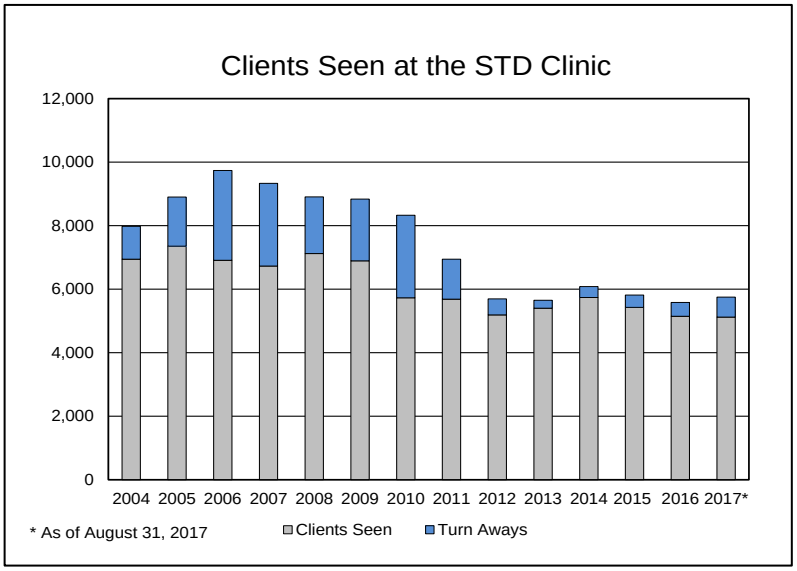
staff. MHD will recruit and hire diverse and qualified candidates, coach and mentor staff, establish a culture of continuous feedback and improvement including regular supervisory meetings, balance workloads, and cross train staff.

Restoring Confidence in Programs and Services: New leadership will embrace open data and regular reporting on program progress to the community, Council, and Mayor's Office. MHD will translate research to practice, restore and expand surveillance, access to resources, and collaborate with community partners to eliminate gaps in care. Reporting and metrics will become the new norm through the establishment of a MHD Data Dashboard. The dashboard will provide monthly updates on services rendered and serve as an accountability barometer.

These efforts will safeguard MHD from repeating past mistakes and enable the department to obtain Public Health Accreditation Board (PHAB) accreditation. Performance measures will increase MHD's ability to compete for funding opportunities due to increased availability of data demonstrating the need to expand health services.

Sexual and Reproductive Health: Milwaukee faces challenges in preventing sexually transmitted infections (STI's). In 2018, Milwaukee made national news for its STI rates. A cluster of 76 people were infected with syphilis, HIV or both. The Sexual and Reproductive Health program located at the Keenan Health Center provides client and partner counseling, screening, and referral services consistent with federal Centers for Disease Control and Prevention (CDC) guidance. In addition, the center offers clinical examination and treatment services for approximately 5,000 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 is conducted through various community events, health fairs, schools, churches, and neighborhood sponsored gatherings.

Figure 1



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.

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

The 2018 budget provided $50,000 (a combination of new funds and carry over funds), for the Sexual and Reproductive Health Program to partner with Planned Parenthood of Wisconsin to provide services to clients that are turned away from the Keenan Sexual Health Clinic because of overcapacity. In the latest report, from April-June 2018 a total of 61 clients have been referred surpassing the original yearly goal of counseling for 50 clients.

Since 2016, the department has been a participant in the CDC Strengthening the U.S. Response to Resistant Gonorrhea (SURRG) project. The purpose is to enhance domestic gonorrhea surveillance, 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. During 2018, MHD expanded its project infrastructure and worked with non-STI partner sites to increase the capacity to screen and respond to these infections. In 2019 the department will fund ten Disease Intervention Specialist (DIS) positions from a combination of grant and city funding. To strengthen services, the department will add an epidemiologist and two positions in the lab to meet testing needs.

In 2018, the department began a strategic planning process focused on decreasing sexually transmitted infection and increasing positive sexual health behaviors. MHD convened a broad base of community partners, medical professionals, and other stakeholders to evaluate current STI trends. The following emerged as key strategies:

- Social Determinants of Health
- Access to Care
- Data
- Funding
- Education & Stigma
- Coordination

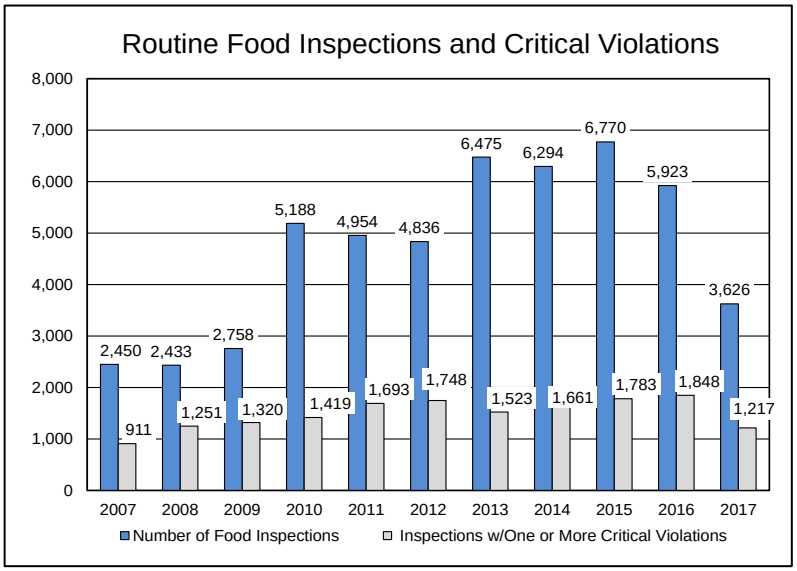
Further strategic planning sessions will be held to develop objectives, actions and timelines to address these strategies, as well as attract more partners to assist the department.

MHD will resume a more comprehensive offering of family planning and reproductive health services at the Keenan Sexual Health Clinic and will restart services at the Southside Health Center. In 2019 the Sexual and Reproductive Health Program will increase access to comprehensive reproductive care by working with clinical partners to provide additional services at community sites.

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 2017, 3,626 routine inspections were performed. Critical violations (now referred to as priority violations) that may result in foodborne illness were identified at 34% of those routine inspections (see Figure 2).

If a priority violation is found, repeat inspections are performed to ensure the potential hazard is mitigated. In 2017, the department performed a total 8,208 food inspections, identifying and mitigating 13,447 violations. In 2018, it is anticipated that 9,000 food inspections will be completed to address an estimated 19,000 violations. In 2019, an estimated 9,000 inspections will occur.

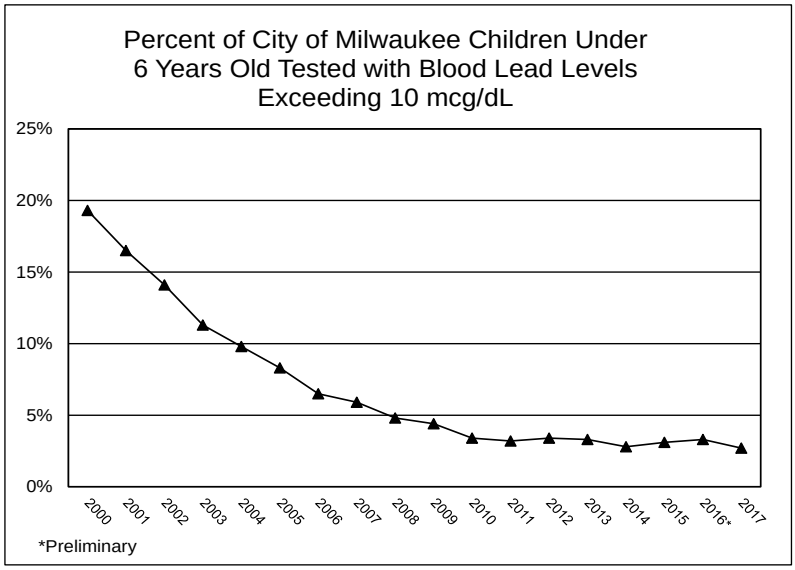
Figure 2



CEH inspectors investigate consumer complaints and provide training in safe food handling practices. The department is working on several quality improvement projects to standardize inspection practices and implement a system of progressive enforcement. The food establishment grading system will be fully implemented in 2019.

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.

Figure 3



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 Childhood Lead Poisoning Prevention Program (CLPPP) is a coordinated approach to reduce lead poisoning in children. CLPPP leverages CDBG funds in combination with HUD grants to support targeted lead abatement in the highest risk homes. Lead abatement efforts have contributed to fewer children tested with high blood lead levels (see Figure 3.)

CLPPP includes:

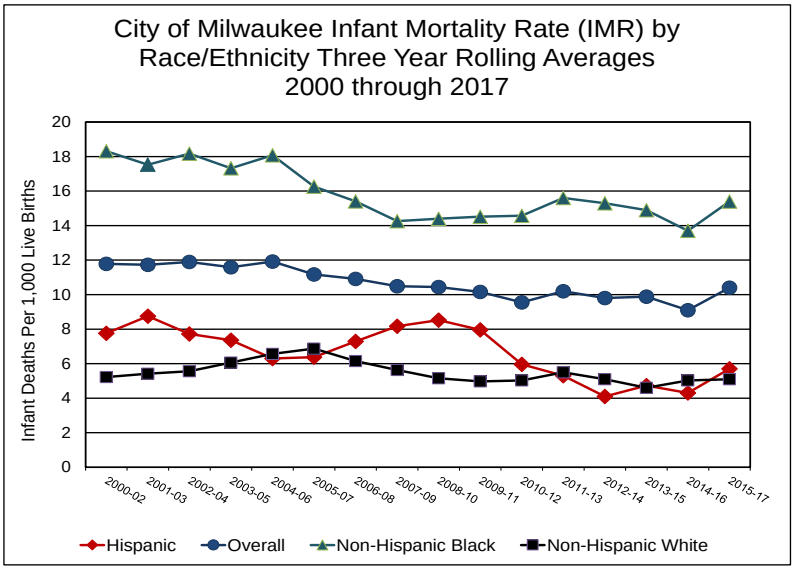
- Housing Based Primary Prevention: Makes homes lead safe before children are poisoned by encouraging owner participation and investment in communities and properties.
- Comprehensive Secondary Interventions: Provides lead poisoned children and their families with nursing case management, medical management, 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 launched a drinking water filter distribution program which provides 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 raises awareness of the steps families can take to prevent lead exposure and the importance of testing children for exposure. In 2017, the department launched the *Lead Safe Milwaukee* public awareness campaign and continues to conduct outreach and awareness activities.
A problem with reporting in the Lead program was discovered in late 2017 and resulted in several program audits. The audits determined that medical records were missing, medical reporting was inconsistent, remediation was incomplete and numerous management problems existed. The Department of Neighborhood Services has assisted the Health Department with the scoping of prior remediated projects to assure their completion.

Childhood Immunizations: The Health Department works to sustain high childhood immunization rates through immunization clinics at health centers and provides immunization clinic and educational opportunities in the community. In 2017, the department provided 8,291 immunizations to 2,912 clients. Immunizations suppress outbreaks of various vaccine preventable diseases, including measles, mumps, 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.

Figure 4



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 through immunization clinics and outreach events. In 2017, 66% of children residing in the City of Milwaukee completed the primary vaccine series by their second birthday. 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 addition, the department is working towards an agreement with Milwaukee Public Schools that will facilitate rapid reconciliation of student immunization records and improve overall student immunization compliance rates. In the 2017-2018 school year, 92% of students were in compliance with the state immunization standards.

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 for 2015-2017 is 10.4. This means that 10.4 babies died for every 1,000 live births during this time period. There are significant racial and ethnic IMR disparities. Non-Hispanic White babies have an IMR of 5.1 compared to 15.4 for non-Hispanic Black babies and 5.7 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:

- 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 and social 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 2017, 90% of mothers gave birth to full term babies and approximately 80% of mothers initiated breastfeeding at birth. In 2019, EFM expects to serve 130 families.

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 2017, PNCC achieved healthy birth outcomes with more than 94% of babies born full term and 71% of mothers initiating breastfeeding after delivery.

Nurse Family Partnership: In 2019, the department will discontinue the Nurse Family Partnership program (NFP). To improve community services, NFP staff will be redirected to General Public Health Nursing, Home Visiting, Safe Sleep, and clinic services. MHD will work with a consultant to assess capacity and community engagement on how to better align staff with community needs. Currently enrolled clients will be reassigned to similar programs administered by MHD to prevent a disruption in services.

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 addresses 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. In 2014, the program began serving fathers and has served 105 fathers since inception. In 2017, the DAD project was consolidated under Men's Health to enable MHD to serve men with a range of health services. The DAD project served 41 and 100% of the 4 births were full term.

Strong Baby Initiatives: The department annually co-hosts the *Strong Baby Sabbath Luncheon*. 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.

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 another promoting the health benefits of breastfeeding. In 2018, messages targeted safe sleep habits during the winter months. In 2019, the department will continue to determine needs and tailor messages to specific populations.

In 2017, the department's *Cribs for Kids* program distributed 738 cribs to families who cannot afford to purchase one, providing support to approximately 8% of the babies born in 2017.

The Best Babies Zone: (BBZ) is a national program based out of University of California – Berkeley. The BBZ approach is a place-based, multi-sector, community-driven approach to reducing racial inequities in birth outcomes by mobilizing community residents and organizational partners to address the social, structural and economic determinants of health and promote health equity. In 2018, Milwaukee became a part of the third cohort and was designated a BBZ. In 2018 and 2019 BBZ Milwaukee will focus on the Choice Neighborhood Initiative's Westlawn Neighborhood. Partners for BBZ Milwaukee include Silver Spring Neighborhood Center, the Housing Authority of the City of Milwaukee's Choice Neighborhood Initiative, United Way of Greater Milwaukee, Lifecourse Initiative on Health Families, and the City of Milwaukee Health Department.

Adolescent Suicide: Suicide is the 10th leading cause of death in the United States. Suicide does not have a gender, racial, sexual or belief preference. Suicide attempts and ideation have affected many men, women and children. Wisconsin Department of Health Services data indicates that the suicide rate is four times higher than the homicide rate, over 70 Wisconsin residents die from suicide, and approximately 5,500 are hospitalized due to intentional self-inflected injury. In 2017, 156 persons ranging from 12 to 85 years of age decided to end their life within Milwaukee County. The Wisconsin Division of Public Health's Maternal and Child Health funds has targeted adolescent suicide as one of its objectives. As a result, MHD will focus on adolescent suicide in 2019. The goal is to work with local school districts to understand and reduce youth suicides and suicidal thoughts and behaviors.

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. In 2017, CHAP completed 3,873 full applications for BadgerCare Plus and provided trouble shooting or technical assistance to 3,891 clients.

Milwaukee Health Department Laboratory (MHDL): The MHD public health lab processes over 60,000 specimens per year on average for a variety of clients and agencies. The lab provides clinical diagnostic and disease surveillance capabilities for communicable and emerging infectious diseases thus supporting emergency preparedness and bio-threat responses at the local, state, and national levels. The MHDL's environmental health programs include testing to support MHD's Childhood Lead Poisoning and Prevention and as well lead in water programs, monitoring food-borne diseases, drinking and beach water safety, gastrointestinal and respiratory disease surveillance, and outbreak investigations. The MHDL also serves as a public health reference lab and provides testing services to local and regional clients in healthcare agencies. In 2017-18, the laboratory generated more than $350,000 in revenue through fee-for-service testing and more than $575,000 for reimbursement of laboratory testing services performed in support of the STD Clinic. Initiatives for 2019 include:

- Expand community soil screening program for lead and nutrient analysis
- Increase lead in water testing for schools and daycare centers to support MHD's lead program
- Implement improved algorithm for syphilis testing for rapid diagnosis and better treatment outcomes
- Invest in advanced analytical technology that allows for improved lead testing capability and better turnaround times
- Provide in-house laboratory testing for TB in support of MHD's TB Control Clinic
- Integrate Hepatitis C testing in STI/HIV clinics and partner with agencies for Linkage-to-Care (treatment)
- Enhance partnering to improve detection and response to antibiotic resistant gonorrhea (GC) in Milwaukee
- Improve laboratory data transmission capabilities via the secure Laboratory Information System (LIS)
- Address staffing needs in critical laboratory service areas and initiate a competency-based career ladder for staff

In 2017, the lab received second year funding (August 1, 2017 through July 31, 2018) in the amount of $359,454 under the Centers for Disease Control and Prevention's Epidemiology and Laboratory Capacity grant focused on improving timely detection and response to antibiotic resistant gonorrhea (GC). The Lab was recently awarded additional funding for this project for the period of August 1, 2018 through July 31, 2019, in the amount of $324,846. The Lab will also receive $11,000 in funding from the Association of Public Health Laboratories (APHL) and CDC for the evaluation of a laboratory-developed molecular test for the diagnosis of genetic ulcer disease (GUD).

The laboratory continually upgrades its critical equipment and infrastructure to improve analytical and diagnostic services to enhance communicable disease surveillance and improve epidemiological investigations. The laboratory will continue academic and applied research engagement with partners and promote public health laboratory professions to address workforce issues through internship programs. The laboratory actively collaborates with external and internal partners to identify and pursue grant and other funding opportunities. The laboratory staff will continue to be involved with local, state, national and international agencies and professional organizations in areas of public health workforce development, environmental health and global health.

Office of Planning and Policy: The City of Milwaukee Health Department's Office of Planning and Policy (OPP) works collaboratively with internal and external partners to strengthen policies, systems, and community environments that influence health. The Office provides mission-focused leadership and management expertise, consultation and technical support.

In 2018, OPP embarked on health issues related to Food Access, Substance Abuse, Criminal Justice System, Sexually Transmitted Infections, Housing, Lead, Transportation, and Mental Health. Staff engaged partners to develop

strategies in these topic areas. Policy and strategy activities included publishing and implementing City-level strategic plans (MKE Elevates and the City-County Heroin, Opiates and Cocaine Task Force Initial Plan), facilitating department-wide planning processes related to quality improvement projects and the creation of substance abuse toolkits for programs, presenting research at public hearings, as well as participating in policy committees. In addition, OPP advocated for health legislation by coordinating and articulating policy positions and working with elected officials on policy issues, including lead, tobacco, and food grading systems. The office also engaged in data related activities, including producing the department's annual report, creating a MHD data dashboard to provide monthly progress updates, and providing technical support to the lead program.

In 2019, OPP will lead the department's accreditation activities, including an onsite review by the Public Health Accreditation Board. To align its administrative and programmatic activities with National Public Health Accreditation Standards, the office will: a) continue facilitating a comprehensive community engagement process for MKE Elevate, the Community Health Improvement Plan (CHIP), b) continue coordinating and supporting quality improvement projects that support the department's Quality Improvement Plan, c) finalize and implement a performance management system for the department, d) assist in the coordination and implementation of the department's 5 Year Strategic Plan, e) support program evaluation activities, and f) help coordinate and maintain MHD policies and procedures. In 2019, a new Compliance Analyst position will serve as the Accreditation Coordinator. This will mitigate risk and bolster the department's efforts to serve the community. In addition to strategic accreditation activities, the OPP will continue to enhance its relationship with academic partners in order to leverage faculty expertise, begin the creation of policy briefs for critical public health issues, finalize a HIPAA risk assessment for the department and complete the department's first Health Impact Assessment.

In 2019, OPP will also focus on expanding its capacity to provide technical assistance around data collection and analysis and management practices to MHD programs. OPP will help build the department's data infrastructure and data capacity, provide support in measuring programmatic performance, continue creating data visualizations, and provide evaluation expertise.

Office of Violence Prevention: Violence, both interpersonal and structural, poses a serious threat to the health, safety, and wellbeing of Milwaukee residents. Consistent exposure to violence and lack of safety increases stress and anxiety, contributing to poor health outcomes including premature death. Guided by the goals and strategies within the Blueprint for Peace, the City of Milwaukee is committed to advancing a public health approach to preventing and reducing violence across the city. The Office of Violence Prevention (OVP) works to prevent violence through partnerships that strengthen youth, families, and neighborhoods.

Commission on Domestic Violence and Sexual Assault: In 2018 the Commission advocated for changes in how officer involved domestic violence incidents are handled and for the expedient testing of rape kits at the state level. The Commission provides an inclusive space for survivors, system partners and program leaders to improve coordination and impact. In 2019 it will focus on policy advocacy involving the handling of children and families impacted by domestic violence. The Commission also coordinates Denim Day MKE, an annual sexual assault awareness campaign highlighting the tragic impact of sexual assault and the resilience of survivors. In 2018, the Denim Day theme was increasing awareness among faith institutions. Planning for the 2019 campaign is underway with partners, including United Way, Sojourner Family Peace Center, Aurora, Pathfinders, MPS, and others.

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 coordinates a partnership with Children's Hospital, Sojourner Family Peace Center, and Legal Action of Wisconsin to provide a "safe exchange" visitation site for families affected by domestic violence. This center 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. In 2018 there

were 176 supervised visitations and 202 custody exchanges. The focus in 2019 is increasing awareness and use of the legal services provided by the center for participating families.

ReCast Milwaukee: Recast Milwaukee is a five-year initiative funded by the United States Substance Abuse and Mental Health Services Administration (SAMHSA) to identify and address the mental and behavioral health needs of youth and families exposed to high rates of systemic and community trauma. In 2018, ReCast served over 1,000 youth and families while training over 500 youth serving agency staff in Mental Health First Aid, suicide prevention and program development. This year over $500,000 was provided to partner agencies to implement programs and services in priority neighborhoods identified by the Blueprint for peace. In 2019, Recast will focus on youth and young adults ages 14-24. Through partnerships with Employ Milwaukee, Running Rebels, My Sister Keep-Her, UW-Milwaukee, Parenting Network, and others, ReCast will help break the cycles of violence and support healing for individuals and neighborhoods impacted by trauma.

Blueprint for Peace: Public safety directly supports a city's quality of life, economic health, and potential growth. Employing a public health approach, the Blueprint focuses on addressing the root causes of violence and protective actions to reduce violence.

In 2018 the Blueprint was rolled out with over 100 official individual and institutional endorsements. The Milwaukee County board unanimously adopted the Blueprint as its official violence prevention strategy for Milwaukee County. Since the launch, residents have participated in briefings on the Blueprint in priority neighborhoods. In 2019, OVP will advocate for the resources necessary to support and track implementation of the Blueprint while maintaining community engagement.

Ceasefire Milwaukee: Working with local community organizations, OVP has launched a coordinated violence interruption program called *Ceasefire Milwaukee*. It uses the Cure Violence model to train and engage local residents as violence interrupters. The program expands street outreach and community change effort to mediate conflicts, prevents retaliation and other potentially violent situations, and connects individuals to community support. A key element is identification of individuals at high risk of becoming victims of or perpetrators of violence.

The first site was launched in the Old North Milwaukee neighborhood in 2018 and will be sustained in 2019. This year round approach to gun violence prevention is an important approach for preventing and reducing incidents of retaliatory violence. The goal is to establish at least two additional sites by 2020.

Trauma Response: The Milwaukee Trauma Response Team (TRT) is an initiative that prevents the long term effects of trauma on 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 supported for TRT at Police Districts 7 and 5. The program was expanded to the entire Milwaukee Fire Department. In 2019, OVP will continue to expand the model to train adults who serve youth and families in Milwaukee and to increase referral sources for the program. TRT is coordinated by OVP in collaboration with the Milwaukee Police Department, Milwaukee Fire Department, and the Wraparound Milwaukee's Behavioral Health Division. As of August 2018 TRT has received over 600 referrals since the program launch in 2015.

RESTRUCTURE, RESIZE, AND REINVEST

Lead Program: In 2019, MHD will focus on improving the lead program. It is critical to ensure that Milwaukee has a strong and effective lead poisoning prevention and remediation program. Procedures and management will be in place to prevent past issues from resurfacing. Several new positions are added in 2019 to improve intake of new cases, assist families when they must temporarily vacate a property and comply with program requirements.

Water Filters & Outreach: In 2019, $150,000 is provided for the water filter program. The program will conduct more community outreach and education events to help residents reduce lead hazards inside and outside of homes. These events will promote simple and affordable ways families can protect themselves from lead poisoning. New educational materials and new ways of distributing certified drinking water filters to at risk populations will be created. MHD will also work with the Sixteenth Street Community Health Center and the Social Development Commission to provide strategic outreach to residents.

The program will offer water testing at homes with lead poisoned children and will speak with residents about water testing results. The MHD Lead in Water program will continue to work with Milwaukee Water Works to provide information and water testing at certified and licensed childcare facilities undergoing lead service line replacements. It will also enhance its academic partnerships in order to access timely research and explore opportunities to evaluate its services.

Sexually Transmitted Disease Program: The Health Department will enhance the current Sexually Transmitted Disease Program by adding an addition Epidemiologist and providing a Medical Laboratory Technician and an Office Assistant II to the lab in 2019. The lab positions will support more timely sexual transmitted disease testing.

Medical Records System: The Health Department along with the Department of Administration Information and Technology Management Division (DOA IT) will analyze potential medical records management systems. There is $100,000 provided in the DOA capital improvement budget to study potential systems.

Opioids Addiction Prevention and Treatment: The 2019 Proposed Budget includes $25,000 to continue the opioids addiction prevention and treatment initiative, a collaborative effort to reduce opioid overdose. The initiative collaborates with the Medical College of Wisconsin to combat opioid use in Milwaukee and surrounding communities.

CAPITAL PROJECTS

The 2019 budget provides $760,000 in capital funding for the following projects:

- Health facilities projects ($155,000);
- Lead paint prevention and abatement ($340,000); and
- Replacement of lab equipment and a lab ventilation system ($265,000).

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		**1**	Crisis Intervention Specialist (X)(Y)(H)	
1	1.00		Compliance Analyst (X)(Y)	
1		0.60	Health Project Coord.-MCHVP(0.6 FTE)(X)(E)(Y)	
1		1.00	Public Health Nurse 3 (X)(E)(G)	
1		1.00	Public Health Social Worker (X)(E)	
1	1.00		Consumer Environ. Health Coord. (X)(Y)	
1		1.00	Medical Assistant (X)(JJ)	
1	1.00		Environmental & Dis. Control Spec. (X)	
1		1.00	Lead Project Specialist	
1		1.00	Public Health Nurse 3 (X)(TT)	New position created
1		1.00	Environmental Health Services Manager (Z)(TT)	
1		1.00	Lead Project Assistant (X)(TT)(RR)	
1		1.00	Lead Project Specialist(X)(QQ)	
4		4.00	Lead Risk Assessor II	
1	1.00		Epidemiologist (X)(Y)	
2		2.00	Medical Assistant (U)	
1	1.00		Office Assistant II	
1	1.00		Medical Laboratory Technician	
2		2.00	Nurse Practitioner(X)(U)	
-1	-1.00		Grant Budget Specialist (X)(Y)	
1	1.00		Accounting and Grant Specialist(X)(Y)	
-1		-1.00	Office Assistant II-Bilingual (C)(X)	
-1		-1.00	Administrative Assistant IV (X)(C)	
1		1.00	Program Assistant I-Bilingual (C)(X)	
1		1.00	Program Assistant I (C)(X)	
-1		-1.00	Clinic Assistant-Bilingual (X)(C)	
1		1.00	Nutritionist Bilingual (X)(C)	
-1		-1.00	Community Education Asst. (X)(GG)(JJ)	
-1	-1.00		Substance Abuse Program Mgr. (X)(Y)	
1	1.00		Substance Abuse Prev. and Control Mgr. (X)(Y)	
-1		-1.00	Pblc Hlth Aide-Tuberculosis Contr (MM)(X)	Positions reclassified
1		1.00	Pblc Hlth Aide- (MM)(X)	
-1		-1.00	Program Assistant I (DD)(X)	
1		1.00	Program Assistant II (DD)(X)(A)	
-2		-2.00	Health Project Asst.-DAD (X)(E)	
2		2.00	Health Project Asst.(X)(E)	
-1		-1.00	Health Project Asst.-DAD (X)(E)(EEE)	
1		1.00	Health Project Asst.-DAD (X)(E)	
-1		-1.00	Health Interpreter Aide (X)(HH)	
1		1.00	Public Health Aide- Bilingual Hmong(X)(HH)	
-1		-1.00	Nurse Practitioner (X)(BBB)	Position Eliminated
-1	-1.00		Environmental Health Specialist (X)	
21.00	**5.00**	**15.60**	**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 learners 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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	274.85	280.06	292.48	292.33	12.27	-0.15
FTEs - Other	11.60	18.63	20.33	22.23	3.60	1.90
Total Positions Authorized	364	375	377	377	2	0
Expenditures						
Salaries and Wages	$12,511,978	$12,340,806	$12,198,413	$12,378,529	$37,723	$180,116
Fringe Benefits	5,666,696	5,676,770	5,489,286	5,570,338	-106,432	81,052
Operating Expenditures	3,225,770	2,942,474	2,813,013	2,813,013	-129,461	0
Equipment	2,142,386	2,060,193	2,133,931	1,985,630	-74,563	-148,301
Special Funds	44,682	186,182	209,000	209,000	22,818	0
Total	$23,591,512	$23,206,425	$22,843,643	$22,956,510	$-249,915	$112,867
Revenues						
Charges for Services	$1,023,565	$1,045,800	$1,026,000	$1,026,000	$-19,800	$0
Total	$1,023,565	$1,045,800	$1,026,000	$1,026,000	$-19,800	$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, electronic resources, and related programs and services.

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

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 online resources are available through the internet and at the Central Library, 12 branch libraries and one 24 hour fully automated vending library.

In 2013, the library board approved a strategic plan, *MPL 2020: Our Plan for the Future*. The plan prioritizes 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 and others.

To help children succeed and prepare for post-secondary education, the Library emphasizes early literacy development and out-of-school learning. MPL collaborates with the Milwaukee Public Library Foundation and donors to offer system wide programs and services including *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.

Internet access, 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 provides 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	2017 Actual	2018 Projected	2019 Planned
Pre-schoolers served by early literacy programs.*	27,910	31,000	31,000
Children and Teens served by school age programs.*	64,857	65,000	67,000
Summer reading program participation.	25,062	24,913	30,000
Public computer hours.	333,803	325,000	300,000
Digital materials circulation.	150,163	231,476	300,000
Job lab computer centers attendance.	2,925	2,500	2,600
Adult programs attendance.	24,910	25,130	25,000

*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 $1.7 million, or $2.84 per capita, is allocated to fund materials purchased for Central Library, the 12 branch libraries, and one express library. This funding is a reduction from the 2018 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 8.9% and downloadable audio books have increased by 20.8% in the first six months of 2018 compared to 2017. 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 2017-2018 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 2019 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 2019 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 supports school readiness and strengthens the early literacy 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 2018, total attendance for *Ready to Read* was 2,531 children and 547 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 495 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 Squad* and Teen Summer Challenge programs promote reading and learning over the summer to maintain or increase academic skills while youth are out of school and to develop lifelong reading habits. In 2018, the program served 24,911 children, 8,993 youth being served at 117 school age servicing agencies, and 2,595 pre-school children at child care centers. Teen Summer Challenge outreach was piloted in 2018 with a weekly series of Beats and Rhymes sound production workshops offered at 8 high school community learning centers.

