

2022 PLAN AND BUDGET SUMMARY

CITY OF MILWAUKEE

STATE OF WISCONSIN

Tom Barrett
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 2022 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 Adopted 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.

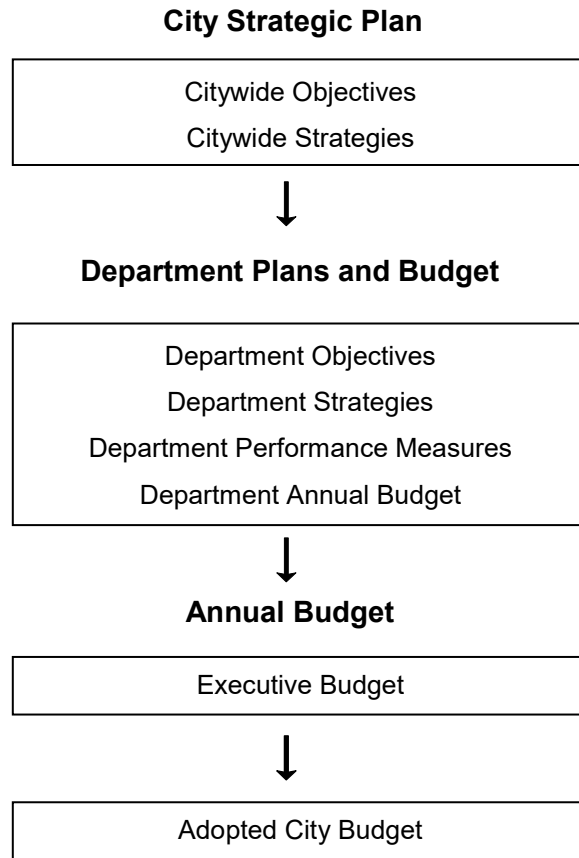
To obtain copies of the: *Proposed Plan and Executive Budget Summary*, *Plan and Budget Summary*, and *Detailed Budget* contact the:

Budget and Management Division
City Hall - Room 603
200 East Wells Street
Milwaukee, Wisconsin 53202
(414) 286-3741

or

Visit the Budget and Management website at:
www.city.milwaukee.gov/budget

BUDGET AND PLANNING PROCESS



Calendar Date	Activity
January - March	Departments Prepare Plans, Objectives, and Performance Measures
Mid-March	Departments Receive Budget Request Materials
Early May*	Department 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 Tearman Spencer
City Comptroller Aycha Sawa
City Treasurer Spencer Coggs

COMMON COUNCIL

President Cavalier Johnson

District **Aldersperson**

First Ashanti Hamilton

Second Cavalier Johnson

Third Nicholas Kovac

Fourth Robert Bauman

Fifth Nikiya Dodd

Sixth Milele A. Coggs

Seventh Khalif J. Rainey

Eighth JoCasta Zamarripa

Ninth Chantia Lewis

Tenth Michael J. Murphy

Eleventh Mark A. Borkowski

Twelfth José G. Pérez

Thirteenth Scott Spiker

Fourteenth Marina Dimitrijevic

Fifteenth Russell W. Stamper, II

MUNICIPAL JUDGES

Branch 1 Valarie A. Hill

Branch 2 Derek C. Mosley

Branch 3 Phil Chavez

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Tom Barrett
Mayor, City of Milwaukee

Mayor Barrett's 2022 Executive Budget Address

September 21, 2021

As Delivered

Mr. President, Common Council members, officials and dignitaries,

It is my honor to present the 2022 City of Milwaukee Executive Budget. It is a careful compilation of municipal duties, priorities, and ambitions—all balanced by the fiscal limitations that dominate our planning efforts.

These fiscal constraints include our pension obligations, our restricted revenue options, and the refusal of the state legislature to give us the tools we need. Yes, in an era of big surpluses in the state's coffers, the legislature's inattention has left us with huge fiscal and public safety challenges.

We all want to do more and, fortunately, with the American Rescue Plan funds available to us. We do have a limited opportunity to invest in employment, housing, health and safety. With ARPA funds, we can positively impact the lives of our residents who need the help the most.

And, as you will see in the budget documents, we have deployed ARPA funds, strategically, to advance departmental objectives. We have done so to avoid cuts to vital services and to avoid layoffs of City personnel. Unfortunately, I think we all recognize that the ARPA funds will not solve our structural financial challenges.

The 2022 budget I present today is bolstered with ARPA funds in the fire department, the police department, the health department, the department of public works, the library, and others.

Overall, our budget for next year is up to \$1.7 billion, supported by a property tax levy of \$305.2 million. That levy is 2% higher than last year, so an average residential property owner will see an increase of about \$33 in taxes.

Residents will not see an increase in fees from this budget. Snow and ice, solid waste, sewer and street lighting fees all remain unchanged.

I do feel it is important to rely less on reserves than we did last year. As you know, we've had challenges with the bond rating agencies and we have to address them. Our use of reserves in the 2022 budget is \$14 million dollars lower than this year's budget. We are drawing fewer dollars from the Tax Stabilization Fund, fewer dollars from the Parking Fund, and fewer dollars from the Public Debt Amortization Fund.

As you all know, I have been a long-time advocate for a healthy pension reserve. This budget does that, and, in my conversations with Council members, I sense a growing appreciation for that approach. With my proposed \$10 million injection into the Pension Reserve Fund, our balance will now be greater than \$50 million in pension reserves.

The biggest organizational change you will see in this year's budget is the creation of a new Department of Emergency Communications. This department builds on plans to add new levels of professional, efficient, and effective 9-1-1 emergency communications. We are consolidating the fire and police emergency communication functions to better serve our residents and to unify previously duplicated functions.

Fortunately, both public safety departments have been very cooperative and engaged in making sure the Department of Emergency Communications succeeds. Administratively, the new department will be part of the Fire and Police Commission.

The transition is already underway. In the coming year, we will transfer and add staff and work through the multitude of steps required for a safe, smooth and complete transition. The administrative changes move forward at the same time technical improvements are added.

The City of Milwaukee handles, by far, the greatest number of calls for emergency services in the county. So, the city is the logical designee as the Public Safety Answering Point for Milwaukee County. That is important because we have the planning, the people, and the initial infrastructure to take the lead. I am hopeful—and would love your support—to make sure that we receive the designation and the Next Generation 911 grants from the State of Wisconsin.

Without a doubt, we want people calling for an emergency response to get the appropriate service as quickly as possible. We want the police and fire responders to get the best support from emergency communication staff. And, we want to accomplish this with budget efficiency in mind.

The Milwaukee Fire Department will maintain services in 2022, supplemented with nearly \$15 million in American Rescue Plan money. The department's emergency medical responses have been complicated recently as the private ambulance companies—the providers of basic life support services in our community—have faced unsustainable financial challenges. In fact, as you may know, one of the companies pulled out of the market altogether. To maintain this very important

system, the fire department will subsidize the private providers and train emergency responders for the private companies in the coming year.

Next year, the police department will swear in and train 195 new police officers in three police recruit classes. We will use the American Rescue Plan funds to accomplish this. While 2022 will be a busy year at the Police Academy, overall, the total strength of the department will be, on average, 1,657—not quite keeping pace with retirements. The police budget is slightly smaller in my 2022 proposal, a change driven by fiscal realities, not philosophical concerns.

The police department is responsive to the trends that have emerged in Milwaukee. The work of the Traffic Safety Unit is focused on curbing reckless driving—a huge problem in our community. The department is similarly focused on the shocking increase in violence—particularly gun violence—that has emerged over the past two years. We need everyone in this city—including you—to step up and help us to reduce violence in Milwaukee.

This budget does recognize the reality that police, alone, cannot bring violence under control. We continue to support the work of the Office of Violence Prevention in the Milwaukee Health Department. The budget also includes resources for mental health awareness and reduction of opioid overdoses.

The health department has been very busy. It is engaged in a wide range of efforts to improve the wellness of our residents. Among the highest priorities is the protection of young residents from lead poisoning. In the City's American Rescue Plan allocation, we are working with many of you to use more than \$26 million to expand the response to and treatment of children with elevated blood lead levels. A particular focus is making homes lead-safe, and next year the target is to address lead threats in thousands of homes.

Our progress toward eliminating lead water laterals will continue with 1,100 removals. I believe that number will be much higher with federal infrastructure moneys awaiting approval in Congress.

Of course, we had all hoped that COVID would be behind us by now, and that our lives would back to normal. That is not the case. The Milwaukee Health Department continues to do an excellent job managing the complexities of testing, vaccination, and protection of public health. Many individuals have stepped up in remarkable ways, including Commissioner Kirsten Johnson, Dr. Nick Tomaro, and literally dozens and dozens of health department employees.

COVID and its deadly disruption have had huge impacts on our economy, on our healthcare, and on the routines of our daily life. And, as I say at every opportunity, please get vaccinated and follow the safety precautions—including masking—so we can move forward. Your voices are influential. Everyone in this room has an influential voice, and we need those voices to be louder to ensure that more people get vaccinated.

Our libraries continue to be a bright spot. They will continue the great service they have long-provided to our residents. The Milwaukee Public Library has stepped up and adapted during the

COVID-19 pandemic. Our central and branch libraries are reopened—with very limited modifications in their hours in 2022.

Next year, construction will begin on the new Martin Luther King branch library. Like other library branches, this is a neighborhood anchor. They are like mini Town Halls. And we'll have this new library with mixed use development as we have in different neighborhoods in the city. The new Martin Luther King library construction will be supported with about \$4 million in ARPA funds—another great use of these funds. And again, thanks to the President, Senator Baldwin and Congresswoman Moore for being so supportive of these efforts.

My budget calls for an additional \$3.5 million in capital funding for core infrastructure, and a total of \$74.6 million for streets, bridges, street lighting, and sewers. And—just to give you a glimpse on how we put this thing together—in a change from an initial proposal presented to me, I have included capital funding to finish the City Hall foundation work. Yes, finally, the fencing, scaffolding, and construction trailers will be gone—something I've only seen in a few months during my entire term as Mayor, and something some of you have never seen.

The American Rescue Plan funds play an important role in this budget, and it is important to note how potentially transformative this money can be.

ARPA is not only an opportunity to heal, recover and overcome the effects of the pandemic, but it is an opening to revitalize and build anew. We have an opportunity to address the limitations of the past two years, and also to take a significant step forward in building a more resilient Milwaukee.

I have put forth an initial plan that uses funds from the federal government to address urgent, immediate needs of residents, families and neighborhoods hardest hit by COVID-19. I look forward to continuing discussions with you about how we deploy money going forward.

Whether we are allocating ARPA funds or designing the 2022 City budget, a paramount consideration is how all these pieces fit together. What resources are we putting toward housing? What improvements can we make toward safety to reduce violence and to discourage reckless driving? How can we increase job readiness and boost the economy? What basic City services do we need to improve? Fortunately, in my discussion, again, with many of you, I get a strong sense that we share common perspectives on many of these topics.

But, the reality is the 2022 Milwaukee budget is, in many ways, the calm before the storm. The looming challenges are ominous: our pension obligations, constrained revenue options, and state shared revenue that remains unchanged—declining in real value—over recent decades.

We simply do not have the sufficient ability to address these challenges locally. We do not have that ability. We need the State Legislature to be our partner, finally, and, act on multiple fronts to give us the tools we need.

Change is likely to come to city government. Nevertheless, I want to make one point very clear: I expect to be fully engaged in the budget process. Dialogue is important between the north and south ends of City Hall's second floor so we can deliver a budget that reflects the needs and expectations of our residents.

We uniformly share a deep appreciation for Milwaukee, for the people who live here, and for the potential our city has moving forward. This budget reflects that appreciation and sets a course for positive results.

Good luck. I hope you enjoy the next six weeks.

Thank you very much.

###

COMMITTEE ASSIGNMENTS

CHAIR

- Finance and Personnel Committee
- Housing Trust Fund Advisory Board
- Milwaukee Arts Board

VICE CHAIR

- Steering and Rules Committee

MEMBER

- Judiciary and Legislation Committee



MICHAEL J. MURPHY
ALDERMAN, 10TH DISTRICT

FINANCE AND PERSONNEL COMMITTEE REPORT ON THE 2022 ADOPTED CITY BUDGET

Recognizing the fiscal challenges facing the City, particularly the need to support residents during the uncertainty of the current public health crisis, a responsibility to meet pension obligations for current and retired City employees, and the continually increasing proportion of the City's budget devoted to police and fire services, the Common Council amended the 2022 Proposed Budget to intensify the City's efforts directed toward improving residents' quality of life. Much of this year's Budget process was tied to approval for the use of American Rescue Plan Act (ARPA) funding in the amount of \$197 million. Accordingly, many of the funding amendment priorities of the Council were addressed through the ARPA allocation process.

The Common Council's Adopted Budget includes amendments to improve the health and wellness of Milwaukee's most vulnerable residents directing the Office of Violence Prevention to provide:

- Metrics to evaluate the efficacy of the services of the Office of Violence Prevention.
- Annual reporting related to trauma-informed care for Fire and Police personnel.

The Common Council's Adopted Budget also includes amendments to promote peace and public safety:

- Directing the Fire and Police Commission to work with the Fire Department and Police Department to provide employees' reasons for moving out of the city.
- Leveraging the City's ARPA award to free up tax-levy supported funding for three Police Officer recruit classes of 65 recruits each for 195 officers, which will partially replenish officers lost through retirements and other attrition.
- Re-allocating \$400,000 of the Police Department's budget to prioritize hiring of 10 Police Service Specialist – Investigators for unarmed response and clearance of auto theft cases.

The Common Council's Adopted Budget also includes amendments to invest in Milwaukee neighborhoods:

- Supporting the Neighborhood Improvement Development Corporation's "Healing Spaces" initiative with a \$50,000 investment to expand the number of spaces and provide funding for programming in existing spaces.
- Directing the Department of Neighborhood Services to use, at minimum, \$400,000 of demolition money for properties in areas of concentrated blight.
- Adding \$25,000 in funding for a pilot program to establish two wildflower planting beds for the purpose of identifying cost savings by reducing overall maintenance costs related to contract mowing.
- Adding position authority and funding for one Grant Compliance Manager to develop additional sources of grant funding for City programs to enrich the community.
- Directing the Department of City Development to examine the feasibility of City-owned property being used for advertising as an additional source of revenue to fund City programs.
- Monitoring and increasing equity by directing the City Clerk to work with City departments to provide status updates regarding their Equity Impact Statements.

The Council also leveraged ARPA funding to free-up tax-levy supported funding to increase the deposit to the Employer's Pension Reserve Fund by \$30,000,000 to stave off the fiscal cliff facing the City in 2023. The Council's action will delay by one year the need for either finding another source of revenue or cutting positions and services to meet the anticipated \$70,000,000 increase to the City's regular pension obligation.

The property tax levy under the 2022 Adopted Budget will increase \$5.9 million (or 2.0%), as compared to last year's budget. Dependence on the tax levy in the Common Council's Adopted Budget is \$81,522 less than the Mayor's Proposed Budget. The property tax rate is increased 7 cents to \$10.16 per \$1,000 of assessed value, as compared to last year's budget. Reflecting increases in property values and the decreased property tax rate, the overall tax on an average-valued Milwaukee home will increase \$25.75. Municipal fees for solid waste collection, snow and ice control, storm water, sewer maintenance, and street lighting, stayed the same.

The 2022 Budget is fiscally sound, preserves public safety and services, and focuses on improving the health and wellness of the city's most vulnerable residents, promoting peace and public safety, and improving local neighborhoods and city infrastructure while reducing the burden of new fees on property owners.

Sincerely,

A handwritten signature in black ink that reads "Michael J. Murphy". The signature is written in a cursive style with a large, stylized "M" and "J".

Michael J. Murphy
Alderman 10th District

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 residents - 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;
- Residents 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 residents 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 residents. 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 residents 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 residents; and
- Sustaining, enhancing and promoting Milwaukee’s natural environmental assets.

Racial Equity and Inclusion, COVID-19 Response, and Structural Budget Challenges

The City of Milwaukee affirms its strong commitment to institutionalizing racial equity and inclusion in all of the actions we take including in our budget decision making process. City budgets must balance the needs of all residents while addressing the serious challenges that continue to affect our community.

The COVID-19 public health emergency has had negative impacts on employment, housing, and health care in Milwaukee. During the height of the pandemic, it was clear that the impacts varied especially among people of color. These variations amplified an underlying disparity that existed in the City.

It is critical for the City of Milwaukee to address racial equity issues in the communities it serves and within city government. The City of Milwaukee is committed to implementing strategies, policies, and practices designed to advance and achieve racial equity in areas including health, housing, education, employment, environment, and criminal justice, as well as in the delivery of quality and timely government services. This commitment is essential to achieving the city's strategic goal to promote racial, social, and economic equity for all residents.

The Office of Equity and Inclusion (OEI) and the Budget and Management Division (BMD) have begun to discuss and identify a strategy to incorporate a racial equity analysis in the budget process, and the review of the use of American Rescue Plan Act (ARPA) funding received from the Federal Government. The ARPA created a new Coronavirus State and Local Fiscal Recovery Fund to help states and local governments respond to the COVID-19 pandemic, address urgent needs, and make investments to catalyze broader economic recovery and rebuilding. The City of Milwaukee has been awarded a direct ARPA payment totaling \$394.2 million. Use of a racial equity tool is an important part of the City's work to improve equity and to integrate explicit consideration of racial equity into budget decision-making and ARPA spending.

While the pandemic's impacts have been widespread, the public health and economic impacts have fallen most severely on disadvantaged communities and populations. Low-income communities and people of color have faced higher rates of infection, hospitalization, and death as well as higher rates of unemployment and lack of basic necessities like food and housing. Pre-existing social vulnerabilities magnified the pandemic in these communities, where a reduced ability to work from home and denser housing amplified the risk of infection.

One purpose of the ARPA funds is to address these disparities. OEI and the BMD developed a joint ARPA request form that met the need to analyze racial inequities while addressing budgetary issues. Departments included information on addressing racial equity in their ARPA request and provided specific performance measures to show progress on reducing the inequity.

The City of Milwaukee received the first half of its ARPA payment of \$197.1 million in May 2021. It is anticipated that the second \$197.1 million funding award will be received in June 2022. ARPA funds can be used to provide services in specific allowable use categories, including:

- **Support public health expenditures**, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- **Address negative economic impacts caused by the public health emergency**, including economic harm to workers, households, small businesses, impacted industries, and the public sector;
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,

- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

ARPA establishes specific guidelines for these allowable uses. There are also prohibitions on ARPA funds, which cannot be used to deposit into a pension fund, to pay interest or principal on outstanding debt, or to contribute to financial reserves. Although the ARPA funds cannot be used for these purposes, they will help to ease budgetary pressures caused by these issues over the next few years.

The ARPA funds must be obligated by December 31, 2024 and fully expended by December 31, 2026. On June 15th, the Common Council adopted the Mayor's recommendation to provide \$3.8 million in ARPA funding for summer jobs for youth through the Earn and Learn Program administered by Employ Milwaukee.

The remaining ARPA funds for the first tranche of \$197.1 million were allocated as follows:

\$4.3 million for Employment & Job Training, including:

- \$3 million for connecting unemployed and low-wage workers with new skills and career pathways, for lead abatement certification
- \$1.3 million for 2022 Earn and Learn Program

\$45.3 million for Affordable & Sustainable housing, including:

- \$15 million for In Rem Initiative to renovate over 200 properties in the City's In Rem inventory, with a priority for sale for affordable home ownership
- \$4.5 million to support and expand current housing programs administered by DCD
- \$3 million for targeted demolition
- \$10 million for the housing trust fund
- \$9 million to complete Westlawn Phase IV
- \$1.8 million for right to counsel
- \$1 million for additional code compliance loans
- \$1 million for development of modular housing in the Department of Administration - Environmental Collaboration Office

\$22.9 million for Fiscal Sustainability & Core City Services, including:

- \$4.7 million to add 2 BLS units to the Fire Department and assistance to private ambulance companies
- \$10 million for street lighting repair and upgrades*
- \$7.2 million to combat reckless driving*
- \$1 million for hazard pay for general city employees

\$15.6 million for Public Health and pandemic response, including:

- \$600,000 for translation and multi-lingual services*
- \$15 million to support vaccination and pandemic response costs

\$5.6 million for Community & Neighborhood Health, including:

- \$3.3 million for violence prevention and interruption expansion
- \$2.3 million for City clean up and beautification programs*
- \$15,655 for a survey in zip code 53206

\$7.0 million for Early Childhood Education, including:

- \$5.1 million for stipends for teachers
- \$0.3 million for K-12/technical college dual enrollment and ECE certification
- \$1.1 million for the Literacy Lab’s Leading Men Follows
- \$0.5 million for MKE Rising

\$34.6 million for the provision of services in the 2022 City Budget, including:

- \$14.8 million for six engine companies*
- \$6 million for Fire Department salaries*
- \$4.2 million for DPW-Infrastructure building energy accounts and construction supply accounts*
- \$3.1 million for DPW-Operations operating accounts not covered by fees*
- \$1.8 million for payment to MADACC for City’s share of operating costs*
- \$0.3 million for early childhood education costs*
- \$4.2 million for construction of new MLK branch library*

\$28.1 million for lead paint treatment and abatement, including:

- \$26.1 million to expand the Lead Program to respond to and treat all children with Blood Lead Levels exceeding 10 mcg/dL from the current 15 mcg/dL
- \$2 million for energy-efficiency upgrades to homes being remediated for lead in the Department of Administration

\$30 million for budgetary reduction

- \$0.4 million to the Department of Administration
- \$1.1 million to the Department of City Development
- \$0.5 million to the Election Commission
- \$1.5 million to the Department of Emergency Communications
- \$10.3 million to the Fire Department
- \$6.4 million to the Health Department
- \$1.1 million to the Library
- \$6.5 million to the Police Department
- \$2.3 million to the Department of Public Works

* Items marked with an asterisk are funded through the revenue loss provision of ARPA.

The revenue loss provision is an important component of ARPA. Under this provision, ARPA funds can be used to provide government services to the extent of the reduction in revenue loss experienced due to the COVID-19 public health emergency. Revenue loss can be calculated for four years, 2020 through 2023. Actual revenue in each fiscal year is compared to the estimated revenue growth that would have occurred if the COVID-19 public health emergency had not decreased revenue. The estimated amount of lost revenue in each year can be used by governments facing budget shortfalls to avoid cuts to government services. This allows Milwaukee to use ARPA funds to maintain services that would otherwise be cut. ARPA guidelines provide broad discretion on the type of services that can be funded under revenue loss. For example, infrastructure projects other than sewer, water and broadband can be funded, as well as health services, educational services, and the provision of police, fire, and other public safety services. However, ARPA funds under revenue loss cannot be used to pay for debt service, or for any obligation under a settlement agreement or judgment, or to replenish financial reserves. None of these are considered provision of a government service under ARPA.

The amount of revenue loss is based on a formula using allowable revenues. The allowable revenues are included in the US Treasury guidelines. They exclude internal transfers between funds, utility revenue, and payments from the Federal Government. Using the guidelines, City revenue for 2019 was \$831.3 million and \$811.7 million in 2020.

The formula then calculates what the revenue should have been under normal circumstances in 2020. The City can use either annual growth of 4.1% or the actual average growth between 2015 and 2018, whichever is greater. For Milwaukee, the annual growth of 4.1% is greater and was used to estimate the reduction in revenue experienced due to the COVID-19 public health emergency. Using 4.1%, the City should have had revenues of \$865.4 million in 2020. The difference between expected revenue and actual revenue is \$53.6 million as shown in Table 1.

Table 1

2020 Actual Revenue Loss Calculation				
2019 Actual Revenue	Assumed Growth Rate	2020 Assumed Revenue	2020 Actual Revenue	Revenue Loss
\$831,273,000	X 4.1%	\$865,355,193	\$811,738,000	(\$53,617,193)

Table 2

2021 Estimated Revenue Loss Calculation				
2020 Assumed Revenue	Assumed Growth Rate	2021 Assumed Revenue	2021 Budgeted Revenue	Revenue Loss
\$865,355,193	X 4.1%	\$900,834,756	\$845,913,893	(\$54,920,863)

It is also important for the City to set aside future revenue loss funding. The estimate of the 2021 revenue loss for 2023 budget purposes is \$54.9 million, as shown in Table 2. This estimate is based on preliminary revenue experience and will be finalized when actual revenues are available in spring of 2022.

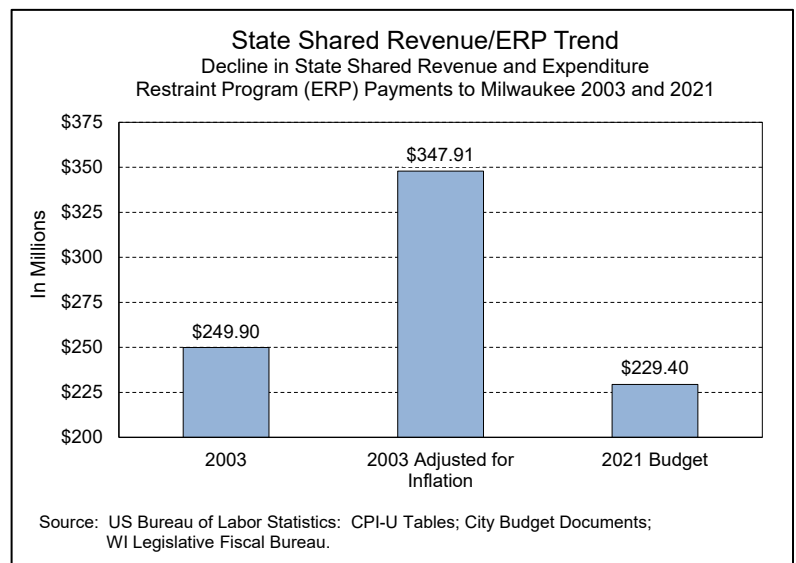
Even more difficult is an estimate of revenue loss for use in the 2024 budget. At this time, we are using a \$50 million estimate, since actual revenues will not be available until spring of 2023. In total, the City should set aside \$158.5 million of available revenue loss to address current and future budgetary needs.

The timing of the ARPA revenue loss funding will ease the budgetary pressure caused by the expected \$70 million pension increase in the 2023 budget. A combination of revenue loss dollars, pension reserves and revenue increases should allow the City to retain most of its services in 2023 and 2024 while providing the higher pension payment. Unfortunately, after 2024 the City will no longer have \$50 to \$55 million in annual ARPA funding to support City services and will face structural budget problems. It is critical for the City to address the structural pension issues through the remainder of 2021 and into 2022.

STATE SHARED REVENUE

Wisconsin’s tax system collects sales, income, and various business and excise taxes, and redistributes a portion of these to municipal governments as “shared revenue.” The State Shared Revenue Program distributes payments to municipalities based on their ability to generate revenues. Since 2003, the State Legislature and Governor have chosen to keep shared revenues to local government near zero growth. In 2004 and again in 2011, the State reduced the city’s shared revenue payment by a total of \$21.8 million. Given inflation in major costs for local government, that means that the value of state aid for local budgets has decreased considerably since 2003. Figure 1 shows 2003 shared revenue, the shared revenue payment if increased by the rate of inflation, and the 2021 shared revenue payment.

Figure 1



Limits by State law on the property tax levy growth and charging fees for services force the City to rely heavily on the property tax levy. Many local governments and school districts in Wisconsin are facing the same structural financing issue.

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.

PENSION FUNDING

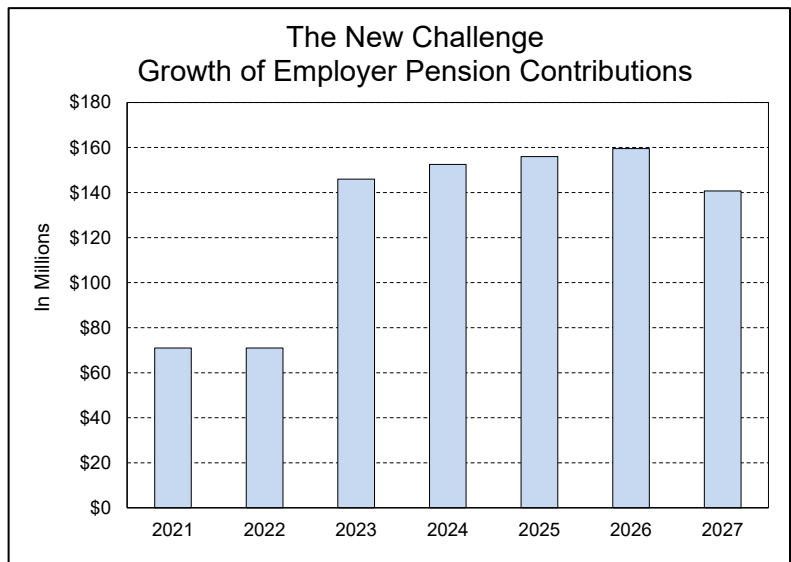
Costs for current and future pension benefits present another fiscal challenge. The City of Milwaukee, as the plan sponsor for the City’s Employee Retirement System, has proactively addressed pension costs with innovative strategies. These include setting a 5-year “stable contribution” policy, working with employees to share funding costs, changing benefits for new employees, and creating a reserve fund to cushion against large changes in pension funding requirements.

