

DEPARTMENT OF ADMINISTRATION 2007 PROPOSED BUDGET Executive Summary

1. The 2007 Proposed Budget for the Department of Administration is \$7,848,579, an increase of \$124,751 or 1.6% from the 2006 Budget. (page 1)
2. The 2007 Proposed Budget includes 105 authorized positions in the Department of Administration, a increase of 2 positions from 2006. Two DOA divisions – Budget and Management and ITMD – each gain one position. The total DOA personnel costs increase by 3.4%. (pages 1, 3 and 7)
3. The department's operating expenditures decrease by 22.6% (\$135,592) under the Proposed Budget. A reduction in Operating Expenditures are proposed for DOA-ITMD division. (page 1 and 7)
4. The 2007 Proposed Budget created the position of Environmental Sustainability Director (SG12) within the Office of the Director. (page 3)
5. The 2007 Proposed Budget includes the new position of Emergency Government Coordinator (SG10) in the Community Development and Grants Administration Division. (page 5)
6. The 2007 Proposed Budget eliminates the position of Salvage and Sales Coordinator (pay range 540), and creates the position of Office Assistant I (pay range 400) in the Business Operations Division. (page 6)
7. The 2007 Proposed Budget created the position of GIS Analyst (pay range 598) and eliminates the position of Administrative Assistant II in the Information and Technology Management Division. (page 7)
8. The 2007 Proposed Budget includes 4 capital projects for the Department of Administration, all within ITMD. The first would be \$350,000 to fund the implementation of an e-mail archival and retrieval system. The second would provide \$49,000 for consolidation of servers and connection of the reduced number of servers to a single storage device. The third would provide \$710,000 for an HRMS upgrade. The fourth would provide \$167,000 for an E-Benefits project to allow electronic transfer of information from the city to benefits vendors. (page 8)
9. A new DOA special purpose account would provide \$45,000 to complete the EBE Effectiveness Study. (page 9)

10. The department's 2007 Proposed Budget includes several new initiatives that have no specific funding allocations and will be carried out by existing staff. The most significant of these are:
- a. A granted funded position of Emergency Management Coordinator who will coordinate and oversee the City of Milwaukee's Urban Areas Security Initiative (UASI) program grant (page 10)
 - b. Reengineering of the city's materials management. (page 10 and 11)
 - c. MCAMLIS agreement and position in the 2007 Proposed Budget includes a new position funded through the MCAMLIS Steering Committee. The position will provide cadastral and street database maintenance using standard database formatting. (page 10)
11. Department of Administration revenues are projected to be \$4,238,300 in 2007, a 4.36% increase over the revenues projected in the 2006 Budget. (page 11)

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2007 PROPOSED BUDGET – DEPT. OF ADMINISTRATION
Summary by Legislative Reference Bureau – Research & Analysis Section

Expense Category	2005 Actual	2006 Budget	% Change	2007 Proposed	% Change
Personnel Costs	\$6,112,621	\$6,061,442	-0.84%	\$6,272,519	3.4%
Operating Expend.	\$609,314	\$600,152	-1.5%	\$464,560	-22.6%
Equipment Purch.	\$9,879	\$20,234	104.8%	\$17,500	-13.5%
Special Funds	\$481,951	\$1,042,000	116%	\$1,094,000	5%
TOTAL	\$7,213,765	\$7,723,828	7%	\$7,848,579	1.6%
Capital	\$590,063	\$521,000	-11.7%	\$1,276,000	145%
Positions	105	103	-1.9%	105	1.9%

Department Function

The Department of Administration performs a wide variety of functions, many of which can be described as the “behind-the-scenes” activities of City government. The department’s responsibilities include:

1. Working with other City departments to purchase the goods and services those departments need to perform their duties.
2. Developing the Mayor’s budget.
3. Providing analysis and recommendations on fiscal and management issues that affect the City.
4. Representing the City’s interests to the state and federal governments.
5. Overseeing the equitable distribution of grant funds, particularly federal CDBG and HOME funds, to community-based organizations and City departments.
6. Assisting disadvantaged business enterprises in obtaining City and other government contracts.
7. Managing and coordinating the City’s information and technology systems.
8. Providing printing and records management services for other City departments.