In 2019, the Library will continue to bring the *Super Reader Squad* 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 Squad* program and literacy

activities. This effort encourages parents and other providers to help their children develop reading skills. Teen Summer Challenge outreach will continue with educators visiting sites to engage teens in literacy and technology skill building projects. The *Super Reader Squad and Teen Summer Challenge* programs, summer outreach, and the year round coordinator who supports outreach to youth serving agencies and schools throughout the year, costs approximately $275,000 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 over 1,000 cards annually. 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, 1,066 cards were issued to first graders and MPL spoke to 5,265 first graders during visits to 105 schools. In 2018-2019, 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 LibraryNOW campaign.

LibraryNOW: The program will be in its third year serving the 1st thru 12th graders of Milwaukee Public Schools (MPS). The library's education and outreach staff will continue to work toward the goal of visiting all 150 MPS schools by the end of the 2018/2019 academic year. MPS teachers have been deputized to present the library's instructional program to students, parents and other educators. This strategy has helped to expand the library's capacity to reach students and encourage use of library resources and to upgrade from virtual accounts to full service, now totaling 6,000, just under 10% of all MPS LibraryNOW participants. As part of the expansion, virtual accounts were created for the student body of a local private school system which includes 14 schools with plans to increase to a total of 26 with enrollment of 8,000. The program also supports teachers and nearly 3,000 have chosen to opt-in and obtain a LibraryNOW virtual account. This number is expected to grow as awareness increases and the program expands. With private funding, the library will be able to begin reporting the impacts of the program with the help of a consulting firm that specializes in planning, evaluation and research.

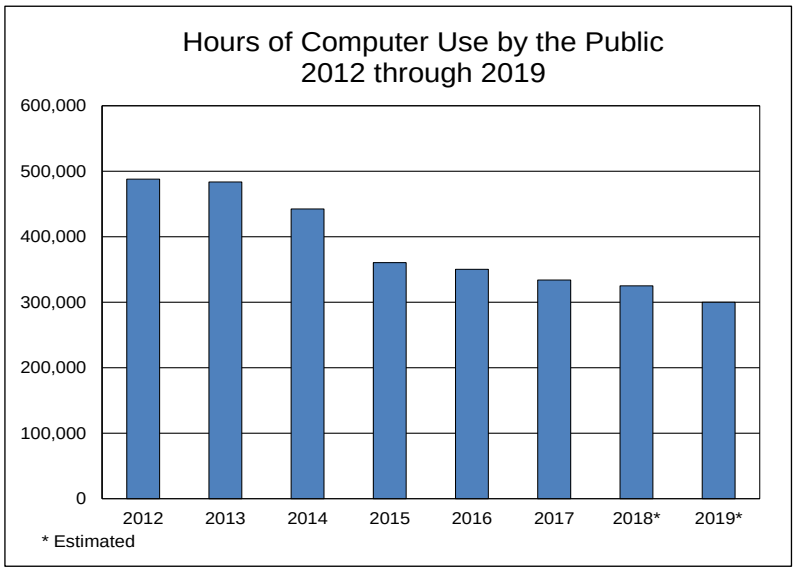
Technology and Digital Inclusion

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. The Library has been able to maintain a robust technology infrastructure with the financial support of the federal e-rate program. In 2019, the Library expects to receive $107,460 in discounts, which will support the internet service provided by Spectrum and the Wide Area Network (WAN) provided by AT&T.

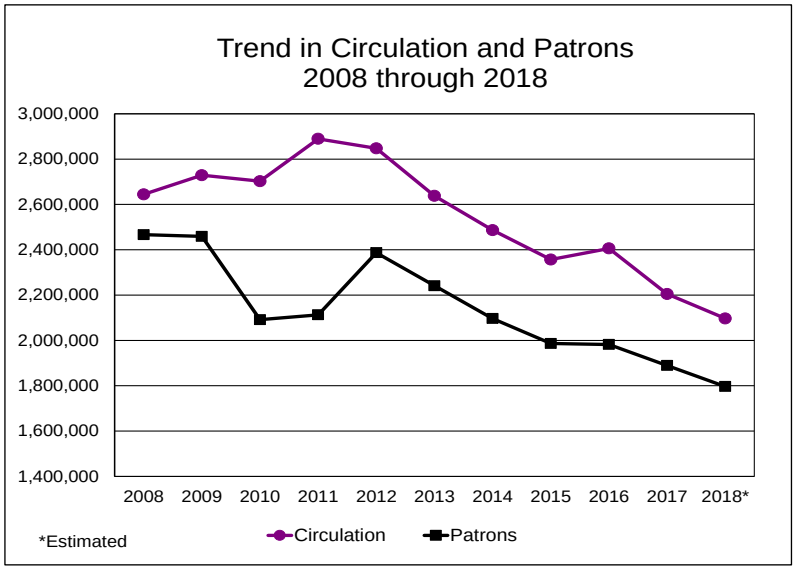
Technology Training: The 2019 budget funds six Library Technology Specialist positions that were created through the Broadband Technology Opportunities grant. These positions provide technology skills training to city residents at all libraries and continually develop new curricula to address evolving community needs. Staff teach computer basic skills classes, and provide individual and small group digital literacy instruction in English and Spanish. Through July 2018, the Library offered 448 computer classes that provided 1,492 participants with computer skills. Through July 2017, 453 computer classes had been held with 1,461 attendees.

Figure 1



Computer and Internet Access: MPL provides city residents with access to high speed broadband internet, PCs, and laptops. Through June 2018, compared to the same period in 2017, computer use decreased 19.8% and laptop checkout decreased 4.9%. However, in 2018 through June, patron personal devices connected to the pubic wireless network 25,378 times. 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 increased usage.

Workforce Development and Business Growth: MPL locations are resource hubs for the community. By hosting regular job labs, offering librarian-led programming, and providing premium database content, the Library contributes to economic and employment growth in Milwaukee. In 2017, MPL engaged 447 attendees at 52 business, patent, and finance programs. To date in 2018, there have been 120 attendees at 26 programs and MPL has engaged 104 new community members through 5 local business related outreach events. The Second Annual Job Expo at Central library connected 146 participants to employment opportunities and community job resources. In 2019, the Library will continue to engage new users by expanding financial education and new business programming, offering business and patent programs in Spanish, and developing new partnerships to expand programming and share library resources with our community.

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 2018, 1,079 participants utilized 425 drop-in labs throughout the MPL system. 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 identifies volunteer opportunities within the library system, develops job descriptions, recruits, hires, trains, deploys, evaluates, and manages a volunteer corps to 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 is available at the new Mitchell Street branch. Teen interns will continue to 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 system-wide. 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 2019, library hours are maintained at 2018 levels. All library facilities are open Monday through Saturday, while Central, Zablocki, and Capitol libraries are open on Sundays from October through April.

In 2017, visits to the library reached 1,889,170 and is expected to reach 1,796,601 in 2018. In 2017, circulation of physical collections reached 2,204,944 and is expected to total approximately 2,096,902 in 2018. Growth in digital and non-traditional media is expected to continue to increase.

Branch Library - New Construction: The 2019 capital budget includes $1.4 million for branch library new construction. This funding supports ongoing branch library replacement programs for the Capitol and Martin Luther King libraries. Both will be built within mixed-use developments and they are currently in the development phase. MPL is working with a developer to finalize an agreement for the Martin Luther King project. The Capitol project is earlier in the development process with construction starting in 2020. 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 have been completed. In 2019, 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 $750,000 for Central library improvements. This includes ongoing repair and replacement of the building air handling units, life-safety systems, lighting systems, and a solar array.

Other Operating Changes: The 2019 budget includes several other changes, including a new Arts Project Coordinator and a new Administrative Assistant IV. The 2019 budget also contains a $63,000 reduction in Library Materials, and a $85,000 reduction for computer equipment.

Contingent Energy Financing: The 2019 budget continues the contingent energy financing special fund, with funding of $137,000. These funds were reallocated from the Library's energy account in order to fund energy efficiency and renewable energy projects. 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.

Office on Early Childhood Initiatives: In 2017, the City created an Early Education Task Force which held several meetings and issued recommendations for improving access to quality early childhood education. One recommendation was to create an Office on Early Childhood Initiatives to advance and coordinate evidence-based childhood efforts and align existing services in collaboration with other organizations that provide these services. The goal is to help parents of children aged 0-3 living within Milwaukee's four Promise Zones increase their awareness of and access to programs and services that help their children be better prepared to enter school. The 2018 budget created an Office on Early Childhood Initiatives, housed within the Milwaukee Public Library. The Office is led by an Early Childhood Director and is provided $100,000 in operating funds.

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		Deputy Library Dir. - Public Serv. (X)(Y)	Change in position title
1	1.00		Milwaukee Public Library Deputy Director (X)(Y)	
-1	-1.00		Asst. Director-Library Operations (X)(Y)	Change in position title
1	1.00		Milwaukee Public Library Associate Director	
-1	-1.00		Assistant Director-IT & Tech. Serv. (X)(Y)	Change in position title
1	1.00		Milwaukee Public Library Associate Director	
-1	-1.00		Assistant Director-IT & Tech. Serv. (X)(Y)	Change in position title
1	1.00		Milwaukee Public Library Associate Director	
-1	-1.00		Archives Technician	Change in position title
1	1.00		Processing Archivist	
	-0.80	0.80	Facilities Control Specialist (X)	Charge to Capital Budget
	-0.80	0.80	Heating & Ventilating Mechanic II	
	12.42	-0.30	Various Positions	Change in FTE calcutlation
	-0.30	0.30	Various Positions	Salaries charged to WTBBL Grant
	1.75		Various Positons	Restore staffing for the Good Hope library opening
1		1.00	Program Assistant II (C)	Position added for Online High School Program
1		1.00	Arts Project Coordinator (0.75 FTE)(A)	Grant funded position added in 2018
2	**12.27**	**3.60**	**Totals**	

MAYOR'S OFFICE

EXECUTIVE SUMMARY

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

GOALS: 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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	12.17	13.75	12.75	13.75	0.00	1.00
FTEs - Other	0.00	0.00	1.00	0.00	0.00	-1.00
Total Positions Authorized	16	16	16	16	0	0
Expenditures						
Salaries and Wages	949,491	928,665	899,455	898,165	$-30,500	$-1,290
Fringe Benefits	430,078	$427,185	$404,755	$404,174	-23,011	-581
Operating Expenditures	43,771	45,000	45,000	46,290	1,290	1,290
Equipment	0	0	0	0	0	0
Total	$1,423,340	$1,400,850	$1,349,210	$1,348,629	$-52,221	$-581

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, the Strong Neighborhoods Plan, 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. The Mayor appoints hundreds of members of City Boards and Commissions, from the Fire & Police Commission to the Standards & Appeals Commission.

The Mayor's Office handles over 10,000 constituent contacts each year, as well as the Mayor's official communications and correspondence with residents, media, and other levels of government. The Mayor reviews and signs over 1,000 pieces of Council legislation each year, and the office responds to hundreds of open records requests in compliance with Wisconsin's Open Records laws. The Office also generates proclamations, hosts visiting foreign delegations, and coordinates dozens of annual events from holiday drives for local veterans to the Mayor's State of the City address.

The Mayor also sets management and policy direction for the Administration and Cabinet officials appointed by the Mayor. The Mayor's Office works closely with Cabinet departments and other elected officials to make sure the City's interests are well-advocated in Washington, DC and Madison.

Since 2004, the Mayor's Office budget has been managed to match the City's annual budget targets and constraints. Staffing is largely unchanged since 2004, and the office's operating budget has only grown $1,590 since 2004, to $46,290.

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:

- Reduction in children with elevated blood lead levels
- Over 9,000 new affordable housing units
- Billions in downtown development
- New highs for employment of Milwaukee residents
- Improved neighborhoods and housing
- Environmental sustainability

Mayor Barrett's priorities for the City of Milwaukee and his appointed Administration are managed and carried out by the Mayor's Office. Top priorities for the Mayor are:

Violence Prevention: Mayor Barrett established the Office of Violence Prevention in 2008. The Office is housed in the Milwaukee Health Department, with a Director who is part of the Mayor's Cabinet. The Office seeks to apply a public health approach to violence, working "upstream" of interpersonal and domestic violence, as well as on healing and organizing activities to make Milwaukee resilient in the face of violence.

The Mayor remains focused on the implementation of the Blueprint for Peace, the Office's community-sourced plan to address violence before it happens. The Blueprint seeks to build communities in Milwaukee that are empowered to intervene before violence erupts and promote healing and justice to make sure violence is not cyclical.

Connecting Residents and Youth with Employment: A quality workforce is a crucial component of investment and industrial location decisions. Mayor Barrett is the Chief Elected Official for Employ Milwaukee. Employ

Milwaukee provides State and Federal funding for workforce development as well as training and skill-building opportunities for job-seekers and displaced workers.

Mayor Barrett's Earn & Learn program 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 other work the youth in this program develop beneficial work habits and confidence. Between 2005 and 2018, tens of thousands of Milwaukee youth gained critical employment experience through the Earn & Learn program.

Strong Neighborhoods: Mayor Barrett believes neighborhoods are Milwaukee's lifeblood, and since 2014, has dedicated over $58 million to STRONG neighborhoods plan efforts to prevent foreclosures, fight blight and vacancy, and revitalize neighborhoods from the impacts left by the foreclosure crisis. The city has rebounded well, leveraging hundreds of millions in development, commercial corridor enhancements, and housing support for neighborhoods throughout the city. In the last four years, $100 million in taxable value has been recovered from the sale of more than 2,056 tax foreclosures - re-occupying formerly vacant properties and providing opportunities for families to build wealth.

Yet, many neighborhoods are still experiencing the impacts left by the recession and record number foreclosures. Building on the successful collaborative STRONG neighborhoods partnerships and programs, in early 2018 Mayor Barrett announced a goal of creating or preserving 10,000 affordable housing units by 2028.

Infrastructure: Continuing high levels of investment in core city infrastructure projects is a priority in 2019. Core infrastructure programs including streets, bridges, street lighting, and sewers total $63.1 million. Since 2004, funding for core infrastructure has increased by $20.2 million, nearly 47%. Since Mayor Barrett took office in 2004, $171.4 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 2019 proposed budget, a portion of the local street program funding will apply the same approach to neighborhood streets. The 2019 budget funds upgrades to 14 miles of neighborhood and commercial district streets through the local street and high impact street programs.

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 Director	Position eliminated
-1	-1.00		Policy Planning Coordinator	Position reclassified
1	1.00		Policy and Administration Manager	
1	1.00		Community Outreach Liason	Position added
-1	-1.00		Mayor's Office Communications Director	Position reclassified
1	1.00		Director of Commuc. and Public Engagement	
0	**0.00**	**0.00**	**Totals**	

MUNICIPAL COURT

EXECUTIVE SUMMARY

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

OBJECTIVES: Provide timely adjudication of cases.

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

Use efficient case management 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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	31.00	32.00	32.00	32.00	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	40	40	40	40	0	0
Expenditures						
Salaries and Wages	$1,710,648	$1,774,522	$1,760,958	$1,760,958	$-13,564	$0
Fringe Benefits	775,690	816,280	792,431	792,431	-23,849	0
Operating Expenditures	494,849	438,800	384,584	384,584	-54,216	0
Equipment	5,424	6,000	6,000	6,000	0	0
Special Funds	67,865	40,000	40,000	40,000	0	0
Total	$3,054,476	$3,075,602	$2,983,973	$2,983,973	$-91,629	$0
Revenues						
Charges for Services	$1,245,524	$899,800	$1,357,000	$1,482,000	$582,200	$125,000
Forfeitures	3,274,953	3,001,000	3,001,000	3,251,000	250,000	250,000
Total	$4,520,477	$3,900,800	$4,358,000	$4,733,000	$832,200	$375,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

The Municipal Court adjudicates city ordinance violations including traffic and building code cases. The 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 180,000 cases per year and accounting for approximately $4 to $6 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.

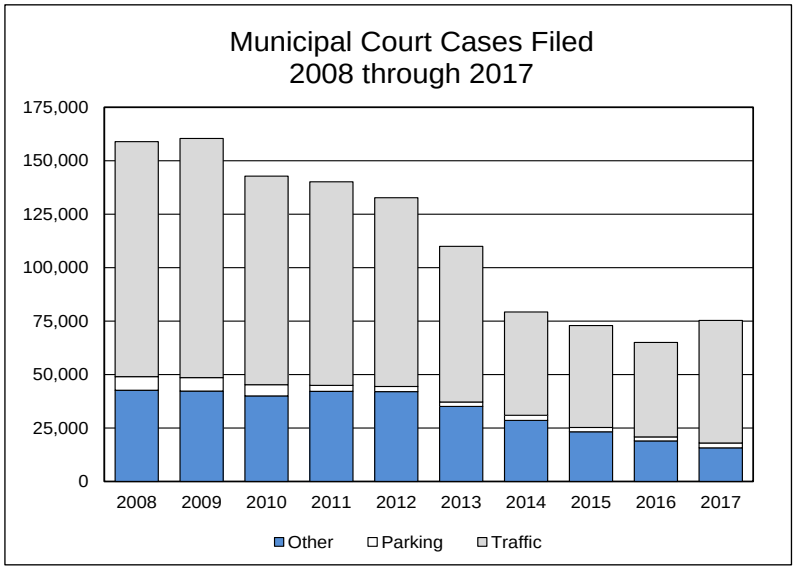
The court refers certain first time juvenile and adult offenders who appear for arraignment in retail theft cases to classes conducted by the Institute for Criminal Justice at the University of Wisconsin Milwaukee. The Court partnered with MATC to create a Drug and Alcohol Awareness Program (DAAP). DAAP 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	2017 Actual	2018 Projected	2019 Planned
Average days from filing to judgment.	30	30	30
Number of enforced driver license suspensions lifted.	18,642	10,000	16,000

STRATEGY IMPLEMENTATION

The Municipal Court's 2019 budget is based on an estimated 100,000 cases. While case volume had been decreasing since 2010, this trend is changing. As of July 2018, case volume is 95% higher than in 2017. In 2017, filings increased by 15.9% from 65,007 to 75,320. Traffic cases comprised the majority of the increase. Traffic cases were 76% of total case filings in 2017, an increase from 68% in 2016 (see Figure 1).

Figure 1



Begun in 2003, evening court sessions were offered on twelve dates in 2017. In 2017, a total of 30 sessions were scheduled for 484 defendants on 848 cases with 359 defendants or about 74.2% 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.

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:

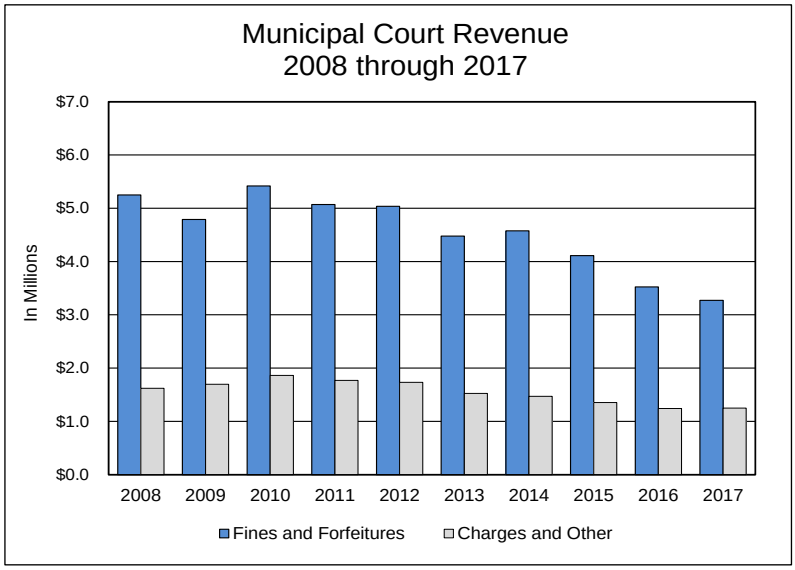
- Allow walk-in hearings. Few courts in the nation hear unscheduled cases. Walk-ins allow people the opportunity to appear before a judge without having to schedule a court date ahead of time, which means not having to wait until a court date is available.
- Utilize conditional sentences of community 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 2017, the court lifted 18,642 driver's license suspensions for 9,808 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 2017, total court revenue decreased by approximately $234,000 from 2016 a 4.9% 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 2019, court revenue is estimated to increase $212,000 or 4.7% from the 2017 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 2017, 667 persons were admitted to case management. Of those performing community service in lieu of payment, 59% completed the program, thereby reducing the debt to the city. Of those participating in an AODA program, 67% completed all requirements in lieu of payment; of those referred to mental health services, 73% completed all requirements in lieu of payment; of those with co-occurring disorders related to mental health and AODA, 82% completed all requirements in lieu of payment. Funding of $487,000 is provided for this program in 2019.

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 2019, 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 at the end of its useful life and the upgrade will enable the court to continue to operate in an efficient and effective manner. The Court continues to consider 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 2019 budget includes a $54,000 reduction to the Court's operating budget. This reduction results primarily from savings achieved by using the City Records Center document imaging system and ending operation of a separate document imaging system. There is also a planned reduction to temporary staffing used for long-term vaccancies in the Court Services section and for alternate judges that fill in for Municipal Judges.

MPS Driver's Education: The 2019 budget provides $50,000 in funding for the MPS Driver's Education special purpose account. This account supports a Milwaukee Public School (MPS) initiative to offer free driver's education to some students. MPS funds the program through several 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	-1.00		Court Administrative Coordinator	Position reclassification adopted in CCFN 171745
1	1.00		Court Business Manager	
-1	-1.00		Network Manager	Position reclassification adopted in CCFN 171119
1	1.00		IT Support Services Supervisor	
-1	-1.00		Management Accounting Specialist	Position reclassification adopted in CCFN 171745
1	1.00		Court Services Supervisor	
0	**0.00**	**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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	192.21	201.35	191.66	194.02	-7.33	2.36
FTEs - Other	29.59	50.15	46.83	59.48	9.33	12.65
Total Positions Authorized	289	280	275	292	12	17
Expenditures						
Salaries and Wages	$10,917,971	$11,345,320	$11,152,139	$11,263,588	$-81,732	$111,449
Fringe Benefits	4,838,595	5,218,847	5,018,463	5,068,615	-150,232	50,152
Operating Expenditures	1,320,830	1,286,200	1,233,313	1,233,313	-52,887	0
Equipment	116,893	11,000	0	0	-11,000	0
Special Funds	2,007,532	1,962,000	2,000,000	2,000,000	38,000	0
Total	$19,201,821	$19,823,367	$19,403,915	$19,565,516	$-257,851	$161,601
Revenue						
Charges for Services	$13,997,643	$16,191,000	$14,024,000	$14,024,000	$-2,167,000	$0
Licenses and Permits	8,247,514	8,720,400	8,410,000	8,465,000	-255,400	55,000
Intergovernmental Aids	1,243,857	1,130,000	1,200,000	1,200,000	70,000	0
Total	$23,489,014	$26,041,400	$23,634,000	$23,689,000	$-2,352,400	$55,000

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 257,000 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.

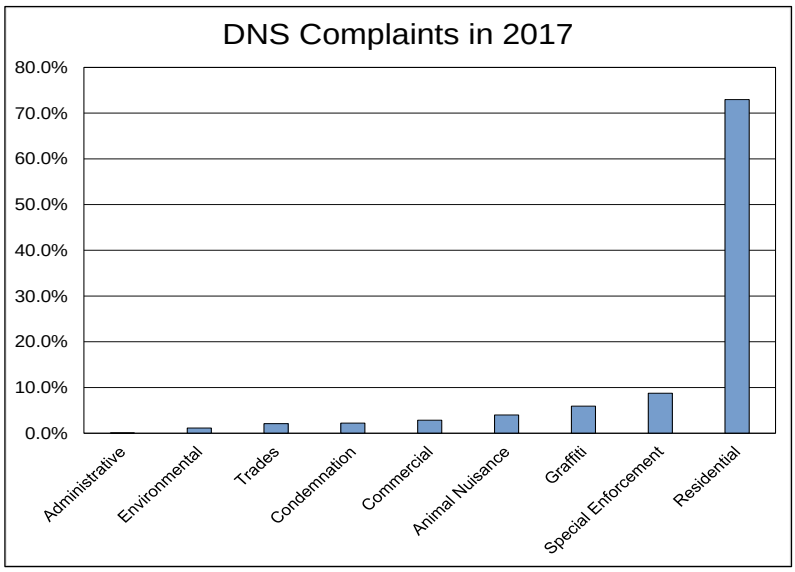
Furthermore, foreclosures and related impacts, including boarded-up, vacant, and blighted properties, continue to impact neighborhoods. While mortgage foreclosures have declined since their peak in 2009, the city continues to acquire hundreds of properties each year through tax foreclosure. In 2017, the city filed foreclosures against 1,132 tax delinquent properties and acquired 576. There are approximately 2,800 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	2017 Actual	2018 Projected	2019 Planned
Average days to respond to complaints.	12.4	8.5	9
Orders issued.	26,022	30,000	30,000
Number of vacant buildings.	2,721	3,000	3,000
Number of properties that received compliance loans.	49	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 2017, DNS received over 23,000 complaints of building code violations and nuisance activity. The Residential division responded to 16,848 of the over 23,000 complaints received (see Figure 1). Verified complaints result in orders to correct conditions that violate city ordinances. In 2017, 22,277 complaints were closed, 15,952 violation orders were closed, and over 1,300 graffiti complaints were closed.

Figure 1



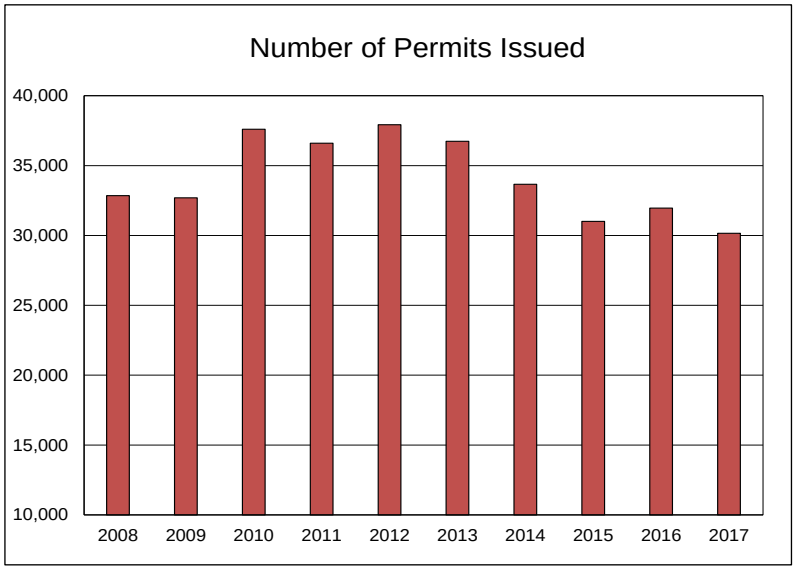
Vacant Building Registration Program: The vacant building registration program was created to help stabilize and improve neighborhood conditions. Vacant properties that are abandoned or not maintained create neighborhood blight, require expenditure of additional city resources, and threaten public health, 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. 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 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: 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 a 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.

RESTRUCTURE, RESIZE, AND REINVEST

Development Center Enhancements: The 2019 budget replaces a Program Assistant II position with a new Business Concierge position. The purpose of this position is to assist businesses, especially small businesses, successfully navigate the permitting and zoning processes, as well as conducting outreach to the business community. The 2019 budget also adds a Plan Examiner III position to the Development Center, a position that formerly worked on the Arena construction project. This position will expand staffing capacity at the Development Center and facilitate timely plan examination and review. Two Building Construction Inspector positions added to the Development Center in the 2013 budget are replaced with two Plan Examiner III positions to better support the Development Center's operations. In addition, two unfunded positions, a Plan Examiner Specialist and a Program Assistant II, are included in the Development Center. This provides DNS with the ability to fill these positions if needed to respond to increased plan examination workload.

Downspout Disconnection Program: The 2019 budget includes several new staff for a downspout disconnection program. The Milwaukee Metropolitan Sewerage District (MMSD) revised their rules and regulations to require residential properties with four or fewer dwelling units to disconnect their downspouts from the combined sewer system. Disconnection must occur by January 1, 2025. The City of Milwaukee Sewer Maintenance Fund (SMF) is implementing a six-year program to ensure all disconnections occur by the required date. Approximately 53,000 properties will be surveyed for required disconnections. SMF will use DNS staff to inspect properties and ensure compliance with the disconnection requirement. In 2019, one District Code Enforcement Supervisor, ten Residential Code Enforcement Inspector, and one Office Assistant III position are added to DNS to support the disconnection program. The Sewer Maintenance Fund will fund the positions and related program costs.

Lead Abatement Inspections: Two additional Neighborhood Improvement Project Inspector positions were created in 2018 to enable DNS to conduct more lead abatement inspections. These positions are reflected in the 2019 budget.

Demolition and Deconstruction Funding: The 2019 budget includes $1 million in capital funding, primarily for deconstruction of residential properties. In 2017, the Common Council adopted legislative file 170188, which requires deconstruction, rather than demolition, for residential properties. A residential property is to be deconstructed if it is a primary dwelling structure with one to four units built in 1929 or earlier or if it is a primary dwelling structure designated as a historic structure or located in a historic district, as designated by the Common Council. While some exemptions from the deconstruction requirement are allowed, such as a structure that is structurally unsafe or hazardous to public health, the majority of residential properties will be deconstructed rather than demolished. An estimated 25 properties will be either deconstructed or demolished in 2019 using 2019 city funds and funding remaining from the Wisconsin Department of Financial Institutions 2016 award.

Compliance Loan Program: In 2019, the Compliance Loan Program (CLP) continues with $800,000 in funding, the same level of funding as provided in 2018. Hundreds of low-income Milwaukee homeowners struggle each year to address building code violations and defer much needed maintenance. Many are long-time homeowners, multi-generation households living in aging housing stock – anchors of neighborhoods hit hardest from the foreclosure crisis. Often, repair programs do not cover all work or are exhausted early in the year. Traditional home improvement loans may not be accessible due to income, lack of credit and little to no equity. The Compliance Loan Program was created in 2014 to divert homeowners away from the traditional court enforcement process resulting in fines and fees, to a case management and resource-based program that keeps owners in their homes.

CLP staff work together to refer properties for loans, process and fund applications, develop the scope of work to be completed, solicit bids from a pool of licensed contractors and ensure every project meets rigorous standards of quality. Through July 2018, 47 loans have been approved, committing approximately $603,770. Given current applicants and demand, DNS anticipates expending all remaining funds in 2018. In 2019, approximately 54 loans will be awarded.

City Cleanliness Improvements: In 2018, DNS began implementing improvements to the nuisance garbage clean-up program in order to facilitate more timely abatement of ordinance violations. Potential violations are referred sooner to contractors in order to expedite clean-up and technology has been implemented to enable more timely intake and routing of garbage complaints.