The current stable contribution period runs through 2022, and requires approximately \$71 million per year in City pension payments. Investment income earned by the Employees Retirement System fund and member contributions are the other sources of funding for pensions.

The Pension Board approved a lower rate of return on investments beginning with the 2019 Actuarial Valuation. This reduction in the rate of return for investments from 8.25% to 7.5% significantly increased the required pension contribution from the City.

Figure 2 shows the magnitude of the pension contribution that the City faces in 2023. Actuarial forecasts for the next 5-year stable contribution period project an increase of nearly \$70 million per year in required pension funding. In 2022, the City budget adds \$40 million to the pension reserve fund to assist in smoothing the large increase in future pension contributions. This increased pension contribution cost will put tremendous pressure on the property tax levy and require the City to make dramatic reductions in services if the pension problem is not resolved.

Figure 2



The City continues to work with unions representing sworn Police and Fire personnel, the State and local business leaders to address the pension problem. A Mayoral Pension Task Force met in 2021 to review this issue and issued a report in September 2021. The Task Force recognized that under current conditions and without additional sources of revenue, the City is not able to fully fund both future pension obligations and current City services. The Task Force report identified twelve options for the City to consider. Several options focus on benefit design changes and increased revenues.

LOCAL OPTION TAXES

Since 2016, the City’s police budget is larger than State shared revenue and the property tax levy, as shown in Figure 3. The Police department budget is 95% salaries and benefits. Despite relatively stable staffing, Police costs continue to grow due to wage increases and associated future pension benefits.

This trend’s implications are particularly evident upon examination of funding for the Milwaukee Police Department. As Figure 3 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. In the 2021 budget, for the first time since 2016, the police budget will not be higher than the tax levy. The police budget continues to be less than the tax levy in the 2022 Budget.

The City normally faces an annual structural gap of \$30 million to deliver the same service levels. In the 2022 requested budget, the gap was \$72 million. A 4% annual increase in property taxes, which is above state property tax limits, could not keep up with cost growth in existing Police and Fire budgets. The gap that remains would be roughly equivalent to the Library, Health Department and the Department of Neighborhood Services budgets.

Milwaukee is at a fiscal crossroads. Future budgets cannot both sustain core City services and continue meeting the City’s pension obligations. To preserve critical City services and current police and fire staffing, the City is proposing a local sales tax that would require adoption of a referendum by Milwaukee residents. However, the State of Wisconsin has not yet approved this local sales tax option for the City.

MAJOR PROGRAM INITIATIVES AND CHANGES

A majority of the general fund is allocated to police, fire and public works. Figure 4 shows all funding received by departments. Funding highlights for the 2022 Budget include:

Public Safety

- The Police Department uses strategic staffing practices to optimize patrol capacity. The 2022 budget includes funding for an average of 1,657 sworn officers. This is a decrease of 25 sworn officers from the 2021 strength level.
- The Fire Department’s community paramedic program ensures that the 9-1-1 system is utilized appropriately and provides 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. In 2020, the program has reduced 9-1-1 calls by 70% for callers in the program since it began.

Figure 3

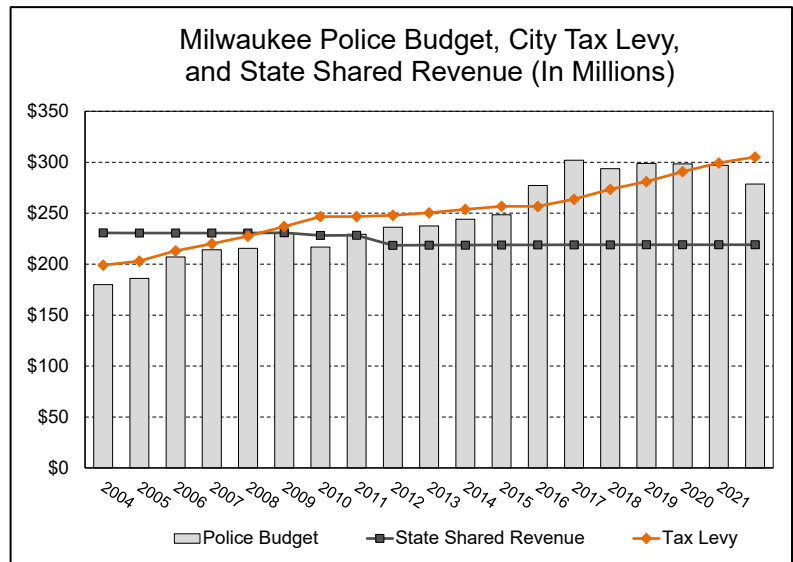
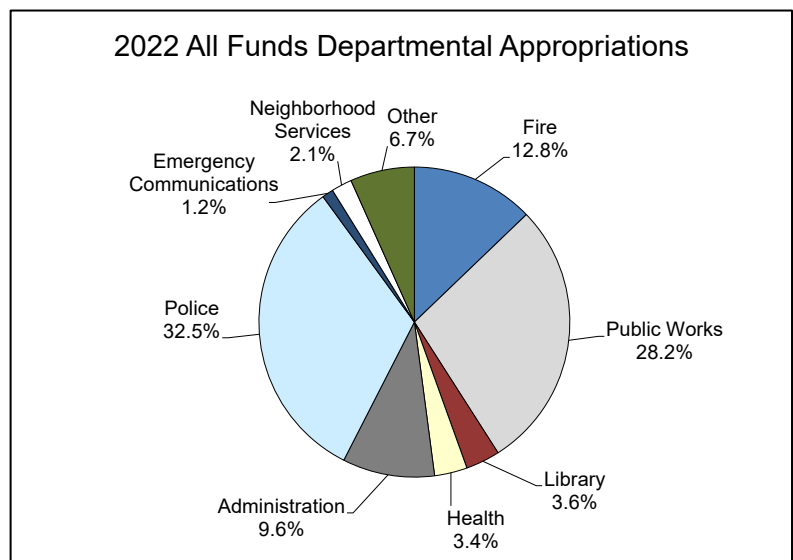


Figure 4



- The 2022 budget uses \$14.8 million in ARPA funds to retain current Fire Department heavy apparatus and EMS ambulances. Response times to fire and emergency medical service calls will be similar to those expected in 2021.
- Continued funding for the 5-year community collaborative and monitoring outlined in the settlement with the American Civil Liberties Union of Wisconsin. The 2022 Budget includes \$300,000 in the Police budget for this effort as well as additional funding to provide civilian oversight in the department.

Public Works

- Core infrastructure programs including streets, bridges, street lighting, and sewers total \$74.6 million in the 2022 budget. The 2022 Budget repaves and reconstructs 22 miles of major streets, local streets, and high traffic streets serving commercial corridors.
- The City will replace 1,100 lead water service lines in 2022. The City assists with funding of the private side of the replacement, and the Water Works funds the public side. Financial assistance from clean water funds has relieved the City of the need to provide funding for the private side subsidy.
- Funding of \$21 million to replace and line 10 miles of medium to large combined storm and sanitary sewer mains and an additional \$2 million to line 6 miles of small diameter sanitary sewer main and inspect sanitary sewer manholes.
- Funding for the downspout disconnection program. The program provides incentives for residential properties that contain up to four units to disconnect their downspouts from the combined sewer system by 2025. An estimated 50,000 residential parcels will need their downspout disconnected.
- Replacement of 20 miles of water mains and \$10.5 million for water facilities.

Neighborhoods and Development

- Building on the success of the STRONG Neighborhoods Plan, in early 2018 Mayor Barrett announced a goal of creating or preserving 10,000 more affordable housing units by 2028. Through 2020, the City provided funding and support for over 2,800 affordable housing units. Funding for neighborhood investment, affordable housing and homeownership totals \$54.8 million including ARPA funding.
- 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. The 2022 budget uses \$2.3 million of ARPA funds to provide cleaner neighborhoods while providing employment opportunities for unemployed / underemployed or disadvantaged residents. It is a multi-faceted initiative that allocates resources to create a cleaner Milwaukee by leveraging community partners to provide workforce development, public information campaigns, and coordinated private cleanup efforts while investing in a mix of services and equipment to achieve cleaner neighborhoods throughout Milwaukee.
- Continued funding for the Strong Loan Program and the Code Compliance Loan Program as well as commercial corridor revitalization.

Culture and Recreation

- Continued service levels at Milwaukee's libraries, including after-school and employment resource programs. Library hours will be the same at all branch at 48 hours per week, Sunday hours will continue only at the Central Library, and the Central Library hours per week will drop from 54 to 52.

- There is \$850,000 in capital funding for the MKE Plays program which replaces City playgrounds. Additional funds are raised through donations.

Health

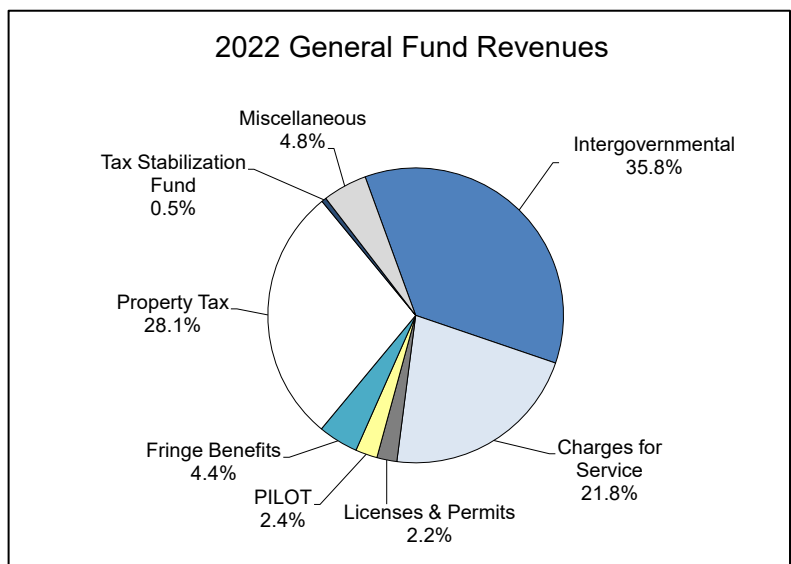
- The 2022 budget includes \$13.3 million in ARPA funding to continue the City’s efforts in preventing and containing the spread of COVID-19. Funding will support positions that perform testing and contact tracing and other activities in response to COVID-19.
- In 2022, MHD plans to expand the Lead Program to respond to and treat all children with Blood Lead Levels exceeding 10 mcg/dL. This will significantly increase caseloads, compared to the current policy of responding when blood lead levels exceed 15 mcg/dL. This plan requires major investments in staff, operating, and contracting costs. The program is expanded using \$26.1 million dollars of ARPA funding for 2022.
- There is provided \$3.3 million in ARPA funding to expand the violence prevention interrupter program to the Southside and enhance the existing program on the Northside.

REVENUES

The City of Milwaukee is unusual in its reliance on intergovernmental revenues (35.9%) and property taxes (28.8%) for general fund revenue (see Figure 5). Research from the Wisconsin Policy Forum on 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 unusually higher level of total revenue. In fact, Milwaukee ranks 8% lower than average in total revenue per capita among its peers.

Figure 5



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 requires the City to increase property taxes and service charges to bridge the gap. For example, between 2004 and 2020 the City increased charges for service as a percentage of general city purposes revenue from 11.6% to 22.0%. See Figure 5 for a breakdown of City general fund revenues and the large reliance on intergovernmental revenue, property taxes and charges for service.

BUDGET BOTTOM LINE

The city’s property tax levy for the 2022 budget is \$305.1 million. This is an increase of \$5.9 million from the 2021 property tax levy or a 2% increase.

The impact of the property tax levy and municipal service charges on the typical residential property is \$25.75 or 1.4%. This is based on the following factors:

- The average residential property value increased from \$126,235 in 2020 to \$127,900 in 2021
- The tax rate per \$1,000 of assessed value increased from the 2021 rate of \$10.09 to the 2022 rate of \$10.16
- City property taxes on the average-valued home increase \$25.75
- 2022 municipal service fees increase \$0 for the typical homeowner

The 2022 capital budget tax levy GO borrowing is increased by \$2.2 million.

CONCLUSION

ARPA funding has given the City a once in a lifetime opportunity to address inequities in health care, violence prevention and housing. It also provides the City with the ability to retain critical City service and allow the full impacts of the expected pension contribution increases to be delayed.

The city's structural imbalance is, in large part, the challenge of public safety funding. The city's structural imbalance needs to be corrected. Milwaukee's huge and dynamic economy brings millions of people into the city, creating jobs throughout the city and making the city a great place to live. Milwaukee also supports Wisconsin's overall economic growth. Yet, because it does not have a sales tax, the City is not able to capture the value of major sports events, festivals, and all the economic activity it generates to fund critical services and invest in streets and infrastructure. Adding a local sales tax is critical to the City's financial future, and makes funding local government more fair for city residents and property taxpayers.

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 is a revenue system that fails to generate even inflationary annual growth. This reality forms the rationale for the sales tax proposal.

2022 ADOPTED BUDGET AND TAX RATE COMPARED TO PRIOR YEAR

Purpose Of Expenditure And Funding Source	2021 Adopted Budget	2022 Adopted Budget	CHANGE 2022 Minus 2021 Adopted	2021 Adopted Budget	2022 Adopted Budget	CHANGE 2022 Minus 2021 Adopted
A. GENERAL CITY PURPOSES						
1. Budget (Expenditure Authority)	\$639,198,992	\$610,946,167	\$-28,252,825			
2. Non Tax Levy Funding	526,412,890	525,907,395	-505,495			
3. Tax Levy Funding	112,786,102	85,038,772	-27,747,330	\$3.81	\$2.83	\$-0.98
B. EMPLOYEE RETIREMENT						
1. Budget (Expenditure Authority)	\$120,223,657	\$152,914,670	\$32,691,013			
2. Non Tax Levy Funding	22,875,804	23,599,952	724,148			
3. Tax Levy Funding	97,347,853	129,314,718	31,966,865	\$3.28	\$4.31	\$1.03
C. CAPITAL IMPROVEMENTS						
1. Budget (Expenditure Authority)	\$138,481,415	\$136,675,000	\$-1,806,415			
2. Non Tax Levy Funding	137,861,300	136,360,000	-1,501,300			
3. Tax Levy Funding	620,115	315,000	-305,115	\$0.02	\$0.01	\$-0.01
D. CITY DEBT						
1. Budget (Expenditure Authority)	\$258,812,500	\$256,601,818	\$-2,210,682			
2. Non Tax Levy Funding	175,366,000	171,167,269	-4,198,731			
3. Tax Levy Funding	83,446,500	85,434,549	1,988,049	\$2.81	\$2.85	\$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	\$0.17	\$0.17	\$-0.00
SUBTOTAL (A+B+C+D+F)						
1. Budget (Expenditure Authority)	\$1,161,716,564	\$1,162,137,655	\$421,091			
2. Non Tax Levy Funding	\$862,515,994	\$857,034,616	\$-5,481,378			
3. Tax Levy Funding	\$299,200,570	\$305,103,039	\$5,902,469	\$10.09	\$10.16	\$0.07
G. TRANSPORTATION FUND						
1. Budget (Expenditure Authority)	\$49,044,330	\$41,281,533	\$-7,762,797			
2. Non Tax Levy Funding	49,044,330	41,281,533	-7,762,797			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
H. GRANT AND AID FUND						
1. Budget (Expenditure Authority)	\$51,347,144	\$267,330,723	\$215,983,579			
2. Non Tax Levy Funding	51,347,144	267,330,723	215,983,579			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
I. ECONOMIC DEVELOPMENT FUND						
1. Budget (Expenditure Authority)	\$17,252,181	\$13,420,602	\$-3,831,579			
2. Non Tax Levy Funding	17,252,181	13,420,602	-3,831,579			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
J. WATER WORKS						
1. Budget (Expenditure Authority)	\$150,102,511	\$150,610,741	\$508,230			
2. Non Tax Levy Funding	150,102,511	150,610,741	508,230			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
K. SEWER MAINTENANCE FUND						
1. Budget (Expenditure Authority)	\$114,954,259	\$112,995,194	\$-1,959,065			
2. Non Tax Levy Funding	114,954,259	112,995,194	-1,959,065			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
M. COUNTY DELINQUENT TAXES FUND						
1. Budget (Expenditure Authority)	\$8,000,000	\$9,000,000	\$1,000,000			
2. Non Tax Levy Funding	8,000,000	9,000,000	1,000,000			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
SUBTOTAL (G+H+I+J+K+M)						
1. Budget (Expenditure Authority)	\$390,700,425	\$594,638,793	\$203,938,368			
2. Non Tax Levy Funding	\$390,700,425	\$594,638,793	\$203,938,368			
3. Tax Levy Funding	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
TOTAL (A thru M)						
1. Budget (Expenditure Authority)	\$1,552,416,989	\$1,756,776,448	\$204,359,459			
2. Non Tax Levy Funding	\$1,253,216,419	\$1,451,673,409	\$198,456,990			
3. Tax Levy Funding	\$299,200,570	\$305,103,039	\$5,902,469	\$10.09	\$10.16	\$0.07

Tax Rates and Assessed Value - 2022 rate column is based on an estimated assessed value of: \$30,018,616,599 as of December 3, 2021.

PROPERTY TAX PROFILE COMBINED PROPERTY TAX RATES 2018 THROUGH 2022

(Per \$1,000 Assessed Valuation, Rounded to the Nearest Full Cent. Rates May Not Add Due to Rounding)

City of Milwaukee (Controlled by the Common Council)	2018	2019	2020	2021	2022
General City Purposes	\$4.22	\$4.51	\$4.19	\$3.81	\$2.83
Provision for Employee Retirement	3.70	3.26	3.52	3.28	4.31
Capital Improvement Program	0.03	0.04	0.02	0.02	0.01
City Debt (Including School Debt)	2.60	2.58	2.67	2.81	2.85
Common Council Contingent Fund	0.20	0.19	0.18	0.17	0.17
Subtotal City of Milwaukee	\$10.75	\$10.59	\$10.58	\$10.09	\$10.16
Other Taxing Bodies					
Area Board of Vocation, Technical and Adult Education District Nine	\$1.26	\$1.23	\$1.19	\$1.13	\$1.11
Milwaukee School Board	10.71	9.44	9.57	10.39	10.19
Metropolitan Sewerage District	1.72	1.69	1.66	1.56	1.64
State Forestry	0.00	0.00	0.00	0.00	0.00
Milwaukee County	5.05	4.90	4.83	4.54	4.73
Subtotal Other Taxing Bodies	\$18.74	\$17.26	\$17.25	\$17.62	\$17.67
Total Combined Tax Rate	\$29.49	\$27.85	\$27.83	\$27.71	\$27.83
State Tax Credit	\$-2.19	\$-1.97	\$-1.76	\$-1.55	-\$1.56
Net Tax Rate	\$27.30	\$25.88	\$26.07	\$26.16	\$26.27

PROPERTY TAX LEVIES FOR COMMON COUNCIL CONTROLLED PURPOSES

	2018	2019	2020	2021	2022
General City Purposes	\$107,191,811	\$119,704,126	\$115,229,998	\$112,786,102	\$85,038,772
Provision for Employee Retirement	94,188,661	86,619,281	96,710,343	97,347,853	129,314,718
Capital Improvement Program	889,000	1,114,000	566,000	620,115	315,000
City Debt	66,215,500	68,558,500	73,512,200	83,446,500	85,434,549
Common Council Contingent Fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Property Tax Levies for Common Council Controlled Purposes	\$273,484,972	\$280,995,907	\$291,018,541	\$299,200,570	\$305,103,039

TAXABLE ASSESSED VALUATION

	2018	2019	2020	2021	2022
Residential	\$14,854,223,750	\$15,647,625,900	\$16,098,608,880	\$17,953,629,068	\$18,005,749,090
Commercial	10,496,050,788	11,255,216,460	11,915,465,884	12,426,338,857	12,612,313,606
Manufacturing	765,075,100	763,522,500	790,548,200	829,539,400	763,233,500
Total Real Estate	\$26,115,349,638	\$27,666,364,860	\$28,804,622,964	\$31,209,507,325	\$31,381,296,196
Personal Property	\$822,009,672	\$682,203,143	\$685,223,248	\$721,121,379	\$664,173,014
Total Taxable Assessed Valuation*	\$26,937,359,310 (a)	\$28,348,568,003 (b)	\$29,489,846,212 (c)	\$31,930,628,704 (d)	\$32,045,469,210 (e)

*Amount Includes Tax Increment District Assessed Value

(a) Based upon assessed values as of December 1, 2017.

(b) Based upon assessed values as of December 7, 2018.

(c) Based upon assessed values as of December 5, 2019.

(d) Based upon assessed values as of December 22, 2020.

(e) Based upon assessed values as of December 3, 2021.

Comparisons by Budget Sections Between 2022 Adopted Budget Versus 2021 Adopted Budget, Revenues, Tax Levies, and Resulting Changes

	2021 Adopted <u>Budget</u>	2022 Adopted <u>Budget</u>	Change 2022 Adopted Budget Versus <u>2021 Adopted Budget</u>
A. General City Purposes			
Appropriations			
Salaries and Wages	\$386,395,574	\$368,114,473	\$-18,281,101
Fringe Benefits	185,404,440	170,065,830	-15,338,610
Operating Expenditures	83,896,218	60,612,222	-23,283,996
Equipment Purchases	6,995,511	7,277,025	281,514
Special Funds	13,487,737	25,790,135	12,302,398
Special Purpose Account Miscellaneous*	19,223,952	18,072,312	-1,151,640
Workers Compensation Special Purpose Accounts	13,000,000	12,000,000	-1,000,000
Employee Health Care Special Purpose Accounts	116,200,000	119,080,000	2,880,000
Fringe Benefit Offset	-185,404,440	-170,065,830	15,338,610
Total Appropriations	<u>\$639,198,992</u>	<u>\$610,946,167</u>	<u>\$-28,252,825</u>
Funding Sources			
General City Revenues	\$519,912,890	\$521,907,395	\$1,994,505
Tax Stabilization Fund Withdrawal	6,500,000	4,000,000	-2,500,000
Property Tax Levy	112,786,102	85,038,772	-27,747,330
Total Revenues	<u>\$639,198,992</u>	<u>\$610,946,167</u>	<u>\$-28,252,825</u>
B. Employee Retirement			
Total Appropriations	\$120,223,657	\$152,914,670	\$32,691,013
Funding Sources			
Non-Property Tax Revenue	\$22,875,804	\$23,599,952	\$724,148
Property Tax Levy	97,347,853	129,314,718	31,966,865
Total Revenues	<u>\$120,223,657</u>	<u>\$152,914,670</u>	<u>\$32,691,013</u>
C. Capital Improvements			
Total Capital Improvements Program			
Appropriations	\$138,481,415	\$136,675,000	\$-1,806,415
Funding Sources			
1. Borrowing (General Obligation)			
a. New	\$82,766,300	\$84,956,000	\$2,189,700
2. Borrowing (Tax Incremental Districts)			
a. New	\$25,000,000	\$25,000,000	\$0
3. Special Assessments (Internal Borrowing)			
a. New	\$3,535,000	\$3,034,000	\$-501,000

	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Budget Versus 2021 Adopted Budget
4. Cash Financed			
a. From Revenues	\$26,560,000	\$23,370,000	\$-3,190,000
c. From Tax Levy	620,115	315,000	-305,115
d. Total Cash Financed	27,180,115	23,685,000	-3,495,115
Total Revenues (Capital Improvements)	\$138,481,415	\$136,675,000	\$-1,806,415
D. City Debt			
Total Appropriations			
(Includes Borrowing for Milwaukee Public Schools)	\$258,812,500	\$256,601,818	\$-2,210,682
Funding Sources			
Revenues	\$15,465,000	\$16,147,462	\$682,462
TID Increments	30,207,000	25,835,305	-4,371,695
Delinquent Tax Revenue	12,194,000	12,884,502	690,502
Offset and Premium	117,500,000	116,300,000	-1,200,000
Property Tax Levy	83,446,500	85,434,549	1,988,049
Total Revenues	\$258,812,500	\$256,601,818	\$-2,210,682
F. Common Council Contingent Fund			
Total Appropriations			
	\$5,000,000	\$5,000,000	\$0
Funding Sources			
Total Revenue (Property Tax Levy)	\$5,000,000	\$5,000,000	\$0
Subtotals (Items A through F)			
City Budget Appropriations	\$1,161,716,564	\$1,162,137,655	\$421,091
Less: Non-Property Tax Revenues	\$862,515,994	\$857,034,616	\$-5,481,378
Property Tax Levies	\$299,200,570	\$305,103,039	\$5,902,469
Special Revenue Accounts (Items G through M)			
G. Transportation Fund			
Total Appropriations			
	\$49,044,330	\$41,281,533	\$-7,762,797
Funding Sources			
Current Revenues	\$23,822,433	\$23,981,533	\$159,100
Withdrawal from Reserves	8,021,897	0	-8,021,897
Citation Revenue and Processing	15,400,000	16,000,000	600,000
New Borrowing	1,800,000	1,300,000	-500,000
Total Revenues	\$49,044,330	\$41,281,533	\$-7,762,797
H. Grant and Aid			
Total Appropriations			
	\$51,347,144	\$267,330,723	\$215,983,579
Funding Sources			
Grantor Share	\$51,347,144	\$267,330,723	\$215,983,579
Total Revenues	\$51,347,144	\$267,330,723	\$215,983,579

	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Budget Versus 2021 Adopted Budget
I. Economic Development			
Total Appropriations	\$17,252,181	\$13,420,602	\$-3,831,579
Funding Sources			
BID Assessment/Excess TID Revenue	\$17,252,181	\$13,420,602	\$-3,831,579
Total Revenues	<u>\$17,252,181</u>	<u>\$13,420,602</u>	<u>\$-3,831,579</u>
J. Water Works			
Appropriations			
Operating Budget	\$98,869,511	\$96,617,741	\$-2,251,770
Capital Improvements Program	40,300,000	43,060,000	2,760,000
Debt Service (Principal and Interest)	10,933,000	10,933,000	0
Capital Funding from Retained Earnings	0	0	0
Total Appropriations	<u>\$150,102,511</u>	<u>\$150,610,741</u>	<u>\$508,230</u>
Funding Sources			
Current Operating Revenues	\$91,003,000	\$94,033,030	\$3,030,030
Non-Operating Revenues	11,818,000	13,110,000	1,292,000
Proceeds from Borrowing	40,290,000	43,050,000	2,760,000
Use of Retained Earnings	6,991,511	417,711	-6,573,800
Total Revenues	<u>\$150,102,511</u>	<u>\$150,610,741</u>	<u>\$508,230</u>
K. Sewer Maintenance			
Appropriations			
Operating Budget	\$74,604,259	\$79,995,194	\$5,390,935
Capital Improvements Program	40,350,000	33,000,000	-7,350,000
Total Appropriations	<u>\$114,954,259</u>	<u>\$112,995,194</u>	<u>\$-1,959,065</u>
Funding Sources			
Sewer User Fee	\$33,258,160	\$32,463,687	\$-794,473
Storm Water Management Fee	38,809,680	38,682,972	-126,708
Charges for Services	1,688,200	1,749,000	60,800
Miscellaneous Revenue and Retained Earnings	6,698,219	11,099,535	4,401,316
Proceeds from Borrowing	34,500,000	29,000,000	-5,500,000
Total Revenues	<u>\$114,954,259</u>	<u>\$112,995,194</u>	<u>\$-1,959,065</u>
M. County Delinquent Taxes			
Appropriations			
Operating Budget	\$8,000,000	\$9,000,000	\$1,000,000
Total Appropriations	<u>\$8,000,000</u>	<u>\$9,000,000</u>	<u>\$1,000,000</u>
Funding Sources			
Operating Revenue	\$8,000,000	\$9,000,000	\$1,000,000
Total Revenues	<u>\$8,000,000</u>	<u>\$9,000,000</u>	<u>\$1,000,000</u>

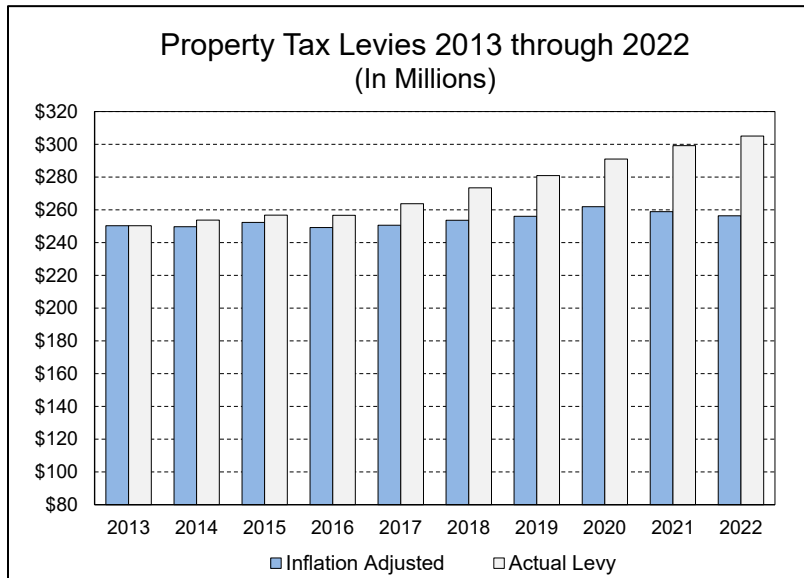
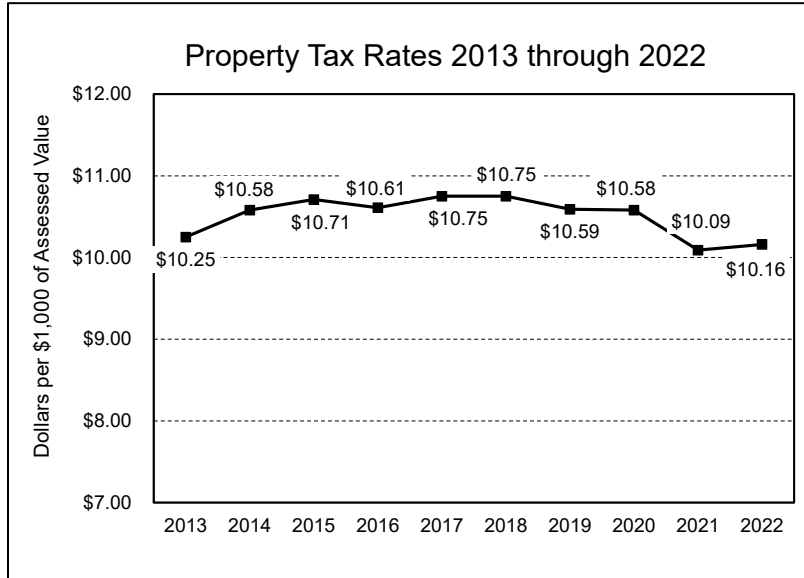
	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Budget Versus 2021 Adopted Budget
Subtotals Special Revenue Account Budgets (Items G through M)			
Total Budgets	\$390,700,425	\$594,638,793	\$203,938,368
Total Revenues (Non-Property Tax)	\$390,700,425	\$594,638,793	\$203,938,368
Grand Totals (Items A through M)			
Budget Appropriations	\$1,552,416,989	\$1,756,776,448	\$204,359,459
Less: Non-Property Tax Revenues	\$1,253,216,419	\$1,451,673,409	\$198,456,990
Property Tax Levies	\$299,200,570	\$305,103,039	\$5,902,469

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

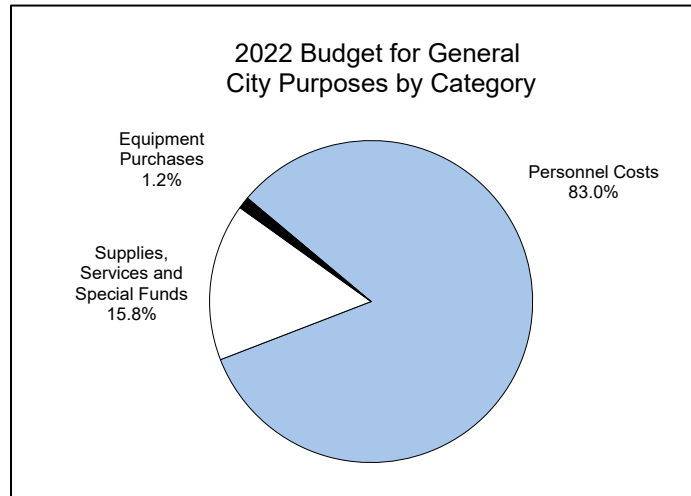
The graphs below show property tax rates and levies for the City of Milwaukee from 2013 through the 2022 budget. The 2022 tax rate of \$10.16 is \$0.07 higher than the 2021 rate of \$10.09. The 2022 tax levy of \$305.1 million is \$5.9 million higher than the 2021 levy. The property tax rate has decreased by \$0.09 from \$10.25 in 2013 to the 2022 rate of \$10.16. During this same period, the actual levy has increased by \$54.7 million while the “real” or inflation adjusted property tax levy has increased only \$6.0 million.