Departmental Mission

The mission of the Department of Administration is to make Milwaukee one of the nation’s most attractive cities in which to live, work and do business through carrying out the functions described above.

Historical Information

1. Between 2000 and 2005, the number of department employees decreased by 33 positions, from 138 to 105, largely through departmental restructuring and downsizing, rather than transferring functions to other City departments.
2. From 2001 through 2004, the department's budget funded 11 capital projects totaling \$3,373,595. The largest of these was the 2-year (2002 and 2003) Technology Fund initiative, which appropriated \$1.5 million to fund new technology projects in City departments that applied for the funds and met specific criteria.

The other large capital project was \$630,000 in the 2004 Budget for upgrading the City's financial system module to PeopleSoft Version 8. This gave the system greater ease of use associated with web-based application and ensured that the City will remain eligible for full PeopleSoft support.

3. The 2002 and 2003 Budgets included a special capital fund, the Technology Fund, referenced in Item #2, which was managed by the Department of Administration. The Technology Fund was discontinued with the 2004 Budget, although borrowing authority was carried over to 2004 and 2005. After applying for use of the Fund and fulfilling specific criteria, City departments were granted funding for new technology projects.
4. The 2003 Budget changed the name and scope of the Central Board of Purchases. It was renamed the Purchasing Appeals Board. This body provides due process to parties who wish to appeal the decisions of the Procurement Services Section of DOA-Business Operations Division. The Board convenes only when the Procurement Services Section receives such an appeal.
5. In 2004, the former Milwaukee Printing and Records (now Document Services) phased out several of its services (e.g., color copying), began contracting out for more of the City's printing needs and eliminated two full-time and two auxiliary positions. These changes were the result of more reasonable printing costs in the marketplace, more convenient copiers located in City departments and decreased reliance on "hard" copies of documents.
6. The 2004 Budget provided for the reorganization of the Department of Administration from five divisions to four – Budget and Policy (now Budget and Management), Community Block Grant Administration, Business Operations and Information and Technology Management. This reorganization merged the Budget and Policy Division and the Intergovernmental Relations Division into the Budget and Management Division. Several positions were eliminated or reclassified, resulting in a total savings of approximately \$235,000.
7. Common Council File Number 040518, passed September 21, 2004, reestablished the Intergovernmental Relations Division. This Division is staffed by employees previously located in the Budget and Policy Division.

8. The Department's 2005 Budget included a proposal to develop a strategic and fiscal plan to provide a "three-year stability approach to the City's budget and programs" for the 2006-2008 period.
9. The 2005 Budget established the Office of Sustainability within the Department of Administration to work with policymakers throughout city government to ensure the City of Milwaukee achieves cost savings and sustainable environmental practices.
10. Common Council File Number 041396, passed February 22, 2005, clarified and expanded the responsibilities of the Chief Information Officer (ITMD) and the City Information Management Committee. It directed the Chief Information Officer to develop a City of Milwaukee information technology strategic plan and called for greater cooperation of City departments and agencies with DOA and the Chief Information Officer on information technology matters.

2007 BUDGET HIGHLIGHTS AND ISSUES

DOA – BUDGET AND MANAGEMENT DIVISION

Expense Category	2007 Proposed Budget
Personnel Costs	\$1,345,767
Operating Expend.	\$52,900
Equipment Purchases	\$5,500
Special Funds	\$0
TOTAL	\$1,404,167
Capital	\$0
Positions	15