Illegal Dumping Prevention: In 2018, DNS investigated the scope of illegal dumping in Milwaukee and, working with agencies including ITMD, the Call Center, Public Works-Sanitation and the Milwaukee Police Department, developed a new strategy to address the problem. DNS created a new website (www.Milwaukee.gov/dumping) for use by citizens to report and provide timely, actionable information. This enables DNS to issue citations for illegal dumping.

The new reporting tool has generated several hundred tips, resulting in investigation and issuance of citations by DNS. DNS uses each case to educate citizens about their ability to report illegal dumping and to deter potential illegal dumpers by highlighting the consequences.

DNS also received authority to create a Reward Program as an incentive to citizens who provide information leading to the issuance of illegal dumping citations. Citizens can receive up to $1,000 for their information. To date, three such rewards have been issued.

Finally, DNS provides information and suggestions to property owners to discourage potential violators from illegally dumping on their properties. Suggestions include purchase of inexpensive property surveillance equipment which sends pictures directly to a cell phone, establishing Neighborhood Watch groups and communicating with neighbors to discourage dumping.

Arena Staffing: The 2016 budget created five positions dedicated to the Milwaukee Bucks Basketball Arena project to provide the extensive plan review and inspection activity required by the project. With the completion of the

project, four of these positions are eliminated. One Plan Examiner III position is transferred to the Development Center to support plan examination and permitting activity.

Other Position Changes: The 2019 budget eliminates funding for several positions, including six Residential Code Enforcement Inspectors and two Office Assistant III positions.

Other Budget Changes: The 2019 budget increases funding for the community sanitation fund by $13,000, restoring the funding level from the 2017 budget; increases the member contribution to the Milwaukee Area Domestic Animal Control Commission by $25,000; and eliminates $11,000 in equipment funding. The operating budget is reduced by approximately $30,000, primarily to reflect reduced 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
	-1.00		Office Assistant III	Funding eliminated to meet budget allocation
1		1.00	District Code Enforcement Supervisor	Added for new downspout disconnection program mandated by MMSD. Positions funded by the Sewer Maintenance Fund.
10		10.00	Residential Code Enforcement Inspector	
1		1.00	Office Assistant III	
	1.00	-1.00	Plan Examiner III	Position transferred to Development Center
-1		-1.00	Building Construction Inspector	Positions eliminated with completion of Bucks Arena project
-1		-1.00	Electrical Inspector	
-1		-1.00	Plumbing Inspector	
-1		-1.00	Office Assistant III	
	-0.33	0.33	Building Construction Inspection Supervisor	Position charging Condemnation program
	-1.00		Office Assistant III	Funding eliminated to meet budget allocation
	-6.00		Residential Code Enforcement Inspector	Funding eliminated to meet budget allocation
2		2.00	Neighborhood Improvement Project Inspector	Positions added in 2018 in CCFN 180270 for increased lead abatement inspections
2	2.00		Plan Examiner III	Change positions to better support Development Center functions
-2	-2.00		Building Construction Inspector	
1	1.00		Business Concierge	
-1	-1.00		Program Assistant II	
1			Plan Examiner Specialist	Add unfunded positions in Development Center
1			Program Assistant II	
12	**-7.33**	**9.33**	**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 quality training that enhances effectiveness and prepares staff for leadership opportunities.

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

STRATEGIES: **Community Partnership:** Develop, maintain and reestablish partnerships with citizens and community organizations to foster sustainable public safety, rebuild community-police relations and work proactively to address quality of life issues.

Law Enforcement System Partners: Leverage the unique assets, skill sets and jurisdictional boundaries of local, state and federal law enforcement partners to address public safety threats.

Intergovernmental Relations: Work creatively with local and state legislators to create laws that positively impact public safety and create additional sources of funding for police resources.

BUDGET SUMMARY

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	2,729.27	2,701.19	2,697.00	2,724.60	23.41	27.60
FTEs - Other	46.44	56.10	37.50	37.50	-18.60	0.00
Total Positions Authorized	2,828	2,832	2,828	2,828	-4	0
Expenditures						
Salaries and Wages	$196,533,059	$189,278,194	$189,648,783	$191,876,362	$2,598,168	$2,227,579
Fringe Benefits	93,747,175	87,067,970	89,134,928	90,181,890	3,113,920	1,046,962
Operating Expenditures	15,042,026	16,957,654	16,396,109	16,767,059	-190,595	370,950
Equipment	2,391,757	150,000	150,000	50,000	-100,000	-100,000
Special Funds	613,252	218,404	409,360	709,360	490,956	300,000
Total	$308,327,269	$293,672,222	$295,739,180	$299,584,671	$5,912,449	$3,845,491
Revenues						
Intergovernmental	$1,079,326	$1,183,400	$972,000	$972,000	$-211,400	$0
Charges for Services	3,687,149	2,898,100	2,876,000	3,126,000	227,900	250,000
Total	$4,766,475	$4,081,500	$3,848,000	$4,098,000	$16,500	$250,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

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 quality training that enhances effectiveness and prepares staff for leadership opportunities.
- Build capacity usage of field technology and provide metrics for evaluating usage and maintaining accountability.

A set of core values guide MPD's mission:

- **Transparency**: MPD understands that its credibility is largely predicated on the community's belief that its members' actions or inaction are publicly available for review. The department prioritizes timely communication to the public, the media and those affected by crime.
- **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	2017 Actual	2018 Projected	2019 Planned
Decrease part one crime by 10% annually.	-4%	-10%	-10%
Achieve a 70% homicide clearance rate.	78%	80%	80%
Guns seized.	2,760	2,800	2,800

STRATEGY IMPLEMENTATION

The department uses strategic staffing practices to optimize patrol capacity. The 2019 proposed budget includes funding for an average of 1,871 sworn officers; an increase of ten from the average funded strength in 2018. The proposed budget includes funding to hire a total of 100 new police officer recruits through two recruit classes.

The department will continue to optimize its patrol resources through a variety of means, including:

- Decentralizing the Neighborhood Task Force and assigning over 100 additional officers to the police districts, which reduces response times and allows for more flexibility to deploy officers, including on beat patrols.
- Continuing to improve upon innovative programs like deferred prosecution agreements and diversion programs with prosecution partners, which reduce recidivism and improve quality of life issues.
- Using data to identify crime trends, coordinate efforts among system partners and allocate staff to maximize efficiencies.

The Fusion Division is the basis for the Police Department's intelligence led policing efforts. Starting in 2018, the Fusion Division began to incorporate a shoot review. The shoot review model is a data-driven violence reduction strategy that focuses on coordinating law enforcement, social services and the community in order to reduce homicides and shootings. The shoot review model seeks to combine the best of community energies, social services, and strategic law enforcement to reduce gun violence far more effectively than these entities operating alone. The Fusion Division collects, analyzes and disseminates intelligence regarding crime, criminals and emerging criminal trends. The intelligence is shared on a daily basis throughout the department through a fully integrated briefing for each shift. This allows the department to utilize its resources in a more effective, efficient and preventive fashion. The continuity provided by the Fusion Division 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

WI Department of Justice UCR Summary Crime Reporting (SRS) 2013 to 2017						
Offense	**2013**	**2014**	**2015**	**2016**	**2017**	**16-17 Change**
Murder	105	86	146	141	118	-16%
Rape - prior to 2017	239	249	247	285	N/A	N/A
Rape - 2017	0	0	0	0	434	N/A
Robbery	3,285	3,554	3,752	3,285	2,920	-11%
Aggravated Assault	4,408	4,875	5,254	5,301	6,039	14%
Simple Assault	8,020	6,996	6,646	6,255	8,065	29%
Burglary	6,498	5,951	5,487	5,862	5,519	-6%
Larceny Theft	16,138	14,944	12,766	12,358	11,550	-7%
Motor Vehicle Theft	4,389	6,654	7,386	6,179	5,503	-11%
Arson	292	280	224	311	313	1%

* The data was obtained from the WI Department of Justice (DOJ) and reflects preliminary UCR Summary Statistics for the time period of January 1- December 31, 2013 - 2017. UCR statistics are subject to change for a period of up to two years. Due to a change in the definition of rape by the FBI that occurred in the beginning of 2017, the rape data is defined by two different time periods. Those data sets should not be combined for comparison purposes.

RESIZE, RESTRUCTURE, AND REINVEST

Funded Strength and Recruit Classes: The 2019 proposed budget funds an average annual sworn strength of 1,871. The budget includes funding for two recruit classes, one of 65 recruits and one class of 35 recruits in 2019 for a total of 100 new police officer recruits.

Community Service Officers: Community service officers are civilian employees who support basic police operations by performing a variety of duties that do not require sworn personnel. The 2019 proposed budget continues to provide funding for 25 positions.

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.

American Civil Liberties Union Settlement: In 2018 the City settled a lawsuit by the American Civil Liberties Union of Wisconsin. As part of the settlement a consultant will be hired to ensure the Police department is complying with the reforms included in the settlement agreement. The settlement is a five year agreement with consultant costs of $1.5 million. The 2019 proposed budget includes $300,000 for this effort.

Overtime Beat Patrol Grant: Working with a $150,000 grant from the state, the department was able to provide additional beat patrol support throughout the city. Beat patrol officers foster personalized relationships between the police and the community, including residents and business owners, to more efficiently address quality of life issues before they escalate into violent crime.

Reckless Driving Reduction Initiative: In the spring of 2018, the department launched a reckless driving reduction initiative with the Sheriff's Office and State Patrol to address dangerous driving. As of August 2018, the initiative resulted in approximately 2,500 traffic related citations and a significant amount of drugs and illegal money seized. The department also reinforced its pursuit policy. During the first six months of this initiative, pursuits were up 239 percent and non-pursuits were down 61 percent. Most importantly, fatal collisions were down 21 percent. The department supplemented the initiative with a marketing campaign focusing on the pursuit policy, the risks of fleeing and the dangers of reckless driving.

Special Investigations Division: The Special Investigations Division (SID) was created in March 2018 to coordinate and focus criminal justice resources (local, state, and federal) on the investigation, arrest, and prosecution of prolific offenders of gun violence. The SID targets prolific offenders of gun violence through the enforcement of illegal firearms and narcotic possession and/or distribution. Included in this is the conduction of investigative follow up that is generated by the National Integrated Ballistic Information Network (NIBIN) leads from the Crime Gun Intelligence Center. Furthermore, the SID is responsible for locating vehicles that are used or taken in felony offenses, as well as the arrest of wanted felony suspects. In addition, the SID is responsible for investigating suspicious deaths when overdose is probable and actionable intelligence exists to enforce narcotic laws against a suspected distributor.

During the Division's first five months, the SID recovered over 280 grams of cocaine, almost 600 grams of heroin and over 12,000 grams of marijuana. The SID also recovered over 100 firearms and seized over $235,000. These investigations led to 164 individuals being charged.

Body Worn Cameras: The department currently has all patrol officers equipped with body worn cameras. In 2018, the department upgraded its body camera systems to a new generation of cameras and equipment. It will also be purchasing 25 additional body worn cameras from a $35,000 grant. Starting in 2019, the department plans to begin sharing the camera footage directly with the District Attorney's Office through an online platform.

Human Trafficking Unit: The department has continued its partnerships in the Milwaukee Joint Human Trafficking Task Force (MJHTTF) and the Federal Human Trafficking Task Force. Both initiatives provide funding to the department for personnel costs and equipment. In 2018, the Milwaukee Police Sensitive Crimes Division began partnering with the state's Division of Criminal Investigation (DCI) in trafficking investigations. It also conducted recovery operations in Police Districts 2 and 3, partnering with state, federal, and local law enforcement as well as prosecutors and community partners in an effort to identify survivors of trafficking and arrest those responsible for commercial sex trafficking.

The Human Trafficking Unit increased its presence in educating the public by making presentations to citizens groups, medical professionals, and social service agencies in an effort to raise awareness of trafficking and provide resources to those negatively impacted by crime. The Unit participates in the Child Sexual Exploitation Committee to streamline operations and reduce repetitive work done with law enforcement and community partners. The Unit also works with SID and district personnel as they identify potential victims and suspects in trafficking.

Sisters Diversion Program: The Sisters Diversion program is a collaborative partnership among the Police Department, Benedict Center, and the Milwaukee County District Attorney's Office. The program has been expanded to including both Police District 2 and Police District 3. The program's harm reduction model diverts 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, including drug addiction and mental health.

Sojourner Family Peace Center: The Sojourner Family Peace Center is a collaborative effort that co-locates the essential agencies and organizations needed to assist survivors of domestic violence, including the Sensitive Crimes Division. 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. The department partners with Sojourner Family Peace Center for trauma informed care related to domestic abuse and sexual assaults.

CAPITAL BUDGET

The 2019 proposed capital budget continues $6.4 million for reinvestment in key areas of the department.

Police Vehicles: The 2019 proposed capital budget includes $3.9 million for police vehicle replacement. The funding will provide 50 fully equipped squad car replacements, 5 prisoner conveyance vehicles, and 10 motorcycles.

Data and Communications Center air handling unit: The 2019 proposed capital budget includes $1 million for a new air handling unit at the Data and Communications Center. This location serves as the 911 center and Police District 3 headquarters.

Computer Aided Dispatch System upgrade: The 2019 proposed capital budget includes $500,000 to upgrade the current Computer Aided Dispatch (CAD) System. The upgrade will support interfacing with the Fire department's CAD system. Additional funds are budgeted in the Fire and Police Commission capital budget to plan possible CAD consolidation between the Police and Fire departments.

Auto License Plate Recognition: The 2019 proposed budget includes $375,000 to begin upgrading the current Auto License Plate Recognition system. Additional funding is anticipated in 2020 to complete the project.

Telephone Switch Hardware upgrade: The 2019 proposed budget includes $300,000 to upgrade the telephone switch hardware that is responsible for 911 and administrative phones throughout the Police department.

Call Management System upgrade: The 2019 proposed budget includes $300,000 to upgrade the 911 call management system.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Office Supervisor II	Position eliminated.
-3	-3.00		Office Assistant IV	Position eliminated.
-1	-1.00		Office Assistant III	Position eliminated.
1			Human Resources Analyst - Senior	
	28.60	-18.60	Police Officer	Grant funding expired and increase average strength by 10.
-13	-13.00		Emergency Communications Oper. II (G)	Positions retitled and reclassified.
13	13.00		Emergency Communications Operator	
	-0.19		Various Positions	Miscellaneous changes
-4	**23.41**	**-18.60**	**Totals**	

PORT OF MILWAUKEE

EXECUTIVE SUMMARY

MISSION: To enhance the economic environment of the Milwaukee region by stimulating domestic and international trade, business development, and employment for the Port's tenants, their customers and the citizens of Milwaukee.

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 of the Port and its tenants.

Export Milwaukee agricultural and manufacturing products to U.S. and overseas markets.

BUDGET SUMMARY

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	18.34	19.00	19.00	19.00	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	37	35	33	35	0	2
Expenditures						
Salaries and Wages	$1,159,335	$1,227,187	$1,162,383	$1,162,383	$-64,804	$0
Fringe Benefits	840,411	564,506	523,072	523,072	-41,434	0
Operating Expenditures	1,099,394	1,216,000	1,209,700	1,209,700	-6,300	0
Special Funds	1,761,318	2,124,000	2,058,000	2,058,000	-66,000	0
Total	$4,860,458	$5,131,693	$4,953,155	$4,953,155	$-178,538	$0
Revenues						
Charges for Services	$5,345,158	$5,131,693	$4,893,717	$4,953,155	$-178,538	$59,438
Total	$5,345,158	$5,131,693	$4,893,717	$4,953,155	$-178,538	$59,438

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 Lake Michigan

and Milwaukee's inland river system. These businesses generate approximately $100 million in annual business revenue and directly employ approximately 630 people. In addition to those employed by Port tenants, Port operations directly create over 460 family supporting jobs as well as indirectly supporting more than 200 additional jobs in the Milwaukee area.

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, salt, and grain, all of 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	2017 Actual	2018 Projected	2019 Planned
Tonnage growth.	5.4%	0%	0%
Percentage of total expenses covered by revenues.	114%	100%	100%
Port related job growth.*	630 (direct) 679 (indirect)	630 (direct) 679 (indirect)	624 (direct) 732 (indirect)
Excess revenue deposited in the tax stabilization fund.	$834,674	$750,000	$750,000

STRATEGY IMPLEMENTATION

In 2017, the Port generated operating revenue of approximately $3.9 million, a 5% increase over 2016. Approximately 63% 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 Milwaukee World Festivals, Inc. itself generated $1.5 million in 2017.

In addition to property leases, tonnage totals also affect Port revenues. In 2017, total tonnage increased by 132,298 metric tons (5.4%) to 2.57 million metric tons. The number of vessels docked at the Port of Milwaukee also increased by nearly 10% over 2016.

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

RESIZE, RESTRUCTURE, AND REINVEST

Position Changes and Consolidation: A career ladder implemented in 2017 combined several positions in the Operations Division into one title. The Port Mechanic, Port Maintenance Technician, and Port Maintenance Technician IV were reclassified into one title of Port Operations Technician. The career ladder provides the

opportunity for Port Operations Technicians to take on additional responsibilities as they learn new skills and earn various certifications. This benefits the Port as it results in multiple individuals having the ability to complete the various tasks needed to maintain Port grounds, property and equipment.

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.

Table 1

Foreign Trade Zone No. 41

	2012	2013	2014	2015	2016	2017
Merchandise Value (In Millions)	$852.0	$1,085.0	$1,192.0	$1,645.3	$1,778.7	$2,143.6
Employees	2,962	2,977	3,624	3,473	4,204	4,137
Approved Zones	7	9	7	7	7	7

The Port has been successful as the grantee of the FTZ 41. There are currently seven approved operating zones. In 2017, the value of merchandise brought through FTZ No. 41 exceeded $2.1 billion. This is an increase of $1.2 billion when compared to 2012. In 2017, the value of goods moving through FTZ 41 exceeded $1 billion for the fifth consecutive year. Table 1 summarizes the success of FTZ 41.

Port Facilities: The 2019 budget includes $509,000 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:** $100,000 – This funding leverages grants and funds projects that ensure proper clean up of Port grounds. This work maintains the integrity of the land and waterways at and around the Port.
- **Major Rehab and Upgrades - Equipment**: $109,000 - The Port Operations Division provides services to tenants and customers by assisting in the loading and/or unloading of vessels that dock at the Port. This work requires machinery and equipment, capable of handling large jobs, being in good working condition. These services are a source of revenue for the Port.
- **Major Maintenance –Terminals & Piers:** $80,000 – Maintaining terminals and piers at the Port is necessary to ensure vessels can safely dock and to handle the cargo that must be loaded and unloaded. The safety of employees and customers is a high priority, and terminal and pier maintenance is an ongoing process.

Revenues and Tonnage: In 2019, 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 thru intermodal facilities.

CAPITAL BUDGET

Pier, Berth, and Channel Improvements: The 2019 capital budget includes $200,000 for the pier, berth, and channel improvements program. This program provides ongoing maintenance and improvements to the City's heavy lift dock, mooring basin, and the outer harbor. The State Department of Transportation provides 80% of the cost associated with this program.

Rail Track & Service Upgrades: The Port will continue its rail track and replacement program initiated in 2013 to address safety and service load requirements. The 2019 budget includes $275,000 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 enhance its competitive advantages.

ADA Improvements: The Americans with Disabilities Act (ADA) requires a number of upgrades and improvements at Port facilities. The 2019 capital budget includes $225,000 for ADA projects, which will include accessible entrance signage, restroom renovations, parking signage, and ADA compliant hardware.

Rail Grant: The 2019 capital budget includes $750,000, which serves as a 20% match for a Wisconsin Department of Transportation Grant. This grant will supplement the existing rail track upgrade funding to make the Port more attractive to potential tenants and embrace its competitive advantage.

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			Port Mechanic	Positions reclassified
-1			Port Maintenance Technician IV	
-6	-5.00		Port Maintenance Technician	
8	5.00		Port Operations Technician	
0	**0.00**	**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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	33.96	35.50	37.10	35.10	-0.40	-2.00
FTEs - Other	5.84	7.50	8.90	9.90	2.40	1.00
Total Positions Authorized	45	45	45	45	0	0
Expenditures						
Salaries and Wages	$1,968,772	$1,966,554	$1,974,665	$1,966,938	$384	$-7,727
Fringe Benefits	865,516	904,615	888,599	885,122	-19,493	-3,477
Operating Expenditures	218,562	230,000	230,000	217,000	-13,000	-13,000
Equipment	960	2,000	2,000	0	-2,000	-2,000
Special Funds	0	0	0	0	0	0
Total	$3,053,810	$3,103,169	$3,095,264	$3,069,060	$-34,109	$-26,204
Revenues						
Charges for Services	$1,337,562	$1,687,500	$1,929,000	$1,929,000	$241,500	$0
Licenses and Permits	2,078,420	1,791,400	1,240,000	1,840,000	48,600	600,000
Total	$3,415,982	$3,478,900	$3,169,000	$3,769,000	$290,100	$600,000

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 transportation fund.

Key Performance Measures	2017 Actual	2018 Projected	2019 Planned
SBE participation as a percent of total annual contract payments.	26.1%	25%	25%
RPP hours worked as a percentage of total contract hours.	38.1%	40%	40%
Employee work days lost due to injury.*	7,549	7,750	7,750

In 2017, RPP percentage included contracts where the requirement was waived. If these contracts are removed from the data set, the overall RPP participation on contracts in 2017 is 43.8%.

* 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 regardless of whether or not the employee was scheduled to work on those days.

STRATEGY IMPLEMENTATION

Improving Safety: DPW's Safety Section minimizes workplace injuries and supports a safe and productive work environment. The section implements programs and procedures and acquires new safety devices that contribute to safer work practices. By minimizing injuries, DPW 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 will be adding a safety requirement to tether hand tools when working at heights. ANSI has adopted the standard in 2018. 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 for a pilot program. In 2018, Safety will be moving forward with implementing a city wide policy. The affected areas of DPW will be Water Works, Forestry, Trades, and Electrical Services.

With the advent of the Milwaukee Streetcar, there exists the exposure to new potential hazards in the work place. In order to stay in compliance with Federal guidelines, Safety has provided training to DPW employees in the following areas: awareness training for employees who may be working in the guideway; familiarization training of the systems, facilities, and vehicles for first responder; and facilitated tabletop and field exercises to test capabilities of incident command structure when responding to transit emergencies.

RESIZE, RESTRUCTURE, AND REINVEST

Residents Preference Program: The Administrative Services Division is responsible for administering the city's residents preference program (RPP) for public works contracts. This program leverages employment and training opportunities for unemployed and underemployed city residents through requirements applicable to capital improvement projects, including road repair, building repair, retrofitting and rehabilitation, water main repair, and playfield reconstruction. Contracts awarded for capital projects create employment opportunities for city residents to build work experience and skills development in the construction trades. For contracts closed in 2017, the RPP provided 159,075 hours of work, or 38.1% of total contract hours, and $4.1 million of wage income on public works contracts.

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

Compete Milwaukee: Since 2014, the City of Milwaukee and Department of Public Works has provided unemployed residents with multiple barriers to employment and that meet specific State transitional jobs requirements with up to six months of meaningful subsidized work experiences, accompanied with professional development career pathways trainings and services, through the Compete Milwaukee program. The majority of participating residents subsequently gain unsubsidized employment, with some climbing the ranks of City employment in civil service positions. Compete Milwaukee meets participants where they are at and assists them in reaching their career goals. In addition to providing work experiences at various City work site locations, local private sector companies and contractors were engaged to provide career exposure opportunities for young adults interested in becoming the next generation of construction workers. The City continues to deliver innovative workforce development programming to residents, including individuals who may be low-income or have criminal conviction records, to support pathways towards family supporting employment. In 2019, a total of approximately 70 qualifying residents will participate in Compete Milwaukee programs.

Position Changes: The 2019 budget adds one Safety Manager Position. This position will be primarily responsible for safety matters related to the City's street car; the position will also participate in other safety related 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
0	0.00	1.00	Safety Manager	Manage safety operations of the Streetcar
0	-0.40	1.40	Various Positions	Change in reimbursable funding
0	**-0.40**	**2.40**	**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 25 miles of streets in 2019.

Improve bicycle and pedestrian access and safety.

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

BUDGET SUMMARY

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	367.29	354.27	357.89	356.89	2.62	-1.00
FTEs - Other	290.96	314.26	317.54	315.54	1.28	-2.00
Total Positions Authorized	805	815	823	822	7	-1
Expenditures						
Salaries and Wages	$17,199,536	$16,410,230	$17,032,015	$16,723,015	$312,785	$-309,000
Fringe Benefits	7,778,963	7,548,705	7,664,407	7,525,357	-23,348	-139,050
Operating Expenditures	14,187,116	13,803,000	14,235,000	14,235,000	432,000	0
Equipment	99,793	223,000	344,000	344,000	121,000	0
Special Funds					0	0
Total	$39,265,408	$37,984,935	$39,275,422	$38,827,372	$842,437	$-448,050
Revenues						
Charges for Services	$4,619,901	$4,345,100	$4,499,000	$4,499,000	$153,900	$0
Miscellaneous	256,648	368,600	379,000	379,000	10,400	0
Total	$4,876,549	$4,713,700	$4,878,000	$4,878,000	$164,300	$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

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

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

In 2019, ISD will use approximately $123.3 million to support its objectives including $38.8 million in operating funds, $57.1 million in capital funds, and $27.4 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 2019, grant funds constitute 86% of the major bridge program and 83% 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	2017 Actual	2018 Projected	2019 Planned
Percentage of bridges with sufficiency rating greater than 50.	96.8%	97.5%	98%
Miles of bicycle lanes or trails added.	6 miles	15 miles	20 miles
Miles of streets with useful life improved through local street, major street and high impact street programs.	34 miles	29 miles	25 miles
Street lights converted from series to multiple circuitries.	650	340	300

STRATEGY IMPLEMENTATION

ISD improves the condition of the city's surface public ways, primarily streets, sidewalks, and alleys. Activities include resurfacing or reconstructing existing pavement, curb and gutter, and constructing new streets as part of residential, commercial, and industrial development. Maintaining streets, alleys, and sidewalks promotes economic development 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	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2019 - 2024 Average
City Funding (1)	$5,514,000	$9,696,000	$9,706,000	$9,182,000	$8,358,000	$11,410,000	$8,977,667
Assessable (2)	$200,000	$430,000	$350,000	$560,000	$285,000	$577,000	$400,333
Grant and Aid	$26,799,000	$29,864,000	$39,683,000	$36,028,000	$46,908,000	$44,410,000	$37,282,000
Annual Totals	**$32,513,000**	**$39,990,000**	**$49,739,000**	**$45,770,000**	**$55,551,000**	**$56,397,000**	**$46,660,000**

(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 $41.8 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 2019 proposed budget includes $32.5 million for the major street program, of which $5.5 million is city funding (see Table 1). In 2019, grant funding was obtained for four major street reconstruction projects.

Local Streets: Approximately 987 miles of city streets are typically not eligible for state and federal funding. These streets are reconstructed and resurfaced with capital funds through the resurfacing and reconstruction program.

In 2019, $6.2 million is included in the proposed budget for the resurfacing and reconstruction of local streets. $5.2 million is from levy-supported borrowing and $1 million is from special assessments of property owners. The funding will improve approximately 3.2 miles of local streets along with $1 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 2017 compared to 2014. In 2017, a total of 11,331 potholes were reported and repaired, a decrease of 5,473 or 33%. Through the end of July in 2018, there were approximately 9,800 potholes reported, compared to approximately 13,000 by the end of July 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 2019, $2.5 million is included in the department's proposed 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.

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 2019, approximately one-third of the high impact streets program will target local streets. Between the local and high impact streets programs, seven miles of local streets will be improved in 2019. The 2019 proposed budget includes $5.6 million for the high impact street program.

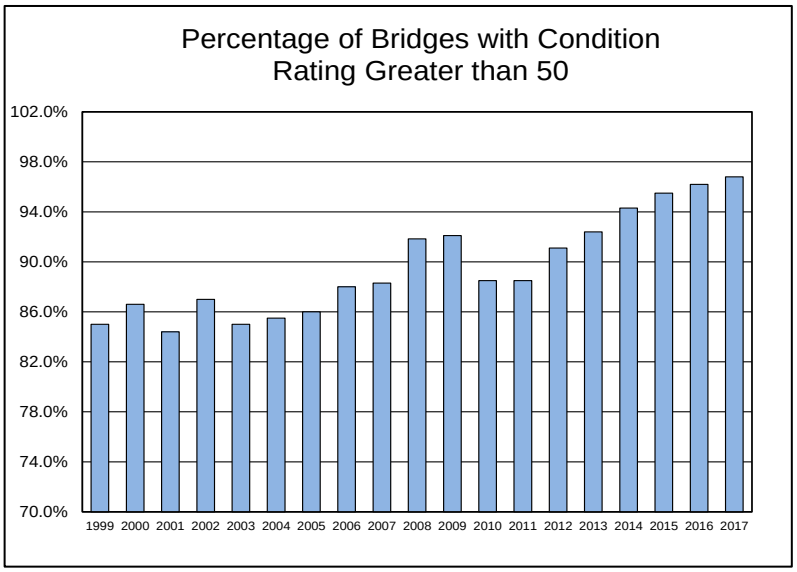
DPW has incorporated curb ramp repair into the high impact street program. Whenever a street is resurfaced or reconstructed, any curb ramp at adjacent intersections that is not up to the current applicable standards will be replaced. This will improve the accessibility and usability of the city's pedestrian 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 the 2019 proposed budget, the major bridge program is funded at $700,000 including $100,000 in city capital funding and $600,000 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 2017, 96.8% of the rated bridges had a sufficiency rating above 50 (see Figure 1).

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. Between 2009 and 2018, the City has invested nearly $75 million in both the Local and Major Bridge programs. Beginning in 2016, budgets for the local bridge program have been decreased as the overall condition of the bridge system improve in order to address growing needs in other programs. The 2019 proposed budget provides $5.4 million in capital funding for local bridge projects. 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 2019, funding is provided for the second phase of rehabilitation of the Michigan Street lift bridge over the Milwaukee River, rehabilitation of two bridges on W. Burleigh Street over the Menomonee River, as well as design work for future repairs. $2.5 million in savings from previously funded bridge projects that were finished under-budget will provide the remaining funding required to complete these projects. 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 2017, the city conducted 23,244 bridge raisings to accommodate water traffic, a 6% increase from 2016 and a 66%

Figure 1



increase from 2014. Increased water traffic and higher water levels are driving the increased number of bridge openings in recent years.

Alley Reconstruction: The alley reconstruction program replaces aging alleys. The 2019 proposed budget does not include new funding for the alley reconstruction program.

Street Lighting: The 2019 proposed street lighting program includes $11 million in capital funding, a $6 million increase from the 2018 budget. This increase is primarily due to the use of a large amount of carryover funding from prior years in 2018. The 2019 street lighting program includes $8.8 million for paving related improvements, mainly in conjunction with state and federal aid paving projects on major thoroughfares, a $3 million increase from 2018. 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.