GENERAL CITY PURPOSES SPENDING

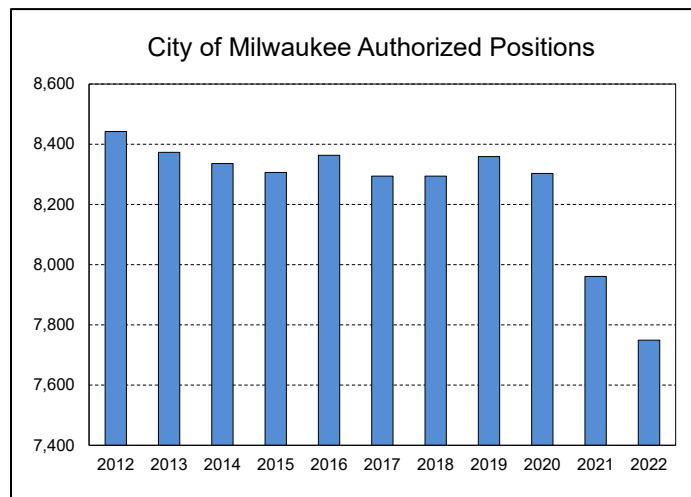
The pie chart below depicts the proportions of general city purposes spending allocated to personnel costs (83.0%), supplies, services, and special funds (15.8%), and equipment purchases (1.2%) in the 2022 budget.

It should be noted that the 2022 budget also funds approximately \$11.7 million (DPW, Fire, Police) of major equipment purchases in the capital budget.



AUTHORIZED POSITIONS

The following bar graph indicates changes in authorized positions from 2012 to 2022. Funding for personnel costs (which include salary and wages) relates directly to the number of positions authorized citywide. Excluding temporary and seasonal staff, the 2022 budget reflects a decrease of 212 positions from 2021 levels (7,961 in 2021 to 7,749 in 2022).



CHANGE IN POSITIONS

	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Budget Versus 2021 Adopted Budget
General City Purposes			
Administration, Dept. of	168	173	5
Assessor's Office	57	57	0
City Attorney	65	65	0
City Development, Dept. of	121	121	0
City Treasurer	50	50	0
Common Council City Clerk	125	125	0
Comptroller's Office	59	59	0
Election Commission	1,532	2,262	730
Emergency Communications, Dept. of	0	21	21
Employee Relations, Dept. of	81	83	2
Fire and Police Commission	37	33	-4
Fire Department	860	867	7
Health Department	637	385	-252
Library	359	348	-11
Mayor's Office	16	17	1
Municipal Court	36	37	1
Neighborhood Services, Dept. of	285	285	0
Police Department	2,732	2,753	21
Port Milwaukee	35	35	0
Public Works, Dept. of (Total)	(1,682)	(1,674)	(-8)
Administrative Services Division	43	44	1
Infrastructure Services Division	824	815	-9
Operations Division	815	815	0
Special Purpose Account	11	11	0
General City Purposes Total	8,948	9,461	513
General City Purposes Total *	7,428	7,211	-217
Pensions			
Deferred Compensation	3	3	0
Employees' Retirement System	58	57	-1
Pensions Total	61	60	-1
Special Revenue Funds			
Transportation Fund	118	122	4
Sewer Maintenance Fund	156	160	4
Water Works	439	437	-2
Special Revenue Funds Total	713	719	6
Subtotal Budgeted Positions	9,722	10,240	518
Less Temporary Positions	1,761	2,491	730
Total Budgeted Positions	7,961	7,749	-212

* Does not include Election Commission temporary election workers (1,520 in 2021 and 2,250 in 2022) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS O&M Funded

	2021 Adopted <u>Budget</u>	2022 Adopted <u>Budget</u>	Change 2022 Adopted Versus 2021 Adopted
<u>General City Purposes</u>			
Administration, Department of	103.64	103.29	-0.35
Assessor's Office	47.00	48.00	1.00
City Attorney	59.50	59.50	0.00
City Development, Dept. of	49.40	45.96	-3.44
City Treasurer	29.41	30.05	0.64
Common Council City Clerk	99.07	99.07	0.00
Comptroller's Office	47.10	44.00	-3.10
Election Commission *	9.00	9.00	0.00
Emergency Communications, Dept. of	0.00	11.75	11.75
Employee Relations, Department of	41.69	42.91	1.22
Fire and Police Commission	27.00	24.10	-2.90
Fire Department	865.25	671.00	-194.25
Health Department	162.12	135.60	-26.52
Library	293.28	268.55	-24.73
Mayor's Office	12.75	12.50	-0.25
Municipal Court	32.00	33.00	1.00
Neighborhood Services, Dept. of	185.88	188.88	3.00
Police Department	2,493.95	2,377.45	-116.50
Port Milwaukee	19.00	21.00	2.00
Public Works, Department of (Total)	(1,076.24)	(1,074.14)	(-2.10)
Administrative Services Division	34.25	34.90	0.65
Infrastructure Services Division	352.41	349.66	-2.75
Operations Division	689.58	689.58	0.00
Special Purpose Accounts	4.33	4.33	0.00
General City Purposes Total	5,657.61	5,304.08	-353.53
<u>Pensions</u>			
Deferred Compensation	3.00	3.00	0.00
Employees' Retirement System	49.00	49.00	0.00
Pensions Total	52.00	52.00	0.00
<u>Special Revenue Funds</u>			
Transportation Fund	118.00	118.00	0.00
Sewer Maintenance Fund	108.30	112.05	3.75
Water Works	403.38	401.38	-2.00
Special Revenue Funds Total	629.68	631.43	1.75
Grand Total	6,339.29	5,987.51	-351.78

* Election Commission does not include temporary election workers (20.63 FTEs in 2021 and 59.36 FTEs in 2022) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS Non-O&M Funded

	2021 Adopted <u>Budget</u>	2022 Adopted <u>Budget</u>	Change 2022 Adopted Versus <u>2021 Adopted</u>
<u>General City Purposes</u>			
Administration, Department of	32.16	36.71	4.55
Assessor's Office	0.00	0.00	0.00
City Attorney	2.50	2.50	0.00
City Development, Dept. of	42.35	45.79	3.44
City Treasurer	0.00	0.00	0.00
Common Council City Clerk	1.40	1.40	0.00
Comptroller's Office	6.90	8.00	1.10
Election Commission	0.00	0.00	0.00
Emergency Communications, Dept. of	0.00	0.00	0.00
Employee Relations, Department of	16.67	17.67	1.00
Fire and Police Commission	0.00	0.00	0.00
Fire Department	7.75	209.00	201.25
Health Department	441.85	191.92	-249.93
Library	20.43	29.54	9.11
Mayor's Office	1.00	2.25	1.25
Municipal Court	0.00	0.00	0.00
Neighborhood Services, Dept. of	58.30	60.30	2.00
Police Department	85.50	183.00	97.50
Port Milwaukee	0.00	0.00	0.00
Public Works, Department of (Total)	(388.03)	(379.13)	(-8.90)
Administrative Services Division	8.75	9.10	0.35
Infrastructure Services Division	318.02	308.77	-9.25
Operations Division	61.26	61.26	0.00
Special Purpose Accounts	0.00	0.00	0.00
General City Purposes Total	1,104.84	1,167.21	62.37
<u>Pensions</u>			
Deferred Compensation	0.00	0.00	0.00
Employees' Retirement System	0.00	0.00	0.00
Pensions Total	0.00	0.00	0.00
<u>Special Revenue Funds</u>			
Transportation Fund	0.00	0.00	0.00
Sewer Maintenance Fund	15.70	25.95	10.25
Water Works	21.54	21.54	0.00
Special Revenue Funds Total	37.24	47.49	10.25
Grand Total	1,142.08	1,214.70	72.62

ESTIMATED FULL TIME EQUIVALENTS All Funding Sources

	2021 Adopted <u>Budget</u>	2022 Adopted <u>Budget</u>	Change 2022 Adopted Versus 2021 Adopted
<u>General City Purposes</u>			
Administration, Department of	135.80	140.00	4.20
Assessor's Office	47.00	48.00	1.00
City Attorney	62.00	62.00	0.00
City Development, Dept. of	91.75	91.75	0.00
City Treasurer	29.41	30.05	0.64
Common Council City Clerk	100.47	100.47	0.00
Comptroller's Office	54.00	52.00	-2.00
Election Commission *	9.00	9.00	0.00
Emergency Communications, Dept. of	0.00	11.75	11.75
Employee Relations, Department of	58.36	60.58	2.22
Fire and Police Commission	27.00	24.10	-2.90
Fire Department	873.00	880.00	7.00
Health Department	603.97	327.52	-276.45
Library	313.71	298.09	-15.62
Mayor's Office	13.75	14.75	1.00
Municipal Court	32.00	33.00	1.00
Neighborhood Services, Dept. of	244.18	249.18	5.00
Police Department	2,579.45	2,560.45	-19.00
Port Milwaukee	19.00	21.00	2.00
Public Works, Department of (Total)	(1,464.27)	(1,453.27)	(-11.00)
Administrative Services Division	43.00	44.00	1.00
Infrastructure Services Division	670.43	658.43	-12.00
Operations Division	750.84	750.84	0.00
Special Purpose Accounts	4.33	4.33	0.00
General City Purposes Total	6,762.45	6,471.29	-291.16
<u>Pensions</u>			
Deferred Compensation	3.00	3.00	0.00
Employees' Retirement System	49.00	49.00	0.00
Pensions Total	52.00	52.00	0.00
<u>Special Revenue Funds</u>			
Transportation Fund	118.00	118.00	0.00
Sewer Maintenance Fund	124.00	138.00	14.00
Water Works	424.92	422.92	-2.00
Special Revenue Funds Total	666.92	678.92	12.00
Grand Total	7,481.37	7,202.21	-279.16

* Election Commission does not include temporary election workers (20.63 FTEs in 2021 and 59.36 FTEs in 2022) due to staffing fluctuations between election and non-election years.

Comparison of 2022 Adopted Expenditures and Funding Sources with Prior Years by Major Budget Sections and Subsections

Section 1. City Budgets Under Control of the Common Council

	2019 Actual** <u>Expenditures</u>	2020 Actual** <u>Expenditures</u>	2021 Adopted <u>Budget</u>	2022 Adopted <u>Budget</u>	Change 2022 Adopted Versus <u>2021 Adopted</u>
A. General City Purposes					
1. Budgets for General City Purposes					
Administration, Department of	\$13,047,772	\$13,106,300	\$14,270,217	\$14,845,750	\$575,533
Assessor's Office	4,448,417	4,624,651	4,452,191	4,508,937	56,746
City Attorney	7,219,031	7,168,473	7,313,312	7,522,010	208,698
City Development, Department of	4,777,265	4,686,839	5,110,576	4,503,400	-607,176
City Treasurer	3,493,095	3,977,704	3,784,020	3,796,037	12,017
Common Council City Clerk	9,245,412	8,226,898	9,821,741	9,476,225	-345,516
Comptroller	4,533,599	4,581,352	4,628,616	4,559,225	-69,391
Election Commission	1,161,224	3,833,641	1,565,994	3,609,350	2,043,356
Emergency Communications, Department of	0	0	0	9,215,134	9,215,134
Employee Relations, Department of	4,128,997	3,881,903	4,475,270	4,587,398	112,128
Fire and Police Commission	2,095,637	2,555,014	5,073,394	3,305,238	-1,768,156
Fire Department	116,333,390	112,516,232	121,624,358	83,151,348	-38,473,010
Health Department*	14,342,479	10,866,562	12,938,748	8,005,882	-4,932,866
Library	23,153,755	18,211,708	24,535,135	25,205,587	670,452
Mayor's Office	1,317,271	1,270,251	1,378,416	1,377,686	-730
Municipal Court	2,624,307	2,747,551	2,966,285	2,919,623	-46,662
Neighborhood Services, Department of	19,497,661	18,973,939	19,117,390	17,610,157	-1,507,233
Police Department	303,035,189	305,196,636	295,305,985	280,432,042	-14,873,943
Port Milwaukee	4,933,509	6,102,083	5,698,420	6,856,288	1,157,868
Public Works Department (Total)	(129,357,504)	(118,477,954)	(131,220,308)	(125,105,764)	-6,114,544
Administrative Services Division	3,219,231	3,101,750	2,960,659	3,067,269	106,610
Infrastructure Services Division	38,153,658	36,232,788	41,805,089	38,036,199	-3,768,890
Operations Division	87,984,615	79,143,416	86,454,560	84,002,296	-2,452,264
Special Purpose Accounts***	157,144,235	136,482,781	149,323,056	160,418,916	11,095,860
Fringe Benefit Offset	-165,836,748	-180,000,501	-185,404,440	-170,065,830	15,338,610
Total Budgets for General City Purposes	\$660,053,001	\$607,487,971	\$639,198,992	\$610,946,167	\$-28,252,825
* Does not include grant funding.					
*** 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	\$18,538,461	\$18,321,141	\$20,123,000	\$18,249,000	\$-1,874,000
Licenses and Permits	18,502,645	13,977,839	17,313,800	16,743,000	-570,800
Intergovernmental Revenue	270,575,185	273,421,823	272,982,000	273,451,000	469,000
Charges for Services	131,904,852	126,076,615	143,232,090	144,666,288	1,434,198
Fines and Forfeitures	2,622,131	2,007,750	2,500,000	2,602,000	102,000
Miscellaneous Revenue	40,755,491	37,297,912	40,262,000	34,299,000	-5,963,000
Fringe Benefits	18,788,809	30,377,583	23,500,000	31,897,107	8,397,107
Total Revenues	\$501,687,574	\$501,480,663	\$519,912,890	\$521,907,395	\$1,994,505
Tax Stabilization Fund Withdrawals	\$16,000,000	\$10,000,000	\$6,500,000	\$4,000,000	\$-2,500,000
Property Tax Levy	119,746,830	115,273,570	112,786,102	85,038,772	-27,747,330
Total Financing for General City Purposes	\$637,434,404	\$626,754,233	\$639,198,992	\$610,946,167	\$-28,252,825

	2019 Actual** Expenditures	2020 Actual** Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
B. Employees' Retirement					
1. Budgets for Employees' Retirement					
Firemen's Pension Fund					
Pension Contribution	\$0	\$0	\$0	\$0	\$0
Lump Sum Supplement Contribution	25,000	18,000	18,000	18,000	0
Policemen's Pension Fund					
Pension Contribution	\$104,197	\$77,360	\$83,250	\$55,000	\$-28,250
Lump Sum Supplement Contribution	10,000	10,000	10,000	10,000	0
Employees' Retirement Fund					
Pension Contribution	\$55,731,560	\$69,848,690	\$71,000,000	\$71,000,000	\$0
Administration	16,587,079	16,061,242	20,664,825	21,387,904	723,079
Employers' Share of Employees' Annuity Contribution	0	0	0	0	0
Annuity Contribution Employer's Reserve Fund	13,400,000	8,000,000	8,000,000	40,000,000	32,000,000
Social Security					
Social Security Tax	\$19,437,299	\$19,270,510	\$20,000,000	\$20,000,000	\$0
Former Town of Lake Employees' Retirement Fund					
Pension Contribution	\$0	\$0	\$0	\$0	\$0
Deferred Compensation	308,984	289,887	447,582	443,766	-3,816
Total Budgets for Employees' Retirement	\$105,604,119	\$113,575,689	\$120,223,657	\$152,914,670	\$32,691,013
2. Source of Funds for Employees' Retirement					
Fringe Benefits Pension	\$1,175,127	\$1,579,726	\$1,642,397	\$1,648,282	\$5,885
Charges to Retirement Fund	16,274,379	15,675,052	20,664,825	21,387,904	723,079
Charges to Deferred Compensation	308,984	298,880	447,582	443,766	-3,816
Miscellaneous and Other	100,300	115,900	121,000	120,000	-1,000
Reserve Fund	0	0	0	0	0
Property Tax Levy	86,619,281	96,710,343	97,347,853	129,314,718	31,966,865
Total Financing for Employees' Retirement	\$104,478,071	\$114,379,901	\$120,223,657	\$152,914,670	\$32,691,013
C. Capital Improvements					
1. Budgets for Capital Improvements					
Special Capital Projects or Purposes	\$417,153	\$198,469	\$9,114,000	\$8,115,000	\$-999,000
Administration, Department of	1,999,145	1,041,606	2,057,000	1,592,000	-465,000
Assessor's Office	1,683	48,500	0	0	\$0
City Attorney	123,661	0	0	0	\$0
City Development, Department of	25,426,089	18,644,376	40,825,000	36,450,000	-4,375,000
Common Council City Clerk	221,015	24,991	56,115	0	-56,115
Election Commission	282,393	469,278	0	0	0
Fire and Police Commission	31,531	147,331	0	685,000	685,000
Fire Department	2,685,240	3,416,778	1,800,000	1,830,000	30,000
Health Department	1,229,587	236,879	1,550,000	160,000	-1,390,000
Library	5,194,734	1,251,983	1,680,000	664,000	-1,016,000
Municipal Court	373,176	0	0	259,000	259,000
Neighborhood Services, Department of	2,595,032	2,204,814	3,000,000	0	-3,000,000
Police Department	8,038,373	5,647,415	6,337,500	7,220,000	882,500
Port Milwaukee	244,546	427,701	675,000	2,812,000	2,137,000
Public Works, Department of (Total)	(74,183,183)	(74,109,268)	(71,386,800)	(76,888,000)	(5,501,200)
Administration Division	0	0	0	0	0
Infrastructure Services Division	64,813,594	71,469,394	61,609,000	66,318,000	4,709,000
Operations Division	9,369,589	2,639,874	9,777,800	10,570,000	792,200
Total Budgets for Capital Improvements					
(Other than Transportation, Water Works and Sewer Maint.)	\$123,046,541	\$107,869,389	\$138,481,415	\$136,675,000	\$-1,806,415

	2019 Actual** <u>Expenditures</u>	2020 Actual** <u>Expenditures</u>	2021 Adopted <u>Budget</u>	2022 Adopted <u>Budget</u>	Change 2022 Adopted Versus 2021 Adopted
2. Source of Funds for Capital Improvements					
General Obligation Borrowings					
New Borrowing	\$95,406,654	\$86,366,863	\$82,766,300	\$84,956,000	\$2,189,700
Tax Increment District Public Improvements					
New Borrowing	\$20,407,776	\$10,214,085	\$25,000,000	\$25,000,000	\$0
Anticipated Special Assessments					
New Authorizations	\$2,296,229	\$2,204,104	\$3,535,000	\$3,034,000	\$-501,000
Capital Improvement Revenues					
Cash Revenues	\$4,508,402	\$8,778,446	\$26,560,000	\$23,370,000	\$-3,190,000
Property Tax Levy	427,480	305,891	620,115	315,000	-305,115
Total Financing for Capital Improvements					
(Other than Transportation, Water Works and Sewer Maint.)	\$123,046,541	\$107,869,389	\$138,481,415	\$136,675,000	\$-1,806,415
* Does not include School Board expenditures.					
D. City Debt (Including School Purposes)					
1. Budget for City Debt					
Bonded Debt (Principal)	\$323,427,348	\$292,169,967	\$217,255,500	\$213,594,005	\$-3,661,495
Bonded Debt (Interest)	44,143,735	45,441,726	50,969,000	47,089,063	-3,879,937
Bonded Debt (Fees)	190,360	4,424,558	325,000	187,500	-137,500
Bonded Debt (Issuance Expenses)	813,600	1,078,981	763,000	731,250	-31,750
Transfers out	0	113,979,901	0	0	0
Subtotal	\$368,575,043	\$457,095,133	\$269,312,500	\$261,601,818	\$-7,710,682
Less: Prepayment					
Prepayment Deduction (PDAF)	\$-9,000,000	\$-10,500,000	\$-10,500,000	\$-5,000,000	\$5,500,000
Special Assessment	15,666,635	0	0	0	0
Total Budget for City Debt	\$375,241,678	\$446,595,133	\$258,812,500	\$256,601,818	\$-2,210,682
2. Source of Funds for City Debt					
Revenues	\$15,160,278	\$18,215,745	\$15,465,000	\$16,147,462	\$682,462
TID Increments from Prior Year	30,854,485	39,689,224	30,207,000	25,835,305	-4,371,695
Delinquent Tax Revenues	23,096,045	16,349,760	12,194,000	12,884,502	690,502
Offsets and Premium	219,431,181	295,568,813	117,500,000	116,300,000	-1,200,000
Property Tax Levy	68,558,500	73,512,200	83,446,500	85,434,549	1,988,049
Total Financing for City Debt	\$357,100,489	\$443,335,742	\$258,812,500	\$256,601,818	\$-2,210,682
F. Common Council Contingent Fund					
1. Budget for Common Council Contingent Fund					
Common Council Contingent Fund	[5,000,000]	[2,439,483]	\$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
* 2019 and 2020 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)	\$1,263,945,339	\$1,275,528,182	\$1,161,716,564	\$1,162,137,655	\$421,091
Non-Tax Levy	\$946,707,414	\$1,006,537,261	\$862,515,994	\$857,034,616	\$-5,481,378
Tax Levy	280,352,091	290,802,004	299,200,570	305,103,039	5,902,469
Subtotal Financing for (Estimated Revenues) Common Council Controlled Budgets					
(Except Water and Special Revenue Accounts)	\$1,227,059,505	\$1,297,339,265	\$1,161,716,564	\$1,162,137,655	\$421,091
Special Revenue Accounts Sections G through M					
G. Transportation Fund					
1. Budget for Transportation Fund					
Operating and Maintenance Expense	\$30,327,715	\$28,334,881	\$31,244,330	\$29,981,533	\$-1,262,797
Transfer to General Fund	16,000,000	16,110,000	16,000,000	10,000,000	-6,000,000

	2019 Actual** Expenditures	2020 Actual** Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Capital Improvement Program	4,672,615	2,543,715	1,800,000	1,300,000	-500,000
Total Budget for Transportation Fund	\$51,000,330	\$46,988,596	\$49,044,330	\$41,281,533	\$-7,762,797
2. Source of Funds for Transportation					
Parking Permits	\$3,966,000	\$3,193,972	\$4,352,100	\$4,552,200	\$200,100
Meters	4,303,500	2,520,200	4,498,000	5,243,000	745,000
Rental and Lease of Facilities	7,443,300	4,585,500	7,028,000	5,549,000	-1,479,000
Towing of Vehicles	3,165,500	1,841,100	3,675,000	4,000,000	325,000
Vehicle Disposal	1,882,900	1,365,200	1,961,000	2,600,000	639,000
Miscellaneous and Other	4,897,365	2,940,200	2,308,333	2,037,333	-271,000
Subtotal Financing for Transportation	\$25,658,565	\$16,446,172	\$23,822,433	\$23,981,533	\$159,100
Other Funding Sources					
Withdrawal from Reserves	\$4,640,110	\$0	\$8,021,897	\$0	\$-8,021,897
Citation Revenue	16,029,040	8,057,900	15,400,000	16,000,000	600,000
Capital Improvements to be Financed from Available:					
Cash Reserves	\$0	\$0	\$0	\$0	\$0
New Borrowing	4,672,615	2,543,715	1,800,000	1,300,000	-500,000
Subtotal Other Funding Sources	\$25,341,765	\$10,601,615	\$25,221,897	\$17,300,000	\$-7,921,897
Total Financing for Transportation	\$51,000,330	\$27,047,787	\$49,044,330	\$41,281,533	\$-7,762,797
H. Grants and Aids Projects (Except Capital Projects)					
1. Budget for Grants and Aids Projects					
Grantor Share (Non-City)	\$41,361,644	\$163,360,685	\$51,347,144	\$267,330,723	\$215,983,579
Total for Grants and Aids Projects	\$41,361,644	\$163,360,685	\$51,347,144	\$267,330,723	\$215,983,579
2. Source of Funds for Grants and Aids Projects					
Grantor Share (Non-City)	\$41,361,644	\$163,360,685	\$51,347,144	\$267,330,723	\$215,983,579
Total Financing for Grants and Aids Projects (Except Capital Projects)	\$41,361,644	\$163,360,685	\$51,347,144	\$267,330,723	\$215,983,579
I. Economic Development Fund					
1. Budget for Economic Development Fund					
Business Improvement Districts	\$9,968,081	\$10,335,410	\$17,252,181	\$13,420,602	\$-3,831,579
Total Budget for Economic Development Fund	\$9,968,081	\$10,335,410	\$17,252,181	\$13,420,602	\$-3,831,579
2. Source of Funds for Economic Development Fund					
Business Improv. District Assessments/Excess TID Revenue	\$9,861,017	\$10,335,410	\$17,252,181	\$13,420,602	\$-3,831,579
Total Source of Funds for Economic Development Fund	\$9,861,017	\$10,335,410	\$17,252,181	\$13,420,602	\$-3,831,579
J. Water Works					
1. Budget for Water Works, Department of Public Works					
Operating Budget	\$95,178,053	\$101,809,546	\$109,802,511	\$107,550,741	\$-2,251,770
Capital Improvements Program	30,018,046	20,165,283	40,300,000	43,060,000	2,760,000
Retained Earnings, Borrowing, and Other Accounts	29,988,843	0	0	0	0
Total Expenditures and Deposits	\$155,184,942	\$121,974,829	\$150,102,511	\$150,610,741	\$508,230
2. Source of Funds for Water Works					
Operating Revenue	\$93,187,558	\$93,156,932	\$91,003,000	\$94,033,030	\$3,030,030
Non-Operating Revenue	7,413,689	7,314,608	6,308,000	7,600,000	1,292,000
Proceeds from Borrowing	0	20,149,018	40,290,000	43,050,000	2,760,000
Retained Earnings/Miscellaneous	54,583,695	3,734,573	12,501,511	5,927,711	-6,573,800
Total Source of Funds for Water Works	\$155,184,942	\$124,355,131	\$150,102,511	\$150,610,741	\$508,230
K. Sewer Maintenance					
1. Budget for Sewer Maintenance					
Operating Budget	\$48,513,188	\$47,708,250	\$74,604,259	\$79,995,194	\$5,390,935
Capital Budget	40,595,952	32,657,008	40,350,000	33,000,000	-7,350,000

	2019 Actual** Expenditures	2020 Actual** Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Deposit to Retained Earnings	23,235,161	22,153,089	0	0	0
Total Budget for Sewer Maintenance	\$112,344,301	\$102,518,347	\$114,954,259	\$112,995,194	\$-1,959,065
2. Source of Funds for Sewer Maintenance					
Sewer User Fee	\$31,045,624	\$30,771,362	\$33,258,160	\$32,463,687	\$-794,473
Storm Water Fee	35,778,984	37,195,165	38,809,680	38,682,972	-126,708
Charges for Services	1,224,656	209,455	1,688,200	1,749,000	60,800
Miscellaneous Revenue	355,857	222,199	144,300	206,000	61,700
Retained Earnings	4,384,697	0	1,903,919	7,893,535	5,989,616
Proceeds from Borrowing/Grants/Developer	39,554,483	34,120,166	39,150,000	32,000,000	-7,150,000
Total Source of Funds for Sewer Maintenance	\$112,344,301	\$102,518,347	\$114,954,259	\$112,995,194	\$-1,959,065
M. Delinquent County Taxes					
1. Budget for Delinquent County Taxes					
Delinquent County Taxes and Tax Certificate Purchases	\$7,828,257	\$9,848,290	\$8,000,000	\$9,000,000	\$1,000,000
Total Budget for Delinquent County Taxes	\$7,828,257	\$9,848,290	\$8,000,000	\$9,000,000	\$1,000,000
2. Source of Funds for Delinquent County Taxes					
Purchase of Milwaukee County Delinquent Taxes	\$7,828,257	\$9,848,290	\$8,000,000	\$9,000,000	\$1,000,000
Total Source of Funds for Delinquent County Taxes	\$7,828,257	\$9,848,290	\$8,000,000	\$9,000,000	\$1,000,000
Subtotal Budget Authorization for Special Revenue Accounts	\$377,687,555	\$455,026,157	\$390,700,425	\$594,638,793	\$203,938,368
Subtotal Estimated Revenues for Special Revenue Accounts	\$377,580,491	\$437,465,650	\$390,700,425	\$594,638,793	\$203,938,368
Total All Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	\$1,641,632,894	\$1,730,554,339	\$1,552,416,989	\$1,756,776,448	\$204,359,459
Total Financing Revenues of Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	\$1,604,639,996	\$1,734,804,915	\$1,552,416,989	\$1,756,776,448	\$204,359,459

** Expenditures include funding carried over from prior year.

DEPARTMENT APPROPRIATIONS BY FUNDING CATEGORY

The following table shows the 2022 appropriations for departments by funding category. Funding in the Operating category is from departmental operating budgets in the general fund, the enterprise funds, and from various special purpose accounts. Estimated employee fringe benefit amounts are included in the Operating category. Funding in the Capital category is from capital improvement projects in the capital funds, including enterprise fund capital funds. Funding in the Grant category includes both operating and capital grants. The table only includes department specific appropriations and anticipated funding and excludes non-department specific contingency appropriations as well as anticipated appropriations that are not allocated to specific departments.