Personnel

1. The 2007 Proposed Budget increases the number of authorized positions in the Budget and Management Division from 14 to 15. This increase reflects the creation of the position of "Environmental Sustainability Director". The position is primarily responsible for performing the functions of the Office of Sustainability and will work with other city departments, staff and officials implementing the recommendations of Mayor Barrett's Green Team. The Director is currently assigned to policy issues pertaining to the City's Water Works and represents the City on the Wisconsin Legislative Council's special committee on Great Lakes Water Resources Compact.
2. For 2007, the position of "Environmental Sustainability Director", was created. This position is funded through reimbursements from departments that utilize the Sustainability Director; currently the Water Works is funding this position. Ultimately the Sustainability Director will

focus on identifying operational changes and technological investments that will make the City's energy use more efficient and less environmentally damaging. Additionally, the Environmental Sustainability Director will steer citywide environmental policy and seek grants to support sustainability issues.

Operating Budget

The 2007 Proposed Budget provides \$52,900 for Operating Expenditures, an increase of \$9,950 (23.16%) from the 2006 Budget. This increase reflects the cost of McAfee software license renewal as well as the license renewal and maintenance of Novell, Groupwise, and SPSS (statistical software). The McAfee license renewal will cost \$800, Novell and Groupwise licenses will cost \$700. The SPSS license and maintenance is \$5,000, a new cost for 2007.

Equipment Purchases

The 2007 Proposed Budget includes \$5,500 for equipment, for replacement of three desktop computers and one laserjet printer.

DOA – INTERGOVERNMENTAL RELATIONS DIVISION

Expense Category	2007 Proposed Budget
Personnel Costs	\$537,581
Operating Expend.	\$47,300
Equipment Purchases	\$2,000
Special Funds	\$0
TOTAL	\$586,881
Capital	\$0
Positions	5

Personnel

1. The 2007 Proposed Budget provides \$537,581 for Personnel Costs of the Intergovernmental Relations Division, an increase of \$28,237 (5.54%) from the 2006 Budget.
2. No personnel changes are included in the 2007 Proposed Budget.

Operating Budget

The 2006 Proposed Budget provides \$47,300 for Operating Expenditures, an increase of \$9,548 (25.29%) from the 2006 Budget. This increase is due to travel expenses. The two-year State Legislative session begins in 2007, which means that in odd numbered years travel costs increase due to the increase of legislative activity particularly relating to the State Budget.

Equipment Purchases

The 2007 Proposed Budget provides \$2,000 for equipment purchases. These funds would be used to purchase one laser printer.

DOA – COMMUNITY DEVELOPMENT GRANTS ADMINISTRATION DIVISION

The 2006 Budget established a new “Grant Manager” (salary grade 9) within the Community Development Grants Administration. This individual has assisted DOA in working with City departments to identify grant opportunities, apply for grants, ensure compliance with grant requirements and evaluate opportunities for improving and streamlining current grant procedures. In addition, the Grant Manager is also responsible for overseeing use of the eCivis grants locator system (see description in Special Purpose Accounts section on page 9) and for coordinating grant-based initiatives with non-profit organizations and other units of government. The cost of this position, \$85,982 (salary and benefits), is supported entirely by City operating funds.

The Community Development Grants Administration through the Grant Manager position has been successful in submitting a number of applications to private and public funding sources that had not been utilized previously by the City. The Grant Manager has assisted in nine applications for funding, four of these applications were successful. Three applications are pending.

The 2007 Proposed Budget includes the new position of “Emergency Government Coordinator”, which was actually created in September 2005. The position is funded through the Urban Areas Security Initiative Program Grant available from the U.S. Department of Homeland Security. This position coordinates and oversees the City of Milwaukee’s Urban Areas Security Initiative (UASI) Program Grant and related emergency government activities. The UASI grant was awarded to the Milwaukee Urban Area, which includes Milwaukee, Waukesha, Racine and Ozaukee counties. The grant is used to enhance and prepare multi-jurisdictional responses to acts of terrorism and other critical incidents. The Coordinator is also managing the updating of Milwaukee City Charter Chapter 6, Emergency Government Administration. The update will incorporate current federal and state laws as well as current emergency government practices.