In most years, Infrastructure Services would utilize $1 million to replace series circuits with modern multiple circuits. However, in order to fund the $3 million increase in paving related improvements, no funding is provided in the 2019 proposed budget for series circuit conversion. Approximately 64% of the street lighting system is now utilizing multiple circuitries, an increase from 53% of the system on multiple circuits in 2000.

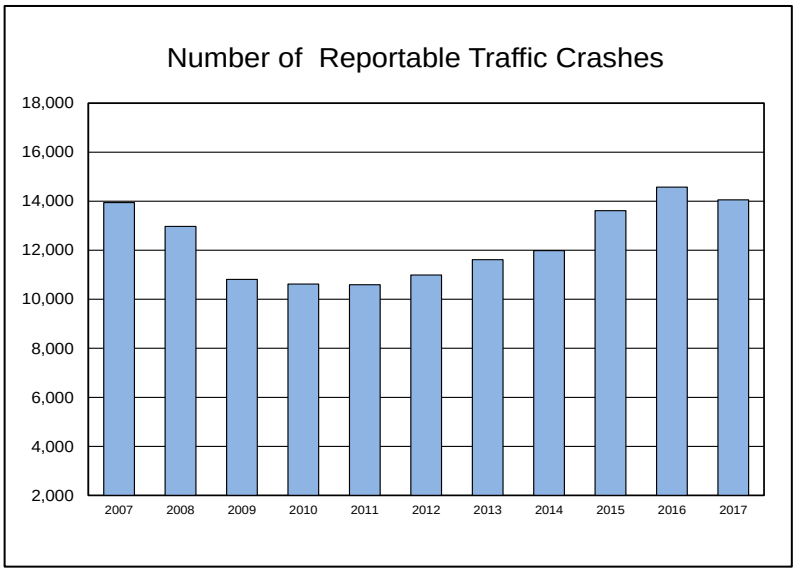
A growing concern in the street lighting program is the number of poles and control cabinets that are knocked down by vehicles each year. When drivers either flee the scene or are uninsured, the City pays the full cost of repairing the damage. Costs for uncollectable knockdowns increased consistently from $500,000 in 2014 to $750,000 in 2017. The 2019 proposed budget includes $900,000 for costs related to uncollectable knockdowns.

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 2019, $3 million in capital funds are provided for the traffic control program, an increase of $800,000 from the 2018 budget. In 2019, the department will begin replacing LED traffic signals that were installed beginning in 2005. Converting traffic signals to LED lights has reduced energy consumption for traffic lights by approximately 75%. Replacement of LED traffic signals will be phased over six years at an estimated cost of $2.5 million.

Sidewalks: In 2019, $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.

Figure 2



Bicycle and Pedestrian Facilities: The city is ranked a bronze level bicycle friendly community by the League of American Bicyclists. As of 2018, the city has 230 miles of bike lanes or trails 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 30 stations.

Underground Conduit: The underground conduit program provides internal communication services. The system provides a secure and weatherproof means of connecting communication cables among various city departments, including the Fire, Police, and Health departments, Milwaukee Public Library, Water Works, and the Department of Public Works. The conduit system also provides a secure and reliable route for traffic signals and street lighting cable circuits and systems. The 2019 proposed budget for this program totals $1,800,000, a $1,200,000 increase from 2018. This is primarily due to the increase in State & Federally Aided paving projects scheduled for construction in 2019.

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 2019 proposed budget includes $700,000 of new capital funding for this program. An additional crew is included in the 2019 proposed budget to reduce the utilization of contractors for this work. 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 2017 found that approximately 23% of electrical manholes surveyed are deficient and require repairs or replacement. In 2017, the manhole repair crew replaced 51 manholes and repaired 42 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 2019 proposed budget for traditional facilities projects is $3,385,000, a $1.1 million increase from the 2018 budget. 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. With enough funding previously authorized for the ADA compliance program to continue through 2019, traditional facilities projects return closer to previously funded levels.

City Hall Foundation Repair: The 2019 proposed budget includes $8 million for the fourth 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 shifted 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. Work taking place in 2019 will focus on the center of the building and a small section of the west portion of the building near the northernmost bank of elevators.

Environmental Remediation Program: Funding of $165,000 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 2019 proposed budget does not include new City funding for the ADA compliance program. The program was allocated $2 million in the 2018 budget which is expected to provide sufficient funding for work taking place in 2019. This program 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.

Facilities Exterior Program: The 2019 proposed budget includes $1,060,000 for projects to maintain watertight integrity, improve energy efficiency, and provide for safe conditions in city facilities. The 2019 proposed facilities exterior program includes $320,000 for roof repairs at the 6th district police station, $250,000 to replace windows at the Municipal Services Building on 15th and Canal Street, $290,000 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 2019 proposed budget includes $1,180,000 for facility systems improvements. The largest single project is $580,000 to replace the HVAC system at Lincoln Garage, which is currently 60 years old and DPW has had difficulty obtaining replacement parts. Funding will also be used for emergency mechanical and electrical repairs, fire life safety improvements, and security and access control updates at various facilities.

***MKE Plays* Initiative:** The 2019 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 2019 proposed budget includes $200,000 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.

City Hall Elevator Modernization: The 2019 proposed budget includes $500,000 for upgrades two of the four elevators that serve City Hall. The City Hall Foundation Restoration will require two elevators being taken out of service at a time. This project will ensure that the elevators that remain in service will function properly.

RESIZE, RESTRUCTURE, AND REINVEST

The Infrastructure Services Division's 2019 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 2019 proposed budget adds three positions for installation of small cell technology on the city's street light poles to supplement six positions added in the 2018 budget. 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 up to 85 installations by the end of 2018, with hundreds proposed installations that are currently in the permitting process. 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, making it imperative to complete installations as soon as possible in order to maximize revenue.

- 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. In the 2019 proposed budget, $11.8 million was included 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	Moved to Transportation Fund
-1		-1.00	Traffic Control Engineer III	Retitle position
1		1.00	Civil Engineer III	
-1	-0.50	-0.50	Management & Accounting Manager	Position reclassified in 2019
1	0.50	0.50	Management & Accounting Officer	
-1	-1.00		Office Assistant III	
1		1.00	Engineering Drafting Technician II	Changes to reflect departmental priorities
-1	-1.00		Duplicating Equipment Operator II	
1	1.00		Infrastructure Services Personnel Officer	Addresses lack of dedicated HR staff in ISD
-3	-0.30	-2.70	Engineering Technician IV	Reorganization based on departmental needs
3	0.30	2.70	Civil Engineer II	
-1	-0.10	-0.90	Engineering Technician IV	Eliminated for budget savings
-1	-0.50	-0.50	Inventory Assistant IV	Eliminated for budget savings
-1	-0.67	-0.33	Equipment Mechanic IV	Moved to Water Works
3	1.86	1.14	Municipal Services Electrician	Addresses additional workload in Signal Shop, Street Lighting sections
1	0.56	0.44	Electrical Services Manager	Allows for separate manager for Street Lighting, Traffic Control sections
1		1.00	Municipal Services Electrician	
1		1.00	Electrical Worker	Additional crew for Small Cell installation
1		1.00	Special Laborer, Electrical Services	
1		1.00	Traffic Sign Worker	Increase in new permanent and temporary sign installations
1		1.00	Electrical Communications Supervisor	Manage 2 Manhole Repair crews
2		2.00	Special Laborer, Electrical Services	Additional Manhole Repair crew to reduce utilization of contractors
-1	-1.00		Communications Assistant V	Duties more effectively performed by Municipal Services Electrician
1		1.00	Sewer Mason	
-1	-1.00		Operations & Maintenance Manager	Position reclassified
1	1.00		Facilities Manager	
	3.47	-6.57	Various positions	Adjustments to Capital & Reimbursable Deductions; other miscellaneous adjustments
7	**2.62**	**1.28**	**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 storm water permit requirements.

STRATEGIES: Timely collection of solid waste and vigorous abatement of nuisance garbage.

Use the solid waste fee 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.

	Actual Expenditures	Adopted Budget	Requested Budget	Proposed Budget	Versus 2018 Adopted	Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	716.96	670.90	662.75	657.25	-13.65	-5.50
FTEs - Other	46.14	56.94	65.09	63.59	6.65	-1.50
Total Positions Authorized	1,440	1,440	1,434	1,423	-17	-11
Expenditures						
Salaries and Wages	$35,729,550	$35,102,709	$33,918,967	$33,673,795	$-1,428,914	$-245,172
Fringe Benefits	15,911,359	16,147,246	15,263,535	15,153,208	-994,038	-110,327
Operating Expenditures	26,755,109	26,475,163	27,393,087	26,822,787	347,624	-570,300
Equipment	1,772,353	1,626,711	1,626,711	1,557,711	-69,000	-69,000
Special Funds	2,499,899	2,232,000	2,481,257	2,411,257	179,257	-70,000
Total	$82,668,270	$81,583,829	$80,683,557	$79,618,758	$-1,965,071	$-1,064,799
Revenues						
Charges for Services	$77,362,948	$81,053,100	$80,612,000	$83,204,000	$2,150,900	$2,592,000
Miscellaneous	1,593,165	1,673,000	1,580,000	1,580,000	-93,000	0
Total	$78,956,113	$82,726,100	$82,192,000	$84,784,000	$2,057,900	$2,592,000

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	2017Actual	2018 Projected	2019 Planned
Fleet availability.	Police 90.1% Light 92.6% Heavy 89.5%	Police 95% Light 95% Heavy 90%	Police 95% Light 95% Heavy 90%
Reduce tons of residential solid waste sent to landfill by 2%.	1%	-2%	-2%
Reduce tons of all solid waste sent to landfill by 2%.	3%	-2%	-2%
Increase household recycling by 2%.	0%	0%	2%
Tons of salt used.	29,025	44,000	44,000
Number of trees pruned.	24,018	18,000	23,000
Trees planted.	4,052	4,000	4,300

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.

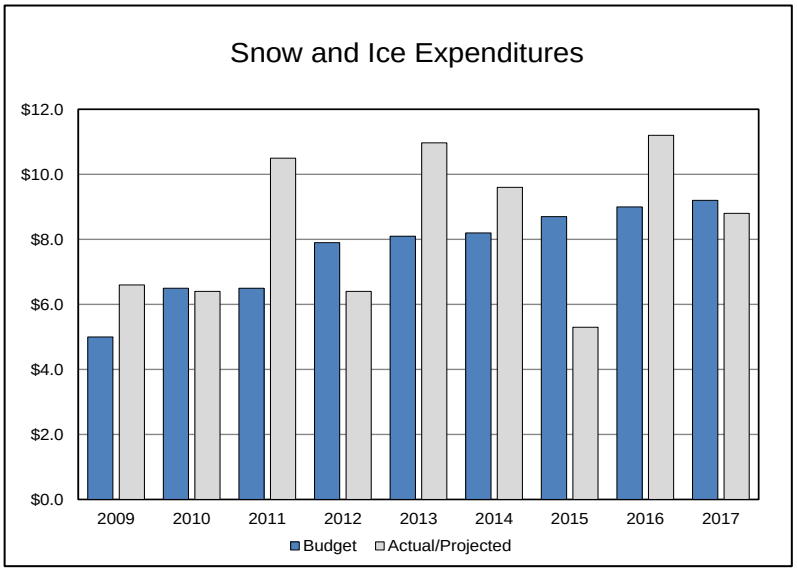
The 2019 budget provides $79.6 million in operating funds, $2.3 million of grant and aid funding, and $9.0 million of capital funds for Operations Division's services to residents and businesses.

Snow and Ice Control Operations: The snow and ice control program's goal is to remove snow and ice as quickly and economically as possible to restore safe travel and to minimize economic losses. A well run snow and ice removal program adds value by supporting 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 cost driver. The 2019 budget includes $9.5 million for snow and ice control operations. This amount represents approximately 86% of the average cost for snow and ice control in recent years (see Figure 1). This level of funding supports 24 general ice control operations and 3 full plowings. In 2017, the snow and ice costs were approximately $8.8 million.

Figure 1



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 and reduces garbage tipping fees. This is especially important because the State of Wisconsin regularly increases tipping costs. The 2019 budget includes $10.6 million for landfill tipping fees and recycling processing, a $300,000 increase from 2018.

Milwaukee has a robust recycling program. Approximately 25% of solid waste is currently diverted from landfills via recycling, composting or reusing discarded items. This level of waste diversion is possible as a result of program changes implemented by DPW. Some of the changes include:

- 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. This fee will be $17 per quarter in 2019.
- Greater diversion of materials at self-help sites.
- Switch from dual stream to single stream recycling.
- A residential food waste program.
- Annual compost bin one day truckload sales (2012–2017).

The Sanitation Section will continue efforts to increase diversion of other materials, including plastics, fiber, and Styrofoam, from the waste stream.

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.

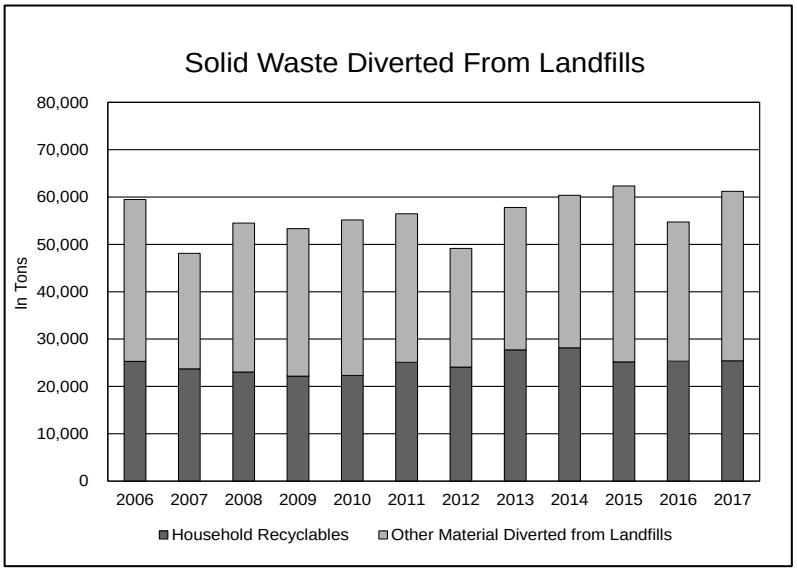
In November 2016, a pilot program was implemented in an effort to determine the feasibility of a citywide household collection of separated compostable material. Five hundred "early adopter" households subscribed to participate in the fee based program. The program allowed kitchen food scraps, yard clippings, 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.

The primary benefits of the City's waste diversion and recycling program are reduced tipping costs, increased recycling revenues, enhanced services, a more sustainable city, and long term cost containment. In 2017, the recycling program generated revenues of approximately $1.6 million. In 2019, recycling materials are again expected to generate $1.6 million.

In 2019, 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.

DPW collects waste weekly from approximately 181,000 households. In 2017, approximately 181,066 tons of residential solid waste was collected. In addition, 25,426 tons of recyclables, 35,792 tons of compost and other materials of residential waste was diverted from landfills (see Figure 2).

Figure 2



The 2019 budget also includes $300,000 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 contribute to the city's environmental sustainability by managing storm water runoff. Forestry is responsible for the maintenance of approximately 4,600 vacant lots and foreclosed properties.

The emerald ash borer is a threat to the state's ash tree population. 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. DPW will purchase another five CNG packers with 2018 funding. Each additional packer reduces annual fuel costs by approximately $1,900. The current fleet of 56 CNG packers generates fuel savings of approximately $300,000 annually. In 2019, CMAQ funding will be used to purchase an additional five packers. When the CMAQ grant expires in 2020, the city will have purchased 85 CNG vehicles with annual fuel savings of approximately $350,000.

Table 1

Fleet In-Service Measures

	Goal	2016	2017
Light Equipment	95%	89.9%	92.6%
Heavy Equipment	90%	90.3%	89.5%
Police Equipment	95%	90.8%	90.1%

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 equipment categories in 2017 (see Table 1).

RESIZE, RESTRUCTURE, AND REINVEST

The 2019 budget continues programs that increase efficiency and streamline property management, waste collection, and recycling programs. These operations improve the services provided to city residents.

Strong Neighborhoods Plan: The Operations Division operates programs related to Mayor Barrett's Strong Neighborhoods Plan which improve the overall condition of Milwaukee's neighborhoods. The 2019 proposed budget includes funding for Property Management.

The cost of maintaining the City's InRem/Vacant Lot inventory increased 25% in 2018. These costs are expected to remain at an elevated level in 2019. The 2019 budget includes $2.4 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 2019, 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.

Clean City Initiative: DPW and the Department of Neighborhood Services collaborated to create the Clean City Initiative. The primary object of this initiative is to facilitate the removal of illegally disposed of trash, construction debris and other items in a more expedient manner. This initiative includes:

- Legislative changes that will adjust the time frame given to property owners to remove debris
- Allowance for greater use of the Self-Help sites
- The use of cameras to combat illegal dumping on the City's InRem/Vacant Lots

Pruning: The 2019 budget moves the City's tree pruning cycle from eight years to ten. This change reduces $620,000 in salaries and twelve FTE's. This reduction is equivalent the annual average number of vacancies in the Urban Forestry Specialist and Urban Forestry Crew Leader positions.

Self Help Sites: In 2019, changes at the Self Help sites will allow more residents to use the centers. These changes will assist DPW in controlling illegal dumping on the City's In Rem properties and vacant lots. In anticipation of increased use of the Self Help sites, four Self Help Lot Attendants and one Self Help Supervisor position are funded in the 2019 budget. Changed policies and fees are expected to generate revenue sufficient to offset increased costs.

Residential Disposal Costs: In 2019, funding for landfill waste is $10.6 million. Landfill tonnage costs are budgeted for 235,000 tons and represent a modest increase from 2018. In 2019, landfill costs will increase to $44.33 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 2019 there will be a total of 19 automated collection vehicles. While no new one person routes will be added in 2019, 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 2019 solid waste fee per quarter will increase 3% from $52.23 to $53.80 per residential unit. The annual impact on households with one garbage cart is an increase of $6.28 from $208.92 to $215.20 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 $40.1 million or 88% of garbage and recycling collection costs. Future increases in the solid waste fee may be necessary as tipping fees and other costs increases occur.
- **Apartment Garbage:** In 2019, 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 2019 snow and ice control fee will increase by 3% to $1.00 per front footage. The annual cost for a homeowner with a typical property with 40 feet of street frontage is $40 annually. The fee will generate approximately $9.6 million or 86% of the estimated cost of the city's snow and ice control operation.
- **Cart Fee:** Approximately 15% of city residents have two or more garbage carts. In 2019, city residents with two or more garbage carts will be assessed $17.00 quarterly for each garbage cart after the first cart. This policy encourages 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 2019 capital budget provides $1.2 million for the tree planting and production program. This funding will replace approximately 3,600 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 2017, 4,142 street trees were removed as a result of disease or decline.

Stump Removal: The 2019 capital budget provides a total of $675,000 for the stump removal program. Approximately $315,000 will support the City's in-house stump removal program. The balance of the funding will be contracted. This level of funding will facilitate removing 2,700 stumps in 2019.

Concealed Irrigation and Landscaping: The 2019 capital budget provides $200,000 for boulevard irrigation system replacements. The 2019 funds will be combined with funds carried over from previous years to replace approximately 100 deep water taps. The replaced systems provide water for plant beds only boulevards.

Emerald Ash Borer: The 2019 capital budget includes $950,000 for treatment of ash trees. Treatable ash trees are injected with a pesticide to protect against the emerald ash borer beetle. The program's goal is to treat one-third 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 2019 proposed capital budget provides $75,000 for this program.

Major Capital Equipment: The 2019 capital budget includes $6.1 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 for 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		Operations Services Supervisor	Reclassified
1	1.00		Business Operations Analyst	
1	1.00		Program Assistant III	
-1	-1.00		Program Assistant II	
-2	-2.00		Program Assistant I	
			Fleet Services/Operations	
-5	-5.00		Special Equipment Operator	In-house Demolition Program ended
-1	-1.00		City Laborer	
			Sanitation Services	
1	1.00		Self Help Supervisor	Self Help policy changes
	4.00		Self Help Yard Attendant	
			Forestry	
-11	-11.00	6.00	Urban Forestry Specialist (D)	Pruning cycle change
-1	-1.00		Urban Foresttry Crew Leader (B)	
	-0.65	0.65	Various Positions	Funding change
-17	**-13.65**	**6.65**	**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 2019 budget provides funding of $37.1 million for miscellaneous special purpose accounts and total funding of $158.2 million for all special purpose accounts. Highlights of the 2019 miscellaneous special purpose accounts (SPAs) include:

Discontinued Accounts

Reckless Driving Training: The 2018 budget created a new Reckless Driving Training special purpose account with funding of $10,000. Funding was intended to create a reckless driving prevention and awareness campaign. No funding for this account is included in the 2019 budget.

Technology Growth Initiative: The 2018 budget created a new Technology Growth Initiative special purpose account with funding of $50,000. Funding was intended to support collaborative information technology efforts with the private sector and community groups. No funding for this account is included in the 2019 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 2019 budget increases funding by $29,500 to $300,000.

Contribution Fund: This account provides expenditure authority for contributions received during the year per City Ordinance 304-24. The 2019 budget increases funding by $200,000 to $3.2 million, reflecting anticipated contributions.

Insurance Fund: This account provides funding for insurance premiums for city policies. In 2019, the account is decreased by $30,000 to $655,000. This funding amount reflects anticipated insurance premium payments in 2019.

Municipal Court Intervention Program: This account enables the Municipal Court, through a third party vendor, to work with indigent defendants and those with alcohol and other drug addiction issues that prevent them from paying court judgments. The Municipal Court is prohibited from incarcerating indigent defendants for failure to pay municipal forfeitures. Funding is increased by $62,000 to $487,000 in the 2019 budget, an amount needed to maintain the current service level provided by the vendor.

Remission of Taxes Fund: This account funds the refunding of incorrect *ad valorem* taxes and interest on the same to property owners who successfully appeal their property assessments. Funding is increased by $70,000 to $1.27 million in the 2019 budget, based on anticipated needs.

Tuition Reimbursement Fund: This account funds a Tuition Benefit Program, which helps eligible employees further develop skills related to their current job or a reasonable promotional opportunity within city government. The amount of tuition benefits available to each employee depends upon the particular employee group to which they belong. Funding is increased by $75,000 to $800,000 in the 2019 budget. The increase includes funding for a pilot tuition loan repayment program.

Unemployment Compensation: This account funds the city's portion of unemployment compensation benefit payments to city employees who are laid off or otherwise separated from service. Eligibility for this benefit is determined by the State of Wisconsin upon review of the employee's level of earnings and the circumstances surrounding the separation from employment. Funding is decreased by $200,000 to $400,000 in the 2019 budget, based on anticipated expenses.

Wages Supplement Fund: This account funds anticipated wage and fringe benefit increases for city employees, including increases resulting from collective bargaining agreements and changes to non-union compensation. The account is funded at $19.45 million in 2019. This amount will fund anticipated compensation increases for city employees.

SPECIAL PURPOSE ACCOUNTS SUMMARY

Special Purpose Accounts Miscellaneous	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Alternative Transportation for City Employees	$115,000	$115,000	$115,000	$115,000	$0	$0
Annual Payment to Department of Natural Resources	7,034	7,100	7,100	7,100	0	0
Audit Fund	260,000	270,500	300,000	300,000	29,500	0
Boards and Commissions Reimbursement Expense	7,980	15,000	15,000	15,000	0	0
Care of Prisoners Fund	8,067	20,000	10,000	10,000	-10,000	0
Children's Savings Accounts	30,000	25,000	25,000	25,000	0	0
City Attorney Collection Contract	1,079,823	1,125,000	1,125,000	1,125,000	0	0
City Memberships	81,721	88,000	88,000	88,000	0	0
Contribution Fund General	0	3,000,000	3,200,000	3,200,000	200,000	0
Crisis Response for Trauma Informed Care Counseling	201,453	180,000	180,000	180,000	0	0
Damages and Claims Fund	9,523,174	1,225,000	1,225,000	1,225,000	0	0
eCivis Grants Locator	12,671	15,000	15,000	15,000	0	0
Economic Development Committee Fund	8,496	20,000	20,000	20,000	0	0
E-Government Payment Systems	25,115	65,000	65,000	65,000	0	0
Employee Training Fund	18,836	20,000	20,000	20,000	0	0
Firemen's Relief Fund	155,482	150,000	160,000	160,000	10,000	0
Flexible Spending Account	96,943	115,000	115,000	115,000	0	0
FMLA Fund	0	100,000	100,000	100,000	0	0
Graffiti Abatement Fund	62,813	65,000	65,000	65,000	0	0
Group Life Insurance Premium	3,038,030	3,000,000	3,000,000	3,000,000	0	0
Insurance Fund	706,910	685,000	655,000	655,000	-30,000	0
Keeping the Promise	303,897	0	0	0	0	0
Land Management	677,774	676,000	676,000	676,000	0	0
Long Term Disability Insurance	645,995	650,000	650,000	650,000	0	0
Maintenance of Essential Utility Services	30,491	55,000	55,000	55,000	0	0
Midnight Basketball League	10,000	0	0	0	0	0
Milwaukee Arts Board Projects	214,076	200,000	200,000	200,000	0	0
Milwaukee Fourth of July Commission	92,874	125,000	125,000	125,000	0	0
MPS Driver's Education	50,000	50,000	50,000	50,000	0	0
MMSD User Charge	0	51,988,303	52,581,663	52,581,663	593,360	0
Less Recover MMSD User Charge	0	-51,988,302	-52,581,662	-52,581,662	-593,360	0
Municipal Court Intervention Program	425,000	425,000	487,000	487,000	62,000	0
Municipal Identification Card	5,320	0	0	0	0	0
Outside Counsel/Expert Witness Fund	469,351	850,000	850,000	850,000	0	0
Reckless Driving Training	0	10,000	0	0	-10,000	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

Special Purpose Accounts Miscellaneous	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Remission of Taxes Fund	1,188,053	1,200,000	1,270,000	1,270,000	70,000	0
Reserve for 27th Payroll	0	1,500,000	1,800,000	1,500,000	0	-300,000
Retirees Benefit Adjustment Fund	62,469	60,000	60,000	60,000	0	0
Safe Zone Initiative	200	0			0	0
Technology Growth Initiative	0	50,000	0	0	-50,000	0
Tuition Reimbursement Fund	718,759	725,000	800,000	800,000	75,000	0
Unemployment Compensation Fund	407,016	600,000	500,000	400,000	-200,000	-100,000
Vacant Lots Challenge Grant	50,000				0	0
Wages Supplement Fund	0	10,600,000	20,800,000	19,450,000	8,850,000	-1,350,000
Total Miscellaneous SPAs	$20,790,823	$28,081,602	$38,828,102	$37,078,102	$8,996,500	$-1,750,000
Board of Zoning Appeals	$315,091	$317,901	$352,802	$352,802	$34,901	$0
Workers' Compensation Fund	$10,627,479	$11,000,000	$11,500,000	$11,500,000	$500,000	$0
Employee Health Care Benefits						
Administration Expenses	$6,233,032	$6,800,000	$6,300,000	$6,300,000	$-500,000	$0
UHC Choice Plus (formerly Claims)	6,132,823	7,800,000	6,400,000	6,200,000	-1,600,000	-200,000
Wellness Program	1,924,693	2,900,000	2,900,000	2,900,000	0	0
Dental Insurance	1,702,839	1,900,000	1,800,000	1,800,000	-100,000	0
UHC Choice "EPO" (formerly HMOs)	85,056,485	87,814,580	92,000,000	92,000,000	4,185,420	0
High Deductible Health Plan	9,647	100,000	100,000	100,000	0	0
Total Employee Health Care Benefits	$101,059,519	$107,314,580	$109,500,000	$109,300,000	$1,985,420	$-200,000
Grand Total Special Purpose Accounts	$132,792,912	$146,714,083	$160,180,904	$158,230,904	$11,516,821	$-1,950,000

SPECIAL PURPOSE ACCOUNT
BOARD OF ZONING APPEALS

BUDGET SUMMARY

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	4.33	4.33	4.33	4.33	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	$201,822	$212,801	$213,894	$213,894	$1,093	$0
Fringe Benefits	93,453	62,444	96,252	96,252	33,808	0
Operating Expenditures	19,816	42,656	42,656	42,656	0	0
Equipment	0	0	0	0	0	0
Total	$315,091	$317,901	$352,802	$352,802	$34,901	$0
Revenues						
Licenses and Permits	$274,686	$292,000	$285,000	$285,000	$-7,000	$0
Total	$274,686	$292,000	$285,000	$285,000	$-7,000	$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	2017 Actual	2018 Projected	2019 Planned
Number of appeals filed.	624	650	650
Number of appeals resolved in one hearing.	477	520	520
Percentage of appeals resolved in one hearing.	76%	75%	75%
Number of days from appeal filing to hearing.	46	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 2019, 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

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
0	0.00	0.00	Totals	

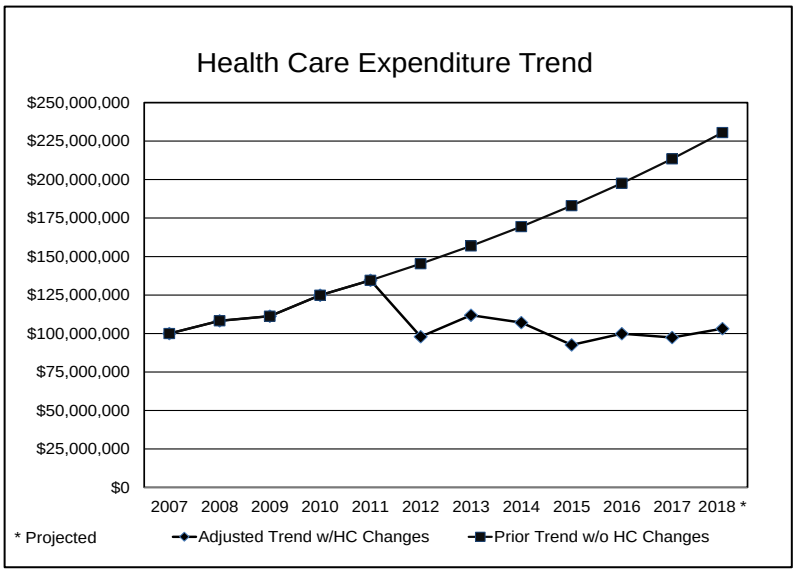
SPECIAL PURPOSE ACCOUNT
EMPLOYEE HEALTH CARE BENEFITS

SUMMARY OF EXPENDITURES

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
UHC Choice Plus PPO	$6,132,823	$7,800,000	$6,400,000	$6,200,000	$-1,600,000	$-200,000
UHC Choice EPO	85,056,485	87,814,580	92,000,000	92,000,000	4,185,420	0
HDHP	9,647	100,000	100,000	100,000	0	0
Dental Insurance	1,702,839	1,900,000	1,800,000	1,800,000	-100,000	0
Wellness Program	1,924,693	2,900,000	2,900,000	2,900,000	0	0
Administrative Expense	6,233,032	6,800,000	6,300,000	6,300,000	-500,000	0
Total	$101,059,519	$107,314,580	$109,500,000	$109,300,000	$1,985,420	$-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



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

Around 2009-2010 initiatives were launched to combat increased cost and utilization trends the City was experiencing with health care and worker's compensation. The city began examining changes to encourage more appropriate utilization of health care benefits, initiated a wellness program to help with those efforts, and 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 table on the following page summarizes the various changes that have occurred since 2009.