Department	Operating	Capital	Grant*	Total
Administration, Dept. of	\$16,332,000	\$1,592,000	\$22,670,110	\$40,594,110
Assessor's Office	5,708,697	0	0	5,708,697
City Attorney	10,043,210	0	0	10,043,210
City Development, Dept. of	4,878,400	36,475,000	275,000	41,628,400
City Treasurer	3,796,037	0	0	3,796,037
Common Council City Clerk	9,839,225	90,000	0	9,929,225
Comptroller	4,757,326	0	0	4,757,326
Election Commission	3,609,350	0	0	3,609,350
Emergency Communications, Dept. of	9,215,134	0	0	9,215,134
Employee Relations, Dept. of	6,612,398	0	0	6,612,398
Fire and Police Commission	3,305,238	685,000	0	3,990,238
Fire Department	83,151,348	1,830,000	700,000	85,681,348
Health Department	8,005,882	160,000	16,753,556	24,919,438
Library	25,205,587	664,000	1,244,725	27,114,312
Mayor's Office	1,377,686	0	0	1,377,686
Municipal Court	3,411,623	259,000	0	3,670,623
Neighborhood Services, Dept. of	17,730,157	0	0	17,730,157
Police Department	280,432,042	7,220,000	2,372,332	290,024,374
Port Milwaukee	6,856,288	2,812,000	800,000	10,468,288
Public Works, Dept. of	125,105,764	76,888,000	45,259,000	247,252,764
Board of Zoning Appeals	336,604	0	0	336,604
ERS Administration	25,979,904	0	0	25,979,904
Deferred Compensation	443,766	0	0	443,766
Transportation Fund	39,981,533	1,300,000	0	41,281,533
Water Works	107,550,741	43,060,000	0	150,610,741
Sewer Maintenance Fund	79,995,194	33,000,000	0	112,995,194

*Grant column does not include American Rescue Plan Act allocations.

**SCHOOL BOARD BUDGET
(NOT UNDER THE CONTROL OF THE COMMON COUNCIL)
(FOR INFORMATIONAL PURPOSES ONLY)**

A. BUDGET FOR SCHOOL BOARD*

	2018 - 2019 <u>Budget</u>	2019 - 2020 <u>Budget</u>	2020 - 2021 <u>Budget</u>	2021 - 2022 <u>Budget</u>
Appropriations and Expenditures	<u>\$1,027,316,315</u>	<u>\$1,038,133,353</u>	<u>\$1,103,028,409</u>	<u>\$1,149,409,942</u>
Total Appropriations and Expenditures	\$1,027,316,315	\$1,038,133,353	\$1,103,028,409	\$1,149,409,942

B. SOURCE OF FUNDS FOR SCHOOL BOARD*

	2018 - 2019 <u>Budget</u>	2019 - 2020 <u>Budget</u>	2020 - 2021 <u>Budget</u>	2021 - 2022 <u>Budget</u>
Non-Property Tax Revenue and Surpluses	\$776,926,142	\$775,245,708	\$795,053,007	\$843,700,397
Tax Levies				
Property Tax Levy	<u>\$250,390,173</u>	<u>\$262,887,645</u>	<u>\$307,975,402</u>	<u>\$305,709,545</u>
Total Financing of School Board Budget	\$1,027,316,315	\$1,038,133,353	\$1,103,028,409	\$1,149,409,942

* School Board budget is based on fiscal year ending June 30.

The Milwaukee Public Schools budget is not under the control of the Mayor or the Common Council. The Board of School Directors adopted a final 2021-2022 budget, including each fund levy amount, on October 29, 2021.

Milwaukee Public Schools' levy contains \$18,891,246 that is being levied for the Milwaukee Parental Choice Program.

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

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Obligation Bonds or Short Term Notes				
New Borrowing				
General City Purposes	\$88,094,000	\$86,268,000	\$84,566,300	\$86,256,000
Schools	2,000,000	2,000,000	2,000,000	2,000,000
Subtotal	\$90,094,000	\$88,268,000	\$86,566,300	\$88,256,000
Special Assessment Borrowing				
New Borrowing	\$3,000,000	\$3,830,000	\$0	\$0
Subtotal	\$3,000,000	\$3,830,000	\$0	\$0
Contingency Borrowing				
New Borrowing	\$200,000,000	\$200,000,000	\$200,000,000	\$200,000,000
Subtotal	\$200,000,000	\$200,000,000	\$200,000,000	\$200,000,000
Tax Incremental District Borrowing				
New Borrowing	\$44,000,000	\$44,000,000	\$25,000,000	\$25,000,000
Subtotal	\$44,000,000	\$44,000,000	\$25,000,000	\$25,000,000
Delinquent Taxes Borrowing				
New Borrowing	\$37,000,000	\$37,000,000	\$37,000,000	\$37,000,000
Subtotal	\$37,000,000	\$37,000,000	\$37,000,000	\$37,000,000
Revenue Anticipation Borrowing				
New Borrowing	\$400,000,000	\$400,000,000	\$400,000,000	\$400,000,000
Subtotal	\$400,000,000	\$400,000,000	\$400,000,000	\$400,000,000
Water Works Borrowing				
New Borrowing	\$30,657,222	\$40,101,772	\$40,290,000	\$43,050,000
Subtotal	\$30,657,222	\$40,101,772	\$40,290,000	\$43,050,000
Sewer Maintenance Fund Borrowing				
New Borrowing	\$29,300,000	\$29,300,000	\$34,500,000	\$29,000,000
Subtotal	\$29,300,000	\$29,300,000	\$34,500,000	\$29,000,000
Total All Borrowing				
New Borrowing	\$834,051,222	\$842,499,772	\$823,356,300	\$822,306,000
Total	\$834,051,222	\$842,499,772	\$823,356,300	\$822,306,000

I. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

PROPERTY TAX SUPPLEMENTED FUNDS SUMMARY OF EXPENDITURES

<u>Expense Category</u>	<u>2020 Actual Expenditure</u>	<u>2021 Adopted Budget</u>	<u>2022 Adopted Budget</u>	<u>Change 2022 Adopted Versus 2021 Adopted</u>
A. General City Purposes	\$607,487,971	\$639,198,992	\$610,946,167	\$-28,252,825
B. Employes' Retirement	113,575,689	120,223,657	152,914,670	32,691,013
C. Capital Improvements	107,869,389	138,481,415	136,675,000	-1,806,415
D. City Debt	446,595,133	258,812,500	256,601,818	-2,210,682
F. Contingent Fund	<u>[2,439,483]</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>0</u>
Total	\$1,275,528,182	\$1,161,716,564	\$1,162,137,655	\$421,091

* 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: Improve equity and inclusion in City government and services and strengthen partnerships to improve equity in the community.

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.

Improve resident access to reliable broadband.

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

STRATEGIES: Create an equity and inclusion leadership team, establish equity training, implement a diversity recruitment plan, increase access to services through the Office of African American Affairs, and strengthen equity and inclusion partnerships with the community.

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.

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

Partner with nonprofit service providers to expand broadband options in underserved areas.

Promote cost effective sustainability practices for residents, businesses, and city departments through citywide implementation of the *ReFresh Milwaukee* sustainability plan and development of a new *Climate and Equity Plan*.

Reduce Milwaukee’s reliance on fossil fuels through energy efficiency and renewable energy.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	87.27	103.64	103.29	-0.35
FTEs - Other	29.48	32.16	36.71	4.55
Total Positions Authorized	167	168	173	5
<u>Expenditures</u>				
Salaries and Wages	\$5,861,038	\$6,469,054	\$6,533,689	\$64,635
Fringe Benefits	2,839,122	2,975,765	3,005,497	29,732
Operating Expenditures	2,433,657	2,882,869	3,186,484	303,615
Equipment	39,591	25,000	25,000	0
Special Funds	1,932,892	1,917,529	2,095,080	177,551
Total	\$13,106,300	\$14,270,217	\$14,845,750	\$575,533
<u>Revenues</u>				
Charges for Services	\$70,895	\$75,000	\$71,000	\$-4,000
Miscellaneous	173,039	182,000	315,000	133,000
Total	\$243,934	\$257,000	\$386,000	\$129,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS**Community Goals and Department Objectives:****Goals**

The Department of Administration supports the city's mission delivery goals through policy, planning, financial management, procurement, sustainability, and information technology services. The city's goals 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 and take action on climate change.
6. Promote racial, social, and economic equity for all residents.

Objectives

1. Improve equity and inclusion in City government and services and strengthen partnerships to improve equity in the community.
2. Increase training and employment opportunities for Milwaukee residents.
3. 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.
4. 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.
5. As a result of stagnant State Shared Revenue, seek additional revenue sources to support infrastructure needs and to maintain local services.
6. Improve transparency of City operations and performance.
7. Improve resident access to reliable broadband.
8. Increase energy efficiency and renewable energy in municipal operations, 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 promoting equity and inclusion, 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	2020 Actual	2021 Projected	2022 Planned
Combined percentage increase from prior year of changes to the property tax levy and municipal service charges on the average valued residential property.	3.6%	5.2%	1.4%
Percent of tax levy allocated to debt service and employer pension contribution.	52.4%	54.3%	51.3%
Combined number of jobs created and persons trained and placed in jobs through CDBG funded projects.	410	475	475
Number of firms receiving SBE certification.*	65	90	90
RPP hours worked as a percentage of total project hours.**	42%	40%	40%
Percentage of contracts awarded to SBE firms			
Construction	23%	25%	25%
Goods and Services	3%	25%	25%
Professional Services	24%	18%	18%
Procurement requests processed within 100 days.	62%	80%	80%
Average speed time for response at Unified Contact Center {minutes:seconds}.	1:55	:50	:40
Datasets available on the Open Data Portal.	145	170	190
Solar energy installed citywide (kW)	3,731	500	1,000
Green infrastructure, pocket parks, and beautification projects	7	4	4
PACE projects funded	2	3	4
Number of homes receiving energy efficiency or renewable energy upgrades via <i>Me2</i> and <i>Milwaukee Shines</i> .	12	50	40

* 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, and increasing costs for employee pensions, 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 2022 budget includes a 0% increase to the five city municipal service charges. Combined with the property tax levy charge, this equates to an increased city government cost of approximately \$25.75 or 1.4% to the owner of an average valued city home.

The small increase in 2022 is possible only because of the use of American Rescue Plan (ARP) funds to offset lost revenue due to the COVID-19 public health emergency that is used to avoid cuts to government services. Using ARP funds in this manner also enables the City to minimize tax and fee increases. However, the city cannot maintain critical services within the 3% guideline unless it gains an additional 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 to allow the city to hold a referendum to approve a half cent sales tax to sustain core city services. If approved, the sales tax would generate \$38 million annually. Between 40% and 50% of the estimated sales tax revenue would be paid by non-residents.

Intergovernmental Relations Division (IRD): IRD seeks bipartisan opportunities, builds collaborative partnerships with other jurisdictions and the State, 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 helps the City seek 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. Governor Evers recognizes Milwaukee as the hub of economic contribution to Wisconsin. 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 administering the procurement process for \$110 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 focuses on negotiating cost savings and efficiencies for city departments.

In 2022, the division will continue to explore ways to be more efficient by leveraging existing technology to further digitize the bid evaluation process, implementing city supported digital platforms that are focused on maximizing competition, and improving the management of contract spend and performance data.

The Purchasing Division also implements and supports best practices that foster racial equity and inclusion in the city's procurement process and contribute to the well-being of the community. These efforts include supporting a variety of socio-economic contracting goals, such as local businesses, Buy American, minority and small businesses, and socially responsibly contractor (SRC) bid incentives. In 2022, the division will continue to support the work of

the selected Disparity Study consultant, and explore best practices that foster racial equity and inclusion. In addition, Purchasing will revisit expanding the SRC bid incentive program to include the LGBTQ community.

Office of Equity and Inclusion: The Office of Equity and Inclusion (OEI) is administered by a Chief Equity Officer and works in partnership with the Office of African American Affairs (OAAA), City departments, elected officials, and community stakeholders, to identify and address opportunities to create and sustain a more equitable community in Milwaukee. OEI supports four equity goals:

- Improve the racial equity practices of existing and new services
- End disparities in City government
- Strengthen outreach and community engagement with people of color
- Strengthen partnerships with community stakeholders

Several strategies have been implemented to support these goals, including:

- Creating a Racial Equity and Inclusion Leadership Team comprised of two members from each City Department, to support promotion of equity and inclusion.
- Implementing racial equity and anti-racism training for City employees.
- Increasing access to City and other community services through the Office of African American Affairs (OAAA) in collaboration with government agencies and nonprofits.
- Conducting a racial equity audit of all city departments, in collaboration with the City Clerk Inspector General.
- Working with a consultant to conduct a disparity study to determine if inequities exist in City government procurement and contracting.

Under the leadership of the Chief Equity Officer, OEI administers the Government Alliance on Race and Equity (GARE) and related initiatives, including data analytics and performance measures. GARE is a national network of government entities working to achieve racial equity. OEI leads the City's GARE efforts and addresses institutional and other forms of racism that impact the health and well-being of residents.

The Equal Rights Commission consists of eleven members appointed by the Mayor and the Common Council and is staffed by the Equal Rights Specialist. The ERC promotes and protects equality, equity, and human rights through education, enforcement, and community engagement. The Commission provides internal accountability and works with the business community, educational institutions, and other community based organizations to implement awareness, prevention, and education strategies to address equal rights challenges. Through regular Commission meetings, listening sessions, celebrations, and community outreach, the ERC builds partnerships with community members and stakeholders and creates a space for community voices to be heard.

OEI supports the Commission's efforts to work with government, business, educational, community based organizations and others to promote equal rights. The OEI will collaborate with ERC in collecting data and reports from city departments, making recommendations to ensure that equity is a core element of department operations, and building community partnerships.

Office of African American Affairs: The Community Engagement and Achievement Collaborative Manager oversees the OAAA in collaboration with MFI staff and the Mayor's Office. The OAAA is responsible for overseeing the administration of the Black Male Achievement Advisory Council (BMAAC), Milwaukee Fatherhood Initiative (MFI) and the My Brother's Keeper (MBK) Action Plan. The OAAA is located at 4830 N. Fond du Lac Avenue.

In 2022, the OAAA will guide efforts to improve black male achievement. Through the My Brother's Keeper (MBK) Action Plan, Black Male Achievement Advisory Council (BMAAC), and the Milwaukee Fatherhood Initiative (MFI), OAAA will work to increase awareness of resources and services that are available to improve life outcomes for males of color.

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 all areas of environmental sustainability.

As part of the City-County Task Force on Climate and Economic Equity, ECO is managing the development of a new Climate and Equity Plan. ECO completed the City's Green House Gas inventory and is supporting a public process to develop proposals for achieving a 45% community wide carbon reduction by 2030. To advance racial equity, ECO and other city workforce development partners are participating in the Department of Energy's *Better Buildings Workforce Accelerator*. The goal is to help at least thirty people of color find work in the energy efficiency sector with family supporting wages while supporting on-going systemic change in the industry. ECO advocates for clean energy policies at the State level and advocates for climate action and energy policy with the Wisconsin Public Service Commission through the newly formed Wisconsin Local Government Climate Coalition.

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, the Water Centric City program, and *Milwaukee Shines* solar program. The Milwaukee Shines solar program is collaborating on a county-wide group-buy program that is expect to facilitate solar installations on at least 40 homes. In 2020 and 2021, ECO's Water Centric City program supported the Plastic Free Milwaukee coalition's Lake Friendly Pledge, completed a Commercial Rainwater Harvesting Guide, and worked to implement the City's Green Infrastructure Plan in partnership with the Department of Public Works, Milwaukee Public Schools, and Milwaukee Metropolitan Sewerage District. ECO also supports public outreach efforts in preparation of major efforts to clean up the Milwaukee River Estuary Area of Concern through the U.S. EPA.

ECO is heavily engaged with opening pathways for solar energy in Milwaukee, with an eye toward achieving the City's 25% by 2025 goal. In 2021, ECO and its partners completed the largest solar project in the City of Milwaukee's history. This 2.25 MW solar field on a city-owned landfill is owned and maintained by We Energies, which pays an estimated \$96,000 per year to the City to lease the land. This revenue supports ECO's Climate Action Planning and Program special fund.

ECO contributes to the city's beautification efforts through its *HOME GR/OWN* program and Eco-Neighborhood Initiative. *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. In 2021 and 2022, *HOME GR/OWN* is concentrating its vacant lot beautification efforts on commercial corridors, maintaining pocket parks that had been previously built, and completing major renovations at Victory over Violence Park on MLK Drive. The Eco-Neighborhood Initiative is currently supporting Sherman Park in their efforts to spur collective actions in support of the environment. Additionally, in 2021, ECO received a two-year US EPA Environmental Justice Grant that will support environmental education in target neighborhoods in partnership with Walnut Way Conservation Corporation, Sixteenth Street Community Health Centers, the Milwaukee Health Department, and Wisconsin Department of Health Services.

ECO collaborates with facility managers from City departments in the Energy Reduction Team. The Energy Reduction Team supports the City's energy efficiency and renewable energy goals as outlined in *ReFresh Milwaukee*. This includes improving 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. In 2020, ECO worked with the Milwaukee Public Library to complete a multi-million dollar energy saving performance contract at Central Library. Coupled with the new solar installation, the Central Library is achieving a 20% energy reduction from its 2009 baseline. In 2020, ECO completed an Energy Efficiency Plan for all city facilities and the municipal fleet. The 2022 budget includes \$100,000 in a Better

Buildings Challenge capital account to implement projects identified in the Energy Reduction Plan, which will be leveraged using additional energy saving performance contracts.

ECO is also leading interdepartmental efforts to plan for Electric Vehicle Charging Infrastructure and the purchase of electric and hybrid vehicles in City fleets, including the purchase of hybrid interceptors in the Milwaukee Police Department (MPD) and electric vehicles for DPW-Parking. This effort has resulted in MPD making the hybrid interceptor their standard vehicle, with 10 vehicles delivered in 2021 and another 30 ordered. DPW-Parking has also committed to using electric vehicles for their parking enforcement fleet after ordering three fully electric vehicles in 2021. ECO is working with DPW-Parking to identify a location to install electric vehicle charging infrastructure that can be the main charging hub for the entire parking enforcement fleet to support the continued transition to electric vehicles. To support greater adoption of electric vehicles in the community, ECO is collaborating with DCD and DNS to develop zoning and policy changes to support electric vehicle charging infrastructure. As a first step, ECO and DCD added language to City code to more explicitly allow and support EV charging equipment within the City via Common Council File 210486.

ECO expanded the Better Buildings Challenge to include a comprehensive energy efficiency program for commercial building owners, including PACE financing. In 2021, ECO outsourced administration of the PACE program to the firm that operates the multi-county PACE Wisconsin program. Since its inception, PACE has leveraged private capital to finance 16 building retrofits totaling over \$27.5 million in commercial energy efficiency and renewable energy projects since 2014.

The 2022 Budget includes a new Business Finance Officer position to centralize division purchasing, bill paying, financial reporting, grants management, and related administrative duties.

Community Development Grants Administration: The Community Development Grants Administration (CDGA) applies for, recommends the allocation of, and oversees the effective use of local, state, and federal funds for programs in targeted neighborhoods throughout the city. Funding assists lower income families, removes blight, and increases access to job training and placement services. In 2020, the combined number of jobs created, persons trained, and placed in jobs through Community Development Block Grant (CDBG) funded projects was 410. Of those individuals, 50% obtained full time positions. A total of 250 low income city residents received specialized training in areas including manufacturing, construction, and food services. Of those residents, 38% obtained full time positions.

The City of Milwaukee's anticipated US Department of Housing and Urban Development (HUD) grant allocation for 2022 totals \$22.7 million, a reduction of approximately \$2.2 million from the actual 2021 funding award. CDBG funds account for the largest portion of those funds with \$15 million, a reduction of approximately \$1.4 million from the actual 2021 funding award.

The City is receiving a significant amount of grant funding through the American Rescue Plan Act (ARPA). An additional Grant Compliance Manager is added in the 2022 budget to assist with administration and oversight of ARPA funding.

Improving the Effectiveness and Transparency of Information Technology: The City of Milwaukee's operations and safety depend on an efficient and secure computer network. The Information Technology Management Division (ITMD) supports a highly available, highly functioning, actively monitored technology infrastructure that provides confidentiality, integrity and accessibility of the City's data and information systems. ITMD's responsibilities include managing technology projects and ensuring that the systems, applications, networks, end user devices, and communications systems, are continuously available and operating effectively. ITMD provides IT services, staffing, and the majority of purchasing for most cabinet level departments. The Library, Municipal Court, Water Works, Police and Fire departments continue to purchase and maintain their own IT assets.

The City's Open Data Portal provides a centralized location for access to City data in 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 Chief Information Officer (CIO) works with departments to develop a strategic plan for the development and implementation of information technology. The standardization of technology provides a more secure environment and reduces the City's dependence upon proprietary technology systems.

The Cybersecurity Program, initiated in 2019 with the addition of a Security and Compliance Analyst position, introduced information security policies and standards along with security awareness training in accordance with City goals, business objectives, risk tolerances, and regulatory compliance requirements. The program increases organizational awareness of informational security threats and employee responsibilities. An additional Security and Audit Compliance Analyst position is provided in the 2022 budget, with the funding anticipated to come from future American Rescue Plan or other non-tax levy funding.

The 2022 budget creates a new Department of Emergency Communications. To provide information technology support to this department, three positions are added to ITMD: one Public Safety Geographic Information Analyst and two Public Safety Systems Administrator positions. In 2022, these positions will be funded through the American Rescue Plan Act.

The 2022 capital budget provides \$1.5 million for ITMD projects. New projects planned for 2022 include a City Clerk Business License Conversion project (\$500,000). The 2022 budget includes funding to continue the IT upgrades and replacements (\$300,000), Cyber Security project (\$200,000), and public facilities communications (\$457,000) programs.

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 meets 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 Transportation, 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

Improving Accessibility: The city is committed to providing programs, services, and activities that are accessible to all residents and comply with the Americans with Disabilities Act (ADA). The 2022 budget does not include any additional funding for the ADA compliance special fund. Approximately \$125,000 remains in this special fund as of August 2021 and funds unspent in 2021 will be carried over into 2022 to cover planned expenditures in 2022. 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 76% of the violations identified by U.S. Department of Justice (DOJ) have been remediated and nearly 4,000 employees have been trained in 19 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 Certificates of Compliance 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 works with departments to maintain the website and public facing applications in accordance with the ADA. The website is continually improving to ensure that online services and applications are accessible and comply with ADA requirements.

Other Budget Changes: Other changes in the 2022 budget include a \$12,000 increase in the Neighborhood Investment Beautification Fund (total funding of \$30,000); an \$85,551 increase to the Enterprise Resource Management special fund (total funding of \$1.8 million); and a \$80,000 increase to the Computer Maintenance/Upgrade special fund (total funding of \$105,000). Funding in the Enterprise Resource Management special fund ensures 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	-0.63	-0.37	Business Analyst-Senior	Position reclassified in CCFN 201607
1	0.63	0.37	Business Inclusion Program Coordinator	
-1			Financial Operations Manager	Positions reclassified in CCFN 201498
-2			Fiscal Planning Specialist-Senior	
-1			Capital and Debt Specialist	
-1			Budget & Policy Manager	
-3			Budget & Mgmt. Special Asst.	
1			Budget & Fiscal Policy Operations Mgr.	
2			Budget & Fiscal Policy Manager	
5			Budget & Fiscal Policy Analyst IV	
	-1.00		Administrative Specialist	Position funding eliminated
1	1.00		Environ. Sustainability Program Mgr.	Position changes
-1	-0.50		Management Trainee	
1		1.00	Business Finance Officer	New position created
-1		-0.40	Graduate Intern	
1		1.00	Grant Compliance Manager	New position created to help administer the ARPA funding
1			Security and Audit Compliance Analyst	Position added for cybersecurity
1		1.00	Public Safety Geographic Info. Analyst	Positions added to support new Department of Emergency Communications
2		2.00	Public Safety Systems Administrator	
	0.15	-0.05	Miscellaneous Adjustments	
5	-0.35	4.55	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:** Actively monitor and record property sales and other housing market trends to maintain ongoing assessment accuracy.
- Implement new technologies to increase the availability and accuracy of assessment-related information, and increase ease of accessing and understanding real estate market information.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	50.11	47.00	48.00	1.00
FTEs - Other	0.27	0.00	0.00	0.00
Total Positions Authorized	57	57	57	0
<u>Expenditures</u>				
Salaries and Wages	\$2,908,814	\$2,851,270	\$2,890,137	\$38,867
Fringe Benefits	1,400,484	1,311,584	1,329,463	17,879
Operating Expenditures	255,840	219,337	219,337	0
Equipment	0	0	0	0
Special Funds	59,513	70,000	70,000	0
Total	\$4,624,651	\$4,452,191	\$4,508,937	\$56,746
<u>Revenues</u>				
Charges for Services	\$958,676	\$859,000	\$864,000	\$5,000
Total	\$958,676	\$859,000	\$864,000	\$5,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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

The Assessor's Office uniformly and accurately assesses the taxable property in the City of Milwaukee. This includes tracking and recording all ownership and parcel changes, listing all taxable property as of January 1 of each year,

determining if properties are eligible for exemptions, reviewing permits, estimating the market value of all locally assessable property, defending assessments that are appealed, and producing an annual assessment roll. 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 all classes of property pay an equitable share of taxes based on their value. Annual revaluations ensure the highest level of fairness.