All other personnel and operating expenses of the Community Development Grants Administration Division are wholly funded by the City’s annual CDBG allocation. The 2007 Proposed Budget for the Division (excluding the Grant Manager position) is \$1,071,958, an increase of \$113,958 (11.89%) from the \$958,000 budgeted in 2006.

DOA – BUSINESS OPERATIONS DIVISION

Expense Category	2007 Proposed Budget
Personnel Costs	\$885,682
Operating Expend.	\$63,110
Equipment Purchases	\$0
Special Funds	\$41,000
TOTAL	\$989,792
Capital	\$0
Positions	27

Personnel

1. In the 2007 Proposed Budget, the number of authorized positions in the Business Operations Division remains the same as in the 2006 Budget (27). Although the Division is eliminating the position of Salvage and Sales Coordinator, due to retirement and the closing of the Country Store Facility, it is creating the position of Office Assistant I. This represents a savings of \$23,077.
2. The creation of the Office Assistant I position will provide general clerical support to both the Emerging Business Enterprise Program and the Procurement Services Section. The Emerging Business Enterprise Program has been involved in more marketing and outreach activities for the Program and staff has assumed responsibility for conducting all re-certifications and some new certifications in-house rather than through an outside consultant. Procurement Services Section staff has developed and administers three new policies related to regulations for purchase of apparel, slavery disclosure by City contractors and personal service contract requirements. No new positions were added to accommodate these new responsibilities. In order to ensure timely workflow, it is necessary to relieve professional staff of some of the more routine tasks they currently perform. The Office Assistant I position will assume these tasks for both sections.
3. With the elimination of the Salvage and Sales Coordinator position, and the addition of the Office Assistant I position, total personnel costs in the 2007 Proposed Budget (\$885,682) are \$1,791 (0.20%) lower than the comparable 2006 figure.

Operating Budget

1. The 2007 Proposed Budget provides \$63,110 for Operating Expenditures, which is the same as in the 2006 Budget.

Special Fund

The Division's Proposed 2007 Budget includes \$41,000 in a special fund to support the activities of the Emerging Business Enterprise Program. Specifically, this fund pays for the City's use of a private contractor for certification and re-certification of emerging business enterprises. This is the same level of funding that was provided in 2006.

DOA – INFORMATION AND TECHNOLOGY MANAGEMENT DIVISION

Expense Category	2007 Proposed Budget
Personnel Costs	\$3,417,507
Operating Expend.	\$301,250
Equipment Purchases	\$10,000
Special Funds	\$1,053,000
TOTAL	\$4,781,757
Capital	\$1,276,000
Positions	42

Personnel

1. The 2007 Proposed Budget authorizes 42 positions in ITMD, the same number of positions as the 2006 Budget. Total personnel costs in the 2007 Proposed Budget (\$3,417,507) are \$208,977 (6.5%) higher than the comparable 2006 figure.
2. The new position of GIS Analyst was created through an agreement with Milwaukee County Automated Mapping and Land Information Systems Steering Committee (MCAMLIS). The MCAMLIS agreement provided funding for one year, which began July 1, 2006, in the amount of \$74,915. The 2007 Proposed Budget shows the position as 0.5 FTE because MCAMILS has authorized funding through June 2007.
3. The 2007 Proposed Budget recommends the elimination of an Administrative Assistant II position due to retirement. The primary responsibilities of the Administrative Assistant II will be reassigned to existing staff in the Division.

Operating Budget

1. The 2007 Proposed Budget provides \$301,250 for ITMD's Operating Expenditures, a decrease of \$155,090 (-33.98%) from the 2006 Budget.
2. The proposed reduction in Operating Expenditures can be attributed primarily to substantial decreases in Information Technology Services (-\$125,050; -32.84%), and Other Operating Services (-\$26,170; -67.67%).

Equipment Purchases

The 2007 Proposed Budget provides \$10,000 for new ITMD computer equipment. This is the same amount that was budgeted for this purpose in 2006.