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.

2009-2010

- 2009-2010 Labor contracts include Wellness Program and Labor Management Wellness Committee
- Participation based Wellness Program begins
- City implements Risk Management Program to mitigate rising WC expenditure
- City absorbs most HC costs because of minimal employee contributions
- Unsustainable Healthcare expendt trend of 8-9% annual increases continue

2011-2012

- City faced with reducing workforce to offset rising costs of healthcare—$139M
- 2012 health benefit design changes implemented including 12% employee premium, deductibles, coinsur and OOPM
- City moves to self-funded for healthcare, absorbing the risk
- Second year of 3-Step Wellness Program with 80+% participation rates

2013-2014

- Onsite Wellness Center Opens
- Diabetes Prevention Program Begins
- Shift to outcomes based Wellness Program
- Healthy Rewards begins participants earn HRA for earning 100 points from biometrics and activities
- City begins Pilot PT program in DPW offering free onsite PT care to prevent injuries

2015

- Workplace Clinic opens, hours are expanded after 3 mos of experience
- Healthy Rewards participation doubles and HRA award increased to $250
- City changes pharmacy from 3-tier copay to 20% co-insurance
- City implements further benefit design changes, increases deductible and coinsur to $750, $1500 OOPM, $200 ER copay
- City links co-insur to UHC's Premium Provider program
- City links EAP and mental health under Wellness
- Department Wellness Champions begin

2016

- Employee Premiums flat for 5th year
- Workplace Clinic expands to 40 hrs/week
- City opens onsite early intervention Physical Therapy
- Implement UHC's Real Appeal Program
- City hires Third Party Administrator for WC for claims admin and workplace injuries
- Financial Health included in Wellness
- Traveling Wellness Center Sites opened at various City Depts
- Year Round Coaching begins
- Launch Quarterly Wellness Newsletter
- Increase Department Wellness Champions
- City implements Work-Life Balance Initiative

2017

- Employee Premiums flat for 6th year
- Workplace Clinic at 56+ hours per week
- Early Intervention PT Clinic changed to Injury Prevention Clinic
- Revamp 3 Step Wellness Program to One comprehensive appointment
- Gen City employees use 069 for wellness
- New Wellness Resource Guide
- Restructure Healthy Rewards Program to 3 tiers of points/awards
- Expand Wellness Programming with new onsite classes, fitness, weight management, etc.
- UHC Onsite Nurse Liaison begins in Oct
- Redesign Open Enrollment Materials into Benefits Guide

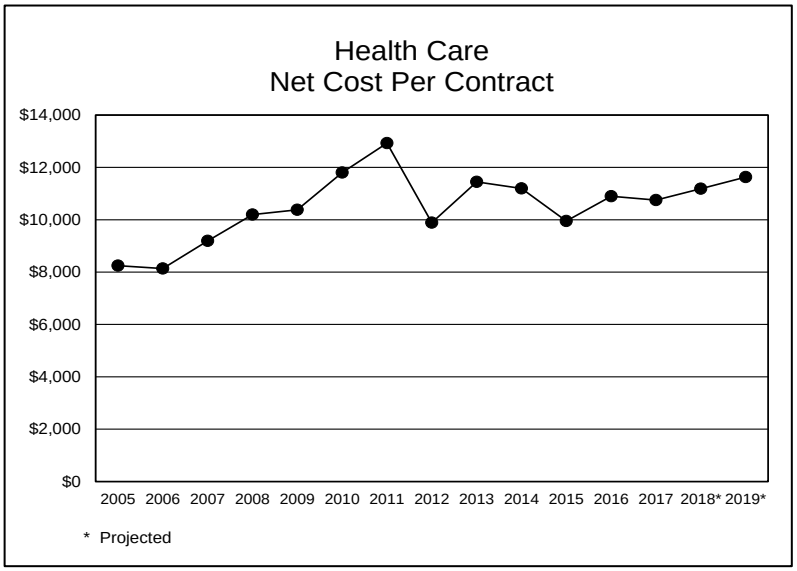
Employee Wellbeing, Health Care, Wellness, and Safety: DER works with multiple partners to create a workplace culture for employees that enhances their lives and offers all the tools necessary to meet with them wherever they are on their road to good health. The model strives to ensure that employees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

Health Care: Since 2012, the city continues to experience positive trends with health care expenditures as demonstrated by flat premiums for active employees and no benefit design changes since 2015. This contrasts with national trends that have seen premiums increase by 23% 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 smarter health care utilization choices.

In 2017, the City in partnership with UHC launched an Onsite Nurse Liaison program to support employees and spouses including managing chronic health conditions, making better healthcare decisions, assisting with pharmacy and medical claim issues and navigating available health and pharmacy resources. The Nurse Liaison has regular office hours at City Hall and ten offsite locations. The Nurse Liaison is a key partner in developing the City's comprehensive health and wellness program including initiating a diabetes prevention support group, a diabetes management program, expanding offsite locations and offering regular education sessions to employees. The Onsite

Nurse Liaison also helps educate and connect employees and spouses to the many available health and wellness programs and initiatives.

Figure 2



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, weight management programs, diabetes prevention, educational sessions, group fitness classes and department specific initiatives. The continued success and significant expansion of the city's comprehensive wellness program are possible because of the support and commitment DER and WFH receive 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 spouses.

WFH also oversees and staffs the city's onsite Workplace Clinic and Injury Prevention Clinic. The City's onsite clinics had over 4,100 visits in 2017 and are projected to have similar attendance numbers in 2018. The clinics offer immediate and convenient access to high quality health care free to employees and spouses, augment and support employees' relationship with their Primary Care Provider, assist with management of chronic conditions, help mitigate more costly care down the road and coordinate with other City health and wellness services. In addition, the clinics help lower the overall cost of health care for both employees and the City. In 2018, DER launched a pilot program with Froedtert FastCare Clinics to expand the City's Workplace Clinic efforts. FastCare Clinics provide similar healthcare services as the Workplace Clinic, offer evening and weekend hours and can see older age dependents (6 years and older). This expansion will help continue the success the City has experienced with its onsite clinics while enhancing a valuable benefit for employees and their families.

Employee Safety and Worker's Compensation: DER transitioned worker's compensation third party administrator services from Gallagher Bassett to CorVel Corporation effective April 1, 2018. CorVel has a long standing relationship with the City of Milwaukee and has been a valuable partner providing bill review and PPO network services when the City self-administered worker's compensation benefits. CorVel has a proactive healthcare approach that puts the injured worker first and ensures that when an employee is hurt, proper medical care is the priority.

2019 Highlights

The 2018 cost per health care contract is expected to increase at the rate of medical inflation to $11,200. 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 2019, the projected cost per contract will be approximately 10% lower than 2011 levels.

SPECIAL PURPOSE ACCOUNT
WORKER'S COMPENSATION

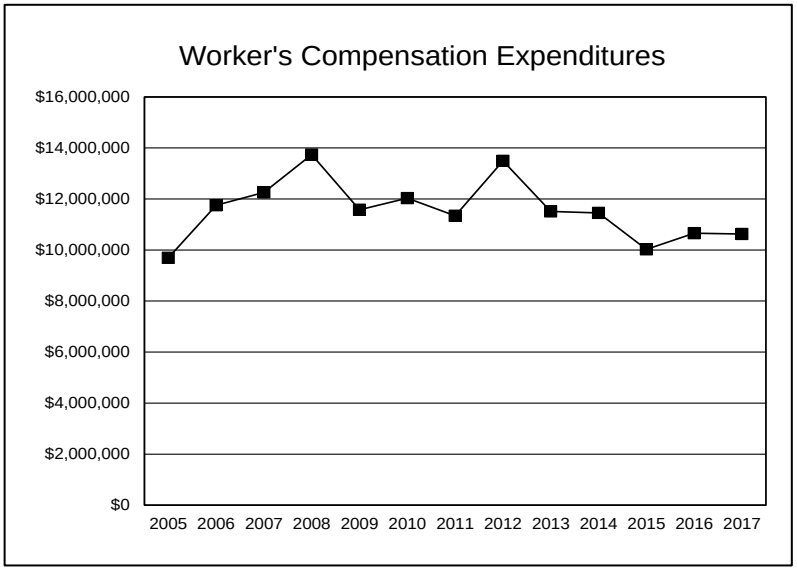
SUMMARY OF EXPENDITURES

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Worker's Compensation	$10,267,479	$11,000,000	$11,500,000	$11,500,000	$500,000	$0
TOTAL	$10,267,479	$11,000,000	$11,500,000	$11,500,000	$500,000	$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 2019 budget for the worker's compensation account totals $11.5 million; expenditures for 2018 are projected to be $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. A TPA was considered 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. DER's project team worked with GB to try and resolve ongoing complex cases and issues. However, in spite of these efforts and repeated conversations with GB's leadership team, DER continued to have concerns with GB's ability to effectively and efficiently handle the complexity of the City's claims processing and management functions. This ultimately led to DER executing the termination provision within the contract in 2018.

DER transitioned worker's compensation third party administrator services from Gallagher Bassett to CorVel Corporation effective March 31, 2018. CorVel has a long standing relationship with the City of Milwaukee and has been a valuable partner providing bill review and PPO network services when the City self-administered worker's compensation benefits. CorVel has a proactive healthcare approach that puts the injured worker first and ensures that when an employee is hurt, proper medical care is the priority.

FRINGE BENEFIT OFFSET

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Fringe Benefit Offset	$-188,032,844	$-176,462,672	$-177,161,621	$-178,693,628	$-2,230,956	$-1,532,007
Total	$-188,032,844	$-176,462,672	$-177,161,621	$-178,693,628	$-2,230,956	$-1,532,007

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 2019 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 2019 amounts to approximately $178.7 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 2019, the city anticipates generating approximately $633.4 million in revenue for general city purposes. Figure 1 provides a breakdown of these revenues by major category.

Revenue diversification and enhancement provides the city with the means to retain existing service levels. Property tax increases have been limited by state legislation and state aid decreases, placing pressure on other revenue sources or requiring service reductions. State restrictions on the type of fees that are available to municipalities further erode the city's ability to diversify its revenues.

The overall general city purposes revenues have grown less than the rate of inflation (see Figure 2). Revenues in 1997 equaled $426 million which is $28.9 million higher than the inflation adjusted revenue for 2019 of $397 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 2019 budget. A noticeable shift in intergovernmental, property taxes, and charges for service is evident over the time period. The city received proportionately more intergovernmental aid in 1995 when it accounted for 63.7% of total revenues versus 42.7% in 2019.

Figure 1

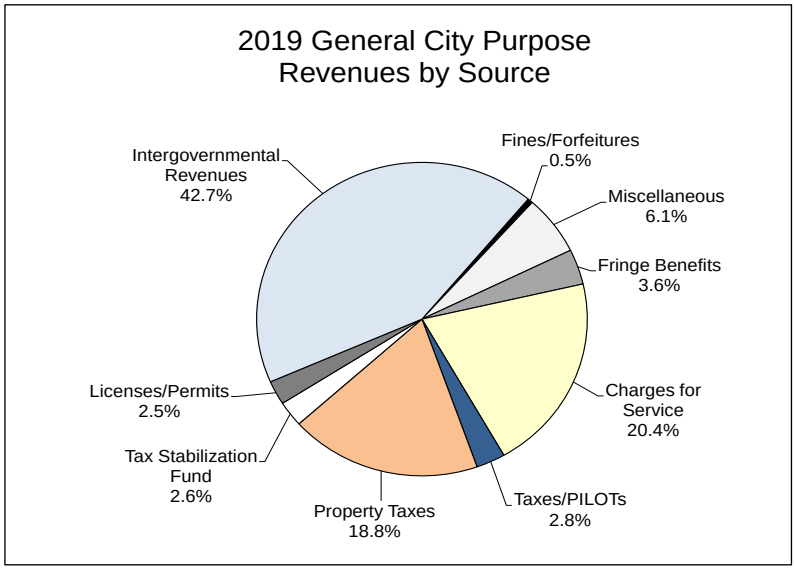
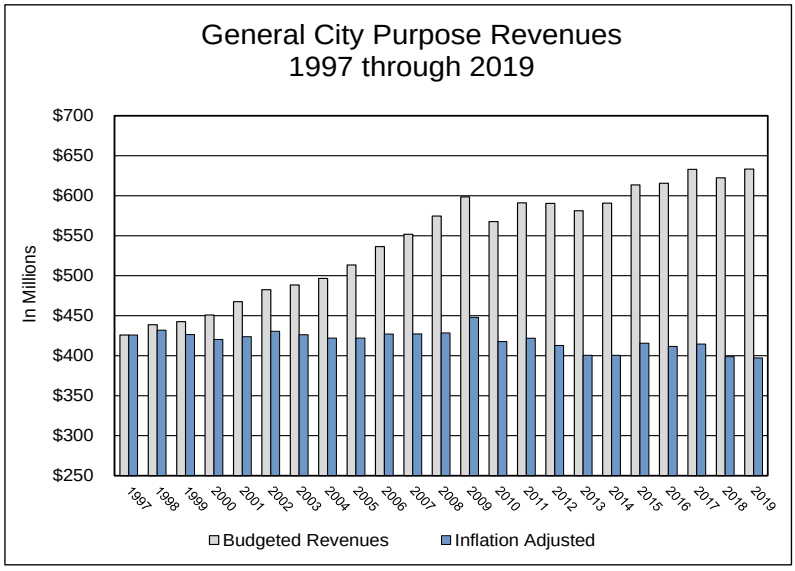


Figure 2



Over the same time period, the city's reliance on property taxes increased from 10.6% to 18.8%. The city has increased its efforts to diversify revenues by increasing charges for service as a percentage of revenue from 4.3% to 20.4%.

From 2009 to 2019, intergovernmental revenues decreased by $2 million from $272.2 million to $270.2 million. This is shown in Figure 4 along with the inflation adjusted amounts.

The following discussion provides a 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 2019 budget, intergovernmental revenues total $270.2 million, an increase of $2 million from 2018. The majority of the increase is from aid received to offset the State of Wisconsin's recent exemption of personal property from the property tax.

The largest amount of state aids received by the city comes in the form of state shared revenue. In 2019, the city expects to receive $219.1 million of shared revenue; an increase of $26,000 from 2018.

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 $103 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 2019, these aids total $29.1 million, the same as in 2018.

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 2019 is $9.8 million; an increase of $635,000 from 2018.

Figure 3

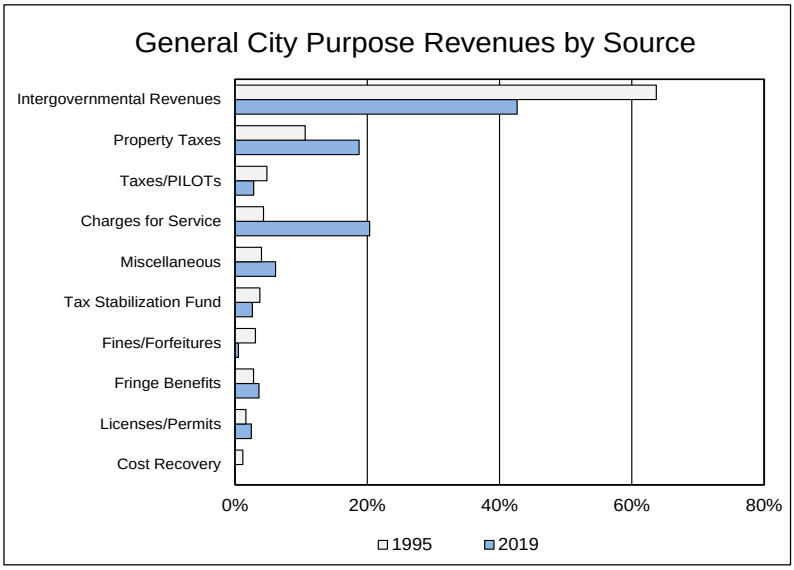
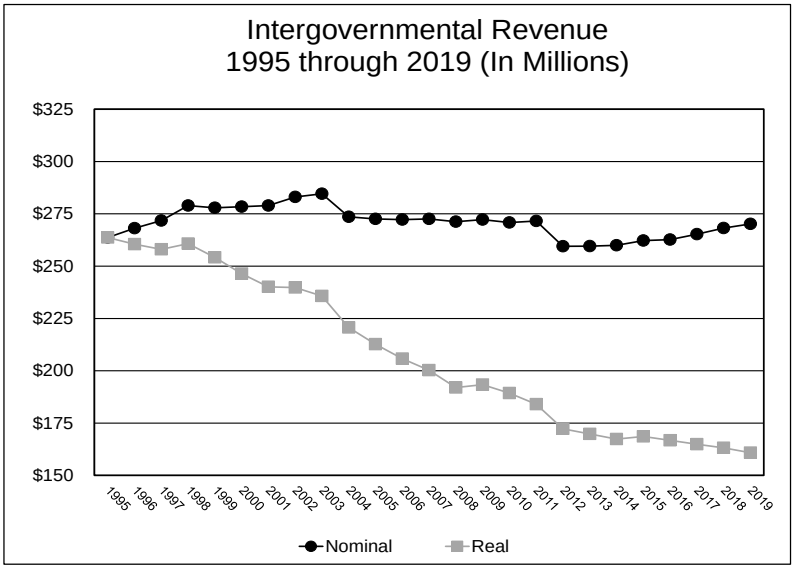


Figure 4



Property Taxes: The property tax levy will provide $118.9 million in revenue for the general city purposes budget in 2019. In 2019, the total city tax levy will be $280 million; a $6.6 million increase in the tax levy from the 2018 budget.

Taxes and Payments in Lieu of Taxes: The 2019 budget includes an estimated $18 million in revenue attributable to taxes and payments in lieu of taxes (PILOTs), an increase of $393,400 from 2018. 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 2019 budget includes $128.9 million in revenue from charges for services, a decrease of $237,538 from 2018. This category of funding encompasses revenue received for services provided by city operating departments.

Figure 5

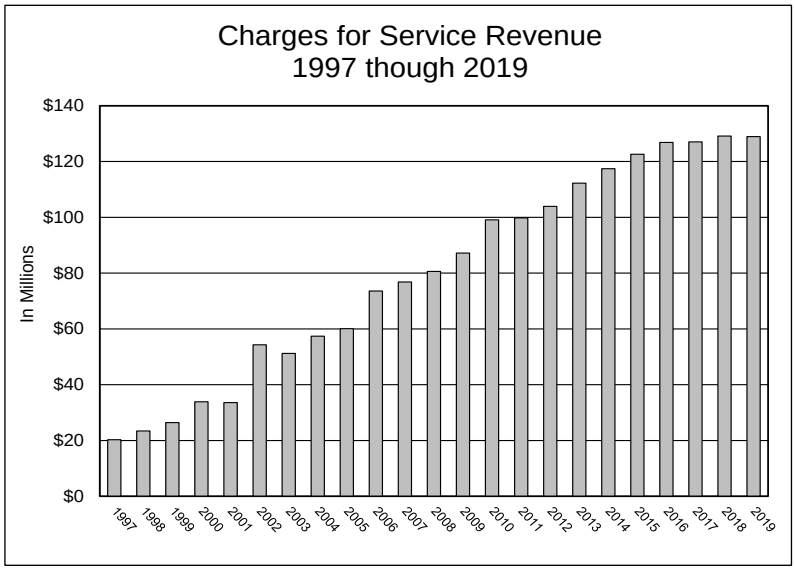


Figure 5 illustrates the increased city reliance on user based fees. Charges for service revenues increased from $20.3 million in 1997 to $128.9 million in 2019. This trend is also evident in Figure 3, where charges for service revenues increased from 4.3% of revenues to 20.4%. Fees for solid waste, 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 increases to $68 per cart above one cart per household, an increase from $60 in 2018. There is no charge for additional recycling carts. The solid waste fee will increase from $208.92 per year for residential units to $215.20 per year, a 3% increase and will generate $41.7 million when combined with the extra garbage cart fee.

The snow and ice fee will increase from an annual rate of $0.97 to $1.00 per foot of property frontage, a 3% increase. In 2019, the fee will generate a total of $9.6 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 $22.3 million transfer from the sewer maintenance fund to the general fund.

Miscellaneous Revenues: Miscellaneous revenues include the transfer from the transportation 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 2019, these revenues are expected to total $38.9 million, a decrease of $378,512 from 2018. Changes include a $1.1 million decrease in the Transportation Fund transfer, a $970,800 increase in investment earnings, a $93,000 decrease from the sale of recyclable materials, a $100,000 decrease in the vehicle registration fee revenue, and a $147,000 increase in the Potawatomi payment.

Fines and Forfeitures: Revenue of $3.25 million related to fines and forfeitures is included in the 2019 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 2019, revenue from licenses and permits is estimated at $15.7 million, a decrease of $265,400 from 2018. 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 2019.

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, 2018 was $38.3 million. The 2019 withdrawal will be $16 million which is 41.7% of the fund balance.

A temporary additional withdrawal from the TSF is reflected in the 2019 proposed budget in anticipation of revenue recognition by the Comptroller. Some fees are being proposed to increase but have not yet been adopted by the Common Council. The Comptroller's practice is to recognize this revenue after the Common Council adopts legislation increasing the fees. The amount included in the 2019 proposed budget for this purpose is $623,000. Once the fee increases are approved by the Common Council and recognized by the Comptroller they will appear in the appropriate revenue category and this portion of the TSF withdrawal will be eliminated.

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	2016 Actual Expenditures	2017 Actual Expenditures	2018 Adopted Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted Budget
Taxes and Payments in Lieu of Taxes					
Housing Authority	$811,558	$826,239	$700,000	$780,000	$80,000
Parking	1,566,944	1,594,302	1,455,000	1,409,000	-46,000
Water Works	12,767,171	13,301,628	12,700,000	13,300,000	600,000
Trailer Park Taxes	71,894	69,476	70,000	70,000	0
Payment in Lieu of Taxes Other	476,330	476,994	474,000	310,000	-164,000
Interest/Penalties on Taxes	1,693,903	1,395,794	1,693,900	1,663,000	-30,900
TID Excess Revenue	700,917	438,636	270,000	46,000	-224,000
Other Taxes	925,540	828,028	227,700	406,000	178,300
Total Taxes	$19,014,257	$18,931,097	$17,590,600	$17,984,000	$393,400
Licenses and Permits					
Licenses					
Amusement Dance/Music	$68,075	$34,600	$0	$0	$0
Dog and Cat	113,009	86,486	88,100	89,000	900
Food City Clerk	2,150,728	2,032,717	2,050,000	2,030,000	-20,000
Food Health Dept.	175,344	157,196	160,000	170,000	10,000
Health Dept. Non-Food	15,009	15,512	15,400	15,000	-400
Liquor and Malt	247,236	115,931	0	0	0
Scales	404,901	389,373	400,000	384,000	-16,000
Miscellaneous City Clerk	2,197,385	2,076,426	2,461,000	2,225,000	-236,000
Miscellaneous Neighborhood Services	231,105	246,479	246,600	248,000	1,400
Miscellaneous Dept. Public Works Administration	15,375	12,069	16,000	12,000	-4,000
Permits					
Board of Zoning Appeals	$276,338	$274,686	$292,000	$285,000	$-7,000
Zoning Change Fees	65,875	88,437	63,000	80,000	17,000
Building	4,734,346	4,230,232	4,594,300	4,459,000	-135,300
Building Code Compliance	56,326	0	0	0	0
Electrical	1,586,562	1,443,127	1,500,000	1,480,000	-20,000
Elevator	321,456	399,664	369,000	350,000	-19,000
Occupancy	413,087	357,942	450,000	360,000	-90,000
Plumbing	870,831	773,613	800,000	800,000	0
Miscellaneous Neighborhood Services	113,659	85,712	109,500	94,000	-15,500
Sign and Billboard	112,503	111,434	114,000	112,000	-2,000
Special Events	235,174	260,497	280,000	265,000	-15,000
Miscellaneous Dept. of Public Works	294,840	255,660	287,000	273,000	-14,000
Special Privilege Misc. Neighborhood Services	382,189	420,110	357,000	380,000	23,000
Sprinkler Inspection	188,988	179,201	180,000	182,000	2,000
Use of Streets Excavating	1,497,009	1,550,194	1,104,500	1,379,000	274,500
Total Licenses and Permits	$16,767,350	$15,597,298	$15,937,400	$15,672,000	$-265,400
Intergovernmental Revenue					
Fire Insurance Premium	$1,139,924	$1,243,857	$1,130,000	$1,200,000	$70,000
Local Street Aids	27,756,658	26,808,834	29,140,000	29,140,000	0
Payment for Municipal Services	2,335,748	2,105,417	2,100,000	2,100,000	0
State Payments Police	851,434	1,079,326	1,183,400	972,000	-211,400
State Shared Revenue (General)	219,087,542	219,103,492	219,054,000	219,080,000	26,000
Other State Payments	7,034	7,034	7,000	7,000	0
Expenditure Restraint Aid	8,721,789	9,001,972	9,134,000	9,769,000	635,000

	2016 Actual Expenditures	2017 Actual Expenditures	2018 Adopted Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted Budget
Computer Exemption Aid	5,290,488	6,350,414	6,443,000	6,579,000	136,000
Personal Property Exempt Aid	0	0	0	1,359,000	1,359,000
Total Intergovernmental Revenue	$265,190,617	$265,700,346	$268,191,400	$270,206,000	$2,014,600
Charges for Services - General Government					
City Attorney	$826,600	$1,085,485	$929,700	$904,000	$-25,700
Dept. of Employee Relations	163,461	199,797	190,000	194,000	4,000
City Treasurer	155,796	152,852	104,600	104,000	-600
Common Council City Clerk	258,267	234,166	226,800	205,000	-21,800
Cable Franchise Fee	4,825,134	4,622,334	5,000,000	4,625,000	-375,000
Comptroller	616,908	600,528	575,000	580,000	5,000
Election Commission	93,782	0	0	0	0
Municipal Court	1,240,059	1,245,524	899,800	1,482,000	582,200
Assessor	845,494	622,486	1,060,300	863,000	-197,300
Dept. of City Development	9,660	12,714	10,000	10,000	0
Dept. of Administration	114,971	72,686	86,000	82,000	-4,000
Fire Dept.	6,654,756	5,756,133	6,545,000	5,968,000	-577,000
Police Dept.	2,800,055	3,687,149	2,898,100	3,126,000	227,900
Dept. of Neighborhood Services	13,052,324	11,208,972	12,602,000	10,951,000	-1,651,000
Building Razing	1,287,273	856,026	1,100,000	800,000	-300,000
Fire Prevention Inspections	2,071,471	1,596,628	2,000,000	1,900,000	-100,000
Essential Services	63,439	40,134	67,000	40,000	-27,000
Placard Fee	16,618	7,759	22,000	13,000	-9,000
IT/Training Surcharge Dept. of Neighborhood Services	326,980	288,124	400,000	320,000	-80,000
Dept. of Public Works Operations Buildings and Fleet	3,733,693	3,814,814	3,820,000	3,800,000	-20,000
Dept. of Public Works Infrastructure Division	4,075,299	4,619,901	4,345,100	4,499,000	153,900
Dept. of Public Works Operations Division Forestry	181,963	138,984	160,000	152,000	-8,000
Harbor Commission	5,464,890	5,345,158	5,131,693	4,953,155	-178,538
Dept. of Public Works Administrative Services	1,417,509	1,337,562	1,791,400	1,840,000	48,600
Dept. of Public Works Operations Div. Sanitation	4,354,127	4,198,914	4,441,100	4,453,000	11,900
Solid Waste Fee	36,712,824	37,804,656	38,923,000	40,092,000	1,169,000
Extra Garbage Cart Fee	1,613,700	1,516,258	1,500,000	1,615,000	115,000
Snow and Ice Control Fee	8,787,665	9,019,078	9,227,000	9,560,000	333,000
Forestry Stormwater Management	18,126,000	19,626,000	21,682,000	22,332,000	650,000
Apartment Garbage Pickup	1,346,741	1,244,244	1,300,000	1,200,000	-100,000
Health Dept.	1,163,608	1,267,258	1,061,300	1,218,000	156,700
Public Library	331,814	284,168	301,800	277,000	-24,800
County Federated System	725,619	739,397	744,000	749,000	5,000
Recycling Contract	2,181	0	0	0	0
Total Charges for Services	$123,460,681	$123,245,889	$129,144,693	$128,907,155	$-237,538
Fines and Forfeitures					
Municipal Court	$3,524,318	$3,274,953	$3,001,000	$3,251,000	$250,000
Total Fines and Forfeitures	$3,524,318	$3,274,953	$3,001,000	$3,251,000	$250,000
Miscellaneous Revenue					
Transfer from Other Funds	$16,599,956	$16,924,890	$17,123,005	$16,000,000	$-1,123,005
Interest on Investment	1,352,684	1,412,397	1,289,200	2,260,000	970,800
Contributions	2,377,329	3,000,596	3,000,000	3,200,000	200,000
Dept. of Administration Property Sales	203,567	308,843	351,500	291,000	-60,500
Dept. of City Development Property Sales	140,723	0	15,000	10,000	-5,000
Dept. of Public Works Infrastructure Division Rent	218,229	256,648	368,600	379,000	10,400
Comptroller Rent	179,773	86,550	174,900	85,000	-89,900

	2016 Actual Expenditures	2017 Actual Expenditures	2018 Adopted Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted Budget
Dept. of City Development Rent	25,018	300	12,000	12,000	0
Sale of Recyclable Materials	1,527,062	1,593,165	1,673,000	1,580,000	-93,000
Other Miscellaneous	1,722,571	1,337,344	1,244,607	954,000	-290,607
Insurance Recovery	310,122	625	40,000	16,000	-24,000
Potawatomi	5,574,766	5,657,934	5,750,000	5,897,000	147,000
Harbor Commission Transfer	1,501,000	1,517,327	1,530,700	1,610,000	79,300
Vehicle Registration Fee	6,721,308	6,626,376	6,700,000	6,600,000	-100,000
Total Miscellaneous Revenue	$38,454,108	$38,722,995	$39,272,512	$38,894,000	$-378,512
Fringe Benefits					
Fringe Benefit Offset	$22,786,519	$22,527,543	$23,000,000	$23,000,000	$0
Total Fringe Benefits	$22,786,519	$22,527,543	$23,000,000	$23,000,000	$0
Total General Fund Revenue	$489,197,850	$488,000,121	$496,137,605	$497,914,155	$1,776,550
Amount to be Raised Pursuant to 18-02-6	$126,491,962	$139,933,318	$126,191,811	$135,485,228	$9,293,417
Less:					
Tax Stabilization Fund Withdrawal (Sustainable)	$21,087,000	$27,579,000	$19,000,000	$16,000,000	$-3,000,000
Tax Stabilization Fund Withdrawal (Revenue Anticipation)	$0	$0	$0	$623,000	$623,000
Property Tax Levy	$105,404,962	$112,354,318	$107,191,811	$118,862,228	$11,670,417
Total Sources of Fund for General City Purposes	$615,689,812	$627,933,439	$622,329,416	$633,399,383	$11,069,967

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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Rquested
Firemen's Pension Fund						
Lump Sum Supplement Contribution	$38,000	$30,000	$25,000	$25,000	$-5,000	$0
Subtotal	$38,000	$30,000	$25,000	$25,000	$-5,000	$0
Policemen's Pension Fund						
PABF Payroll	$176,239	$290,000	$200,000	$135,000	$-155,000	$-65,000
Lump Sum Supplement Contribution	10,000	10,000	10,000	10,000	0	0
Subtotal	$186,239	$300,000	$210,000	$145,000	$-155,000	$-65,000
Employees' Retirement Fund						
Employer's Pension Contribution	$67,938,024	$78,000,000	$79,000,000	$56,600,000	$-21,400,000	$-22,400,000
Employer's Pension Contribution - Employers' Reserve Fund	0	5,000,000	4,000,000	13,400,000	8,400,000	9,400,000
Administration	18,376,299	23,656,880	23,205,973	23,205,973	-450,907	0
Subtotal	$86,314,323	$106,656,880	$106,205,973	$93,205,973	$-13,450,907	$-13,000,000
Social Security Tax	$18,895,891	$18,308,691	$18,900,000	$18,900,000	$591,309	$0
Former Town of Lake Employees' Fund						
Employer's Pension Contribution	$7,300	$0	$0	$0	$0	$0
Subtotal	$7,300	$0	$0	$0	$0	$0
Deferred Compensation Plan	$335,560	$477,764	$476,483	$476,483	$-1,281	$0
Total	$105,777,313	$125,773,335	$125,817,456	$112,752,456	$-13,020,879	$-13,065,000
Revenues						
Fringe Benefits Pensions	$1,163,665	$1,499,058	$1,489,647	$1,489,647	$-9,411	$0
Charges for Service ERS	18,209,109	23,305,852	22,870,125	22,870,125	-435,727	0
Charges to Other Funds	908,875	1,200,000	1,200,000	1,200,000	0	0
Charges for Service Deferred Compensation	335,560	477,764	476,483	476,483	-1,281	0
Property Tax Levy	77,982,361	94,188,661	95,673,201	86,608,201	-7,580,460	-9,065,000
Employer's Reserve Fund	0	5,000,000	4,000,000	0	-5,000,000	-4,000,000
Miscellaneous Employees' Retirement System	82,900	102,000	108,000	108,000	6,000	0
Total	$98,682,470	$125,773,335	$125,817,456	$112,752,456	$-13,020,879	$-13,065,000

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. 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 27,176 members in the system as of December 31, 2017.