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Contacts with Property Owners during Open Book*	3.9%	1.0%	3.0%
Objection forms provided to Property Owners during Open Book	4.2%	0.6%	2.5%
Formal Objections as a percentage of taxable parcels	3.6%	0.44%	2.25%
Appeals to the Board of Review as a percentage of taxable parcels	.04%	.35%	.05%
Assessment ratio (assessed value/sale price) for all properties sold during the year	99.49%	89.0% (non-revaluation**)	100%

* Open Book” refers to the period between the date of notices being sent and the statutory deadline to file an objection/appeal with the Assessor’s Office.

** No valuation of properties occurred in 2021, so assessed values were not increased, resulting in a larger variance between assessed values and sale price.

TECHNOLOGY CHANGES

New technologies can provide better information to the public, increased access to assessment information, and create operational efficiencies.

In 2012, the Wisconsin Department of Revenue changed the data management requirements for assessors. The WI DOR informed assessors that all data held by assessors should be available electronically by 1/1/2013. In 2014, the Milwaukee Assessor’s Office created a multi-year plan for implementing the required changes.

In an effort to improve efficiencies within the Assessor’s Office the department upgraded the main computer system. This multi-year technology project has allowed the Assessor’s Office to leverage other systems within the department to improve assessment accuracy.

Assessor’s office staff members are working with the city’s Information Technology Management Division (ITMD) on several initiatives. Upgrades that are in development include an update of the Assessor’s website and the creation of an online appeals process.

The scanning of property sketches is also in process. This is the first step toward the creation of geo-referenced digital sketches. If funded, geo-referenced sketches will improve the accuracy of building sizes and improve assessment accuracy.

The table below summarizes technology initiatives underway in the Assessor's Office.

Project Name	Project Description	Time Frame	Comment
Sketches – scanned, OnCourse is the vendor	Creation of scanned images of sketches	In process - expected completion Quarter 4 2021	Required for DOR compliance
StreetSmart images, Cyclomedia is the vendor	Street-level images, including Best image of each property and 360-degree images	Photos – December 2020 In process of incorporating into CAMA and web site	Required for DOR compliance
Desktop Review software, Esri Canada is the vendor	Enables Office reviews of properties	Expected implementation Quarter 4 2021	Will create efficiencies and add assessed value through improved reviews
Creation of digital geo-referenced sketches, Esri Canada is the vendor	Required for complete desktop reviews	Quarter 1 2022	Will create efficiencies and clean up data
Online comparable sales for the public, Spatalest is the vendor	Will enable the public to perform online comparable sales analysis	Quarter 1 2022	Will reduce appeals for the 2022 revaluation
Online appeals filing, Joint project by ITMD and Assessor's Office	Online filing of appeals by property owners	Quarter 1 2022	Requested by Council members
Website redesign, Joint project by ITMD and Assessor's Office	Creation of a new website that provides all frequently requested information	Quarter 1 2022	Requested by the public
GIS integration	Full GIS integration with CAMA software	Progressing, expected completion by Quarter 4 2021	Will assist appraisers when they are helping property owners

STRATEGY IMPLEMENTATION

The Assessor's Office strives to create assessed values that are fair and equitable and revaluations are the best method of ensuring fairness. One key statistic that helps ensure fair, accurate, and equitable assessments is the assessment ratio, which compares the assessed value of sold homes with their sale prices. The Assessor's Office met the Wisconsin goal of residential assessments by being within 10% of sales prices in 2020. In 2021, the ratio fell to 89% because values rose and a revaluation was not completed. The planned 2022 revaluation will enable the assessment ratio to be closer to the 100% standard. The fast-changing housing market underscores the importance of regular revaluations.

For several years, annual revaluations of property have occurred. The Assessor's Office did not perform a revaluation in 2021 due to the disruption and economic impact caused by the COVID-19 pandemic. Future assessment cycles are under review and the Assessor's Office is planning a revaluation in 2022. The valuation team is working to finalize the 2022 assessments. During 2021, the Assessor's Office has focused on resolving appeals, processing permits from 2020, updating property records, and preparing for the 2022 revaluation.

Oversight by the DOR: the Wisconsin Department of Revenue (DOR) continually monitors the quality of assessments. The DOR creates minimum statistical standards for assessment offices and provides statistics in the spring of each year and final ratio reports in December. Regular revaluations enable the Assessor's Office to produce statistical results that comply with these requirements.

Appeals: There are several steps in the appeal process and appeals can be resolved at any point. The initial step is the "open book" period. The City of Milwaukee's open book lasts for several weeks in April and May. This is an opportunity for property owners to discuss their assessments with city appraisers. The second step of the appeal process is a value review by the Board of Assessors. The Board of Assessors reviews all appealed assessments.

If a property owner wants an additional review, the Board of Review hears their assessment appeal. Additional appeal options are available to property owners if requested. This multi-level review allows property owners several options to voice concerns and fully contest their assessments. Appeals significantly decreased in 2021 since there was no revaluation.

Exempt Properties: For 2021, the city has 8,472 fully tax-exempt properties with an estimated exempted value of more than \$4.6 billion. To protect the city's tax base, the Assessor's Office carefully reviews new exemption applications. Additionally, the Office regularly reviews individual exempt properties to ensure they continue to serve the public good, provide the services that justify tax exemption, and have provided the required information that ensures they meet legal requirements.

Litigation: The Assessor's Office is involved in litigation with a small percentage of property owner's overvaluation disputes under s. 74.37, Wis. Stats. Property owners can appeal property assessments through both the Board of Review and State courts. While the department's valuations have substantially stood in decided cases, litigation requires considerable resources and labor hours.

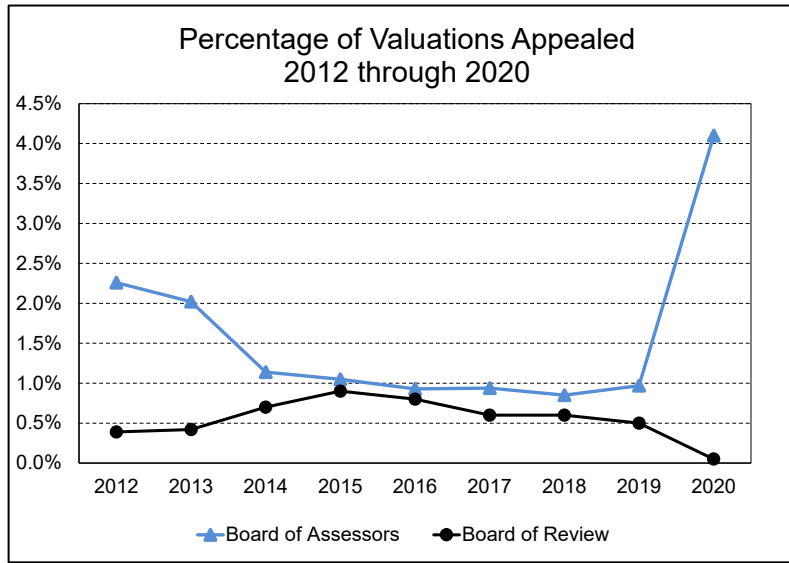
PILOTS: Payment in Lieu of Taxes (PILOTS) agreements help the city's budget by increasing revenues. The Assessor's Office attempts to establish new agreements with non-profit organizations, colleges, and universities.

RESIZE, RESTRUCTURE, AND REINVEST

Staffing: Between 1983 and 2021, the staff size has decreased from 86 to 46. The department has used technology to improve efficiency, but this has not fully offset the impact of reduced staffing. The number of assessed parcels per employee has risen to over 5,800. Retirements, resignations, and concerns about compensation negatively affect staffing.

The Assessor's Office is experiencing a high turnover of property appraisers. To attract and retain candidates with the required skills needed to maintain the standards of accuracy and efficiency, staff worked with the Department of Employee Relations (DER) to create a salary plan for property appraisers. The salary plan provides salary increases for property appraisers who meet pre-determined standards. These standards include earning or maintaining certifications, completing specific courses, and assuming additional responsibilities. The Assessor's Office continues to work with DER to improve the salary plan.

Figure 1



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	Property Assessment Technician	Classification and Title Change
1	1.00	0.00	Property Listing Technician	
-1	-1.00	0.00	Senior Property Appraiser (A)	Reduction of Senior Property Appraiser positions and increased funded position authority for Property Assessment Technician II positions
-1	0.00	0.00	Senior Property Appraiser	
2	2.00	0.00	Property Assessment Technician II	
1	1.00	0.00	Office Assistant IV	Reduction of Office Assistant III positions and increased funded position authority for Office Assistant IV and Office Assistant II
-2	-2.00	0.00	Office Assistant III	
1	1.00	0.00	Office Assistant II	
0	1.00	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 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

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	54.76	59.50	59.50	0.00
FTEs - Other	1.67	2.50	2.50	0.00
Total Positions Authorized	64	65	65	0
<u>Expenditures</u>				
Salaries and Wages	\$4,643,784	\$4,750,264	\$4,886,514	\$136,250
Fringe Benefits	2,203,421	2,185,121	2,247,796	62,675
Operating Expenditures	273,140	341,927	364,700	22,773
Equipment	48,128	36,000	23,000	-13,000
Total	\$7,168,473	\$7,313,312	\$7,522,010	\$208,698
<u>Revenues</u>				
Charges for Services	\$1,137,744	\$956,000	\$1,127,000	\$171,000
Total	\$1,137,744	\$956,000	\$1,127,000	\$171,000

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, collects claims and delinquencies, and prosecutes City ordinance violations.

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned	
Number of assessment appeals successfully defended.	Opened (during 2020)	31	21	22
	Dismissed (during 2020)	17	26	15
	Pending (as of 12/31/2020)	35	36	36

STRATEGY IMPLEMENTATION

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

The Neighborhood Revitalization and Ordinance Enforcement section improves the quality of life in Milwaukee’s neighborhoods by prosecuting ordinance violations and abating public nuisance conditions. It helps improve public safety through litigation, legal opinions, education and outreach. The community prosecution team collaborates with other city departments and governmental agencies, local businesses, community based organizations and residents to resolve chronic neighborhood and housing-related problems. This includes investigating landlords and seeking receiverships where appropriate, initiating and defending condemnation proceedings against blighted properties, investigating and prosecuting appropriate actions against municipal license holders, and developing legal strategies to target problem properties.

The Neighborhood Revitalization and Ordinance Enforcement section continues to litigate several large scale receivership actions and bankruptcy adversary proceedings against exploitative landlords and chronic debtors. It is currently litigating the appeal of the raze orders issued to abate the old Northridge Mall buildings, which were successfully upheld by the circuit court. The section objects to foreclosure sales where bidders are tax delinquent or have outstanding municipal court judgments, resulting in payments of thousands of dollars owed to the City. It assists in collecting debts owed to the City on applications to vacate in rem foreclosure judgments. The section conducts trainings for the Milwaukee Police Department, the Department of Neighborhood Services, the Health Department and the City Clerk Licenses Division. In 2020, the Ordinance Enforcement Division conducted approximately 4,961 pre-trial conferences and 892 trials in the Milwaukee Municipal Court. In addition, the section appears in circuit court for appeals of municipal court convictions and petitions for the return of seized property. The section works with the Municipal Court and the Milwaukee Area Technical College on numerous problem-oriented initiatives to reduce recidivism and promote public safety through remedial consequences such as traffic safety and addiction counseling to offenders.

The Real Estate/Education/Housing section: manages the City's risk and liabilities through document drafting; works with City departments and elected officials to facilitate economic development and sales of City-owned property for development and housing; works with the Redevelopment Authority on economic development projects; works with the Office of Equity and Inclusion regarding human resource requirements including Small Business Enterprise; implements tax incremental and other financing necessary to assist in development; addresses zoning and other land use issues; advises departments and City officials on public records and open meetings laws; advises the City's Ethics Board, Board of Harbor Commissioners, Board of Zoning Appeals, Public Debt Commission, the Housing Authority, the Historic Preservation Commission, and the Milwaukee Public School Board; assists client departments with BID and NID issues and bond issues; conducts evictions where necessary for City-owned and HACM-owned parcels; and assists with nuisance property litigation. Services provided by this section include:

- Handling records requests and open meeting issues.
- Legal assistance in the creation of new tax incremental financing districts (TIDs) and the TID amendments.
- Assisting on development projects including the Schuster Building redevelopment, Community in the Corridor project, and library projects.
- Assistance to the Port of Milwaukee, involving private investment to the Port.
- Assisting MPS with the application of various health orders related to COVID-19 and school matters.
- Assisting the Board of Zoning Appeals.
- Assisting HACM and DCD regarding eviction moratoria and real estate related issues.
- Litigating against nuisance landlords.

The Employment/Labor/Benefits/Contracting section provides general legal services to City departments including drafting contracts; navigating purchasing requirements and providing training, legal counsel, and representation on state and federal employment law, including discrimination, civil service, the Fair Labor Standard Act, and the Family Medical Leave Act. In addition, the police and fire unions generate ongoing municipal labor relations work, including grievance arbitration and disciplinary matters before the Fire and Police Commission. The section also provides legal services to the Employees' Retirement System, the Deferred Compensation Plan, and medical, dental and other employment benefit plans the City sponsors. The COVID-19 pandemic created a significant increase in legal work for this section including COVID-19 related health mandates, policies, contracts, emergency government orders, and other legal questions. This section advises the Milwaukee Water Works on regulatory compliance matters, represents the utility at the Public Service Commission of Wisconsin, and negotiates and drafts water service agreements. To advance the City's *ReFresh Milwaukee* policies, this section works with the Environmental Collaboration Office to advocate for the City's renewable energy initiatives at the PSC and in state courts. This section also advises DPW on regulating utility use of the public right-of-way, including negotiating and drafting small wireless facility installation agreements. Services provided by this section include:

- Advised DER and Budget Office regarding permitted uses of the CARES and American Rescue Plan Act, and proper procurement methods for those funds
- Assisted MHD with several coronavirus relief grants, FEMA support, and vaccine clinic and collaboration agreements
- Continued to represent the City in EPA environmental enforcement action
- Key contracts supported: Milwaukee Fire Department's ambulance service contracts, the Department of Public Work's recycling services contract, Municipal Court's debt collection contract, Milwaukee Public Schools' charter school contracts (including related litigation)
- Support for federal audit of DNC federal security grant funds
- Assisted MHD with several coronavirus relief grants
- Advised and assisted on enforcement of COVID-19 isolation, quarantine, and business closure orders with MHD
- Assisted with emergency procurement issues in response to COVID-19
- Assisted in drafting health orders related to the COVID-19 pandemic and provided legal guidance to MHD
- Staffed and advised the new Board of Health
- Advised on COVID-19 related employment issues, including mandatory vaccines
- Advised and successfully defended the Milwaukee Election Commission's conduct of elections, including the 2020 Presidential Election, which continues to be under challenge
- Advise City Departments on requests for reasonable accommodations based on medical reasons or for religious exemption, including but not limited to the City's mask policy and remote work based on COVID-19 concerns
- Advise and assist City Departments with internal personnel investigations
- Defend the City against claims of employment discrimination in the federal EEOC, the State ERD, and in federal court, which includes taking depositions, representing at hearings, and drafting summary judgment briefs

The Litigation section handles civil rights cases, personal injury and property damage litigation, appeals, claims supervision, property assessment challenges, City Clerk licensing matters, tax foreclosures, collections, and bankruptcy cases in which the City is a debtor. As of August 2021, the Litigation section has handled and resolved over 350 such cases.

The section aggressively defends the City's property assessments by actively litigating assessment cases in court and providing counsel to the Assessor's Office. Several court determinations within the last year provided rulings upholding the property valuations set by the Assessor or substantially compromising the refund amount sought by the taxpayer. As a result of this section's litigation efforts including discovery, depositions, and motion practice, the City won in court or was able to effectuate favorable settlements which eliminated or significantly reduced the City's exposure in numerous cases, which in 2021 exceeded \$5 million. Innovative and proactive measures taken by Litigation section members have resulted in numerous motions being filed with the bankruptcy court that will better position the City to collect post-petition debts owed to the City.

The Litigation section defended a number of lawsuits in the past year, including allegations of police misconduct and general negligence by city employees. Several cases have led to dismissal by summary judgment or other motions, while others resulted in favorable outcomes on appeal. In one such instance, the City's affirmative defense that taxes must be timely paid was upheld on appeal, a significant reinforcement in the City's efforts to uphold and enforce its tax laws. Similarly, the Litigation section won an anti-competition lawsuit brought by private tow truck/metal scraping companies at the district court level, a decision that was upheld on appeal to the 7th Circuit. The City was also able to resolve several cases before trial, thereby limiting the amount of financial exposure. In the past year, the Litigation section has been working to protect the City's interest in multi-district litigation against a manufacturer of e-cigarettes; in this case, the City stands to be reimbursed for monies expended as a result of Milwaukee youth using e-cigarettes. The section continues to represent the FPC and MPD regarding the City's obligations under the ACLU lawsuit relating to traffic and pedestrian stops and frisks conducted by police officers. Trial preparations and settlement negotiations continue for numerous civil rights cases commenced in earlier years and filed in 2021.

RESIZE, RESTRUCTURE, AND REINVEST

The City Attorney’s office has experienced a significant increase in turnover in recent years. In order to address challenges resulting from vacancies and to improve recruitment and retention of employees, the department is focusing on two key strategies:

- Enhance succession planning and cross training initiatives to ensure flexibility in overcoming workload challenges resulting from future vacancies.
- Explore options for resuming the merit pay plan in 2022. The City Attorney considers merit pay based on performance evaluations to be the most significant factor in attracting and retaining qualified assistant city attorneys.

Special Purpose Accounts: The City Attorney’s Office uses various special purpose accounts to manage legal issues. These accounts pay expert witnesses, pay legal claims and settlements, and insure the City against loss. The 2022 budget provides \$1,225,000 for the damages and claims fund for anticipated liability exposure. The outside counsel and expert witness account is used to prepare for lawsuits and is funded at \$150,000. The insurance fund provides policy premiums for the local government insurance fund and is funded at \$1,146,200. Funding for these accounts fluctuates annually based on the volume and complexity of cases.

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

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.
- Support and increase economic and racial equity in the city, expanded access to opportunity, and diminished displacement and gentrification.
- STRATEGIES:** Reduce the impact of residential foreclosures in Milwaukee neighborhoods.
- Support regional marketing of commercial real estate opportunities.
- Identify 20 acres each year for brownfield redevelopment.
- Improve neighborhood appearance, vitality and viability by continuing the targeted investment neighborhood programs, and collaborating with other city departments, governmental partners, the private sector, community organizations and residents.
- 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 comprehensive plan recommendations.
- Prioritize resident access to information about housing and development resources.
- Promote the city as a place to do business, raise families, and enjoy a high quality of life.
-

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Personnel				
FTEs - Operations & Maintenance	57.15	49.40	45.96	-3.44
FTEs - Other	30.69	42.35	45.79	3.44
Total Positions Authorized	121	121	121	0
Expenditures				
Salaries and Wages	\$3,003,266	\$3,155,189	\$2,842,055	-\$313,134
Fringe Benefits	1,437,760	1,451,387	1,307,345	-144,042
Operating Expenditures	102,559	154,000	204,000	50,000
Equipment	0	0	0	0
Special Funds	143,254	350,000	150,000	-200,000
Total	\$4,686,839	\$5,110,576	\$4,503,400	-\$607,176
Revenues				
Taxes and PILOTS	\$1,094,988	\$900,000	\$875,000	-\$25,000
Charges for Services	107,360	108,000	108,000	0
Licenses and Permits	49,195	55,000	50,000	-5,000
Miscellaneous	13,611	27,000	12,000	-15,000
Total	\$1,265,154	\$1,090,000	\$1,045,000	-\$45,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Build safe, sustainable and healthy neighborhoods.
 - Reduce the impact of tax-foreclosed property.
 - Support neighborhood business through business and neighborhood improvement district programs.
 - Administer Fourth 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 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, equitable, sustainable and healthy neighborhoods. DCD has a wide range of responsibilities in housing, planning, development and financing, 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	2020 Actual	2021 Projected	2022 Planned
Net new construction (% of equalized value).	1.125%	1.125%	1.125%
Sales, transfers, and dispositions of tax foreclosed property.	279	225	225
Percentage increase in value of property for closing tax increment districts.	0% (no TIDs are closing in 2020)	1531%	207%
Number of Strong Neighborhoods loans closed.	59 (due to COVID)	70	70

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 20,000 citywide housing units since 2004. Milwaukee residents benefit from this growth as developers and business owners support the local economy. 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 2022, American Rescue Plan (ARP) funding in combination with other funding sources will provide greater support for Mayor Barrett’s Strong Neighborhoods Plan, a citywide effort to address the tax foreclosure issue. Programs managed by various city departments address the following goals:

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

Collaborative efforts in multiple city departments have placed foreclosed properties back in the hands of responsible owners. The city works on a concentrated basis to remove blighted properties, maintain city owned properties, and rehab and redevelop neighborhoods, maximizing the benefit to neighborhoods.

In 2018, Mayor Barrett announced the 10,000 Homes Initiative, to improve the housing circumstances of 10,000 low and moderate- income Milwaukee households over the next decade. The Initiative uses three key strategies: Develop new and preserve existing affordable housing units in neighborhoods, including units for rental and owner-occupancy; retain and promote homeownership; and maintain and improve the City’s affordable housing stock. By the close of 2020, despite the impact of COVID-19, the Initiative created or improved more than 2,800 affordable units.

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 2020, DCD sold 279 improved properties and 125 vacant lots. Forty-five percent of the sales were to individuals intending to live in the properties, a slight increase over 2019 (43%) and 2018 (40%).

Rent-to-Own Program: Tenants of the previous owner occupy many properties acquired by the city through foreclosure. 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. Through 2020, 71 tenants purchased their properties.

Strong Neighborhoods Loan Programs: DCD administers three Strong Neighborhoods loan programs. Strong Home loans preserve homeowner occupancy by assisting owners with essential home repair needs. The program provides low interest, deferred payment loans and technical assistance for emergency and critical home repairs to homeowners who are not able to access conventional financing. The typical strong homes loan borrower owns a house built before 1939 and has owned the house for more than 15 years. During 2020, 59 Strong Homes Loans were closed totaling \$1,009,000. DCD also operates the Homebuyer Assistance Program, which provides financial and technical help to prospective homeowners buying city-owned foreclosed houses for owner-occupancy. The Rental Rehabilitation Program provides forgivable loans to investors who buy city-owned foreclosed houses and renovate them for affordable rental. These two programs made seven loans totaling approximately \$180,000 in 2020.

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 2019, broker listed sales accounted for 58% of *in rem* property sales. This successful partnership continues in 2021.

Milwaukee Employment/Renovation Initiative (“MERI”): In 2019, building on the successful MERI renovation program for City owned properties, DCD launched the MERI 2.0 program to provide properties and grants for the renovation of City owned properties and the employment of local residents. With a special emphasis on building the capacity of emerging developers, 11 developers were selected for the program, including two non-profit organizations and seven emerging developers. In 2020, eight properties sold under the program for homeownership and affordable rental opportunities. In 2021, 15 properties have sold to date. The project faces challenges due to the condition and availability of properties, cost of goods, and ability to find rehab financing.

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. While all city owned vacant lots are eligible, sale efforts focus on central city development areas such as the Walnut Circle, Josey Heights, and Legacy subdivisions. In 2020, 13 lots sold to Habitat for Humanity and four lots sold in the Josey Heights and Walnut subdivision.

Opportunity Zone: The federal Opportunity Zone (OZ) program provides favorable capital gains tax relief for business and development investment in designated census tracts. During 2018, the US Treasury Department designated 34 Milwaukee census tracts as Opportunity Zone tracts, eligible for tax-advantaged investment by Qualified Opportunity Funds. Areas include the 30th Street Corridor, Menomonee Valley, Harbor District, Cesar Chavez Drive/National Avenue, Fond du Lac Avenue/North Avenue, Avenues West, and the sites of several surplus Milwaukee Public Schools buildings. DCD has established a web site to market OZ investment opportunities.

Anti-Displacement Plan: In February 2018, the Department of City Development released “*A Place in the Neighborhood: An Anti-Displacement Plan for Neighborhoods Surrounding Downtown Milwaukee.*” The Plan analyzes neighborhood market and demographic data to determine if displacement is occurring in Milwaukee neighborhoods. The Plan offers a series of recommendations to reduce potential displacement. A Plan recommendation, the Anti-

Displacement Preference Program adopted by Council in 2019, requires City assisted affordable rental developments to provide a leasing preference for local neighborhood residents. In 2019, DCD worked with MKE United to implement the Milwaukee Anti-Displacement Fund, providing resources for homeowners to help pay increases in their property taxes, so they will not be displaced due to rising property values and real estate taxes. The Fund made its first payments to assist eligible low-income homeowners with increasing property taxes in January 2020. The pilot program continues and in its second year, 114 homeowners are certified as eligible for ongoing assistance through the Fund, with additional applications anticipated this fall. The fund provided \$91,941 in tax assistance payments. The average amount paid is \$901 or about double the amount in the first year.

Riverwalk Expansion: The Milwaukee Riverwalk System began in 1993 and concentrated in an 8-block downtown area. Over the past 30 years, it has generated an incremental property value increase over \$1 billion. This success fueled its expansion into the Menomonee River and the Harbor District, including a portion of the Kinnickinnic River, through the Common Council's approval of the Riverwalk Site Plan Review Overlay Districts. In 2020, the first Harbor District riverwalk was constructed adjacent to Michels \$50 million divisional headquarters and the design of the system's longest single stretch of riverwalk, almost $\frac{3}{4}$ of a mile adjacent to Komatsu's new \$250 million Milwaukee headquarters, was started. The Riverwalk has received several awards for its design and operation, most notably the Urban Land Institute 2017-18 Global Award for Excellence.

Commercial Revitalization and Business Investment: DCD's Commercial Corridor Team (CCT) serves as liaisons between the city and local business owners, connecting them to a variety of grant programs focused on blight elimination, commercial revitalization and economic development. Commercial revitalization 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 2020, these programs made 80 grants totaling \$800,000. This investment leveraged commercial development projects involving total investment of more than \$5.8 million. Funds from the Zilber Family Foundation, US Bank, Old National Bank and several tax increment districts supplemented City commercial grant funds in selected neighborhoods. Commercial corridor staff also provides assistance and oversight to business improvement districts (BIDs) and neighborhood improvement districts (NIDs). These organizations work in partnership with the city to strengthen commercial corridors. In 2020, one new Neighborhood Improvement District was established.

In 2020, CCT was instrumental in implementing two new grant programs, The Fresh Food Access Fund (FFAF) to increase access to fresh food options in underserved communities and the Milwaukee Restart Grant Program to assist locally owned small businesses navigate the challenges resulting from COVID-19. The FFAF awarded \$400,000 in the form of 24 grants to local community based organizations. These organizations developed creative programs that ranged from community gardens to community kitchens aimed at increasing the education and access to fresh foods in select neighborhoods.

Milwaukee Restart involved three phases using CARES Act Recovery federal dollars, and awarded 2,322 grants totaling just over \$18.5 million. The Restart grants focused on locally owned small businesses with annual revenues less than \$2 million and not exceeding 20 full time employees. The Restart grantees reported the retention of 2,170 jobs and the creation of 257 new jobs. Grants were distributed throughout the City and approximately 48% of the grantees were minority owned and 41% women owned businesses.

The FFAF and Milwaukee Restart Grant Programs reflect a continued process to include community partners to assist with technical assistance and program implementation. This year CCT added relationships with the Latino Entrepreneurs Network, the Milwaukee Urban League, WWBIC and MEDC.

DCD continued its cooperation agreement with the Milwaukee office of LISC to provide additional support to the city's commercial corridor activity. Through 2020, that partnership developed pop-up commercial spaces in five Business Improvement Districts: King Drive, Chavez Drive, Fond du Lac/North, Riverworks and Near West Side Partners. Over \$330,000 in Commercial Revitalization Funds were expended since the first round of the Brew City Match program launched in 2018.

Tax Incremental Financing: In 2020, the city created three new and amended six tax increment financing districts (TIDs). These TIDs support neighborhood development:

- Creation of 3 new neighborhood TIDs:
 - 37th Street School (43 new affordable units)
 - Community Within the Corridor (197 affordable units)
 - McKinley School (35 affordable units)

- Amended 6 TIDs:
 - Cathedral Place (Infrastructure and Donations to neighborhood TID)
 - New Arcade (Infrastructure and Donations to neighborhood TID)
 - Milwaukee Intermodal Passenger Station (Infrastructure and Donations to neighborhood TID)
 - First Place (Riverwalk/Infrastructure)
 - Grand Avenue (Donations to neighborhood TIDs)
 - West McKinley/West Juneau (affordable student housing)

The 2020 TID activity provided a total of \$2,708,000 toward public infrastructure and \$7,129,378 toward affordable and improved housing throughout Milwaukee.