Special Fund

The 2007 Proposed Budget includes \$1,053,000 in a special fund titled "Enterprise Resource Management." The 2007 Budget figure represents a 5.19% increase from 2006. This fund pays for support of the City's human resources and financial management systems, particularly license fees and hosting fees. For 2007, PeopleSoft/Oracle license maintenance fees will total \$566,000, while the fee for Crestone hosting services will be \$470,000.

CAPITAL PROJECTS

The 2007 Proposed Budget contains four capital projects for the Department of Administration; all are in the Information Technology Management Division:

1. E-Mail Archival and Retrieval System – The 2007 Proposed Budget includes \$350,000 in capitol funding to support an e-mail archival and retrieval system. The goal of this project is to implement a technological application that will improve the city's ability to archive and retrieve electronic mail and related electronic documents. Efficient and effective archival and retrieval of electronic records (including e-mail) is needed to comply with legal requirements governing electronic records management. The project is intended to reduce or eliminate the city's liability for failing to retain electronic public records properly. This project will enable the city to meet its Policy for Electronic Mail Records, which was adopted February 2006.
2. Server Consolidation/Storage Area Network – This is the second year of a three year project to consolidate a proliferation of servers and corresponding separate, isolated storage areas on the City's IT system. The 2007 Proposed Budget provides \$49,000 in capital funding for this project; \$306,000 was appropriated in the 2006 Budget. This project is intended to reduce IT maintenance and support costs, increase efficiency and protect data. The \$49,000 will pay for the purchase of "blade" servers, which will allow ITMD to replace multiple existing standalone servers with a single unit. The new "blade" servers will also allow ITMD to adjust the size and disk storage space according to the needs of city departments.
3. Human Resources Management System Upgrade – The 2007 Proposed Budget includes \$710,000 in capitol funding to support the upgrade of HRMS. HRMS is the citywide personnel management system and is used for many functions including payroll and benefits. To remain functional this application requires periodic upgrades. In 2007 HRMS requires an upgrade if support from the vendor, Oracle/Peoplesoft is to be continued. It will also provide enhance functionality and ease of use.
4. E-Benefits Project – The 2007 Proposed Budget includes \$167,000 in capitol funding for an E-Benefits project. This project will allow employees to view benefits and make informational and enrollment decisions related to benefits directly through the HRMS system. It will also eliminate the multiple paper copies of benefits documents that are currently used, will reduce

the redundant data entry by DER staff, and will allow electronic transfer of information between the city and benefits vendors.

SPECIAL PURPOSE ACCOUNTS

The 2006 Proposed Budget includes four special purpose accounts to be administered by the Department of Administration:

EBE Effectiveness Study SPA

The 2007 Proposed Budget includes \$45,000 a new special purpose account for the completion of the Emerging Business Enterprise Program (EBEP) effectiveness study. The study began in 2006 but more funds will be needed to complete the study. The total amount of the study is \$165,455. The purpose of the study is to research and analyze the city's certification, procurement and contracting policies and procedures, and determine whether the EBEP is effective in meeting the needs of individuals who are at a disadvantage and small business concerns. The study will recommend how to increase the number of minority, women owned, and other disadvantaged firms to increase the participation rate on city contracts.

E-Government Payment Systems SPA

This special purpose account provides funding for development and ongoing maintenance of applications that enable City residents and businesses to conduct business through the City's web site. Examples include online payment, via credit card or electronic check, of Health Department license fees, Municipal Court fines and property taxes.