The Policemen's Annuity and Benefit Fund (PABF) administers pensions for city police officers employed prior to 1947. There were 20 members as of January 1, 2018.

Funds in the Firemen's Pension Fund are provided for retired fire fighters who were employed prior to 1947. This fund had 17 members as of January 1, 2018.

The Comptroller 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 City uses a stable contribution policy that was adopted in 2013. The stable contribution policy is based on a blended rate representing the total employer contribution rate which results from adding the proportionately weighted rates of the three employee groups. The blended rate is applied to covered compensation to determine the City's contribution. 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; and
- No change to member contributions

The stable contribution policy stabilizes the property tax levy for a five year period. Actuarial analysis has concluded that the total contribution made during the first five years since the policy change are slightly higher than 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 was modified for the 2018 pension contribution. It reflects a change from an 8.25% rate of return to an 8% rate of return. Other changes were 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. The blended rate was preliminarily modified to 9.25% for general city, 30.16% for police and 28.71% for fire. These rates were based on 2016 pension fund data. For 2018, the pension contribution included in the budget was $83 million of which $78 million was tax levy supported and $5 million came from the pension reserve account. This was an increase of $22 million over the $61 million included in the 2017 budget.

When 2017 data became available, the Actuary estimated the payment at $69.6 million for 2018 which was $13.4 million lower than budgeted. With $83 million being paid in January to take advantage of early payment savings

and the revised contribution estimate becoming available in June, a $13.4 million credit exists in the pension fund. The blended rate was modified to 7.47% for general city, 25.23% for police and 26.85% for fire.

The City Charter does not allow the amount of the credit to be transferred from the pension fund to the pension reserve fund. To accomplish the same result as transferring the money from the pension fund to the pension reserve fund, the 2019 Proposed Budget for the employer pension contribution will be reduced by $13.4 million and $13.4 million will be provided to be deposited into the pension reserve account. The purpose of budgeting this way for pensions is to stabilize future City budgets.

Current City employer pension contributions are based on an assumed investment rate of return of 8%. This rate of return is on the higher end of those used by pension systems across the country. A rate of return in the 7% to 7.5% range is used by most pension systems. The higher rate of return the City uses produces an estimated lower pension contribution than the 7% to 7.5% rates and carries a higher risk that the rate of return will not be achieved.

The Actuary has indicated that a lower rate of return will be used for financial reporting beginning in 2019 and a lower rate of return will be recommended when the stable contribution is reset in 2023. A minor decrease in the rate of return of 0.25% will increase the employer pension contribution by at least $15 million annually assuming the rate of return over the period is 8%.

Having a balance of over $24.0 million in the pension reserve with the $13.4 million provided in 2019 will allow the City to smooth out the impact of the increased payment thus eliminating the future need for large service reductions. Choosing an alternative option to depositing the funds in the pension reserve account will require an additional $13.4 million in service reductions in 2020 and none of the funds will be available to smooth out the impact in 2023. It is vital that City continue to use sound financial management to avoid adding to the future structural budget imbalance.

Another $9.0 million will be reduced to reflect the actual contribution for 2019. The contribution will be $70 million of which $56.6 million will come from the 2019 budget and the remainder from the $13.4 million credit in the pension fund.

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 budget used $5 million from the reserve fund. In 2019, $13.4 million from the pension fund credit savings will be deposited into the pension reserve fund bringing the balance to $24.0 million.

Social Security Payments: In the 2019 budget, $18.9 million is provided for social security payments.

Administration: In the 2019 budget, ERS administrative costs are $23.2 million.

Employer's Pension Contribution (PABF): The 2019 budget does not include a contribution for the former Policemen's Annuity and Benefit Fund. Instead the city will provide $135,000 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 $25,000 is provided in the 2019 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 2019 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 80% until 2022 and 8.25% thereafter).

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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	42.89	48.50	48.50	48.50	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	63	63	61	61	-2	0
Expenditures						
Salaries and Wages	$2,594,366	$3,258,822	$3,310,326	$3,310,326	$51,504	$0
Fringe Benefits	1,163,665	1,499,058	1,489,647	1,489,647	-9,411	0
Operating Expenditures	14,147,799	18,270,000	18,093,000	18,093,000	-177,000	0
Equipment	470,469	629,000	313,000	313,000	-316,000	0
Special Funds	0	0	0	0	0	0
Total	$18,376,299	$23,656,880	$23,205,973	$23,205,973	$-450,907	$0
Revenues						
Charges for Services	$18,209,109	$23,305,852	$22,870,125	$22,870,125	$-435,727	$0
Miscellaneous	82,900	102,000	108,000	108,000	6,000	0
Total	$18,292,009	$23,407,852	$22,978,125	$22,978,125	$-429,727	$0

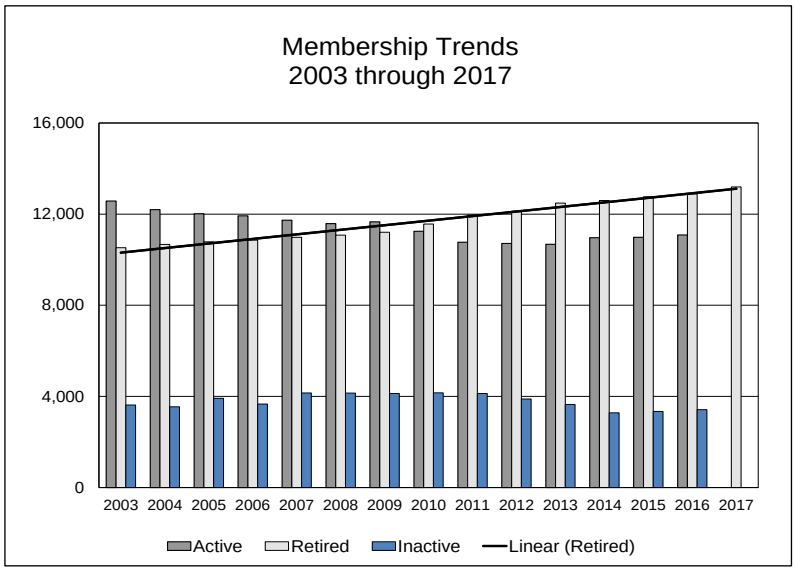
DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Optimize the amount of tax levy funding needed to support the Employes' Retirement System consistent with the risk assumed by the investment policy.

- Effectively manage the pension funds under its control.
- Provide high quality service to its customers.

Figure 1



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 2017, there were 27,176 members and beneficiaries in the Employes' Retirement System, approximately 60% are retirees or inactive members (see Figure 1).

The Annuity and Pension Board is the trustee of the system's funds and is responsible for the system's general administration. The Executive Director and Secretary functions under the direction of the Board and is responsible for daily operation of the system.

Key Performance Measures	2017 Actual	2018 Projected	2019 Planned
Annualized excess return above the blended benchmark index, gross of fees (over the past five years).	0.6%	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 $5.8 billion as of January 1, 2018. Market volatility in recent years has made it challenging to maintain a fully funded retirement system at all times. In 2017, the fund earned a net of fee return of 16.4%. 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 24.0% and 5.2% in 2017. The fund's allocations to private equity, real estate, and absolute return strategies generated net of fee returns of 17.3%, 8.3%, and 5.8% in 2017, respectively.

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

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, 2018 indicate the fund has been able to generate returns that meet or exceed its discount rate in the year-to-date, 1, 3, 5, and 7 year time periods. The fund's returns exceed 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.

Figure 2

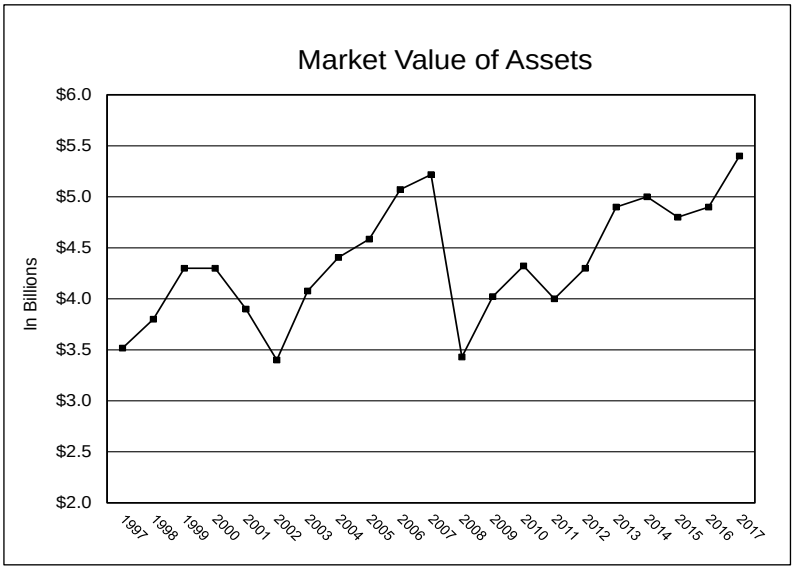
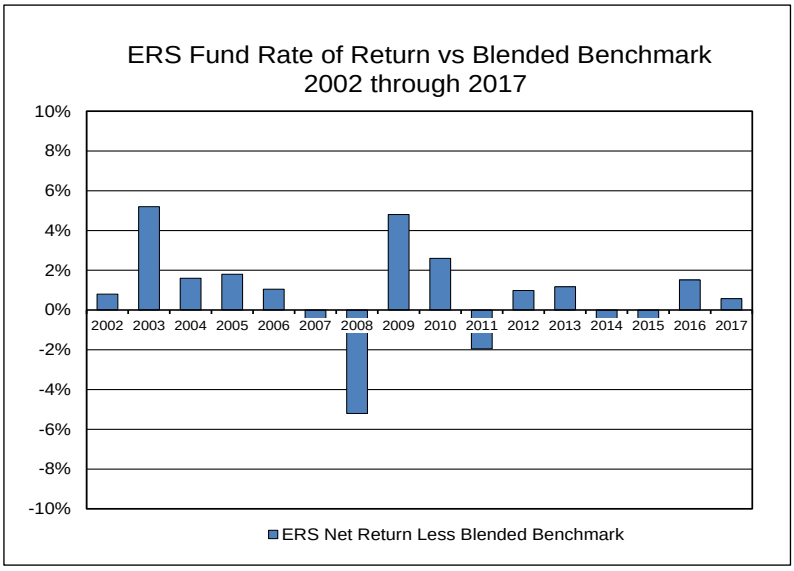


Figure 3



A strong customer-focused, digital approach to enhancing online services and business process automation is part of the approved ERS-IT Five Year Strategic Plan (2017-2022) which details the priorities, projects and financial considerations of monitoring and maintaining the lifecycle management of all IT assets. ERS will provide digital service improvements to enable members to make changes and monitor their accounts in a secure manner from the website. The ERS phone system will realize automation enhancement benefits in 2018 aligning customers to the right resources faster while providing a better experience for callers. Improved capabilities for customers with integration of the city phone system to the ERS line of business application (MERITS). Security enhancements and disaster recovery/business continuity improvements in 2018 ensures compliance with protecting and securing member data.

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.

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 2019 budget decreases by approximately $451,000 or 1.9%. Most of the decrease is from reduced spending in IT hardware.

ERS continues to upgrade information technology equipment and its network, which supports the information systems managing retirement benefits. The 2019 budget includes $313,000 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 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			Management Accountant - Senior	Eliminate auxiliary position authority
-1			ERS Chief Financial Officer (Y)	
-2	**0.00**	**0.00**	**Totals**	

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.

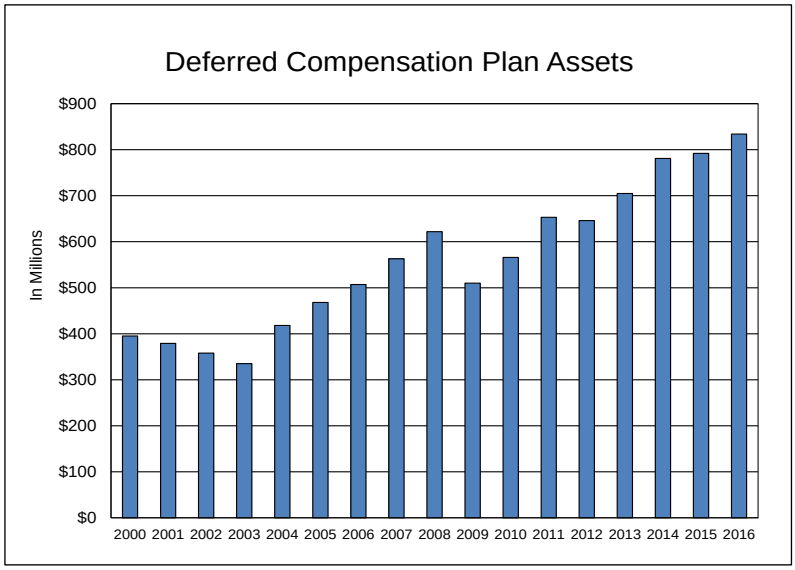
Administer the Plan in accordance with applicable regulations to maintain the Plan's tax deferred status.

BUDGET SUMMARY

	2017 Actual Expenditures	2018 Adopted Budget	2019 Proposed Budget	2019 Requested Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	2.58	3.00	3.00	3.00	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	3	3	3	3	0	0
Expenditures						
Salaries and Wages	$174,614	$192,989	$195,850	$195,850	$2,861	$0
Fringe Benefits	78,953	88,775	88,133	88,133	-642	0
Operating Expenditures	55,069	116,000	114,500	114,500	-1,500	0
Equipment	3,654	5,000	3,000	3,000	-2,000	0
Special Funds	23,270	75,000	75,000	75,000	0	0
Total	$335,560	$477,764	$476,483	$476,483	$-1,281	$0
Revenues						
Charges for Services	$335,560	$477,764	$476,483	$476,483	$-1,281	$0
Total	$335,560	$477,764	$476,483	$476,483	$-1,281	$0

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, which became open 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, 2017, active and retired participants totaled 8,757; the overall participation rate for City of Milwaukee employees was 84.5% compared to the 2016 participation rate of 81%. Previously, participation rates had remained steady since 2010. As of December 31, 2017, plan assets equaled roughly $940 million, a 12.5% increase from 2016.

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, 2018*				
		% Rate of Return**		
Investment Option	**Market Value as of 6-30-18 in $ Millions**	**One Year**	**Three Year**	**Five Year**
Actively Managed Equity	$174.4	14.00	8.94	10.80
AMEA Benchmark		14.40	9.75	11.53
Actively Managed Income	$54.6	0.04	1.13	2.03
AMIA Benchmark		(0.37)	1.89	2.38
Stable Value	$171.3	1.93	1.67	1.47
SVA Benchmark		0.31	0.32	0.22
Passive International Equity	$64.8	11.62	5.33	6.31
MSCI ACWI ex US		11.44	5.07	5.99
Passive U.S. Equity	$192.6	16.2	11.32	12.99
Russell 3000 Index Benchmark		16.32	11.58	13.29
JPMorgan Target Active SR Income	$44.8	5.48	4.81	5.63

Investment Performance as of June 30, 2018*				
		% Rate of Return**		
Investment Option	**Market Value as of 6-30-18 in $ Millions**	**One Year**	**Three Year**	**Five Year**
JPMCB Active SR Income Idx		5.33	4.91	5.41
JPMorgan Target Active SR 2020	$40.5	6.97	5.69	7.17
JPMCB Active SR 2020		6.79	5.99	7.07
JPMorgan Target Active SR 2025	$44.2	8.32	6.33	7.97
JPMCB Active SR 2025		8.18	6.77	7.97
JPMorgan Target Active SR 2030	$30.1	9.89	7.05	8.82
JPMCB Active SR 2030		9.61	7.49	8.74
JPMorgan Target Active SR 2035	$22.2	10.74	7.36	9.22
JPMCB Active SR 2035		10.71	8.03	9.33
JPMorgan Target Active SR 2040	$13.5	11.74	7.87	9.68
JPMCB Active SR 2040		11.76	8.56	9.79
JPMorgan Target Active SR 2045	$7.8	11.85	7.93	9.67
JPMCB Active SR 2045		11.92	8.65	9.84
JPMorgan Target Active SR 2050	$4.1	11.84	7.9	9.66
JPMCB Active SR 2050		11.92	8.65	9.84
JPMorgan Target Active SR 2055	$2.1	11.84	7.89	9.67
JPMCB Active SR 2055		11.92	8.65	9.84
JPMorgan Target Active SR 2060	$0.16	-	-	-
JPMCB Active SR 2060		-	-	-
Schwab Brokerage Window^	$45.1	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 2017 include:

- Awarded 2017 NAGDCA (National Association of Government Deferred Compensation Administrators) Award for Plan Design and Administration.
- Awarded Pensions & Investments 2017 "Eddy Award."
- Implemented the first year of automatic enrollment for new hires.
- Conducted a second annual re-enrollment campaign.
- 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.
- Third 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), preparation of Financial Statements (Experis) 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
0	0.00	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.

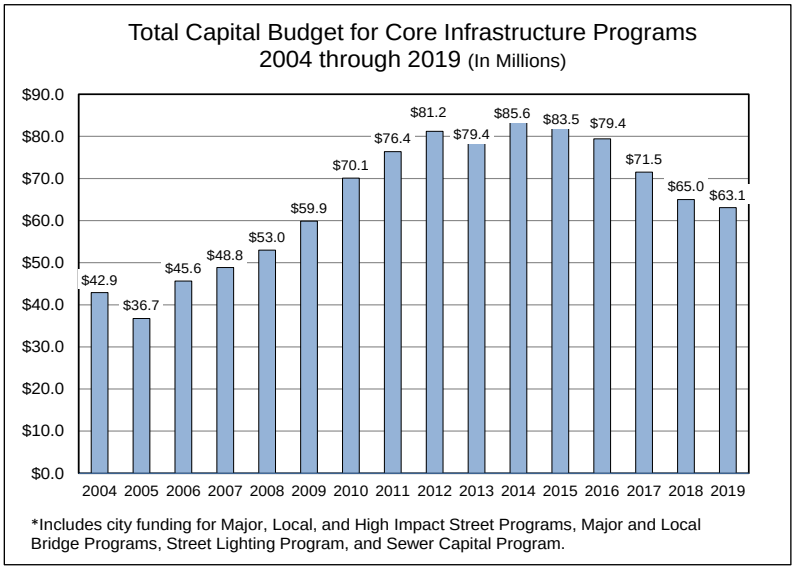
DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The 2019 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 2019 proposed general city capital improvements budget totals $149.4 million, an increase of $6.0 million from the 2018 budget. The tax levy supported portion of the capital budget, which includes tax levy resources as well as tax levy supported general obligation (GO) debt, totals $81.1 million. This is an increase of $2.8 million or 3.6% from the 2018 budget. However, the levy supported portion of the 2019 proposed capital budget is an $8.8 million or 9.8% decrease from the 2017 budget.

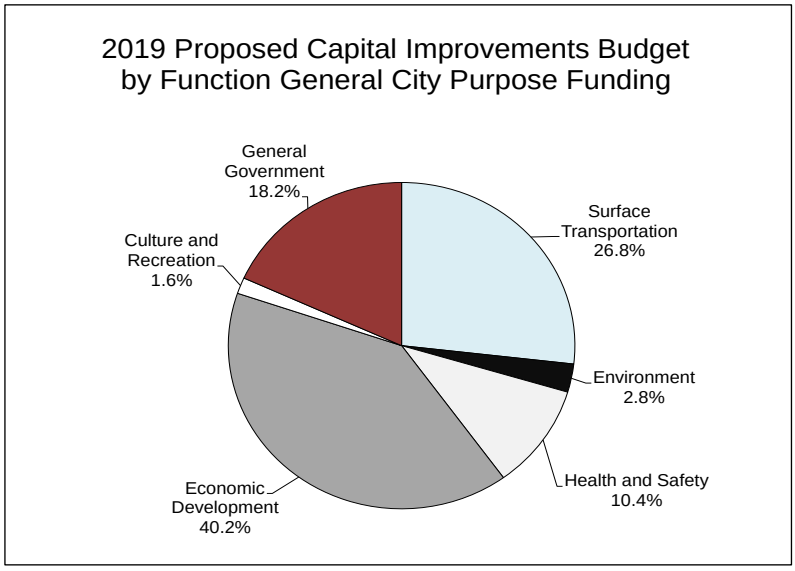
Figure 1



One of the city's long term goal is to provide tax levy supported borrowing authorizations that equate to tax levy debt retirements in order to control future increases in the debt service tax levy. Previous budgets have converted debt supported programs which

mitigate stormwater to cash financing through the sewer maintenance fund and the stormwater fee. The city has also utilized lease payments from the sewer maintenance fund and water works for the Tower Automation facility to pay GO debt service. These financing changes increase the city's capacity to invest in infrastructure prudently, using long term debt within debt limit constraints.

Figure 2



Continuing high levels of investment in core city infrastructure projects is a priority of the 2019 proposed budget. Core infrastructure programs including streets, bridges, street lighting, and sewers total $63.1 million in the 2019 proposed budget. Figure 1 shows improvements made in core infrastructure funding from 2004 to 2019. Since 2004 funding for core infrastructure has increased by $20.2 million, or 47%. The 2019 proposed capital budget will utilize $2.5 million of carryover funding from savings in the bridge program, which offsets the $1.9 million reduction in core infrastructure programs from 2018 to 2019.

The 2019 proposed budget includes $15.6 million for facility improvement projects, which is 19.2% of the levy supported general city capital budget. The city hall foundation repair project is the largest single facility improvement project in the 2019 proposed budget at $8 million, and the ongoing rebuilding of neighborhood libraries is the second largest facility project at $1.4 million.

The 2019 proposed budget uses $1,114,000 of cash from the tax levy for capital improvements. The Department of Administration's Information Technology & Management Division will utilize $500,000 of cash levy for several upgrade projects, including ADA Web and Public Application Compliance. The Department of City Development's Advance Planning Fund will utilize $150,000 of levy funding in 2019. 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 $60 million or 40.2% of the general city funded capital budget. In 2019, the capital budget for economic development is increased by $3.5 million compared to

2018. Borrowing for tax incremental districts (TIDs) totals $50.5 million, a $1 million increase from the 2018 budget. This includes $6.5 million for developer funded TID's.

Surface transportation projects constitute the second largest functional category, which is 26.8% of the capital budget or $40 million. Including grant and aids, total surface transportation spending is $67.4 million, a decrease of $8.3 million from 2018.

The general government project category constitutes the third largest functional area with $27.2 million or 18.2% of total funding provided for this purpose. This is a net decrease of $3.3 million from 2018. This category consists of buildings, non-police IT projects, and major capital equipment.

The health and safety project category comprises 10.4% of the 2019 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, which totals $3.1 million in the 2019 proposed budget; an increase of $1.7 million from 2018. Environment programs include forestry and environmental remediation programs. These projects are 2.8% of the city funded capital budget. Culture and recreation projects include a $250,000 allocation for the *MKE Plays* program, which leverages private investment to create innovative play spaces in city neighborhoods. This category also includes the Library's neighborhood library reconstruction program. The culture and recreation project category represents 1.6% of the city funded capital budget.

Figure 3

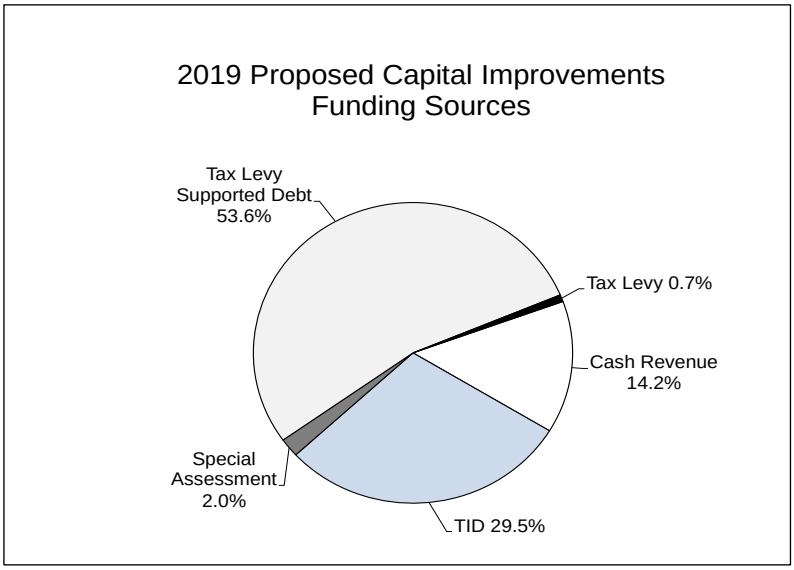
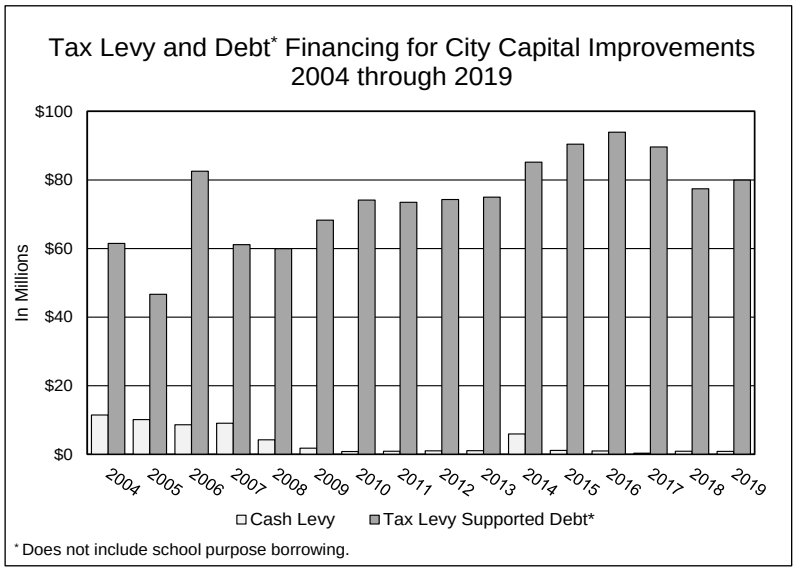


Figure 4



Funding Sources: The 2019 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 2019 proposed city funded capital budget (excluding grant and aids).

For 2019 the largest funding source is tax levy supported debt financing, composing 53.6% of total funding sources. Levy supported GO borrowing in the capital budget is $80 million, an increase of $2.6 million from 2018. 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 29.5% 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 2019 proposed budget includes borrowing authority for TIDs of $44 million which is the same amount as the 2017 and 2018 budgets.

In addition to TID financing, other self-supporting funding sources include $21.3 million of cash revenues, which represents 14.2% of the total and $3 million of special assessments, which represents 2%. Figure 3 does not include capital grant and aids for street reconstruction, bridge rehabilitation, and harbor improvements, which are anticipated to be $31.2 million in 2019.

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 $1,114,000 in the 2019 proposed budget.

2019 HIGHLIGHTS AND CHANGES

Lead Service Line Replacement Funding: The 2019 proposed capital budget includes $3.1 million to provide eligible property owners with financial assistance to replace lead service lines, an increase of $1.7 million from the 2018 budget. This includes funding for the full cost of replacing the privately owned portion of lead service lines in any child care facility that has not already had its lead service line replaced. When a water service made of lead is found to be leaking or will be disturbed as a result of an infrastructure project in the area, it must be replaced. The city offers substantial financial assistance as well as special assessment financing to eligible property owners to help them pay for lead service line replacement. In 2019, Milwaukee Water Works will replace 1,000 lead service lines.

Facility, Information Technology (IT), and Equipment: The 2019 proposed capital budget includes $15.6 million in capital funding for projects to upgrade or construct city facilities, $3.3 million for IT related capital projects, and $12.7 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 2019 proposed budget includes $15.6 million for city facility projects. Of this amount, $2.2 million will be used to continue the ongoing replacement of branch libraries as well as improvements at Central library. The 2019 proposed budget includes $800,000 to continue remodeling and upgrades to the facility that will house the Office of African American Affairs. The Department of Public Works Facilities Exterior and Facilities Systems programs include $2.3 million and will be used for various projects to maintain watertight exteriors and ensure continued operation of electrical and mechanical building systems.

The most costly single facility project in the 2019 proposed budget is the city hall foundation repair project at $8 million. This amount will fund the fourth 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 *2019 Proposed Plan and Budget Summary*.