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. DCD also coordinates the City's participation as an employer in Earn & Learn. In 2020, due to the COVID-19 pandemic, the City's Summer Youth Internship Program transitioned to a four-week virtual format with 123 teens participating in an online career readiness program. In 2021, due to the uncertainty of the pandemic, the City's Summer Youth Internship Program continued in a virtual 12-week program with virtual live presentations from several city departments and private sector companies.

Healthy Neighborhoods Initiative - Community Improvement Project (CIP): DCD works with community groups, residents, leaders, and organizations to fund and support community projects that engage community members and make physical improvements in Milwaukee neighborhoods. The CIP grant matches applicant funds, other non-city grants, donations, or in-kind services up to \$4,000 to support community-led projects. In 2020, DCD funded 18 projects totaling approximately \$58,341 in neighborhoods throughout the city.

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 through a racial equity lens to expand opportunities for owner occupants, with a focus on increasing minority home ownership, 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) aligns with the department's efforts to eliminate blight and foster business and reinvestment throughout the city. In recent years, all RACM positions transferred to city employment. Through reimbursement, RACM funds the positions. This change places RACM positions under the rules of the City Service Commission.

CAPITAL PROJECTS

Advanced Planning Fund (\$200,000): This funding supports neighborhood and land use planning, mapping and data analysis, and community outreach and engagement in conjunction with City Planning activities including implementation of strategies identified through the Government Alliance on Race & Equity (GARE) Racial Equity

Toolkit. Recent and current projects include the Fond du Lac and North Area Plan, the City’s Industrial Land Analysis, Envision South 13th Street and the update to the Downtown Plan.

Tax Increment Districts: The 2022 budget provides the following TID borrowing authority:

- **New Borrowing for Potential New TIDs (\$25 million):** Provides authority for potential new TIDs. The Joint Review Board, Mayor, and Common Council must approve the creation of TIDs.
- **Developer Revenues (\$10 million):** Provides authority to pay the increment on current developer financed TIDs. There are offsetting revenues for these payments.

Brownfield Program (\$750,000): This funding supports brownfield cleanup and provides funds to match federal grant funds for environmental remediation. The funds are Citywide but primarily focused in the seven industrial Business Improvement Districts where the City investigates and remediates former commercial and manufacturing brownfields. This includes addressing about 150 tax-delinquent brownfields that contribute significant blight to the neighborhood.

Commercial Investment Program (\$500,000): This program improves the viability of neighborhood commercial corridors. 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
	-3.50	3.50	Various	ARP Funding
	0.06	-0.06		Funding adjustment
0	-3.44	3.44	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 administers a seven member Board of Commissioners. The Mayor appoints the Members for staggered terms with confirmation 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 residents' 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. Details on RACM's relationship with the City of Milwaukee are in the audited financial statements of the Redevelopment Authority.

A board, 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 support is through an annual cooperation agreement with the City of Milwaukee that specifies 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 and the surrounding area. The principal objective of the corporation is to benefit the community by fostering the increase and retention 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 33 member Board of Directors oversee MEDC's activities. This includes the Mayor of Milwaukee, with the remaining individuals representing the business community. MEDC's board has delegated authority for policy actions to its 11 member Executive Committee that consists of the Mayor and ten representatives of the business community.

MEDC uses its resources, as well as other funding sources, to make below market financing available to businesses seeking to create and retain job opportunities and new investment in Milwaukee and the Milwaukee 7 region. The programs available through MEDC include:

- Direct Loans
- Subordinate Loans in conjunction with a conventional lender
- Capital Access Program
- Milwaukee 7 Capital Catalyst Loan 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 administers a number of housing and neighborhood redevelopment strategies to promote and preserve the City's existing housing stock. NIDC's housing programs and staff work with neighborhood partner agencies 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. Additionally, NIDC supports and administers other city and departmental housing initiatives.

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.

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 for property tax collection services to city residents and accounting of city funds.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	28.40	29.41	30.05	0.64
FTEs - Other	0.51	0.00	0.00	0.00
Total Positions Authorized	50	50	50	0
<u>Expenditures</u>				
Salaries and Wages	\$1,526,480	\$1,655,288	\$1,678,460	\$23,172
Fringe Benefits	706,557	761,432	772,092	10,660
Operating Expenditures	1,041,700	666,030	641,275	-24,755
Equipment	0	0	2,855	2,855
Special Funds	702,967	701,270	701,355	85
Total	\$3,977,704	\$3,784,020	\$3,796,037	\$12,017
<u>Revenues</u>				
Charges for Services	\$85,597	\$126,000	\$120,000	\$-6,000
Licenses and Permits	178,613	99,000	92,000	-7,000
Miscellaneous	1,757,742	615,000	783,000	168,000
Total	\$2,021,952	\$840,000	\$995,000	\$155,000

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 five 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 City 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 City Treasurer’s Office considers the safety, liquidity, and rate of return of various investment instruments. The City Treasurer’s Office also supports the city’s efforts to deliver services at a competitive cost by controlling tax collection costs.

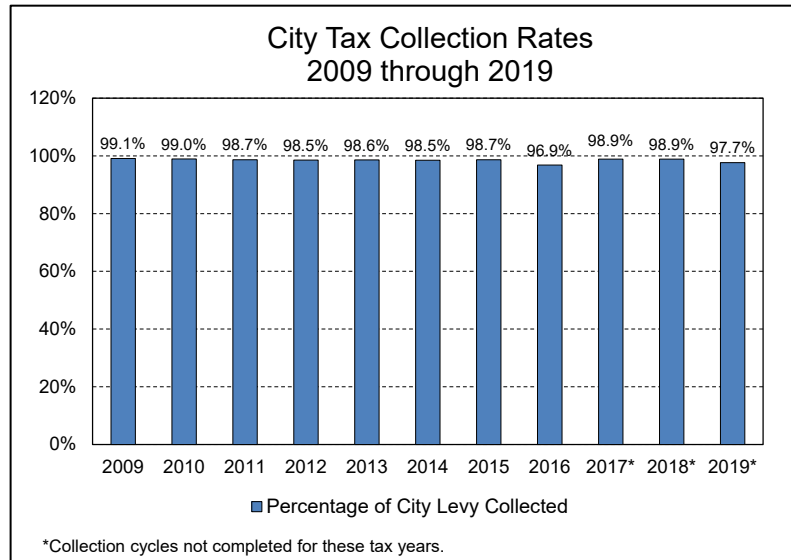
The department’s 2022 budget totals \$3.8 million, an increase of 0.3% or \$12,017 from the 2021 budget. Small increases in salaries and wages and fringe benefits were mostly offset by a \$24,755 reduction in operating expenditures.

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Cost of property tax collection as a percentage of property taxes collected.	0.5922%	0.6000%	0.6196%
General fund investment revenue realized on short term pooled cash investments.	\$604,185	\$156,048	\$130,000
General fund investment revenue realized on long term pooled cash investments.	\$998,444	\$458,371	\$653,333

STRATEGY IMPLEMENTATION

The City Treasurer collects property taxes, including delinquent taxes, for all five levies within the city. As seen in Figure 1, the City Treasurer has successfully collected almost 100% of the total city levy, realizing an average levy collection rate of 98%. The City 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 a ten month, interest free installment payment plan. In addition the city’s collection agent attempts to collect delinquent real estate property taxes for a period of 12 months prior to the city pursuing a foreclosure action. This lowers taxpayers’ required monthly payments, which helps prevent *in rem* tax foreclosure.

Figure 1



In 2020, the city filed against 732 properties through *in rem* foreclosure and acquired 354 of those properties. As shown in Figure 2, the trend in delinquent tax parcel acquisition rates has been decreasing since 2015.

RESIZE, RESTRUCTURE, AND REINVEST

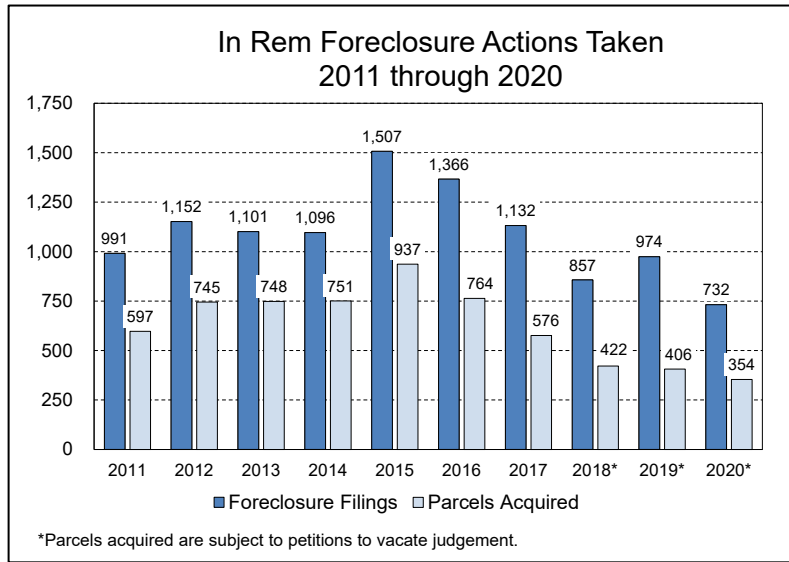
In Rem Tax Foreclosure Filings: The 2022 budget provides funding for three separate *in rem* tax foreclosure filings. Multiple filings help manage the large volume of properties eligible for tax foreclosure by reducing the number of delinquent tax parcels included in each foreclosure action.

The 2022 budget continues the accelerated *in rem* foreclosure program. Begun in 2015, the program acquires vacant and abandoned properties sooner to expedite sale to a new, private owner, while preventing the properties from

being vandalized or becoming a nuisance property. Accelerating the foreclosure process helps stabilize neighborhoods.

The economic impact of the COVID-19 pandemic may result in future increases to property tax delinquency and *in rem* tax foreclosures. The City Treasurer is collaborating with the Department of City Development and Take Root Milwaukee to outreach to property owners and help prevent property tax delinquency.

Figure 2



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
	0.64		Temp. Customer Services Rep. I	Increase in hours funded
0	0.64	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.
- Use the internet to streamline licensing operations and improve customer service.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	84.17	99.07	99.07	0.00
FTEs - Other	9.13	1.40	1.40	0.00
Total Positions Authorized	125	125	125.00	0
<u>Expenditures</u>				
Salaries and Wages	\$5,097,544	\$5,889,030	\$5,778,477	\$-110,553
Fringe Benefits	2,374,397	2,708,953	2,658,099	-50,854
Operating Expenditures	664,914	1,003,043	886,857	-116,186
Equipment	20,598	38,680	14,377	-24,303
Special Funds	69,445	182,035	138,415	-43,620
Total	\$8,226,898	\$9,821,741	\$9,476,225	\$-345,516
<u>Revenues</u>				
Charges for Services	\$4,246,317	\$4,337,000	\$3,911,000	\$-426,000
Licenses and Permits	1,039,584	4,344,000	4,207,000	-137,000
Total	\$5,285,901	\$8,681,000	\$8,118,000	\$-563,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

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 various license applications and collecting 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 Common Council and the operations of city government through five areas:

- Central Administration Division
- Public Information Division
- Legislative Reference Bureau
- License Division
- Municipal Research Center

Central Administration provides administrative support functions for the department, staffs council and committee meetings, and assists council members in their work with constituents.

Public Information Division: The Public Information Division uses professional design, marketing, digital, social media and public relations expertise to provide outreach communication and public information for the Common Council and the Office of the City Clerk, and also operates the City Channel (the city’s cable/online television channel). City Channel has provided more than 500 broadcast hours in 2021 to date, and continues to operate live, remote and hybrid coverage of public meetings, press conferences, special projects and city events. City Channel staff designed and implemented a new hybrid audio/video system for use with multiple virtual platforms, rather than purchasing an outside system at significantly greater cost.

Municipal Research Center (MRC): The MRC, including the City Records Center (CRC), the Historic Preservation Commission staff (HPC), and the Municipal Research Library (MRL), offers a combination of documents and information services to City departments and the public via in-person services and digital platforms. MRC staff returned to full-time, in-person service in 2021, but continue to supplement content delivery for users that prefer remote access.

In 2021, the MRL re-established efforts to repair and preserve unique and historic items in the City’s document collection. The MRL continues to expand the availability of archival content on its website through its digital collections, hosted in partnership with Recollection Wisconsin, and has increased its output on social media.

The CRC has continued rollout of a new physical records management system, as well as efforts to phase out paper forms and shift internal City functions to electronic workflows. This allows department records to be more easily entered into the records management system for tracking, access, and retrieval. The CRC converted its Building Plan Application process to fully-digital in 2021 with the help of the City’s DocuSign e-signature platform. The digital conversion allows the CRC to more easily collect data about requests and facilitates timely application completion.

Map 1



CRC staff continues to digitize City records to improve access and preservation, resulting in 700,000 new images available to date in 2021. City building permits issued from 1888-2000, currently maintained by the Development Center, but increasingly at-risk for inaccessibility, are a particular focus. Availability as digital content will improve department and public access to information about the development of Milwaukee's cityscape.

The HPC has implemented paper reduction strategies, including a rapid digital pivot for reviewing Certificates of Appropriateness and partnering with DCD to eliminate or substantially reduce paper documentation for federal and state compliance reviews. Interns have supplemented HPC staff capacity for scanning and uploading thousands of pages of historic and architectural research to HPC's website in 2021, covering all aldermanic districts.

RESIZE, RESTRUCTURE, AND REINVEST

The Common Council City Clerk's 2022 budget totals \$9.5 million. Changes from the 2021 budget include a reduction in salaries to reflect vacant positions that will be held in 2022, a \$116,000 decrease in operating funding, a \$24,000 decrease in equipment funding, and a \$44,000 decrease in special funds.

Legislative Reference Bureau (LRB): LRB staff drafted more than 185 pieces of legislation to date in 2021, including revisions to the zoning and employee wages and benefits codes, and ordinances establishing a clean energy financing program and creating the Office of Equity and Inclusion.

LRB analysts also successfully completed 109 research projects and requests to date in 2021 to provide Council members with the information needed to make decisions affecting the City and its residents. In 2021, the LRB is providing support for allocating Milwaukee's American Rescue Plan Act award, interpreting 2020 census data, and developing new ward and district maps in the decennial redistricting process.

In collaboration with Marquette University, the LRB will implement an on-going internship program for students interested in municipal government.

Licensing Division: The License Division registers lobbyists, administers 66 types of licenses, including liquor, bartender, home improvement, and other occupational licenses, and assists the Common Council in reviewing license applications. Staff process over 17,000 license applications and issue over 16,000 licenses annually. The licensing process gives residents a voice concerning establishments that may affect their quality of life, while staff educate licensees so that they may be good neighbors.

In 2015, the city's Local Business Action Team (LBAT) provided recommendations to facilitate a more business friendly licensing approach. 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 several tools:

- StartSmart Online Tool: Guides entrepreneurs to the proper city and state licenses and 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 that provide direct access to the knowledge and expertise of License Division staff. All are easily accessed on the Common Council City Clerk's YouTube channel.

License Division staff continually work to make resources more user-friendly, including simpler applications and modernized web pages. In 2021, a project that began in 2019 was implemented to provide online application functionality through integration into the Land Management System. Additional license applications will be made available on this platform in the upcoming year, reducing application processing and review times. Resources are made available in multiple languages, while a bilingual Customer Service Representative position increases bilingual services in the division. The License Division continues to evaluate opportunities to achieve greater efficiency, effectiveness, and sustained improvements that help businesses thrive in Milwaukee.

Workforce Development: The Council’s Workforce Development Office provides expertise to the Common Council on workforce development policies and systems, creates awareness of hiring and job training opportunities, and introduces innovative and collaborative strategies for the city’s emerging neighborhoods. In the last year, Workforce Development staff coordinated and led drive-through job fairs and other outreach efforts attended by more than 1,500 job seekers and 10 direct service agencies, and partnered with the Office of Small Business Development to promote business procurement enhancements recommended by the City Accelerator Program to improve economic opportunities for businesses of color.

The Workforce Development Office continues to expand the reach of DCMKE, a secure digital workforce pipeline with mobile and web platforms. DCMKE now includes profiles of 800 job seekers, 54 publicly-funded employment and direct service agencies, and 155 Career Specialists in an interactive environment that provides low-income job seekers with an opportunity to build social capital, find jobs and bridge the racial digital divide.

The Workforce Development Office enhances strategic and collaborative efforts with Employ Milwaukee (Milwaukee County’s workforce board), State of Wisconsin Department of Workforce Development, Milwaukee Job Centers of Wisconsin, Direct Service Providers, and recruiters from Milwaukee’s businesses.

American Rescue Plan: The City-Clerks Office has been allocated \$300,000 for Translation Services and \$16,000 for an 53206 Public Survey. Funds will be used for the translation of City government information for all residents, with a particular concern for disadvantaged and disconnected citizens. Funds for the Public Survey will be utilized to send out survey’s to households within the 53206 zip code.

Position Changes: Positions and FTE’s remain the same in the 2022 budget. Reclassifications and position changes are shown in the table below.

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	Management & Accounting Officer	Classification and Title Change
1	1.00	0.00	Business Operations Manager	
-1	-1.00	0.00	Management Trainee	Classification and Title Change
1	1.00	0.00	Workforce Grant Specialist	
-1	-1.00	0.00	City Channel Manager	Market Study Rate of Pay Change
1	1.00	0.00	City Channel Manager	
-1	-1.00	0.00	Television Production Specialist II	Classification and Title Change
1	1.00	0.00	Television Production Specialist	
0	0.0	0.00	Totals	

COMPTROLLER

EXECUTIVE SUMMARY

- MISSION:** Fulfill the responsibilities of the independently elected Comptroller of the City of Milwaukee.
- OBJECTIVES:** Provide essential financial services, continuously improve business processes, and guide decisions to support the city’s financial strengths.
- Maintain the city’s high quality credit and manage debt in a manner that supports an improved 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

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	44.00	47.10	44.00	-3.10
FTEs - Other	6.50	6.90	8.00	1.10
Total Positions Authorized	59	59	59	0
<u>Expenditures</u>				
Salaries and Wages	\$3,036,226	\$3,053,980	\$2,989,195	\$-64,785
Fringe Benefits	1,412,032	1,404,831	1,375,030	-29,801
Operating Expenditures	128,581	164,805	185,000	20,195
Equipment	4,513	5,000	10,000	5,000
Special Funds	0	0	0	0
Total	\$4,581,352	\$4,628,616	\$4,559,225	\$-69,391
<u>Revenues</u>				
Charges for Services	\$460,003	\$550,000	\$560,000	\$10,000
Total	\$460,003	\$550,000	\$560,000	\$10,000

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 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, City Information Management Committee, Purchasing Appeals Board, and the Deferred Compensation Board.

The Public Debt Commission is the superintendent for city debt issuance. Responsibility includes determining the timing, structure, call provisions, and similar aspects of both city general obligation and revenue anticipation borrowings. The commission 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	2020 Actual	2021 Projected	2022 Planned
Percentage of actual revenues to revenue estimate	98%	100%	100%
Internal audit work products	11	9	8
Unqualified audit opinion by the city’s independent auditor	Yes	Yes	Yes
Bond rating (S & P Global/Fitch)	A/AA-	A/AA-	A/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.

If 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 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 budget estimates, the larger the TSF balance that is available to withdraw.

Another core function of the Comptroller is conducting internal audits of City departments. Audit reports are published 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 protect against failures in important information by ensuring that accurate accounting records are kept.

The Comptroller also manages the city’s debt. The Comptroller’s goal is to retain the city’s attractive “investment grade” bond ratings and maintain low borrowing costs. Low borrowing costs produce direct benefits to the taxpayer. The city continues to maintain attractive investment grade ratings of AA- from Fitch and A from S&P Global.

These ratings have remained investment grade despite decreased state aids. As the ratings indicate, the city’s capacity to meet its financial commitments on outstanding obligations is good. The ratings reflect a combination of moderate overall debt burden, rapid debt repayment, and manageable capital needs. As the City moves into a difficult period adjusting to increased pension contributions, the City’s ratings are likely to reflect the choices made.

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&M FTEs	Position Title	Reason
	-1.00		Financial Systems Analyst	Hold position vacant for budget savings
	-1.00		Auditor	
-1	-1.00		Special Assistant to the Comptroller	Reclassification
1	1.00		Senior Financial Analyst	
-1	-1.00		Revenue & Financial Services Specialist	Reclassification
1	1.00		Revenue & Financial Services Manager	
-1	-1.00		Accounting Program Assistant III	Reclassification
1	1.00		Accountant II	
-3	-3.00		City Payroll Assistant - Sr	Reclassification
3	3.00		City Payroll Specialist	
-2	-2.00		Auditor Lead	Reclassification
2	2.00		Senior Auditor	
-1	-1.00		Network Analyst	Reclassification
1	1.00		Comptroller Network Analyst	
	-1.10	1.10	Miscellaneous	Adjustment to reflect actual funding source
0	-3.10	1.10	Totals	

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 four scheduled elections in 2022:

- Spring Primary
- Spring Election
- Partisan Primary
- General Election

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

Follow all state and county protocols for ensuring the security of voter registration and election results data.

Ensure compliance with Wisconsin state law, with attention to Wisconsin’s photo ID law.

Advocate for changes to election laws that encourage access to voting or eliminate 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

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Personnel				
FTEs - Operations & Maintenance	36.54	29.63	68.36	38.73
FTEs - Other	11.79	0.00	0.00	0.00
Total Positions Authorized	2,531	1,532	2,262	730
Expenditures				
Salaries and Wages	\$2,291,584	\$1,050,903	\$2,771,743	\$1,720,840
Fringe Benefits	781,145	159,091	242,304	83,213
Operating Expenditures	760,912	356,000	595,303	239,303
Equipment	0	0	0	0
Total	\$3,833,641	\$1,565,994	\$3,609,350	\$2,043,356

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

- Conduct fair, accessible, accurate, and transparent elections.
 - Support the pre-election voter registration of all eligible voters by disseminating voter registration information and promoting MyVote, the state’s online voter registration system.
 - Maintain an accurate database of registered voters by promptly removing ineligible voters and 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 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 300,000 registered voters and operates approximately 180 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	2020 Actual	2021 Projected	2022 Planned
Enter 100% of voter registrations in a prompt and timely manner.	100%	100%	100%
Number of disenfranchised and provisional ballot voters.	100	4	125
Mail all absentee ballots within 24 hours of request receipt.	80%	90%	95%
Maintain an average wait time at voting sites of less than 15 minutes.	75%**	100%	100%
Election results are published within 60 minutes of the closing of polls and reviewed with 100% accuracy prior to the state’s official canvass.	90%	100%	95%

** Due to covid-19, only 5 polling sites for voting created a longer than usual wait time.

STRATEGY IMPLEMENTATION

The Election Commission continues to eliminate language and accessibility barriers and improve voting access. The department recruits and retains a pool of poll workers to assist with elections. Milwaukee’s 180 polling locations require sufficient staffing on Election Day to check-in registered voters, conduct registration, monitor activity at the

voting machines, and fulfill other duties. Chief inspectors manage polling site activities and ensure compliance with election law. The City of Milwaukee is subject to the 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.

In 2022 the four scheduled elections are:

- Spring Primary - February 15
- Spring Election - April 5
- Partisan Primary - August 9
- General Election - November 8

Milwaukee uses neighborhood based voting to encourage accessible elections for city residents. The commission uses data gathered from voters and community members to make adjustments to the location and appropriateness of voting sites. In 2022, the Election Commission will begin offering in-person absentee voting at four consistent, geographically diverse locations regardless of election turnout. This offering will ensure accessibility and equity across the City of Milwaukee.

RESIZE, RESTRUCTURE, AND REINVEST

The Election Commission conducted department-wide strategic planning in 2021. This planning effort identified core areas of strength as well as opportunities for improvements involving polling places, voter education, and internal operations.

Since the onset of COVID-19, absentee voting by-mail has increased by over 800%. The Election Commission anticipates that many voters will prefer voting by-mail. Under current laws, these ballots cannot be processed until the polls open on Election Day. The volume of ballots for processing on Election Day has grown at a substantial and nearly unmanageable rate. The Election Commission continues to seek legislation that allows the City to begin processing ballots the day prior to each election. Passing this legislation would allow the City to provide timely election results for absentee ballots and reduce the challenges involved in counting absentee ballots.

The Election Commission received over \$3.4 million in grant funding in 2020 from the Center for Tech and Civic Life. These funds allowed the department to purchase high-speed absentee ballot processors, absentee drop boxes, expand in-person absentee voting locations, launch an education campaign, and increase the pay of election workers. The Election Commission was able to use this grant funding in 2021 to continue the pay increase for election workers. The high-speed tabulators remain an asset when counting absentee ballots, providing election results faster on election night. The Commission also applied for and received additional funding in 2021 from the National League of Cities, which allowed the department to purchase a print production system to handle the increased volume of mailings and educational materials, and to create more modern signage in the polling places.

In recent years, numerous changes were made to the Wisconsin State Statutes that govern election administration. These changes disproportionately impact communities of color, particularly low-income African American, Hispanic and Latino residents. Unfortunately, the state legislature introduced bills in 2021 that would put more burdensome restrictions on absentee voting. The Election Commission provided testimony against the bills and the Governor vetoed the bills.

The most significant changes relate to the elimination of “open registration”, Special Registration Deputies and a photo ID requirement. These changes place hardships on persons in poverty to meet requirements to register to vote and receive a ballot. The changes significantly impact voter registration efforts in large urban areas such as Milwaukee. Despite these changes, 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.

The 2022 Budget includes \$500,000 of American Rescue Plan Act grant funding to provide premium pay for poll workers and to implement safety measures for voters and poll workers at voting sites.

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
26	12.95		Temporary Office Assistant II	Increased number of elections
4	4.40		Temporary Election Laborer	
700	21.38		Election Inspector	
730	38.73	0.00	Totals	

DEPARTMENT OF EMERGENCY COMMUNICATIONS

EXECUTIVE SUMMARY

- MISSION:** Provide professional, time efficient and operationally effective 9-1-1/Emergency Communications services to the citizens of Milwaukee and the Police and Fire Departments.
- OBJECTIVES:** Implement the transition process from two separate MPD and MFD Emergency Communications Centers to a single unified Department of Emergency Communications (DEC).
- Improve 9-1-1/Emergency Communications workflows and business processes to achieve maximum operational effectiveness and time efficiency.
- Improve the quality of Call Taking services to citizens who call 9-1-1 to report emergency situations.
- Assure equity in emergency communications responses.
- Incorporate nationally accepted public safety standards, best practices and guidelines to Department of Emergency Communications policies and procedures.
- Establish and measure 9-1-1/Emergency Communication Center operations based on public safety industry performance metrics.
- Implement a new Computer Aided Dispatch/Mobile system that will improve 9-1-1/Emergency Communications Center, MPD and MFD operations.
- Implement a Universal Call Taker initiative to eliminate 9-1-1 callers from being transferred from MPD to MFD.
- STRATEGIES:** Leverage the DEC Executive Steering Committee to obtain leadership direction regarding DEC administration, operations and technology systems.
- Employ subject matter expert committees comprised of MPD, MFD and ITMD personnel to ensure stakeholder involvement.
- Develop Information Technology Services consolidation models if subject matter expert committees determine consolidation to be a viable option.
- Implement a phased approach to complete the transition to a new Department of Emergency Communications.
- Develop a Technology Master Plan for all enterprise-wide public safety systems: 9-1-1, CAD/Mobile, radio, GIS/mapping Logging & Recording, and others.
- Measure DEC performance and publish timely, accurate, and actionable reports.
-

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	0.00	0.00	11.75	11.75
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	0	0	21	21
<u>Expenditures</u>				
Salaries and Wages	\$0	\$0	\$851,133	\$851,133
Fringe Benefits	0	0	391,521	391,521
Operating Expenditures	0	0	7,972,480	7,972,480
Equipment	0	0	0	0
Special Funds	0	0	0	0
Total	\$0	\$0	\$9,215,134	\$9,215,134

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

- Improve the safety of citizens and public safety personnel
- Improve MPD/MFD response times to life critical incidents
- Streamline MPD/MFD workflows and business processes
- Provide a common operating picture for MPD/MFD to ensure real-time situational awareness and information sharing
- Improve the quality of City of Milwaukee 9-1-1/Communications, Law Enforcement, Fire/Rescue, Emergency Medical & Emergency Management work products
- Enhance the effective allocation and deployment of MPD and MFD personnel
- Enhance the ability to complete statistical analysis to:
 - Improve crime fighting initiatives
 - Identify trends and patterns, hot spots and frequent flyers
 - Improve the ability to make data driven decisions
 - Measure the effectiveness of strategies and tactics in a timely manner

Since January 2019, the Fire & Police Commission, Police Department, Fire Department, Department of Administration and Department of Employee Relations implemented the Public Safety Enhancement Program (PSEP) to significantly improve the quality and performance of 9-1-1/Emergency Communications Center (ECC), MPD and MFD operations. The initiative is an enterprise-wide program focused on eliminating unnecessary duplication of systems, workflows and business processes and costs. The most important aspect of the initiative is combining the MPD and MFD Emergency Communications Center into a single Department of Emergency Communications. PSEP is an operations driven initiative that will leverage new workflows, business processes and technology systems to enhance public safety services to City of Milwaukee citizens and visitors in a cost efficient manner through economies of scale.