The proposed funding level for 2007 is \$25,000 the same amount budgeted for 2006. In 2007, this special purpose account will be used primarily to pay for electronic check transaction fees imposed by banks for payment processing, as well as for base monthly maintenance fees paid to U.S. Bank. It also pays for technical support for the City web site's Content Management System and license fees for web-related software. No new hardware or software purchases are anticipated for 2006.

eCivis Grants Locator SPA

Proposed funding level for this special purpose account for 2007 is \$23,100. This is a -1.7% reduction from 2006. In 2005, the City purchased the eCivis grants locator software to assist City departments in locating grants that may be available to support their functions. For 2007, SPA funding is provided to maintain this service. City employees can use eCivis to perform customized grant searches, receive e-mail notifications of grant opportunities and obtain assistance in writing grant applications. According to eCivis tracking, eight city departments are consistent users of the service. Approximately 18 to 22 staff associated with these departments use the service daily, and over 125 city employees have been trained to use the program.

Wages Supplement Fund SPA

This fund acts as a “savings account” for City salary and fringe benefit costs while labor contracts are pending. It provides the funding needed for increases in salaries and fringe benefits resulting from contract settlements. The 2007 Proposed Budget includes \$9,720,000 in the Wages Supplement Fund, a decrease of \$425,000 (- 4.18%) from the amount budgeted for 2006.

OTHER INITIATIVES

The 2007 Proposed Budget for the Department of Administration contains several other initiatives that have no direct budgetary impact. These initiatives, which will be carried out by existing department staff, include:

1. Multi-Year Strategic and Fiscal Plan – The 2007 Proposed Budget reflects the second year of a three-year strategic and fiscal plan that the Budget and Management Division has developed to provide a “three-year stability approach for the City’s budget and programs” during the 2006-2008 budget years.
2. Office of Sustainability – The new position of Environmental Sustainability Director will head the “Office of Sustainability” and work with other city departments in implementing the recommendations of Mayor Barrett’s Green Team. The Office will develop and implement citywide environmental policy, to help set department goals and strategies for implementing that policy, and to monitor departmental progress in meeting goals and implementing strategies. DOA envisions funding for the Office of Sustainability coming from foundations and grants.
3. Management Performance and Accountability Process (“CitiStat”) – For 2007, DOA will be coordinating implementation of this initiative. The CitiStat management and accountability program is modeled after the CitiStat Program used by the City of Baltimore. Through CitiStat, the administration will monitor performance with respect to various outcome measures and hold departments accountable for that performance. In addition to evaluating service delivery, the CitiStat initiative will monitor departmental performance in the areas of fiscal and personnel management and diversity.
3. Emergency Government Coordinator – The 2007 Proposed Budget includes the position of Emergency Government Coordinator. This position will coordinate and oversee the City of Milwaukee’s Urban Areas Security Initiative (UASI) Program grant and related emergency government activities. The Coordinator will oversee strengthening critical infrastructure, expanding regional collaboration, strengthening interoperable communications, and enhance detection, capacity and response to emergency events.
4. MCAMLIS Agreement and Position – The 2007 Proposed Budget includes a new position of GIS Analyst. This position was created as part of an intergovernmental agreement with the

Milwaukee County Automated Mapping and Land Information System (MCAMLIS) Steering Committee. This position will provide cadastral and street database maintenance using standard database format to ensure conformance with MCAMLIS standards.

5. Materials Management Changes – A new approach to materials management is proposed for 2007. The Salvage and Sales Coordinator has retired and the city warehouse has been declared to be in a flood plain. This provides for an opportunity to reorganize materials management. DOA will continue its collaborative effort with Milwaukee County for the auctioning of vehicles and heavy equipment. Cascade Asset Management will be assisting the city in recycling of computers and other electronic equipment. The on-line auction will continue to be used for the sale of other goods.

DEPARTMENT REVENUES

The 2007 Proposed Budget projects that the Department of Administration will receive \$4,238,300 in revenues, an increase of \$177,300 (4.36%) from the \$4,061,000 projected in the 2006 Budget. Major revenue sources for 2007 and the changes from 2006 are as follows:

	<u>2007</u>	<u>Change from 2006</u>
Contract to provide services to MPS	\$3,864,000	\$127,000 (3.39%)
Property Sales	\$262,500	\$48,500 (33.66%)
Other charges for services	\$111,800	\$1,800 (1.63%)

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