In 2019, opportunities for increased efficiency and the need to upgrade existing systems result in $3.3 million in capital funding being directed to IT related upgrades and improvements. The largest single IT program is the Public Facilities Communications program, which is funded at $540,000. This program designs, maintains and installs fiber in City conduit to maintain data connections between City facilities and other critical infrastructure. The 2019 proposed budget includes $500,000 for the Police Department's Computer Aided Dispatch (CAD) system. The Police Department's capital budget includes $975,000 for various other IT initiatives. ITMD's proposed capital

budget includes $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 2019, capital equipment totals $12.6 million, an increase of $1.2 million from the 2018 budget. Police vehicles including squad cars, motorcycles, and prisoner conveyance vehicles had previously been funded in the Police Department's operating budget until 2018.

Street Lighting, Traffic Control & Underground Conduit: Due to a large number of state and federally aided paving projects that will be constructed in 2019, the budgets for street lighting, traffic control and underground conduit require significant increases from the 2018 budget. The Department of Public Works expects 10.5 miles of major and minor arterial streets in the city to be reconstructed in 2019. As a result, the 2019 proposed capital budget includes $15.8 million for these three programs, an increase of $8 million from the 2018 budget. These increases put pressure on other parts of the capital budget, requiring careful prioritization of projects and program funding levels.

Summary of Departmental Appropriations

Overview of 2019 Proposed Capital Budget General City Purposes

City Funded	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Special Projects	$8,514,000	$8,514,000	$8,514,000	$0	$0
Administration, Department of	1,660,000	2,575,000	2,590,000	930,000	15,000
City Attorney		3,881,000		0	-3,881,000
City Development, Department of	53,420,000	54,400,000	55,890,000	2,470,000	1,490,000
Common Council City Clerk		2,917,000	150,000	150,000	-2,767,000
Fire Department	1,555,000	3,752,000	3,324,000	1,769,000	-428,000
Fire and Police Commission		100,000	150,000	150,000	50,000
Health Department	660,000	660,000	760,000	100,000	100,000
Library	4,695,000	2,450,000	2,150,000	-2,545,000	-300,000
Neighborhood Services, Department of	2,000,000	2,044,000	1,800,000	-200,000	-244,000
Police Department	7,001,000	12,557,000	6,416,000	-585,000	-6,141,000
Port of Milwaukee	700,000	2,000,000	1,450,000	750,000	-550,000
Public Works, Department of	63,123,000	94,695,000	66,159,000	3,036,000	-28,536,000
Subtotal City Funded	$143,328,000	$190,545,000	$149,353,000	$6,025,000	$-41,192,000
Grants and Aids Funding					
Port of Milwaukee	$800,000	$3,600,000	$3,800,000	$3,000,000	$200,000
Public Works, Department of	35,570,000	27,399,000	27,399,000	-8,171,000	0
Subtotal Grants and Aids Funding	$36,370,000	$30,999,000	$31,199,000	$-5,171,000	$200,000
Enterprise Funds					
Parking	$3,424,500	$8,024,025	$3,385,000	$-39,500	$-4,639,025
Sewer Maintenance	37,514,000	35,850,331	33,950,000	-3,564,000	-1,900,331
Water	32,780,000	32,435,000	31,385,000	-1,395,000	-1,050,000
Subtotal Enterprise Funds	$73,718,500	$76,309,356	$68,720,000	$-4,998,500	$-7,589,356
Total Capital Plan	$253,416,500	$297,853,356	$249,272,000	$-4,144,500	$-48,581,356

2019 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					$8,000,000	$8,000,000		$8,000,000
Municipal Art Fund								
Budget	25,000					25,000		25,000
Housing Trust Fund								
Budget		400,000				400,000		400,000
Capital Improvements Committee								
Budget	89,000					89,000		89,000
Total	**$114,000**	**$400,000**	**$0**	**$0**	**$8,000,000**	**$8,514,000**	**$0**	**$8,514,000**
Department of Administration								
Office of African American Affairs Construction								
Budget		$800,000				$800,000		$800,000
IT Upgrades								
Budget		$300,000				$300,000		$300,000
Electronic Health Records & Billing								
Budget	100,000					100,000		100,000
Voice Recording Hardware Replacement								
Budget		100,000				100,000		100,000
CityWatch Replacement								
Budget		100,000				100,000		100,000
GIS Street Data Modernization								
Budget		150,000				150,000		150,000
ADA Web and Public App Compliance								
Budget	250,000					250,000		250,000
Better Buildings Challenge								
Budget		100,000				100,000		100,000
PeopleSoft PUM Upgrade								
Budget	150,000					150,000		150,000
Public Facility Communications								
Budget		540,000				540,000		540,000
Total	**$500,000**	**$2,090,000**	**$0**	**$0**	**$0**	**$2,590,000**	**$0**	**$2,590,000**
Department of City Development								
Advance Planning								
Budget	$150,000					$150,000		$150,000
Tax Increment Financed Urban Renewal Projects (Including Grant Funded Projects)								
Budget			44,000,000		6,500,000	50,500,000		50,500,000
TID Housing Revenues								
Budget					270,000	270,000		270,000
In Rem Property Program								
Budget					1,770,000	1,770,000		1,770,000
Strong Homes Loan Program								
Budget					1,400,000	1,400,000		1,400,000
Commercial In Rem Property								
Budget		200,000				200,000		200,000
Housing Infrastructure Preservation Fund								
Budget		100,000				100,000		100,000
Commercial Investment Program								
Budget		1,000,000				1,000,000		1,000,000
Brownfield Program								
Budget		500,000				500,000		500,000
Total	**$150,000**	**$1,800,000**	**$44,000,000**	**$0**	**$9,940,000**	**$55,890,000**	**$0**	**$55,890,000**
Common Council City Clerk								
Council Chambers TV Light Replacement								
Budget		$72,000				$72,000		$72,000
Room 205 Reception Area Remodel								
Budget		$78,000				$78,000		$78,000
Total	**$0**	**$150,000**	**$0**	**$0**	**$0**	**$150,000**	**$0**	**$150,000**
FIRE AND POLICE COMMISSION								
Unified CAD Study								
Budget	$150,000					$150,000		$150,000
Total	**$150,000**	**$0**	**$0**	**$0**	**$0**	**$150,000**	**$0**	**$150,000**

	Tax Levy	General Obligation	TID	Special Assessments	Cash Revenues	City Budget Total	Grant and Aid Financing	Project Total
Fire Department								
Fire Facilities Maintenance Program								
Budget		$962,000				$962,000		$962,000
Major Capital Equipment								
Budget		1,677,000				1,677,000		1,677,000
Auxiliary Power Supply								
Budget		85,000				85,000		85,000
Extrication Equipment Replacement								
Budget		100,000				100,000		100,000
SCBA Replacement								
Budget		500,000				500,000		500,000
Total	**$0**	**$3,324,000**	**$0**	**$0**	**$0**	**$3,324,000**	**$0**	**$3,324,000**
Health Department								
Lead Paint Prevention/Abatement								
Budget		$340,000				$340,000		$340,000
Lab Equipment								
Budget		265,000				265,000		$265,000
Health Facilities Capital Projects								
Budget		155,000				155,000		155,000
Total	**$0**	**$760,000**	**$0**	**$0**	**$0**	**$760,000**	**$0**	**$760,000**
Library								
Central Library								
Central Library Improvements Fund								
Budget		$750,000				$750,000		$750,000
Neighborhood Libraries								
Branch Library Construction								
Budget		1,400,000				1,400,000		1,400,000
Total	**$0**	**$2,150,000**	**$0**	**$0**	**$0**	**$2,150,000**	**$0**	**$2,150,000**
Neighborhood Services								
Concentrated Blight Elimination								
Budget		$1,000,000				$1,000,000		$1,000,000
Code Compliance Loans								
Budget		800,000				800,000		800,000
Total	**$0**	**$1,800,000**	**$0**	**$0**	**$0**	**$1,800,000**	**$0**	**$1,800,000**
Police Department								
Auto License Plate Recognition								
Budget		375,000				375,000		375,000
Police Vehicles								
Budget		3,941,000				3,941,000		3,941,000
Upgrade CAD System								
Budget		500,000				500,000		500,000
Telephone Switch Hardware Upgrade								
Budget		300,000				300,000		300,000
CMS Upgrade								
Budget		300,000				300,000		300,000
DataCom Center AHU								
Budget		1,000,000				1,000,000		1,000,000
Total	**$0**	**$6,416,000**	**$0**	**$0**	**$0**	**$6,416,000**	**$0**	**$6,416,000**
Port of Milwaukee								
ADA Improvements								
Budget		225,000				225,000		225,000
WISDOT Rail Grant								
Budget		750,000				750,000	3,000,000	3,750,000
Rail Track and Service Upgrades								
Budget		275,000				275,000		275,000
Pier Berth and Channel Improvements								
Budget		200,000				200,000	800,000	1,000,000
Total	**$0**	**$1,450,000**	**$0**	**$0**	**0**	**$1,450,000**	**$3,800,000**	**$5,250,000**

	Tax Levy	General Obligation	TID	Special Assessments	Cash Revenues	City Budget Total	Grant and Aid Financing	Project Total
Public Works, Department of								
Infrastructure Services Division								
Bridge Construction								
Bridge State and Federal Funded								
Budget		$100,000				$100,000	$600,000	$700,000
Bridge Reconstruction Local								
Budget		5,350,000				5,350,000		5,350,000
Total	**$0**	**$5,450,000**	**$0**	**$0**	**$0**	**$5,450,000**	**$600,000**	**$6,050,000**
Street Paving Construction								
Street Reconstruction City Contribution to State and Federally Aided Projects								
Budget		$5,514,000		$200,000		$5,714,000	$26,799,000	$32,513,000
Street Reconstruction or Resurfacing Regular City Program								
Budget		5,200,000		1,000,000		6,200,000		6,200,000
High Impact Street Program								
Budget		5,600,000				5,600,000		5,600,000
New Street Developer								
Budget					400,000	400,000		400,000
Street Improvements Sidewalk Replacement								
Budget		1,000,000		500,000		1,500,000		1,500,000
Street Improvements Street Lighting								
Budget		11,000,000				11,000,000		11,000,000
Street Improvements Traffic Control Facilities								
Budget		3,000,000				3,000,000		3,000,000
Street Improvements Underground Conduit and Manholes								
Budget		1,800,000				1,800,000		1,800,000
Underground Electrical Manhole Reconstruction								
Budget		700,000				700,000		700,000
Lead Service Line Replacement Program								
Budget		3,100,000		1,300,000		4,400,000		4,400,000
Total	**$0**	**$36,914,000**	**$0**	**$3,000,000**	**$400,000**	**$40,314,000**	**$26,799,000**	**$67,113,000**
Building Projects								
Space Planning Facilities								
Budget	$200,000					$200,000		$200,000
MKE Plays Initiative								
Budget		250,000				250,000		250,000
Facility Systems Program								
Budget		1,180,000			30,000	1,210,000		1,210,000
Environmental Remediation Program								
Budget		115,000			50,000	165,000		165,000
Facilities Exterior Upgrades Program								
Budget		1,060,000				1,060,000		1,060,000
City Hall Elevator Modernization								
Budget		500,000				500,000		500,000
City Hall Foundation Repair								
Budget	0	8,000,000				8,000,000		8,000,000
Total	**$200,000**	**$11,105,000**	**$0**	**$0**	**$80,000**	**$11,385,000**	**$0**	**$11,385,000**
Infrastructure Services Division Total	**$200,000**	**$53,469,000**	**$0**	**$3,000,000**	**$480,000**	**$57,149,000**	**$27,399,000**	**$84,548,000**
Operations Division								
Fleet Section								
Major Capital Equipment								
Budget		$6,100,000				$6,100,000	$0	$6,100,000
Total	**$0**	**$6,100,000**	**$0**	**$0**	**$0**	**$6,100,000**	**$0**	**$6,100,000**

	Tax Levy	General Obligation	TID	Special Assessments	Cash Revenues	City Budget Total	Grant and Aid Financing	Project Total
Forestry Section								
Concealed Irrigation and General Landscaping								
Budget					$200,000	$200,000		$200,000
Production and Planting Program								
Budget					1,250,000	1,250,000		1,250,000
Stump Removal								
Budget					360,000	360,000		360,000
Hazardous Tree Removal Program								
Budget					75,000	75,000		75,000
Emerald Ash Borer Readiness and Response								
Budget					950,000	950,000		950,000
Total	**$0**	**$0**	**$0**	**$0**	**$2,835,000**	**$2,835,000**	**$0**	**$2,835,000**
Sanitation Section								
MRF Seawall Repairs								
Budget		$75,000				$75,000		$75,000
Total	**$0**	**$75,000**	**$0**	**$0**	**$0**	**$75,000**	**$0**	**$75,000**
Operations Division Total	**$0**	**$6,175,000**	**$0**	**$0**	**$2,835,000**	**$9,010,000**	**$0**	**$9,010,000**
Public Works, Department of Total	**$200,000**	**$59,644,000**	**$0**	**$3,000,000**	**$3,315,000**	**$66,159,000**	**$27,399,000**	**$93,558,000**
Capital Projects Grand Total	**$1,114,000**	**$79,984,000**	**$44,000,000**	**$3,000,000**	**$21,255,000**	**$149,353,000**	**$31,199,000**	**$180,552,000**

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 S&P Global Ratings rated them AA stable. Table 1 details the city's performance on several commonly used debt indicators.

Table 1

City Debt Indicators Relationship to S&P Global Ratings Debt Benchmarks

Debt Indicators		S & P Rating
Economic		**Weak**
Per Capita Effective Buying Income (% of National)	66.2%	
Market Value Per Capita	$45,005	
Management		**Strong**
S&P Financial Management Assessment	Good	
Budgetary Performance		**Adequate**
General Fund Net Result	-5.4%	
Total Government Funds Net Result	-5.3%	
Budgetary Flexibility		**Strong**
Available Reserves as a Percentage of Expenditures	12.5%	
Liquidity		**Very Strong**
Available Cash as a Percentage of Expenditures	40.7%	
Available Cash Coverage of Debt Service	2.0x	
Debt and Contingent Liability Profile		**Weak**
Debt Service as a Percentage of Expenditures	20.1%	
Net Direct Debt as a Percentage of Revenue	116.7%	
Institutional Framework		**Strong**

OVERVIEW

The 2019 proposed debt expenditures total $275.1 million, a decrease of $5.2 million from 2018. 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 $201.2 million in 2019, a decrease of

$14.3 million from 2018. The property tax levy for debt service is $68.5 million, an increase of $2.2 million from 2018.

Table 2

CITY DEBT EXPENDITURES	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	15,541,000	23,594,845	23,594,845	8,053,845	0
MPS Loans, ADA and Information System	7,313,075	8,564,295	8,564,295	1,251,220	0
Parking	1,718,892	1,960,376	1,960,376	241,484	0
Sewer Maintenance Fund	2,626,251	3,216,825	3,216,825	590,574	0
Special Assessments	49,000	24,000	24,000	-25,000	0
Tax Increment Districts	28,209,000	30,956,804	30,956,804	2,747,804	0
Water Works	1,609,837	1,168,221	1,168,221	-441,616	0
Subtotal	$58,130,394	$70,548,705	$70,548,705	$12,418,311	$0
Tax Levy Debt					
General City	$215,492,332	$201,165,648	$201,165,648	$-14,326,684	$0
RANs City and MPS	5,291,667	7,300,000	7,300,000	2,008,333	0
Schools	7,793,107	3,681,647	3,681,647	-4,111,460	0
Subtotal	$228,577,106	$212,147,295	$212,147,295	$-16,429,811	$0
Total Debt Needs	$286,707,500	$282,696,000	$282,696,000	$-4,011,500	$0
Fees and Issuance Costs	2,125,000	2,086,000	2,086,000	-39,000	0
Deduction for PDAF Prepayment	-8,500,000	-8,500,000	-9,700,000	-1,200,000	-1,200,000
Deduction for Segregated S.A.	-49,000	-24,000	-24,000	25,000	0
Total	$280,283,500	$276,258,000	$275,058,000	$-5,225,500	$-1,200,000

Table 3

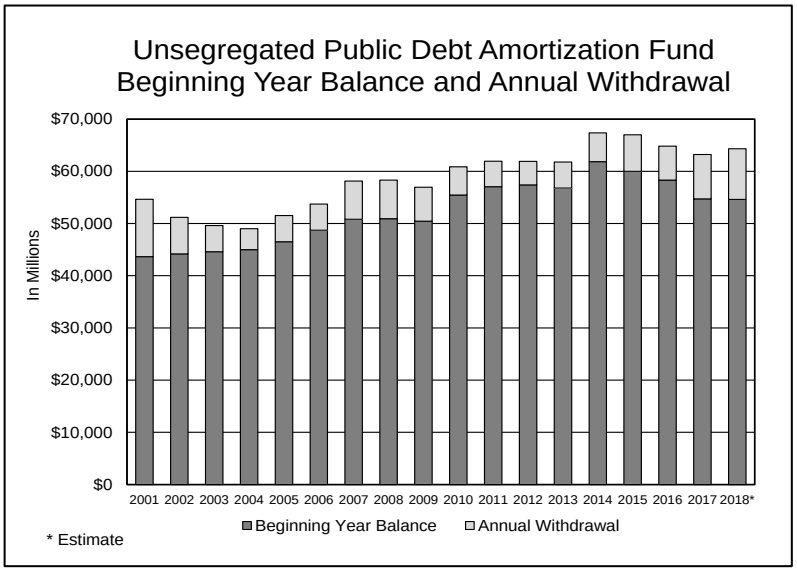
CITY DEBT SOURCE OF FUNDS	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	15,541,000	23,594,845	23,594,845	8,053,845	0
MPS Loans, ADA and Information System	7,313,075	8,564,295	8,564,295	1,251,220	0
Parking	1,718,892	1,960,376	1,960,376	241,484	0
Sewer Maintenance Fund	3,470,251	4,060,825	4,060,825	590,574	0
Tax Increment Districts	28,209,000	30,956,804	30,956,804	2,747,804	0
Water Works	2,884,837	2,443,221	2,443,221	-441,616	0
Subtotal	$60,200,394	$72,643,705	$72,643,705	$12,443,311	$0
General Obligation Debt Financing					
Other Revenues	$153,867,606	$132,450,295	$133,950,295	$-19,917,311	$1,500,000
Tax Levy	66,215,500	71,164,000	68,464,000	2,248,500	-2,700,000
Subtotal	$220,083,106	$203,614,295	$202,414,295	$-17,668,811	$-1,200,000
Total Debt Needs	$280,283,500	$276,258,000	$275,058,000	$-5,225,500	$-1,200,000

Milwaukee Public Schools (MPS): The debt service cost for school borrowing will be $3.7 million in 2019, a decrease of $4.1 million from 2018. 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 2019 proposed budget, debt service for TIDs is $31 million with revenues from tax increments supporting that debt service cost.

Delinquent Taxes: The 2019 proposed budget includes $23.6 million to finance delinquent tax borrowing which is $8.1 million more than 2018.

Figure 1



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 2019 proposed debt budget, the parking fund provides $2 million to finance debt service costs associated with parking capital projects.

Special Assessments: The abutting property owners pay for a portion of the project's infrastructure cost through an assessment charge. When taxpayers choose a six-year payment option, the city borrows money to finance the project. The 2019 proposed debt budget includes $24,000 to finance debt service costs associated with special assessment borrowing.

Water Works: The 2019 proposed debt budget includes $1.2 million for Water Works' debt service costs. The Water Works' uses annual earnings to pay water related debt service costs. Future Water Works' borrowings may be converted to revenue bonds.

Sewer Maintenance: Approximately $3.2 million in debt service for 2019 relates to sewer capital projects, an increase from 2018 of $600,000.

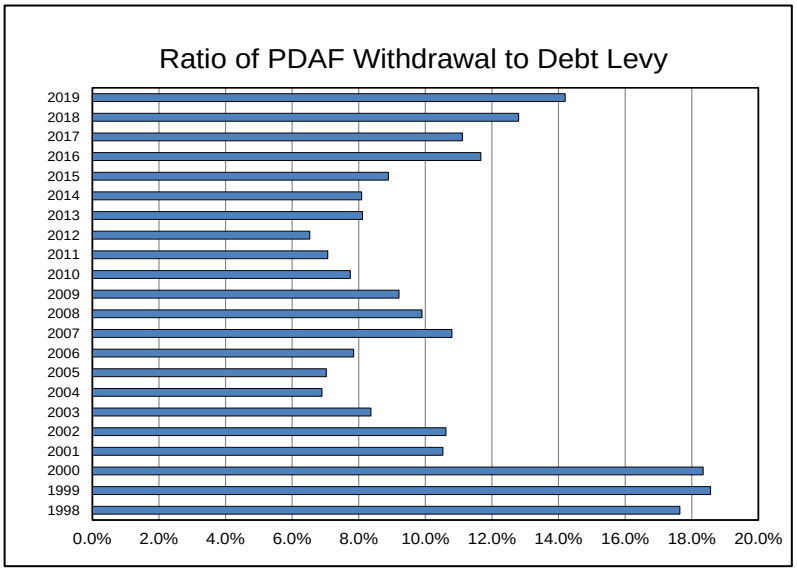
Miller Park Stadium Project: The 2019 proposed budget includes $1.1 million in revenue to offset debt service costs related to the Miller Park Stadium project. This amount reflects an agreement with the Milwaukee Economic Development Corporation and the Southeastern Wisconsin Professional Baseball Park 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 2019, the rental payment is $2.3 million.

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.

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 2019 proposed budget is $9.7 million, an increase of $1.2 million from the 2018 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 $54.6 million, despite a low interest rate environment.

The 2019 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 2019 proposed budget maintains a 14.2% 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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Common Council Contingent Fund	[2,328,014]	$5,000,000	$5,000,000	$5,000,000	$0	$0
Total	[2,328,014]	$5,000,000	$5,000,000	$5,000,000	$0	$0

SOURCE OF FUNDS

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 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. Guidelines and standards focus on:

- Timelines and process requirements; and
- Information that must be provided to the Finance and Personnel Committee, 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 76.8% of the contingent fund has been expended. In two years, usage was 100%. In three years, usage was greater than 85% but less than 100%. In five years, usage was less than 85%.

SPECIAL REVENUE FUNDS

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
G. Transportation Fund	$43,479,853	$47,759,648	$52,500,690	$50,220,892	$2,461,244	$-2,279,798
H. Grant and Aid Project Fund	42,518,323	42,847,051	45,206,435	48,244,023	5,396,972	3,037,588
I. Economic Development Fund	10,172,352	11,443,004	11,333,110	11,286,498	-156,506	-46,612
J. Water Works	149,297,589	139,532,000	167,776,635	136,258,000	-3,274,000	-31,518,635
K. Sewer Maintenance Fund	103,790,885	107,718,016	106,881,654	105,155,744	-2,562,272	-1,725,910
M. Delinquent County Taxes Fund	7,627,921	7,740,000	8,000,000	8,000,000	260,000	0
Total	$356,886,923	$357,039,719	$391,698,524	$359,165,157	$2,125,438	$-32,533,367

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. TRANSPORTATION FUND

EXECUTIVE SUMMARY

MISSION: Leverage city parking assets and programs to support city goals and diversify the city's financial base.

Manage and operate the Milwaukee Streetcar to support economic development.

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.

Support operation of the Milwaukee Streetcar.

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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	106.74	116.25	135.25	118.00	1.75	-17.25
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	118	118	137	126	8	-11
Expenditures						
Salaries and Wages	$4,592,212	$4,698,448	$5,170,326	$4,803,172	$104,724	$-367,154
Fringe Benefits	2,203,957	2,020,333	2,378,350	3,170,094	1,149,761	791,744
Operating Expenditures	13,311,096	14,751,995	13,695,300	17,749,397	2,997,402	4,054,097
Equipment	234,536	515,000	1,421,460	252,000	-263,000	-1,169,460
Special Funds	5,405,641	5,226,367	5,811,229	4,861,229	-365,138	-950,000
Transfer to General Fund	16,600,000	17,123,005	16,000,000	16,000,000	-1,123,005	0
Total Operating	$42,347,442	$44,335,148	$44,476,665	$46,835,892	$2,500,744	$2,359,227
Capital Projects	$1,132,411	$3,424,500	$8,024,025	$3,385,000	$-39,500	$-4,639,025
Total Budget	$43,479,852	$47,759,648	$52,500,690	$50,220,892	$2,461,244	$-2,279,798

STATEMENT OF REVENUES

Operating Revenues						
Structures	$7,327,712	6,524,000	$6,773,600	$6,773,600	$249,600	$0
Meters	4,984,644	5,378,500	4,765,400	4,765,400	-613,100	0
Permits	4,131,028	4,647,000	4,391,600	4,391,600	-255,400	0
Towing	3,886,825	4,000,000	3,700,000	3,700,000	-300,000	0
Lots	24,470	15,000	23,400	23,400	8,400	0
Parking Citation Revenue	15,042,911	16,000,000	14,981,400	15,000,000	-1,000,000	18,600
Miscellaneous	-502,474	1,200,000	1,086,300	1,086,300	-113,700	0
Vehicle Disposal	2,155,253	1,400,000	1,718,900	1,718,900	318,900	0
Sale of Real Property	0	0	0	0	0	0
Streetcar Revenue	0	0	0	4,399,424	4,399,424	4,399,424
Withdrawal From Reserves	0	5,170,648	7,036,065	4,977,268	-193,380	-2,058,797
Total Operating Revenues	$37,050,369	$44,335,148	$44,476,665	$46,835,892	$2,500,744	$2,359,227
Capital Financing						
Permanent Improvement Reserve Fund	$0	$0	$0	$0	0	$0
Proceeds from Borrowing	6,240,997	3,424,500	8,024,025	3,385,000	-39,500	-4,639,025
Retained Earnings	0	0	0	0	0	0
Total Capital Financing	$6,240,997	$3,424,500	$8,024,025	$3,385,000	$-39,500	$-4,639,025
Total Source of Funds	$43,291,366	$47,759,648	$52,500,690	$50,220,892	$2,461,244	$-2,279,798

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.
   - Manage and operate the Milwaukee Streetcar.

2. Improve the city's fiscal capacity.
   - Diversify the city's revenue base.

The Transportation Fund is an enterprise fund administered by the Department of Public Works (DPW) and finances the city's on- and off-street parking and Streetcar services through revenues received from these services. The Transportation Fund's responsibilities include:

- Managing city owned parking structures and lots,
- Vehicle towing, storing, and disposal,
- Parking enforcement,
- Information desk operations,
- Citation processing, and
- Manage the Milwaukee Streetcar.

The Transportation Fund operates four parking structures, operates and maintains more than 7,000 metered parking spaces, manages approximately 45 parking lots, issues approximately 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.

The Milwaukee streetcar, also known as The Hop will begin operations in 2018. In order to provide transparency about the costs and sources of funds for the streetcar, a Streetcar section is created in the former Parking Fund, which

is renamed the Transportation Fund to reflect the multi-modal functions supported by the fund. In 2019, streetcar operating costs are projected to be $4.4 million. The contract with Transdev to operate the streetcar system is the largest single component of the streetcar budget at $3.3 million. Other costs include marketing, insurance, energy, and two city positions to manage the streetcar and ensure safe operations. In the 2019 proposed budget, the streetcar will be funded through a combination of sponsorships, advertisement and CMAQ grants.

Figure 1

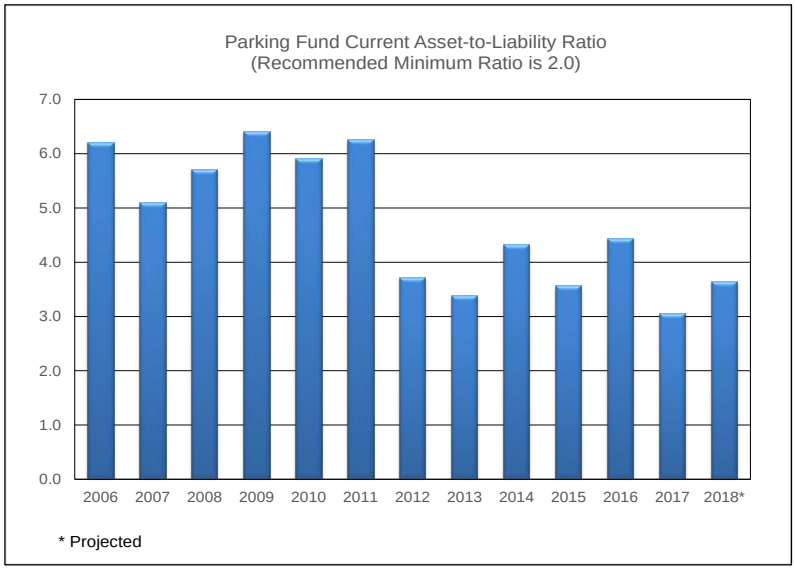
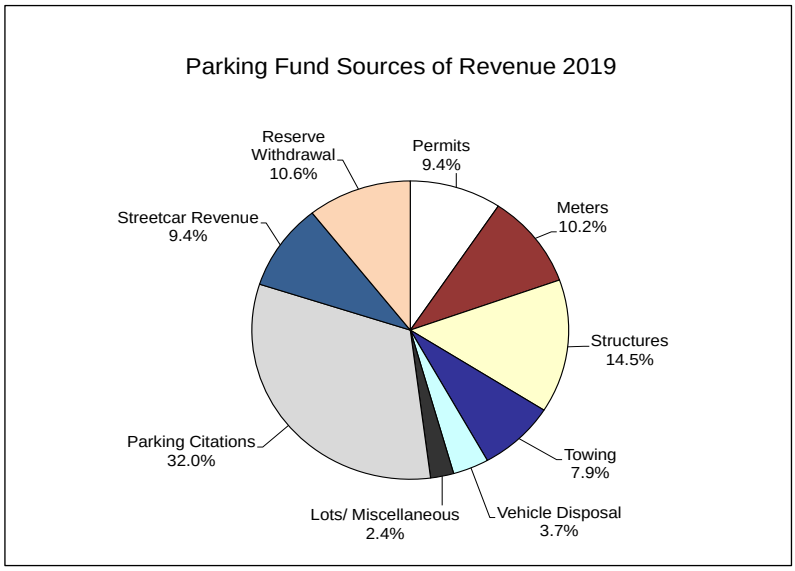


Figure 2



STRATEGY IMPLEMENTATION

Financial Management: The Transportation Fund's financial goal is to maintain at least a 2:1 ratio of current assets to current liabilities. At the end of 2017, the fund's ratio was 3:1 and the 2018 ratio is projected to be 3:63 (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 source underperforms in any given year. The largest revenue source is citations, which generated $15 million in 2017. Citation revenue is driven by issuance, which is impacted by economic factors, changing regulations and compliance.

Technology Improvements: Parking Services 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.

In 2018, Parking Services began installing new "Smart meters" which enhance customer service by allowing payment via coins, credit cards and *MKE Park* at every metered space. These "Smart meters" have a modem, which allows them to send real-time alerts to staff, and also provides the ability to update meters remotely. Installation will take 2-3 years and will replace all current multi-space meters and coin-only single space meters.