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Complete implementation of unified computer aided dispatch system	NA	NA	3/31/2022

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
New hires trained and certified as universal call takers	NA	NA	100%
Existing staff trained and certified as universal call takers	NA	NA	50%
Transition current Police and Fire call taker staff to new department	NA	NA	100%
Adopt National Emergency Number Association call answer standards	NA	NA	NA*

*Call answer standards will be adopted during 2022 and listed as key performance measures in 2023.

STRATEGY IMPLEMENTATION

The 2022 budget includes a new Department of Emergency Communications (DEC). The Public Safety Enhancement Program developed a formal plan to complete implementation of the Department of Emergency Communications.

Executive Steering Committee: An Executive Steering Committee (ESC) comprised of executive leadership from the Police Department, Fire Department, Fire & Police Commission, Department of Administration, and the Department of Employee Relations provides program direction. The ESC is responsible for all relevant PSEP decisions. The Executive Steering Committee developed and implemented a charter regarding:

- Strategic objectives
- Roles and responsibilities
- Decision making authority and conflict resolution
- Program management

Management Oversight Committee: The Management Oversight Committee (MOC) includes senior leadership from MPD and MFD. The MOC is responsible for DEC operational decisions.

Technical Committee: The Technical Committee is comprised of information technology subject matter experts from ITMD, MPD and MFD. The Technical Committee operates as a single entity and is developing a formal Memorandum of Understanding (MOU) that will clearly identify roles and responsibilities for all relevant technology systems.

MPD/MFD Operations Committee: The MPD/MFD Operations Committee is comprised of personnel from the MPD and MFD Communications Centers and field operations. This committee ensures MPD and MFD collaborate to achieve maximum operational effectiveness and time efficiency.

RESIZE, RESTRUCTURE, AND REINVEST

Technology Systems: A plan was developed to implement new technology systems to meet DEC objectives. The systems include:

- Solacom 9-1-1 system: Implemented March 31, 2021
- Enhance City GIS/Mapping data to public safety grade
- Hexagon CAD/Mobile/Business Intelligence system

DEC Positions: Four key positions were created during 2021 to provide the appropriate level of support for the new systems. The positions are:

- Project Manager
- CAD System Administrators (two positions, one primary and one secondary)
- GIS/Mapping System Administrator

MPD and MFD Emergency Communications Center Analysis: A project was initiated in 2020 to evaluate current operations and identify potential improvements. New workflows and business processes were implemented during 2021 to streamline MPD/MFD Communications Center operations. Additional improvements are dependent on the implementation of the new CAD/Mobile/BI system scheduled for the first quarter of 2022.

Transition to the Department of Emergency Communications (DEC): A project plan was developed to transition from current operations to combined operations. The goal is for a stand-alone and fully operational DEC by the first quarter of 2023. Of primary importance is maintaining the ability to provide the public quality 9-1-1/Emergency Communications Center services during the transition process. The transition process is divided into phases to ensure no conflicts with current operational capacity. Each phase includes multiple projects operating at the same time.

Department Staffing: The 2022 budget includes funding and position authority for a total of twenty one positions in the Department of Emergency Communications. This includes an Emergency Communications Director and an Emergency Communications Deputy Director. The budget also includes staff for training, quality assurance, and administrative functions such as accounting and budget.

Additional positions will be created during 2022. This includes a new management team of shift managers and supervisors for 911 call takers. It is anticipated that current Police and Fire civilian staff will be transferred into the new department after key transition milestones are complete. The 2022 budget includes funding for all existing 911 center call staff.

Contract for Interim Director: During 2021 the city is issuing a request for proposal to contract for an interim Emergency Communications Director. The interim position is critical in setting up new workflows and establishing the new department. The 2022 budget includes funding to keep this contracted position in place while the City recruits a permanent Emergency Communications Director.

2022 Transition Milestones

First Quarter 2022

- Implement the new Hexagon OnCall CAD/Mobile/Business Intelligence System
- Transition from MPD and MFD Communications Center Staff to DEC staff
 - Comm. Center Management to DEC Interim Director
 - Shift Manager
 - Shift Supervisors
 - Shift Leads
 - Admin staff – HR/Payroll
- Develop a formal plan to Implement the Universal Call Taker (UCT) initiative
 - Train current staff to be UCT certified
 - Train new hires to be UCT certified
- Hire and start training thirty new ECOs

Second Quarter 2022

- Continue implementation process of the OnCall CAD/Mobile system
- Measure improvements and make necessary adjustments to DEC, MPD and MFD operations

- Publish DEC, MPD and MFD workload and performance metric reports from the new Business Intelligence system
- Advertise and hire DEC staff positions
- Start Phase 2 of the OnCall CAD/Mobile Project

Third Quarter 2022

- Continue DEC staff position hiring process
- Initiate new DEC training for key positions
- Implement new OnCall CAD/Mobile functionality, workflows and business processes
- Continue with Phase 2 of the OnCall CAD/Mobile Project
- Continue UCT training
- Measure improvements and make necessary adjustments to DEC, MPD and MFD operations
- Publish DEC, MPD and MFD workload and performance metric reports from the new Business Intelligence system

Fourth Quarter 2022

- Complete the transition process from MPD and MFD Communications Center to 100% DEC management
- Continue DEC staff position hiring process
- DEC training for key positions
- Complete transition process for HR/Payroll staff to 100% DEC management
- Complete Phase 2 of the OnCall CAD/Mobile Project
- Continue UCT training
- Measure improvements and make necessary adjustments to DEC, MPD and MFD operations
- Publish DEC, MPD and MFD workload and performance metric reports from the new Business Intelligence 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	0.75		Emergency Communications Director	Position transferred from Fire and Police Commission	
1	0.50		Emergency Communication Deputy Director		
1	1.00		Emergency Communications Project Manager		
1	0.50		Administrative Assistant IV	New position in 2022	
1	0.50		Emergency Comm. Budget and Accounting Manager		
1	0.50		Emergency Communications Human Resources Mgr.		
1	0.50		Emergency Comm. Business Intelligence Analyst		
1	0.50		Emergency Communications Quality Assurance Supv.		
1	0.50		Budget and Accounting Assistant		
1	0.50		Human Resources Assistant		
3	1.50		Emergency Comm. Quality Assurance Specialist		
2	1.00		Emergency Communications Liaison		
1	0.50		Emergency Communications Training Supervisor		
3	1.50		Emergency Communications Training Specialist		
1	1.00		Administrative Support Specialist		
1	0.50		Administrative Assistant II		
21	11.75	0.00	Total		

DEPARTMENT OF EMPLOYEE RELATIONS

EXECUTIVE SUMMARY

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

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.

Provide guidance and direction to departments in creating workforce and succession plans designed to address and respond to current and future staffing needs.

Design and implement pay administration practices that attract and retain employees while ensuring internal equity and external competitiveness.

Establish a framework and accountability structure for employment practices that advance racial equity goals.

Control the growth rate in health care costs and encourage employee accountability and responsibility for care while providing incentives and options that support employee's wellbeing.

Design and administer benefits, programs and services that foster safe, productive and healthy workplaces and effectively address the needs of a multigenerational workforce.

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 harmonious and cooperative working relationships between departments, their employees, and employee representatives.

Establish and implement strategies to support the City's racial equity priorities.

Monitor the effectiveness of the City's comprehensive health and wellness program and explore 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 departmental policies, practices, and decisions support the goal of minimizing workplace injuries, increasing management's accountability for employee safety, and controlling costs.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	42.34	41.69	42.91	1.22
FTEs - Other	9.63	16.67	17.67	1.00
Total Positions Authorized	81	81	83	2
<u>Expenditures</u>				
Salaries and Wages	\$2,513,249	\$2,712,942	\$2,790,070	\$77,128
Fringe Benefits	1,005,300	1,247,953	1,283,433	35,480
Operating Expenditures	298,793	377,375	376,895	-480
Equipment	1,982	2,000	2,000	0
Special Funds	62,579	135,000	135,000	0
Total	\$3,881,903	\$4,475,270	\$4,587,398	\$112,128
<u>Revenues</u>				
Charges for Services	\$224,049	\$230,000	\$240,000	\$10,000
Miscellaneous	8,371	10,000	10,000	0
Total	\$232,420	\$240,000	\$250,000	\$10,000

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 while controlling costs.

The Department of Employee Relations (DER) provides human resources support services to city agencies to attract, retain, and motivate a competent and diverse workforce. DER also ensures compliance 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	2020 Actual	2021 Projected	2022 Planned
Turnaround time between notification of position vacancy and establishment of eligible list.	89 days	94 days	90 days
Percentage of candidates referred who are people of color.	50%	50%	55%
Percentage of candidates referred who are women.	58%	55%	55%

STRATEGY IMPLEMENTATION

Recruitment, Staffing, and Selection: DER recruits and tests candidates for employment based on the rules of the City Service Commission (CSC) and the Fire and Police Commission (FPC). Though selection processes were impacted by the pandemic in 2020, DER processed 6,636 applications and the Staffing Division managed 95 open and competitive, 29 continuous, 34 transfer/promotional and 20 exempt advisory processes, in addition to other staffing requests. Because of the delays and uncertainty caused by COVID-19 in 2020, the number of selection processes has increased dramatically in 2021. By early August 2021, the Staffing Division had completed 112 open and competitive, 21 continuous, 24 transfer/promotional, and eight exempt selection processes.

While the 2020 COVID-19 pandemic posed challenges to in-person recruitment, the DER Staffing Division commenced and continued critical partnerships to ensure effective community outreach and recruitment of diverse individuals. In addition to partnerships with the Milwaukee Area Technical College, the Milwaukee Urban League, Direct Connect Mke (DCMKE), Prospanica Milwaukee and Compete Milwaukee, in 2021 the Staffing Division added a partnership with the Hispanic Professionals of Greater Milwaukee (HPGM), a nonprofit organization dedicated to increasing educational, career and leadership opportunities for Hispanics in Wisconsin.

The City offers a variety of opportunities for entry level positions and advancement, and recruitment efforts focus on reaching individuals who may be disenfranchised from the workplace. The Staffing Division partners with numerous organizations to facilitate this effort, including:

- **Partners in Hope**, a program run by The Community Warehouse that helps formerly incarcerated individuals develop job skills and connections;
- **The Department of Workforce Development**, Division of Vocational Rehabilitation (DVR), which secures employment opportunities for youth and adults with disabilities;
- **Forward Careers at the Workforce Development Center**, which arranges recruitment events, training and incentive programs and rapid response services to businesses and employees impacted by closures, downsizing or mass layoffs;
- **Maximus**, a multifaceted organization with five locations in the Milwaukee area that provides programming for Foodshare Employment and Training participants, Adult Dislocated Workers and, recently, refugees who are living in and around Milwaukee. Services include job search assistance, educational/vocational training, gas cards or vouchers to reimburse travel, bus or taxi tickets, work-related clothing and supplies and childcare service; and
- **Equus Workforce Solutions (Equus Works)**, an organization that is a part of the Wisconsin’s FoodShare Employment and Training (FSET) program, provides members with the opportunity to gain the skills, training and experience needed to improve their employment prospects.

The Staffing Division continues to collaborate with the City's Employee Resource Groups (ERGs). ERG members assist with recruiting events and serve as ambassadors for City employment. In order to provide information relative to the hiring process and other human resources functions in 2021, DER staff participated in a Human Resources Panel hosted by the Career Development Employee Resource Group (CDERG) and Avanzando.

The Staffing Division continues to highlight City employees and careers through three social media series: "Superhero Saturdays," "Feature Friday" and "Career Corner." Additionally, the Staffing Division posts all job opportunities on social media outlets, which include Twitter, Facebook, DCMKE, LinkedIn and Instagram.

Staffing Efficiencies: Beginning in 2021, the Staffing and Compensation Divisions initiated weekly, biweekly, or monthly meetings with customer departments to set priorities, track vacancies and identify chronic recruitment and compensation challenges. These meetings led to greater collaboration in recruitment activities and a reduction in selection process timeframes, as staff members are apprised of many vacancies prior to the incumbent leaving City employment.

In an effort to make New Employee Orientation (NEO) more accessible and user-friendly, the Staffing Division is in the process of converting the entire program to a virtual version that will be linked with our current application and hire tracking system, JOBAPS. The NEO module is expected to be in use for new hires by the end of 2021.

DER works with City departments to address high rates of separations in the form of resignations and service retirements. In 2020, 155 general employees resigned, a decrease of 22.5% from 2019. Given the large number of employees who are eligible for retirement, reducing resignations is important to stabilize turnover rates. By 2024 an estimated 960 individuals or 25% of the general city workforce will be eligible to retire. Accordingly, DER continues to work with customer departments to anticipate vacancies and to address critical skill gaps created by retirements and resignations.

Compensation and Salary Administration Practices: Since implementing residency incentive pay in 2019, the only salary adjustments approved by the Common Council relate to reclassifications and labor market adjustments considered necessary to attract and retain talent. No pay progression has occurred other than increases negotiated with certified labor groups.

Additional pay progression must be fiscally sustainable and reconciled with the fiscal challenges the City faces. DER will work with the Budget Office to assess the viability of some form of pay progression in 2022. DER is committed to the principles of recognizing and rewarding employee contributions measured by the acquisition and application of knowledge, skills, and abilities as well as meeting or exceeding performance management standards. DER is also committed to assessing the extent to which compensation practices contribute to turnover rates by assessing labor market factors for positions that are difficult to recruit for and those with high rates of separations.

To this end, in 2021 the Compensation division produced job study recommendations for 216 titles and implemented recommendations for 1,398 affected positions within 19 city departments. Currently there are 60 job study requests from city departments that include new position classifications, reclassifications due to changes in responsibilities and requirements, reorganizations of work units, and cost of labor studies in response to difficulty recruiting and/or retaining employees.

In September 2021, the Compensation division successfully implemented a \$15 per hour living wage for all City employees making less than \$15 per hour. The wage increase impacts at least 400 employees, of which about 50% are minorities.

Pandemic Response - Policies, Procedures, and Administrative Considerations: DER invested significant time and resources to respond to COVID-19. Keeping employee safety a priority, DER developed, implemented and continues to manage the following:

- COVID-19 Employment Policy and Guidelines
- Protocols for Responding to Confirmed Cases or Symptomatic Individuals
- Development and distribution of the City’s Face Covering Policy
- Development and implementation of Protocol for Resuming In Person Operations
- Redesigned, transitioned and expanded all comprehensive health and wellness programs and services to virtual platforms including onsite clinic services
- Implemented multiple changes to benefit plans based on federal guideline modifications.
- Development and implementation of [Policy and Protocol for Returning Employees to the Workplace](#)
- Development and implementation of Policy for [Resuming In Person Operations FAQ](#)
- Revamp and implementation of [Alternative Work Arrangements Program and Policy](#)
- Development and implementation of [COVID-19 Employee Vaccination Policy](#)

Employee Relations and Employee Resource Groups: Consistent with the City’s commitment to strong labor management practices and equitable treatment of employees, a new Dispute Resolution Procedure (DRP) was implemented in the fall of 2020. This DRP allows an employee or employee representative to express a concern regarding a term or condition of employment. The procedure attempts to resolve disputes about City or departmental policies and procedures before a conflict arises or discipline is considered.

DER works with the Employee Resource Groups, including working with the ERG leadership team, to develop a Strategic Plan for 2020-2023. The mission statement is: Create and cultivate a mechanism to build community, foster awareness, respect, and inclusion in the workplace that influences employee development and engagement, recruitment, and retention. The goals that support this mission include:

- **BUILD COMMUNITY:** Foster a safe space for members to share experiences, build relationships, and learn from others.
- **BE A RESOURCE:** Support the employee experience throughout recruitment, retention, and development within the workplace.
- **HAVE AN IMPACT:** Establish ERGs as agents of positive change to influence and enhance quality outcomes in the City of Milwaukee.

Advancing and Achieving Racial Equity: Advancing racial equity within the City’s workforce is paramount to the City’s equity, inclusion, and social justice goals. Racial equity includes ensuring equal access to job opportunities and fair and consistent application of terms and conditions of employment, as well as promotion of an environment where every employee can work to his or her potential and interests, free of harassment or discrimination. Civil service practices and processes that support workforce equity include: the use of job analysis, valid and defensible assessments, testing processes that are consistently fair, broad recruitment strategies, structured interviews, blind oral boards and structured interview processes, diverse interview panels, certification and referral rules, ban the box and practices on conviction record reviews, the review of applicant flow data and adverse impact analysis. Additionally, City departments are now required to incorporate questions regarding equity as part of the interview process. These practices and processes contributed to a 20% increase in the representation of people of color in the City’s workforce from 40% in 2015 to 48% in 2021.

Employee Wellbeing, Benefits, Worker’s Compensation and Safety: A comprehensive benefits program is essential to attract and retain a talented workforce and demonstrates the City’s commitment to support a diverse workforce through a wide array of services. Benefit alignment with a diverse and inclusive culture exemplifies the City’s commitment to provide the best environment for employees to professionally grow, thrive and develop. A multi-faceted benefits program that incorporates employee feedback and includes best practices ensures that employees will be cared for and supported.

The City of Milwaukee currently provides a comprehensive and competitive benefits package to employees with a wide variety of choices. The City continues to expand programs and services. In 2021 DER launched a new voluntary

benefits initiative to expand and build upon core benefit offerings for employees. Within the past year, DER Benefits significantly expanded onsite clinic services to include wellness and prevention care options, chronic care management and dependent care options. DER Benefits also launched a free second opinion service, 2nd MD, for members enrolled in the City's health insurance. In addition, DER benefits is implementing a free service to assist employees with finding and managing a variety of care options. DER Benefits works with many partners to create a workplace culture that enhances employee's lives and offers tools for employees to improve their health and wellbeing. For information on health and safety, refer to the *Employee Health Care Benefits* and *Worker's Compensation* sections of the *2022 Plan and Budget Summary*.

RESIZE, RESTRUCTURE, AND REINVEST

DER works to improve practices and processes with more effective and efficient systems to meet departmental needs and ensure the timely and quality delivery of services. Specific goals and initiatives for 2022 include:

- Continue the workforce planning initiative and the analysis of exit interview and stay interview data to understand turnover rates and align strategic and operational needs with viable and efficient staffing and retention options.
- Identify and implement strategies and programs to better align workforce needs and interests based on findings of the workforce evaluation report conducted by the benefits consultant.
- Continue to review framework around advancing racial equity in hiring and promotion practices, on-boarding, and training and development.
- Enhance the social media strategy by creating stronger collaboration opportunities with departments.
- Implement the findings and recommendations of the Region of Choice for Talent in the Public Sector Initiative. This initiative conducted a study to better understand the issues and challenges that minority employees face when working in the public sector. This effort is aligned with the Metropolitan Milwaukee Association of Commerce's "Making Milwaukee a Region of Choice" initiative, committed to increasing the number of African American and Hispanic/Latino managers and employees in Metro Milwaukee.
- Assist in developing racial equity competencies and guiding principles for job descriptions, job announcement sheets, probationary reports, and performance management tools.
- Continue to support and maintain the Employee Resource Group program and identify opportunities for ERG leaders and members to have a voice on issues of priority for the City.
- Implement additional voluntary benefit offerings that support the unique needs of a diverse workforce through greater flexibility in benefit choices.
- Continue targeted expansion of wellness programs and services based on ongoing needs and feedback from employees and spouses.
- Continue expansion of City clinic services to further support employees and their families.

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	Marketing and Communication Officer	New Position
-1	-1.00	0	Benefits and Wellness Coordinator	Classification and Title Change
1	1.00	0	Benefits and Wellness Supervisor	
1	0.00	1	Research and Policy Analyst	New Position
-1	-1.00	0	Benefits Services Analyst	Classification and Title Change
1	1.00	0	Benefits Systems Analyst	
-2	-2.00	0	Benefits Services Specialist II	Classification and Title Change
2	2.00	0	Benefits Services Specialist	
1	1	0	Paralegal	Classification and Title Change
-1	-1	0	Program Assistant I	
-1	-1	0	Workforce Planning and Cert. Coordinator	Classification and Title Change
1	1	0	Workforce Planning and Cert. Supervisor	
-1	-1	0	Program Assistant I	Classification and Title Change
1	1	0	Program Assistant II	
-1	-1	0	Salary Administration Coordinator	Classification and Title Change
1	1	0	Pay Services Supervisor	
0	0.22	0	Technical Correction	Technical Correction
2	1.22	1.00	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 citizen complaint process and 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.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	20.74	27.00	24.10	-2.90
FTEs - Other	1.47	0.00	0.00	0.00
Total Positions Authorized	37	37	33	-4
<u>Expenditures</u>				
Salaries and Wages	\$932,829	\$1,452,069	\$1,494,954	\$42,885
Fringe Benefits	454,084	667,953	687,679	19,726
Operating Expenditures	1,051,047	2,751,172	575,040	-2,176,132
Equipment	4,365	2,200	2,200	0
Special Funds	112,689	200,000	545,365	345,365
Total	\$2,555,014	\$5,073,394	\$3,305,238	\$-1,768,156

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 support this goal. The Fire and Police Commission provides oversight of these departments and supports their operations. This ensures that these departments are effective in protecting the lives and property of Milwaukee’s residents and businesses.

The Fire and Police Commission is comprised of a board of seven part-time citizen Commissioners and a full time professional staff led by an Executive Director. The Commissioners and the Executive Director are appointed by the Mayor and approved by the Common Council. The Commission’s authority and responsibility, including policy oversight, citizen complaints, disciplinary appeals, and recruitment and testing, are specified in Section 62.50 of the Wisconsin Statutes and the Milwaukee City Charter. Commissioners participate in extensive training, as required by city ordinances.

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 discipline actions, investigating citizen complaints filed against department members, and conducting citizen complaint hearings.

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Average time (days) to resolve formal complaints.	73	60	75
Average time (days) to resolve disciplinary appeals.	142	150	150
Number of community outreach events (COE) and community office hours (COH).	6 (COH)/7 (COE)	6 (COE)*	12 (COH)/6 (COE)

*Community office hours are currently suspended due to the COVID-19 pandemic.

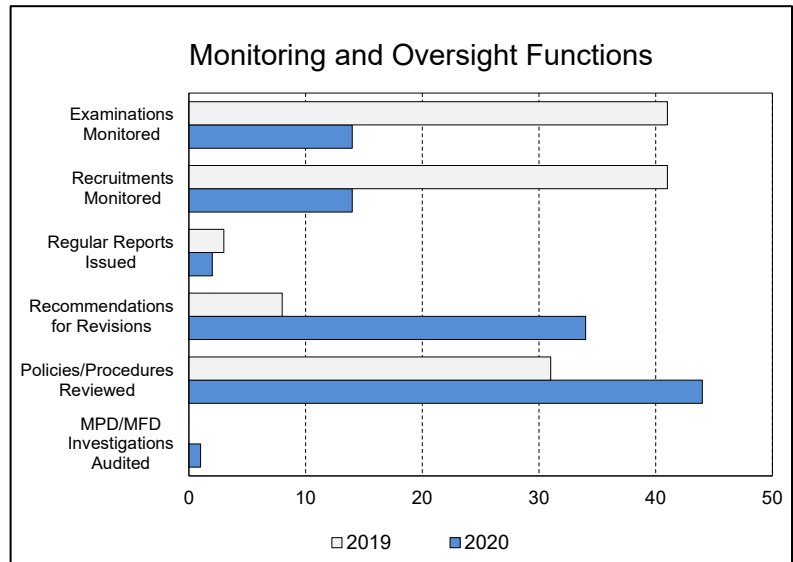
STRATEGY IMPLEMENTATION

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 annual reports on vehicle pursuits and use of force incidents involving firearm discharges. 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 issues papers as necessary for public information.

Citizen Complaints: The Commission provides a citizen complaint process and has authority to independently investigate and recommend that chiefs consider discipline for misconduct by 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. Complaint forms are available in English, Spanish, and Hmong, and a fillable form is now available on the FPC website. Increased accessibility improves community confidence in the complaint process. The Commission can refer complaints to the citizen board, Fire Department, or Police Department for disciplinary action when rule violations are identified.

Figure 1



The citizen complaint process has five goals:

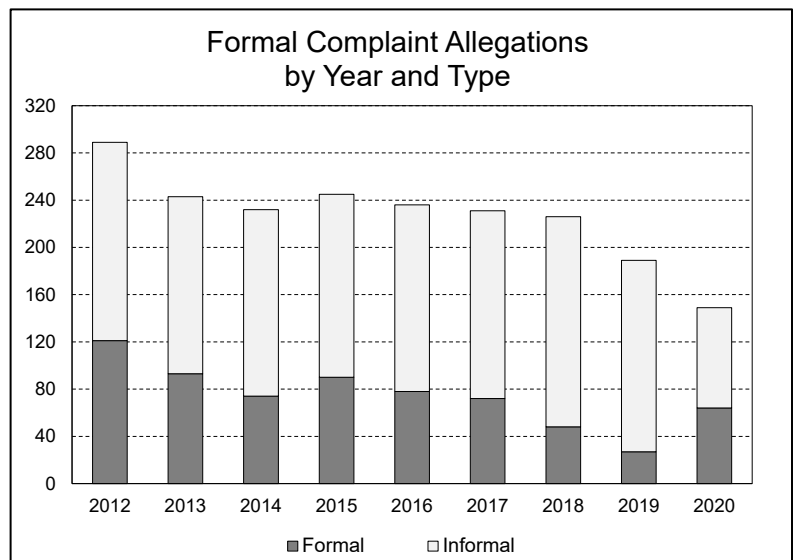
- Increase transparency and community confidence in the complaint process.
- Provide an independent system to receive, investigate, and discipline members for misconduct.
- Provide answers and resolutions to complainants about public safety concerns.
- Analyze complaints to identify both individual and systemic trends and patterns within the Fire and Police departments.
- Monitor and review 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 73 days in 2020. The complaint process includes an initial review and conversation with the complainant and an evaluation to determine a course of action.

Cases may be resolved through alternatives to the traditional complaint process when appropriate. Alternatives include rapid resolution and mediation. Both processes provide citizens the opportunity to address and resolve questions and concerns directly with the employee and contribute to better community relations. Rapid resolution involves investigation of questionable conduct that does not appear to be a rule violation that would 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

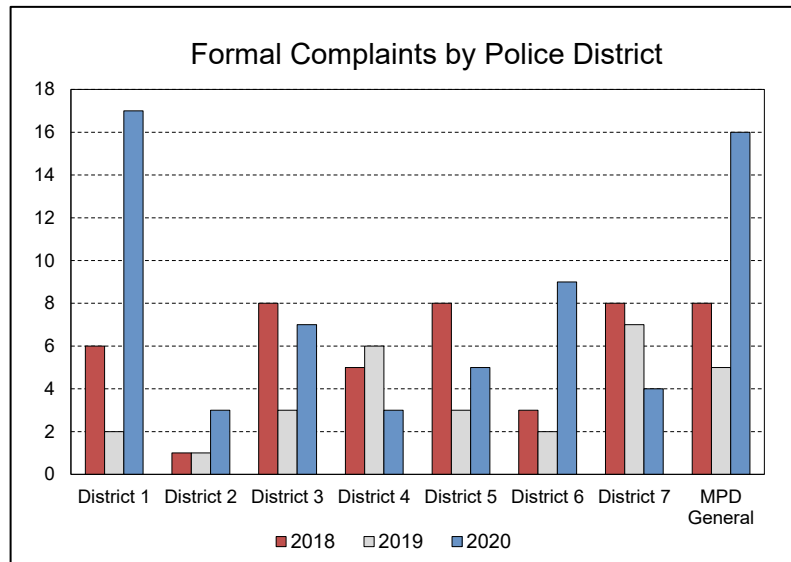
Figure 2



department rule, the complaint may be referred for 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 a final decision.

The Commission 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 (see Figure 2 and Figure 3). Trends are examined from investigations that result in discipline and those that are dismissed. The monitoring function uses data collected from the intake investigation screening process to evaluate the quality of investigations and recommend improvements to existing procedures. The Commission uses monitoring and disciplinary action as tools to provide a transparent and effective citizen complaint investigation process.