Overnight on-street parking in the city requires a permit. Virtual permitting, which allows for night parking permits to be issued and tracked electronically, began in 2014. This enhanced customer service and increased cost effectiveness by eliminating physical permits. Virtual permits can be purchased online or at kiosks located in all Police district stations.

Key Performance Measures	2017 Actual	2018 Projected	2019 Planned
Number of parking citations issued.	599,354	609,455	611,470
Number of vehicles towed to the city's tow lot.	29,319	29,686	29,503
Number of night parking permits issued.	169,452	171,000	172,000

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 $36.3 million in outstanding parking debt has been collected by the city. In 2017, TRIP collections were $2 million and are estimated to be approximately $2.5 million in 2018.

- **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 33,000 payment plans have been initiated, covering more than 213,000 citations.

RESIZE, RESTRUCTURE, AND REINVEST

The 2019 budget includes a $16 million transfer to the general fund, a 6.6% decrease from the 2018 transfer amount. This transfer provides a meaningful level of relief to property taxpayers and enables the long term stability of the fund.

Parking Services 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 capital projects include renovation, upgrade, and repairs at the MacArthur Square structure. The 2019 budget includes $3.2 million for this 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 for surface and two lot repaving and for ADA Compliance. Capital improvement costs for Parking 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 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.

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 are approximately $4 million in the 2019 budget. Debt and pension costs and constraints on revenue growth may require the Transportation Fund to reduce the general fund transfer in future years to maintain adequate reserves.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
8	0.00	0.00	Aux. Parking Checkers	Auxiliary Parking Checkers added
-1	0.00		Accounting Program Assistant III	Reclassification
1	1.00		Accountant III	
-1	-1.00		Accounting Assistant II	Reclassification
1	1.00		Accounting Assistant III	
-2	-1.25		Tow Lot Attendant (Aux.)	Eliminate Aux. Positions
1	1.00		Streetcar System Manager	Transfer Streetcar positions from Infrastructure to Transportion Division
1	1.00		Safety Manager	
8	**1.75**	**0.00**	**Totals**	

H. GRANT AND AID FUND

EXECUTIVE SUMMARY

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

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

Identify and obtain new grant funding sources.

Assist departments in identifying and applying for potential grant funding.

BUDGET SUMMARY

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Grantor Share (Non-City)	$42,518,323	$42,847,051	$45,206,435	$48,244,023	$5,396,972	$3,037,588
TOTAL	$42,518,323	$42,847,051	$45,206,435	$48,244,023	$5,396,972	$3,037,588

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, the Common Council adopts a resolution 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 2019 grant and aid budget is $48.2 million, a $5.4 million increase from 2018. Unanticipated grant funding remains at $8 million; the same funding level as 2018 (see Table 1).

Community Development Grants Administration: The Community Development Grants Administration (CDGA) anticipates receiving approximately $22.9 million in grant funds. This is a $6.1 million or 36% increase from the 2018 budget. The 2018 budget anticipated reductions in grant funding, primarily in the Community Development Block Grant (CDBG) and the HOME Program grant. However, actual 2018 funding was higher than anticipated and estimated 2019 funding is consistent with the actual 2018 grant funding awards.

Anticipated funding for the Community Development Block Grant increases by $3.5 million (30.4%) from the 2018 budget. There are also anticipated increases of $2.1 million (61.8%) for the HOME grant, $300,000 (30%) for the Emergency Solutions grant, and $157,000 (28.9%) for the Housing Opportunities for Persons with AIDS grant.

The 2019 Proposed Budget includes $200,000 in CDBG reprogramming funding for neighborhood clean-up activities in the Department of Neighborhood Services.

Department of City Development grant funding decreases by $2 million (87.5%) to $285,000. The funding decrease results from no anticipated funding from three grants in the 2018 budget, including the Wisconsin Economic Development Corporation grant, the Milwaukee Employment/Rehabilitation Initiative (MERI) grant, and the

Transit Oriented Development Planning grant. The majority of 2019 grant funding ($250,000) is for a new Sustainable Communities Innovation Challenge grant, which will support efforts to create and preserve affordable housing near transit.

Fire Department grant funding increases by $25,000 (17.6%) to $167,148 from 2018. The department anticipates receiving $67,148 through the EMS Funding Assistance Program and $100,000 in a Special Teams/Emergency Management Funding grant.

Table 1

Comparison of Projected Grant Activity (Grantor Share)

Department	2018	2019	Difference
Administration	$16,792,575	$22,857,984	$6,065,409
City Development	2,285,000	285,000	-2,000,000
Fire	142,148	167,148	25,000
Health	8,034,700	9,319,989	1,285,289
Library	1,086,420	1,125,058	38,638
Police	4,186,208	4,168,844	-17,364
Public Works	2,320,000	2,320,000	0
Unanticipated	8,000,000	8,000,000	0
Totals	$42,847,051	$48,244,023	$5,396,972

Health Department grant funding increases by $1.3 million (16%) to $9.3 million. There are increases to various grants, including Home Visiting, Hepatitis B Immunization, Medical Assistance, Bioterrorism and Preventive Health grants. There is also new funding anticipated for several grants, including Lead Hazard Reduction, Family Planning, Justice For Families and Newborn Hearing Screening.

In 2019, Library grant funding increases by $38,638 (3.6%) from 2018. The Library receives two grants, the Interlibrary Loan Services grant ($98,680) and the Talking Book and Braille Library grant ($1,026,378). The majority of the increase is in the Talking Book and Braille Library grant, with anticipated funding increasing by $36,858.

Police Department grant funding decreases by $17,364 (0.4%), remaining at approximately $4.2 million. The decrease results primarily from less funding anticipated from the High Intensity Drug Trafficking Area grant, Justice Assistance grant and Milwaukee Metropolitan Drug Enforcement grant.

In 2019, Department of Public Works grant funding is $2.32 million, the same as in 2018. The department anticipates receiving one grant, the State of Wisconsin Recycling grant.

Unanticipated grant funding is $8 million, the same amount as provided in 2018.

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 *2019 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 and residents to improve the appearance and vitality of commercial corridors and residential neighborhoods.

BUDGET SUMMARY

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Business Improvement Districts	$9,296,226	$10,843,004	$11,287,110	$11,240,498	$397,494	$-46,612
Excess TID Revenue	876,126	600,000	46,000	46,000	-554,000	0
Total	$10,172,352	$11,443,004	$11,333,110	$11,286,498	$-156,506	$-46,612

STRATEGY IMPLEMENTATION

The Economic Development Fund supports the goal of increasing investment and economic vitality throughout the city. The 2019 budget for the Economic Development Fund is $11.3 million. There is no tax levy impact in this fund. Revenue of $11.3 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 30 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 2019 for activities ranging from economic development and administration to streetscaping and public safety. The following is a list of active BIDs and NIDs for 2019 and their corresponding budgets as well as budget authority for new potential BIDs and NIDs:

2019 Business Improvement Districts

BID #2 Historic Third Ward

BID #4 Historic Mitchell Street

BID #5 Westown

BID #8 Historic King Drive

BID #10 Near West Side

BID #11 Brady Street

BID #13 Oak & Loc

BID #15 Milwaukee Riverwalk

BID #16 Uptown Crossing

BID #19 Villard Avenue

BID #20 The East Side

BID #21 Milwaukee Downtown

BID #25 Riverworks

BID #26 Menomonee Valley

BID #27 West Burleigh Street

BID #28 North Avenue Gateway

BID #31 Havenwoods

BID #32 North Avenue Marketplace

BID #35 Kinnickinnic River

BID #37 30th Street Industrial Corridor

BID #38 Cesar Chavez Drive

BID #39 Center Street Market Place

BID #40 Gateway to Milwaukee

BID #41 Downer Avenue

BID #42 Schlitz Park

BID #43 South 27th Street

BID #48 Granville

BID #49 Reed Street Yards

BID #50 Cristol Corridor

BID #51 Harbor District

2019 Neighborhood Improvement Districts

NID #1 The Brewery

NID #3 Washington Park

NID #4 Sherman Park

NID #5 Heritage Heights

NID #6 Historic Garden Homes

NID #7 Harambee

NID #9 Havenwoods

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 2019.

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

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	358.95	371.02	396.04	396.37	25.35	0.33
FTEs - Other	20.97	20.07	20.05	20.05	-0.02	0.00
Total Positions Authorized	395	406	431	430	24	-1
Expenditure Authorizations						
Salaries and Wages	$17,579,913	$20,032,133	$21,441,039	$21,440,740	$1,408,607	$-299
Fringe Benefits	9,226,272	10,411,877	11,147,596	13,147,482	2,735,605	1,999,886
Operating Expenditures	48,413,902	55,707,000	54,892,700	56,092,700	385,700	1,200,000
Equipment	2,188,822	4,096,990	4,334,300	4,373,300	276,310	39,000
Special Funds	7,607,249	11,031,000	11,101,000	9,101,000	-1,930,000	-2,000,000
Total	$85,016,158	$101,279,000	$102,916,635	$104,155,222	$2,876,222	$1,238,587

CAPITAL BUDGET SUMMARY

Capital Budget						
Mains Program	$17,763,036	$24,820,000	$26,810,000	$25,760,000	$940,000	$-1,050,000
Plants and Other	3,226,674	7,960,000	5,625,000	5,625,000	-2,335,000	0
Total Capital Budget	$20,989,710	$32,780,000	$32,435,000	$31,385,000	$-1,395,000	$-1,050,000
Capital Financing						
Retained Earnings/Cash	$20,979,442	$5,463,000	$32,425,000	$717,778	$-4,745,222	$-31,707,222
Bond Issue	20,360,922	27,307,000	0	30,657,222	3,350,222	30,657,222
Assessments	0	5,000	5,000	5,000	0	0
Developer Financed	10,268	5,000	5,000	5,000	0	0
Total Capital Financing	$41,350,632	$32,780,000	$32,435,000	$31,385,000	$-1,395,000	$-1,050,000

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Revenues						
Operating	$92,262,027	$96,452,000	$92,871,000	$92,871,000	$-3,581,000	$0
Non-Operating	28,841,537	7,800,000	7,602,000	7,602,000	-198,000	0
Developer Capital and Assessments	10,268	10,000	10,000	10,000	0	0
Bond Issue	20,360,922	27,307,000	0	30,657,222	3,350,222	30,657,222
LSL Replacement- City Share	1,596,876	1,400,000	3,700,000	3,100,000	1,700,000	-600,000
LSL Replacement- Special Assessment	354,481	1,100,000	1,300,000	1,300,000	200,000	0
Withdrawal From Retained Earnings	5,871,478	5,463,000	62,293,635	717,778	-4,745,222	-61,575,857
Total Revenues	$149,297,589	$139,532,000	$167,776,635	$136,258,000	$-3,274,000	$-31,518,635
Expenditure Authorizations						
Operating	$85,016,158	$101,279,000	$102,916,635	$104,155,222	$2,876,222	$1,238,587
Capital Funding	43,301,989	32,780,000	32,435,000	31,385,000	-1,395,000	-1,050,000
Deposit To Retained Earnings	20,979,442	5,473,000	32,425,000	717,778	-4,755,222	-31,707,222
Total Authorizations and Deposits	$149,297,589	$139,532,000	$167,776,635	$136,258,000	$-3,274,000	$-31,518,635

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.

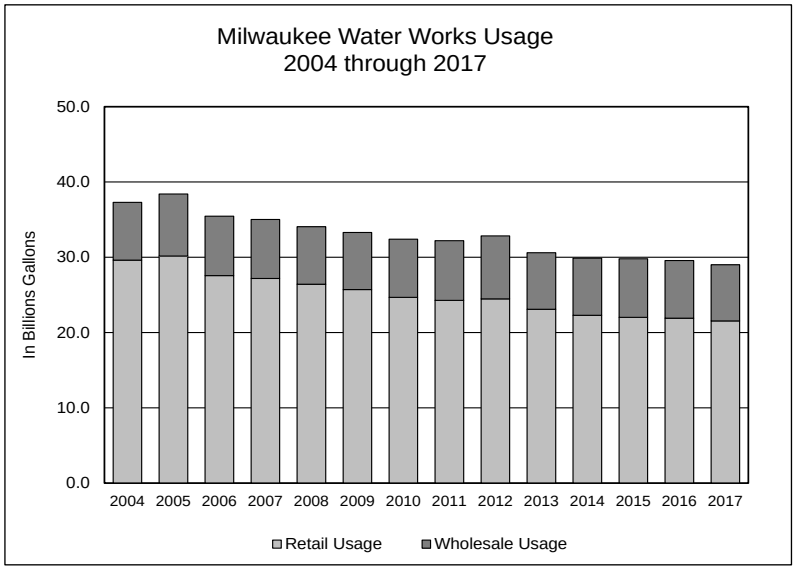
A safe, reliable supply of water is critical to public health and economic development. Milwaukee's advanced multi-barrier treatment process, which includes ozone disinfection, provides some of the cleanest water in the country. The Great Lakes are the world's largest source of fresh water and Milwaukee's 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.

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.

Breaking with recent trends, through July of 2018, water consumption increased by 0.6% or 101 million gallons compared to the same period in 2017. This is in contrast to the 1% to 1.5% decreases in consumption that have been observed over the past several decades. Revenue through July 2018 increased by 3.3% compared to the same period in 2017 due to the 3% rate increase that went into effect in September of 2017. Since 2004, metered water sales have declined 20%, mirroring national trends. Increased water efficiency, slower population growth, and a changing industrial customer base have reduced water sales for utilities nationwide. Figure 1 shows retail and wholesale water sales since 2004.

Figure 1



Despite consumption decreases, the cost for electricity, chemicals, and construction and maintenance of the water distribution system does not decrease proportionally. From 2010 through 2017, electricity costs for the utility have increased by 8% or $417,000. The implementation of peak hour plans at some facilities in 2016 is improving this trend, and the replacement of oversized pumps that is funded in the 2019 proposed budget will also help control energy costs.

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.

Key Performance Measures	2017 Actual	2018 Projected	2019 Planned
Rank of highest rate for 1 ccf of water residential customer among class AB utilities in the seven county metro area.	23 of 27	23 of 27	20 of 25
Rate of return.	4.61%	3.1%	5.1%
Percent of days in full compliance with water quality parameters of the Safe Drinking Water Act.	100%	100%	100%
Main breaks.	433	400	375

In 2019, Milwaukee Water Works anticipates recovering approximately $92.3 million of revenue through fees for water service, in addition to $7.6 million of non-operating revenue. In 2018, the average single family residential customer will pay approximately $241 for a full year of water service. In 2019, 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.

QUALITY AND RELIABILITY

In 2017, 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.

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 July 31, 2018, 6.6 miles of water mains have been installed, 7.7 miles are under contract, and an additional 3.5 miles are designed and will be under contract shortly for a total of 18 miles planned. All are projected to be installed and in service at the end of 2018. 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 2019 proposed budget provides $25.8 million for 18 miles of water main replacement. The main replacement program is anticipated to be scaled up to 20 miles per year by 2020, which will provide for a 100 year replacement cycle. Milwaukee Water Works will request that in 2019 the Wisconsin Public Service Commission (PSC), which regulates water utilities in the State, revise the main replacement requirement that was placed on MWW as part of the most recent conventional rate case. Segments of water main are 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 began replacing lead service lines that are connected to mains that are being replaced. MWW estimates 250 lead service lines will be replaced in conjunction with the 2019 main replacement program.

In 2019, the department will begin using Water Works crews to replace the utility owned portion of lead service lines. The 2019 proposed budget adds 15 positions, operating funds for materials, and several pieces of equipment to insource some utility side lead service line replacement. This initiative is expected to reduce ratepayer-funded costs for lead service line replacement and simplify billing and administration of the lead service line replacement program. Water Works crews are not permitted to perform work on private property, therefore these crews are limited to replacing only the utility owned portion of the lead service line. MWW expects that its own crews will replace 325 lead service lines in 2019.

The 2019 proposed budget includes $5.6 million for a number of improvements to Milwaukee Water Works plants, pumping and storage facilities, and the meter repair shop. At both the Linnwood and the Howard treatment plants, aging motor control centers are being replaced. This is part of an ongoing effort to replace these systems over several years. The Linnwood treatment plant will have its pneumatic control valves replaced with electric controls at a cost of $600,000, which generates savings in maintenance costs. Other initiatives in the 2019 proposed budget include roof replacements, funding for a sustainability initiative, and improvements to the meter shop perimeter fence and parking lot.

Milwaukee Water Works has the capacity to annually treat, pump, and distribute 131.4 billion gallons of water. In 2017, 29 billion gallons were consumed by customers, meaning that 22% of Water Works' capacity was utilized.

Much of MWW's pumping and treatment infrastructure was optimized for greater levels of demand and consumption. In 2019, Water Works will replace two oversized fixed speed pumps with a pump skid which will hold multiple smaller pumps and provide operational flexibility at a cost of $1.5 million. This is being done as part of a larger initiative 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 embarked on a thorough analysis of the causes of water that is pumped into the distribution system but is not accounted for and is considered "lost". In 2017, 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 2017 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. In 2018, Water Works tasked a crew with going into the field to physically inspect various components of the distribution system to identify sources of lost water. Water Works has also initiated a comprehensive study of the water loss issue following the American Water Works Association's M36 Water Loss Auditing protocol.

Replacement of lead service lines began in January of 2017, with leaks and daycares being targeted first. In 2017, 621 replacements were completed, of which 149 were child care facilities. Through the end of July 2018, 461 lead service lines have been replaced year to date, and 864 total are projected to be replaced by the end of the year. Water Works plans on replacing 1,000 lead service lines in 2019. The cost of replacing the utility owned portion of a lead service line is paid for by ratepayers through the Water Works operating budget. The average cost to replace the utility owned portion of a lead service line is estimated to be $6,100 in 2019. The average cost of replacing the privately owned portion of a lead service line is estimated to be $6,500. The cost of replacing the privately owned portion of a lead service line serving a child care facility is fully paid for by the City, and eligible residential properties pay a maximum contribution of $1,600 to have their service line replaced.

Replacement of the privately owned portion of lead service lines in 2019 is funded by a combination of $900,000 of Safe Drinking Water Loan Program principal forgiveness funds that were allocated to the City in 2018 and will be carried over into 2019, $3.1 million of levy supported City capital funds, and $1.3 million of special assessments of 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		Human Resources Analyst	Reclassification
1	1.00		Water Works Personnel Officer	
-2	-0.66		Customer Service Rep.- Lead	Task rate added to CSR III position for lead work
-1	1.00		Administrative Services Coordinator	Reclassification
1	1.00		Administrative Assistant III	
-2	-2.00		Steamfitter	Reclassification
2	2.00		Water Works Steamfitter	
1	1.00		Program Assistant II	
-4	-4.00		Water Utility Laborer	Reclassification
4	4.00		Water Plant Laborer	
1	1.00		Electrical Engineer III	To meet DNR requirements, sustainability goals
-1	-0.50		Graduate Intern	
1	0.50		Engineering Intern	
1	1.00		Water Field Supervisor	Lead Service Line Insourcing
3	3.00		Water Chief Repair Worker	Lead Service Line Insourcing
11	11.00		Water Repair Worker	Lead Service Line Insourcing
3	3.00		Engineering Technician IV	Permanent inspection positions
1	1.00		Communications Assistant V	Moving to fixed shifts to reduce FMLA
1	1.00		Equipment Mechnic IV	Transfer from DPW-Infrastructure
1	1.00		Water Quality Assurance Specialist	For lab certification and water testing
1	1.00		Water Microbiologist- Senior	Related to lab certification
-2	-2.00		Water Chemist	Retitling based on lab needs
2	2.00		Water Laboratory Technician	Retitling based on lab needs
-1	-1.00		Steamfitter	Reclassification
1	1.00		Water Works Steamfitter	
-1	-1.00		Machine Repairperson	Position eliminated
-2	-2.00		Water Utility Laborer	
2	2.00		Water Plant Laborer	Reclassification
2	1.00		Water Plant Laborer	
1	1.00		Water Plant Automation Technician	To handle TMA requirement
	-0.99	-0.02	Various positions	Miscelleaneous adjustments
24	**25.35**	**-0.02**	**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 the sanitary sewer system.

Design and install green infrastructure facilities, such as bioretention beds and permeable pavements to help reduce pollutants in our waterways.

Conduct and monitor projects for private lateral rehabilitation on private property to assess its effectiveness at reducing infiltration and inflow into sanitary basins that the Milwaukee Metropolitan Sewage District has stipulated for correction

Develop and implement a capacity, management, operations and maintenance program to govern operations.

BUDGET SUMMARY

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Personnel						
FTEs - Operations and Maintenance	86.84	100.50	100.35	101.15	0.65	0.80
FTEs - Other	8.97	12.00	13.35	13.05	1.05	-0.30
Total Positions Authorized	145	144	146	147	3	1
Expenditures						
Salaries and Wages	$4,470,675	$4,674,275	$4,667,249	$4,646,918	$-27,357	$-20,331
Fringe Benefits	3,582,393	2,150,166	3,500,437	3,485,189	1,335,023	-15,248
Operating Expenditures	7,033,164	7,253,000	7,203,000	7,273,000	20,000	70,000
Equipment	219,215	1,055,000	903,000	903,000	-152,000	0
Special Funds	36,318,361	55,071,575	54,757,637	54,897,637	-173,938	140,000
O&M Total	$51,623,808	$70,204,016	$71,031,323	$71,205,744	$1,001,728	$174,421
Capital Projects	$35,159,473	$37,514,000	$35,850,331	$33,950,000	$-3,564,000	$-1,900,331
Deposit to Retained Earnings	17,007,604	0	0	0	0	0
Total	$103,790,885	$107,718,016	$106,881,654	$105,155,744	$-2,562,272	$-1,725,910
Revenues						
Sewer Maintenance Fee	$30,865,122	$30,398,262	$30,811,900	$31,956,653	$1,558,391	$1,144,753
Stormwater Management Fee	$32,621,896	$33,127,000	$33,888,300	$34,120,814	993,814	232,514
Charges for Services	$1,652,503	$1,660,300	$1,673,500	$1,673,500	13,200	0
Interest Revenue	$133,892	$57,200	$137,000	$137,000	79,800	0
Miscellaneous Revenue	$0	$0	$0	$0	0	0
Developer Financed	$0	$0	$0	$0	0	0
Proceeds from Borrowing	35,159,473	32,500,000	28,700,000	29,300,000	-3,200,000	600,000
Grant and Aid	3,357,999	2,314,000	0	3,650,000	1,336,000	3,650,000
Assessable	$0	$0	$0	$0	0	0
Withdrawal from Retained Earnings	0	7,661,254	11,670,954	4,317,777	-3,343,477	-7,353,177
Total	$103,790,885	$107,718,016	$106,881,654	$105,155,744	$-2,562,272	$-1,725,910

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 of sustaining, enhancing and promoting 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.

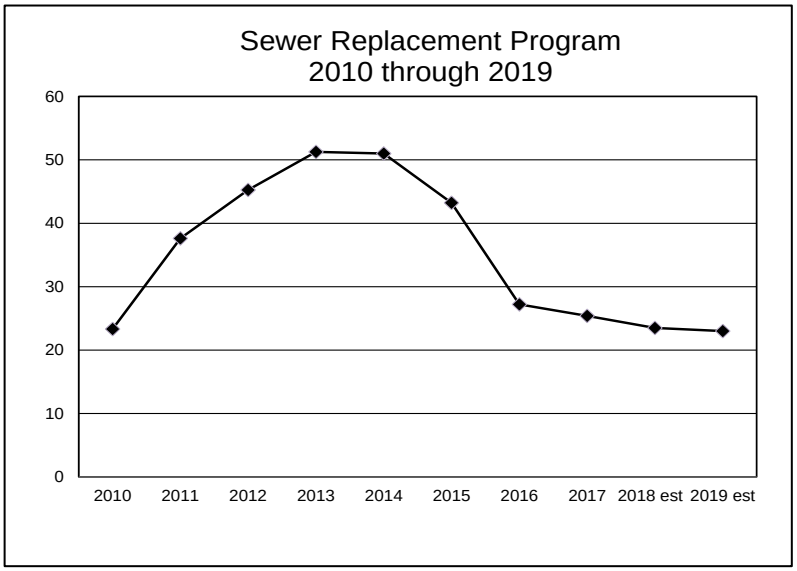
Key Performance Measures	2017 Actual	2018 Projected	2019 Planned
Sanitary sewer overflows.	0	16	0
Number of basement backups reported.	26	18	0
Miles of sewers replaced or relined.	25.4	23.5	23

STRATEGY IMPLEMENTATION

Replacing and lining sewers is a critical aspect of maintaining the sewer system and reducing the amount of rainwater that enters the sanitary sewer system. In order to maximize the probability of eliminating sanitary sewer overflows the city strives to have a sewer replacement cycle of 90 years which requires replacing or lining 27 miles of sewer main 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 2019 proposed capital budget includes $25 million to replace and line 14 miles of medium to large diameter combined, storm and sanitary sewer mains and an additional $2 million to line 9 miles of small diameter sanitary sewer main and inspect sanitary sewer manholes. 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. The department compares flows from before and after projects are completed to determine effectiveness. Data analysis indicates approximately a 30% to 40% reduction of I&I in the completed project areas, depending on location and rehabilitation methods utilized.

Figure 1



In 2019, the department is planning two neighborhood wide projects to reduce I&I from private property. The 2019 proposed capital budget includes an estimated $1.65 million in grants from MMSD for work on private property.

Even 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 2019 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 where it falls, 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. TMDL levels have been established by MMSD in conjunction with the WDNR. The implementation plan and timeline for meeting the TMDLs will be evaluated now that the Environmental Protection Agency has approved the TMDLs. In 2019, the proposed capital budget includes $2.8 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 2020.

RESIZE, RESTRUCTURE, AND REINVEST

Downspout Disconnection Program: New in the 2019 proposed capital project is the downspout disconnection program. The program is in response to MMSD's revised regulations that require residential parcels that contain up to four units to disconnect their downspouts from the combined sewer system by January 1, 2025. An estimated 50,000 residential parcels will need their downspout disconnected. The program will be completed in 2024 and cost approximately $7.2 million. The 2019 proposed capital budget includes $2 million to begin the program.

Stormwater Management Fee: The 2019 proposed stormwater management fee per quarter per equivalent residential unit (ERU) will increase 3%, or $0.62, from $20.79 to $21.41. The annual impact on the typical residential user will increase $2.48 from $83.16 to $85.64. In 2019, this will generate $34.1 million, an increase of $994,000 from 2018. 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 2019 proposed local sewerage charge rate per 100 cubic feet of water (CCF) per quarter will increase 3%, or $0.04, from $1.45 to $1.49 per CCF, resulting in an increase of $0.65 from $23.79 to $24.44 per quarter. The annual impact on the typical residential user will increase $2.62 from $95.15 to $97.77. This will generate $32.0 million in 2019, and increase of $1,600,000 from 2018.

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 2019 proposed budget will transfer $22.3 million. The transfer also includes $40,000 to fund the Health Department's beach water quality and advisory program. An additional $2.9 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, concealed irrigation on city boulevards, and forestry nursery improvements.

Capital Financing: In the 2019 capital budget, the city will cash finance $1.0 million in sewer capital to improve fund sustainability. This cash financing will cover the pump replacement projects, salary, and fringe benefits associated with the design and project management of sewer capital projects and manhole inspection projects.

Debt Fund Transfer: The 2019 budget includes a $1.4 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	0.25	0.75	Civil Engineer II	New positions for Downspout Disconnection Program.
1	0.25	0.75	Engineering Technician II	
-1	-1.00		Equipment Mechanic I	Position eliminated.
1	1.00		Sewer Crew Leader I	New Position.
1	0.50		Engineering Intern	New Position.
	-0.35	-0.45	Various Positions	Miscelaneous changes.
3	**0.65**	**1.05**	**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 roll and increase future city revenue.

SUMMARY OF EXPENDITURES

	2017 Actual Expenditures	2018 Adopted Budget	2019 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
Purchase of Delinquent County Taxes	$7,627,921	$7,740,000	$8,000,000	$8,000,000	$260,000	$0
Total	$7,627,921	$7,740,000	$8,000,000	$8,000,000	$260,000	$0

SOURCE OF FUNDS

	2016 Actual Expenditures	2017 Adopted Budget	2018 Requested Budget	2019 Proposed Budget	Change 2019 Proposed Budget Versus 2018 Adopted	Change 2019 Proposed Budget Versus 2019 Requested
County Delinquent Taxes Collected	$7,627,921	$7,740,000	$8,000,000	$8,000,000	$260,000	$0
Total	$7,627,921	$7,740,000	$8,000,000	$8,000,000	$260,000	$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 2019 Authority
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.	$4,000,000
B. Public Improvements	
1. Public buildings for housing machinery and equipment.	$13,780,000
2. Harbor improvements.	1,450,000
3. Parking facility improvements.	3,385,000
4. All Fire borrowing.	3,324,000
5. All Police borrowing.	6,566,000
6. Bridge and viaduct.	5,450,000
7. Sewage disposal, sewer improvement, and construction.	
8. Street improvements and construction.	38,314,000
9. Parks and public grounds.	250,000
10. Library improvements authorized under section 229.11 and 229.17.	2,150,000
11. Rubbish.	1,600,000
12 Water Infrastructure.	3,100,000
Subtotal General Obligation Bonds or Short Term Notes (Sections A and B).	$83,369,000
C. Contingent Borrowing	
Borrowing for a public purpose not contemplated at the time the budget was adopted.	
Contingent borrowing.	$200,000,000
Subtotal General Obligation Bonds or Short Term Notes.	$200,000,000
D. School Board Borrowing	
1. School purposes (1).	$2,000,000
Subtotal General Obligation Bonds or Short Term Notes.	$2,000,000
E. Borrowing for Special Assessments	
1. To finance public improvements in anticipation of special assessments levied against property.	
2. General city.	$1,700,000
3. Water Infrastructure.	1,300,000
Subtotal General Obligation Bonds or Local Improvements Bonds.	$3,000,000
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.	$30,657,222
Subtotal Revenue Bonds or General Obligation Bonds.	$30,657,222
J. Sewer Maintenance Fund Borrowing	
Sewer Maintenance Fund revenue bonds or general obligation bonds.	$29,300,000
Subtotal Revenue Bonds or General Obligation Bonds.	$29,300,000
Total General Obligation Bonds or Short Term Notes	**$829,326,222**

(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, or on the City Clerk's website. They have not been included in this publication.

TAX LEVY TO RATE CONVERSION TABLE

Assessed Value Used in Conversion Calculation as of September 14, 2018: $26,547,783,880

Tax Rate Per $1,000 of Assessed Valuation	Levy Change	Levy Change	Tax Rate Per $1,000 of Assessed Valuation
$0.01	$265,478	$5,000	$0.00
$0.05	$1,327,389	$10,000	$0.00
$0.10	$2,654,778	$50,000	$0.00
$0.25	$6,636,946	$100,000	$0.00
$0.50	$13,273,892	$500,000	$0.02
$1.00	$26,547,784	$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