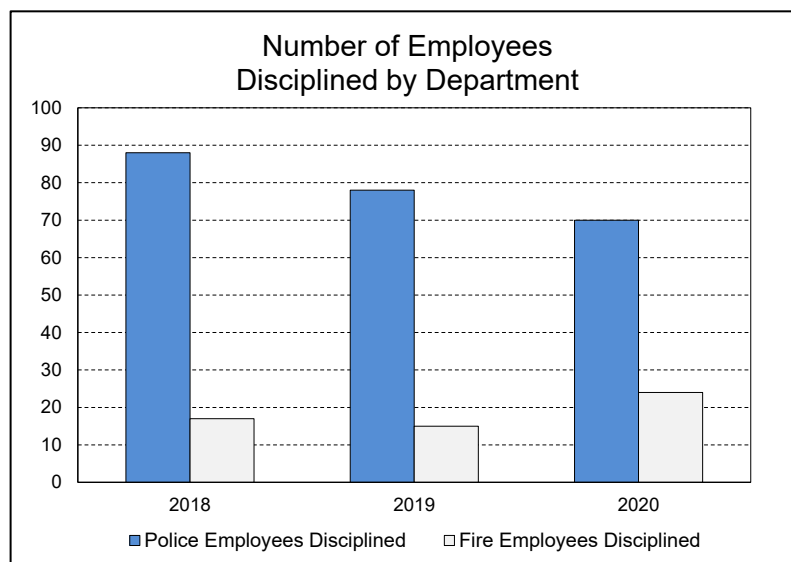
Figure 3



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 chief’s 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 backlog and strives to resolve current appeals within 60 to 120 days.

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, with the goal of educating and engaging the public on the FPC’s work. In addition, commission staff attend 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.

Figure 4



The Commission hosts community meetings, rapid response meetings for current events, youth recruiting events, and listening sessions. In 2020, the FPC held roundtable discussions on recruiting to inform the community on current strategies and to include community input into the Commission’s recruiting plan. The FPC also organized listening sessions in response to the ongoing protests and demands for systematic change of law enforcement. In addition, the FPC committed to continued collaboration with key stakeholders, including the Community Collaborative Commission, Office of Violence Prevention, Milwaukee LGBT Community Center, and the Milwaukee Police Department, to adopt a comprehensive Community Oriented Policing plan. 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.

Office of Emergency Management (OEM): OEM focuses on the City’s emergency communications infrastructure and policies that impact both the Police and Fire departments. This aligns the city with other statewide organizational structures and provides a mechanism to coordinate first responders during an incident. OEM coordinates emergency planning, disaster preparedness, and response training for the City. This 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

Office of Emergency Communication (OEC): In 2021 a new Office of Emergency Communication was created to enhance public safety. The new office began the process to consolidate the Police and Fire Dispatch centers into one unified Public Safety Answering Point (PSAP). The consolidated PSAP will provide the following benefits:

- Improve the safety of citizens and public safety personnel
- Improve Police and Fire response times to life critical incidents
- Enhance the effective allocation and deployment of Police and Fire personnel
- Streamline Police and Fire workflows and business processes
- Provide a common operating picture for Police and Fire to ensure real-time situational awareness and information sharing

During 2021, this office is working on implementing a new Computer Aided Dispatch solution. In 2022, the Office of Emergency Communications will become its own City Department and renamed the Department of Emergency Communications. For additional information please see the section on the *Department of Emergency Communications*.

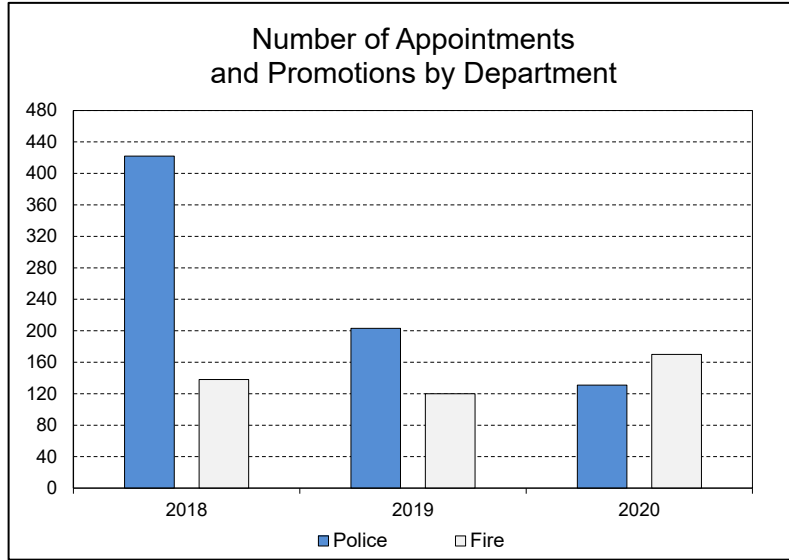
Recruitment, Testing, and Hiring: The Commission is required by State statute to recruit and secure the most qualified personnel for each department. The Commission approves all appointments made on the police force and in the Fire Department. The 2020 budget added funds for an additional Recruiter and a Testing Administration Coordinator to assist in this effort. The Recruiter position was re-classified to a Community Outreach Coordinator position given that the FPC needed a more visible role in the community.

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. Firefighters 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.

Annually, the department completes new exams for positions as needed. Funding covers costs for professional exam development and scoring, testing materials, and temporary staff to assist in exam administration. The 2022 budget includes \$475,000 in a special fund for costs related to pre-employment drug testing, medical screening, and psychological evaluations.

Auditing Unit: In 2020, various positions were reclassified after the FPC did a staffing analysis by an independent consultant. It was recommended that the FPC create a specialized Audit unit to assist in monitoring and compliance for the *Collins* Settlement Agreement and to provide on-going auditing of both the MPD and the MFD. The Audit unit became fully functional in 2021. Audit staff work with the Crime and Justice Institute (CJI) on the *Collins* Settlement Agreement and conduct research on standard operating procedures, case law, and other items. Staff are also responsible for periodic postings of citizen complaint data, stop data, and consultant created reports.

Figure 5



Collaborative Reform: The FPC assists in implementing recommendations in the US Department of Justice draft collaborative review report. The FPC facilitates collaborative efforts with community organizations, residents, and other key stakeholders to determine which recommendations are most beneficial and how they should be implemented. In pursuit of these efforts, the FPC has overseen reforms to MPD’s Use of Force policy, implementation of a more robust Community Oriented Policing policy, ongoing development of MPD’s disciplinary matrix, and expanded public access to and understanding of the Citizen Complaint process. Additionally, the FPC has made efforts to directly implement public suggestions into policy considerations and provide a platform through which community members can voice their thoughts on the future of emergency service provision in the City of Milwaukee.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Program Assistant II	Position reclassified.
-1	-1.00		Program Assistant III	
2	2.00		Administrative Support Specialist	
1	1.00		Paralegal	New Position
-1	-0.50		Director of Emergency Communication	Position transferred to Department of Emergency Communications
-1	-0.50		Asst. Dir. of Emergency Communication	
-2	-2.00		Public Safety Systems Administrator	Position transferred to DOA-ITMD
-1	-1.00		Public Safety Geographic Information Analyst	Position transferred to DOA-ITMD
	0.10		Various	Technical correction
-4	-2.90	0.00	Totals	

FIRE DEPARTMENT

EXECUTIVE SUMMARY

MISSION: Protect people and property within our city, remaining responsive to the needs of our citizens by providing rapid, professional, humanitarian services essential to the health, safety, and well-being of the city. Prevent loss of life from fire and limit fire-related property damage, and improve the chances of survival from life threatening medical and traumatic injury emergencies.

OBJECTIVES: Enhance inclusion and equity in the department and increase diversity in fire cadet, fire recruit, and promotional opportunities.

Actively engage the city's diverse communities to strengthen relationships and enhance the department's equity and inclusion, while expanding the department's reach with safety and prevention messaging.

Maintain ongoing performance metrics, including:

- Limit fire related deaths to less than ten per year.
- Achieve a 95% recovery rate from penetrating trauma.
- Conduct 25,000 community risk reduction visits annually in residential properties.

STRATEGIES: Collaborate with stakeholders to examine recruitment and promotional processes from an equity and inclusion lens, and enable the department to more closely resemble the city's demographics.

Provide public education and community fire prevention programs to reduce fire deaths, fire injuries, and fire-related property loss and damage.

Improve the safety, health, and well-being of department members operationally, mentally, and physically.

Maintain or improve the fire suppression and emergency medical response capabilities of fire companies and EMS units through ongoing, diligent, and standards-based training.

Manage staffing and resource deployment in a manner that:

- Achieves average response times to fire suppression and advanced life support calls that are better than national standards.
 - Limits the impact of resource constraints on the number of companies that can operate on a daily basis.
 - Reduces the high call volumes for our busiest fire/EMS companies, medical units, and personnel.
-

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	1,047.20	865.25	671.00	-194.25
FTEs - Other	80.46	7.75	209.00	201.25
Total Positions Authorized	874	860	867	7
<u>Expenditures</u>				
Salaries and Wages	\$69,424,011	\$74,487,959	\$53,843,406	\$-20,644,553
Fringe Benefits	36,255,738	38,733,739	27,998,571	-10,735,168
Operating Expenditures	5,965,023	6,743,535	893,733	-5,849,802
Equipment	262,292	1,045,625	415,638	-629,987
Special Funds	609,168	613,500	0	-613,500
Total	\$112,516,232	\$121,624,358	\$83,151,348	\$-38,473,010
<u>Revenues</u>				
License and Permits	\$4,400	\$0	\$2,000	\$2,000
Charges for Services	6,257,309	6,046,000	6,880,000	834,000
Total	\$6,261,709	\$6,046,000	\$6,882,000	\$836,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

A tremendous amount of Milwaukee Fire Department (MFD) resources were dedicated to organizing, structuring, and implementing responses to rapidly changing circumstances resulting from the COVID-19 pandemic and civil unrest. MFD was a leader in collaborating across jurisdictions, agencies, communities, and political boundaries to address these trying situations. MFD helped implement a Unified Emergency Operations Center (UEOC) which increased information-sharing and ensured well-aligned decision making during the pandemic. MFD members also augmented public health roles in contact tracing, testing, vaccinations, and staffing COVID isolation centers. MFD also continuously reinforced the necessity of sharing information and resources at the highest levels during periods of civil unrest.

Community Goals and Department Objectives:

- Protect people and property within our city, remaining responsive to the needs of our citizens by providing rapid, professional, humanitarian services essential to the health, safety, and well-being of the city.
- Enhance inclusion and equity in the department and increase diversity in fire cadet, fire recruit, and promotional opportunities.

MFD seeks continuous improvement in its ability to serve all citizens, visitors, and workers in the city, by promoting an inclusive workplace, examining policies and procedures through an equity lens, and developing a workforce that is representative of Milwaukee’s communities. MFD established a workgroup titled the **Milwaukee Fire Department Workgroup on Diversity, Equity, & Inclusion in Recruitment, Testing, Hiring, Retention, & Promotion**. The workgroup’s slogan is “On Our Watch”, expressing MFD’s commitment to hold itself to this standard of success. The workgroup has three task groups that focus on specific phases in an MFD career:

- **Getting Here** – examining the awareness, recruiting, application, testing, and hiring phases and identifying solutions to problems that inhibit the hiring of a diverse workforce.

- **Being Here** – examining the early phases of an MFD career, from the Fire Recruit Academy, probationary status, and early years of the career, with an aim towards growth and development, inclusion and a sense of belonging, and a true sense of team ethos and career satisfaction. All of MFD must be deliberate and honest about characteristics within firehouse culture that inhibit these key steps to success.
- **Thriving Here** – examining the middle portion, end, and post-retirement portions of an MFD career, with a focus on promotional opportunities, leadership development, command position appointments, and an exit from the MFD marked with satisfaction, accomplishment, a sense of having made Milwaukee a better, safer place.

The MFD’s Community Outreach and Recruiting Section is dedicated to growing a diverse hiring pipeline.

STRATEGY IMPLEMENTATION

- Actively engage the city’s diverse communities to strengthen relationships and enhance the department’s equity and inclusion, while expanding the department’s reach with safety and prevention messaging

The MFD leverages the workgroup detailed above and its “I AM the Milwaukee Fire Department” t-shirt campaign to highlight and celebrate the department’s diversity and to strengthen bridges of connectivity and understanding.

Fire Prevention and Safety: The department’s community risk reduction program emphasizes fire prevention because fewer fires decrease injuries and deaths from fires. 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. In 2020, as most non-emergency direct-contact activities ceased for the department during the COVID-19 pandemic, FOCUS was paused and modified to a hands-off, no-contact method for distribution.

- Prevent loss of life from fire, limit fire-related property damage, and improve the chances of survival from life threatening medical and traumatic injury emergencies.
- Maintain ongoing performance metrics, including:
 - Limit fire related deaths to less than ten per year.
 - Achieve a 95% recovery rate from penetrating trauma.
 - Conduct 25,000 community risk reduction visits annually in residential properties.

The 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 from a platform of 29 firehouses. The department has three organizational bureaus:

- **Operations Bureau:** Responsible for all 24 hour shift personnel and their activities; the bureau includes the Marine Teams (Dive Rescue and Boat Team), Hazardous Materials (HazMat), Incident Command Post (ICP), Tactical Emergency Medicine Service (TEMS) and the Heavy Urban Rescue Team (Hurt) Special Teams.
- **Emergency Medical Services (EMS), Training, & Education Bureau:** Oversees the training academy and the EMS Division. This Bureau also oversees community relations and recruitment efforts.
- **Support Bureau:** Includes Administration, Business and Finance, Construction and Maintenance Division, 9-1-1 Dispatch Center, and IT Division.

The Operations Bureau is the most visible of bureau as it includes all emergency service delivery assets and personnel that protect the city. Recent budget reductions have required the department to analyze how to best deploy its remaining assets.

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Limit fire related deaths to less than ten per year.	6	0	0
Maintain a 95% recovery rate from penetrating trauma.			
Gunshot victims:	90.5%	95%	95%
Stabbing victims:	97.9%	95%	95%
Make 25,000 community risk reduction visits to single family homes.	2,154	30,000	25,000

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 deploys resources to achieve fire suppression and emergency medical responses that remain superior to national standards.

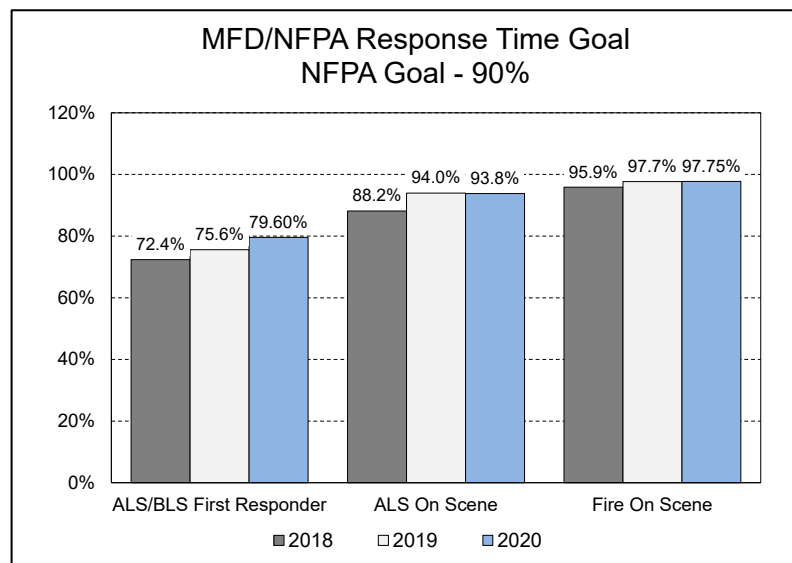
The MFD works to manage staffing and resource deployment in a manner that:

- Achieves average response times to fire suppression and advanced life support calls that are better than national standards.
- Limits the impact of resource constraints on the number of companies that can operate on a daily basis.
- Reduces the high call volumes for the busiest fire/EMS companies, medical units, and personnel.

Changes in Private Provider BLS Transport Capabilities: MFD has long partnered with private ambulance providers to handle the important Basic Life Support (BLS) transports for the EMS system. Flat or declining reimbursement rates, employee pipeline strains, and a low payer-mix in high-utilizer areas have caused the five private provider system to decline to two providers by early October 2021. The remaining two providers lack the capacity to cover the areas covered by the providers that are leaving the system. Many BLS EMTs left transport work for higher paying clinic and hospital work.

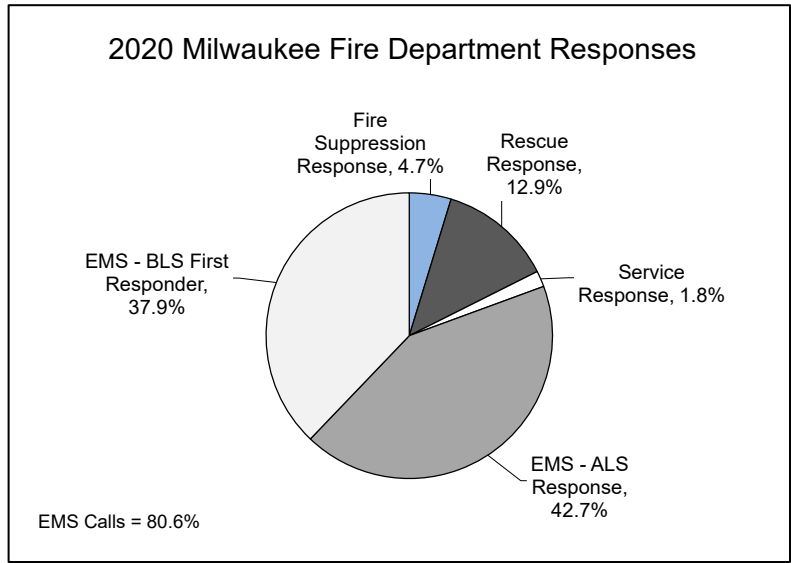
The private providers typically operate their 911 response model at a loss, making up for it on their private work. This model has proven unsustainable. After exploring available options, MFD recommends an approach that subsidizes private providers. A subsidy model, developed with input from the Comptroller’s Office and review of private provider financial records, is the most cost-effective option for maintaining the BLS transport system. Additionally, the department will train up to 60 Milwaukeeans for the private providers. MFD will seek a diverse recruitment and all recruits will meet the EMT-Basic standard. This will keep family-sustaining jobs in the city, augment MFD diversity efforts, and allow the private providers to expand their operations to meet community needs.

Figure 1



Response Time: 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 calls require a quick response to save lives. MFD works to achieve a responsible and equitable distribution of resources to best respond to calls for service. Average response time to fires in 2020 was 2 minutes 58 seconds. Indicators tracked by MFD show that its advanced life support responses have a positive impact on survival rates for penetrating trauma incidents. In 2020, incidents treated by responders for stabbing victims had a recovery rate of 97.9%, while 90.5% of gunshot victims survived.

Figure 2



The MFD’s Community Paramedicine/Mobile Integrated Health (CP/MIH) and Milwaukee Opioid Response Initiative (MORI) continue to serve Milwaukeeans, offering follow-up care, navigation services, peer-support, and case-management to both our high utilizers as well as those who are in the grip of addiction. These programs will continue to receive support.

All fire departments in Milwaukee County, including the Milwaukee Fire Department, participate in 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 become more efficient by taking advantage of existing fire and emergency medical resources in the community. CAD connectivity, a remaining key to the success of shared services, remains a focus. This connection increases the speed of mutual aid dispatches. In 2020, the department went on 749 Shared Service calls and through July of 2021 has gone on 470 Shared Service calls. MFD’s Shared Service partners responded into the City of Milwaukee 1,033 times in 2020 and 560 times through July of 2021.

The 2022 budget maintains funding for all frontline heavy apparatus and paramedic units. Response times to fire and emergency medical service calls are expected to remain superior to national standards.

OPERATIONAL MAINTENANCE AND RESPONDER HEALTH AND WELLNESS

To ensure effective operations, MFD invests in the safety, health, and well-being of department members (operationally, mentally, and physically). MFD began the Health and Wellness Initiative (WFI) in 2009 to address the mental health and injury prevention challenges affecting firefighters. The wellness program includes annual physicals in accordance with National Fire Protection Association standards, physical fitness and annual injury prevention screening programs driven by the Athletic Trainer and Peer Fitness team, the Behavioral Health/Critical Incident Stress Management Program driven by the Health and Safety Manager and Peer Support team as well as the City’s Employee Assistance Program, firefighter specific injury rehabilitation programs, and healthy eating and living education programs. WFI benefits department staff by reducing the likelihood of on-the-job injuries and providing resources to manage job related stress. Since the program began in 2009, injury claims have decreased by 69% and lost time injuries decreased by 74%. Total lost time hours increased from 44,831 in 2020 from 14,100 hours in 2019. Approximately 18,900 lost work hours can be attributed to COVID 19 related illnesses.

MFD works to maintain or improve the fire suppression and emergency medical response capabilities of fire companies and EMS units through ongoing, diligent, and standards-based training. As the department encounters

new and more complex hazards in its working environment, training is necessary to maintain high standards of safety and excellence. Training formats must match the desired outcomes and hand-on training is key to positive performance outcomes. This is time-consuming, costly, and difficult amidst high call volumes. Other more efficient training platforms (virtual, battalion-based, company based, or distance learning) are in regular use where appropriate.

TRANSFORMING 911, CAD, AND DISPATCHING

Department of Emergency Communications (DEC): A new Department of Emergency Communications will enhance public safety. The new department is underway with the process to consolidate the Police and Fire Dispatch centers into one unified Public Safety Answering Point (PSAP). The consolidated PSAP provides the following benefits:

- Improve the safety of citizens and public safety personnel
- Improve Police and Fire response times to life critical incidents
- Enhance the effective allocation and deployment of Police and Fire personnel
- Streamline Police and Fire workflows and business processes
- Provide a common operating picture for Police and Fire to ensure real-time situational awareness and information sharing
- Provide the departments, elected officials, and other key stakeholders a more easily utilized business information system from which to draw generalized or more focused, specific reports.

During the first quarter of 2022, the dispatch section of MFD will officially transfer to the DEC. This transfer will include 29 positions and 27 FTEs.

American Rescue Plan (ARP) Act Funding: The 2022 budget assumes the use of \$37.8 million in ARP funds to support the provision of MFD services. This funding will support the equivalent of 179 sworn staff salaries. The ARP funding will ensure that Milwaukee residents have adequate fire protection and continue to have access to high quality emergency medical service.

CAPITAL PROJECTS

The 2022 capital budget supports the major equipment and facilities maintenance needs of the Fire Department. The capital budget includes \$1.38 million for major equipment replacement and \$450,000 for the MFD Facilities Maintenance program. These totals are similar to the 2021 adopted budget totals.

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
			<u>Operations Bureau Decision Unit</u>	
	-90.00	90.00	Various	ARPA fund support for 6 Engine Companies
3	0.00	3.00	EMS Supervisor	BLS Ambulance Services
	-48.00	48.00	Various Positions	ARPA Funding
			<u>Support Services Bureau Decision Unit</u>	
1	1.00	0.00	Investigative Compliance Officer	Related to Labor and Management Grievances
1	1.00	0.00	Firefighter Paramedic	Maintaining Recruitment Efforts
			<u>EMS/Training/Education</u>	
-1	-1.00	0.00	Fire Captain	Proposed Service Changes
1	1.00	0.00	EMS Instructor Coordinator	Increase EMS Training
1	0.00	1.00	COVID Sampling Specialist -Sr.	COVID Monitoring
1	0.00	1.00	COVID Sampling Specialist -Sr.	COVID Monitoring
	-38.00	38.00	Various Positions	ARPA Funding
			<u>Dispatch Section to DEC</u>	
	-20.25	20.25	Reimbursable Services Deduction	Dispatch Staff to DEC
7	-194.25	201.25	Totals	

HEALTH DEPARTMENT

EXECUTIVE SUMMARY

MISSION: Advance the health and equity of Milwaukeeans through science, innovation, and leadership.

OBJECTIVES: **Community Health:** Improve the lives of Milwaukeeans by implementing community-based programs that improve health and increase quality of life.

Environmental Health: Prevent disease associated with unsafe and unhealthy environments, housing, childcare centers, schools, and establishments.

Clinical Services: Provide direct services, refer to partnering agencies with complimentary services as needed, and increase access to health insurance to prevent disease.

Policy, Innovation, and Engagement: Translate data to action by working collaboratively with internal and external partners to strengthen policies, systems, and community environments that influence health.

STRATEGIES: **Community Health:**

- Cultivate relationships within the community, public, and private sectors.
- Be intentional about equity, including management and staff, the Board of Health, health policies and procedures, and community services.
- Increase investment and engagement in addressing violence by implementing the Blueprint for Peace.
- Reduce infant and maternal morbidity and mortality by addressing structural barriers, increasing access to culturally appropriate care, holistic stress management, and health education.

Environmental Health:

- Enforce rules and regulations in a high-quality and timely fashion.
- Disrupt all sources of lead poisoning by employing best practices and addressing new and ongoing elevated blood level cases.
- Maintain existing relationships with public and private partners by actively participating in regular meetings, exercises, and responses.

Clinical Services:

- Reduce the incidence of acute and chronic disease through prevention screenings, evidence based testing and treatment, epidemiology and data analysis, and administration of vaccines.
- Contribute to health knowledge locally, statewide, regionally, nationally, and internationally.
- Engage in partnerships for collective impact and to leverage resources.

Policy, Innovation, and Engagement:

- Develop and/or inform policy change at the local level.
 - Analyze and advocate for meaningful use of data to inform health services.
 - Maintain MHD's reputation as a source of trust and reliability by increasing MHD's presence in the community, health care arena, and media.
 - Transform MHD by investing in workforce development plans.
-

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Personnel				
FTEs - Operations & Maintenance	114.86	162.12	135.60	-26.52
FTEs - Other	112.20	441.85	191.92	-249.93
Total Positions Authorized	285	637	385	-252
Expenditures				
Salaries and Wages	\$5,479,482	\$6,261,642	\$4,380,446	\$-1,881,196
Fringe Benefits	2,729,761	2,880,356	2,015,006	-865,350
Operating Expenditures	2,153,901	2,449,750	1,535,430	-914,320
Equipment	23,515	0	0	0
Special Funds	479,903	1,347,000	75,000	-1,272,000
Total	\$10,866,562	\$12,938,748	\$8,005,882	\$-4,932,866
Revenues				
Charges for Services	\$1,369,860	\$1,271,000	\$1,349,000	\$78,000
Licenses and Permits	113,450	170,000	140,000	-30,000
Total	\$1,483,310	\$1,441,000	\$1,489,000	\$48,000

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 Milwaukee Health Department (MHD) improves public health by implementing health promotion programs, developing policies, administering services, and conducting research. The department promotes health care equity, quality, and accessibility and operates from three health centers - Keenan, South Side, and Northwest- and the Zeidler Municipal Building.

In 2019, the Health Department began a reorganization process to better align programs and services based on its Community Health Improvement Plan, *MKE Elevate*. *MKE Elevate* identified the programs and services that are consistent with community needs and established key performance measures.

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Number of immunizations administered for the city and Milwaukee Public Schools (MPS).	4,818	6,000	6,000

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Number of clients seen at Sexual/Reproductive Health Clinics.	5,415	5,000	5,000
Average number of CDC Critical Risk Factor violations per routine inspection.	1.38	1.37	1.37
Number of Children < 6 Yrs Old With a Blood Lead Test Result Greater Than or Equal to 5 µg/dL	2,212	1,600	1,600
Infant mortality rate per 1,000 births. ^A	11.5	9.4	9.4

^A Note: Data is based on three year rolling averages.

STRATEGY IMPLEMENTATION

Governance and Accountability: The Board of Health is comprised of nine community and clinical representatives. Board of Health members completed health equity training to support the Board's mission to ensure equitable services and opportunities to promote health equity. The Board relies on support from the Mayor and the Common Council to help MHD better serve the community.

The Health Commissioner is supported by Deputy Commissioners and a Chief of Staff. Each deputy represents a specific subject matter area and provides rotation for emergency coverage during an outbreak or all-hazards event. The deputies are: Clinical Services which includes all clinical care and the MHD Lab; Environmental Health which includes the Lead Program, Consumer Environmental Health, and Emergency Preparedness; Community Health which includes Maternal and Child Health, fatherhood initiatives, and the Office of Violence Prevention; and Policy, Innovation, and Engagement (PIE), which includes epidemiology, data and evaluation, vital statistics, policy, quality improvement and accreditation, and communications. The Chief of Staff is responsible for leadership and oversight of operational activities as well as program development and execution, change management and strategic communication for the department.

Public Health Workforce Development: The MHD workforce requires 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 and cross training.

Data and Reporting: MHD provides open data and regular reporting on program progress. MHD uses research, surveillance, and collaboration with community partners to eliminate gaps in care. Reporting and metrics will be reported in a MHD Data Dashboard. The dashboard will support accountability by providing monthly updates on services. MHD has been examining various dashboard tools and preparing staff to develop meaningful measures to be shared on a monthly basis. A dashboard was established for MHD's COVID pandemic response. Continued investments in technology are necessary to share data in meaningful ways. These efforts will ensure effective service delivery and enable the department to obtain Public Health Accreditation Board (PHAB) accreditation.

Sexual and Reproductive Health: Milwaukee faces challenges in preventing and reducing rates of sexually transmitted infections (STIs). The Sexual and Reproductive Health program located at the Keenan Health Center provides client and partner services, screening, and referral services. In addition, the center offers clinical examination and treatment services for approximately 5,000 clients each year (see Figure 1). MHD collaborates with other community organizations and clinics to enhance capacity to screen and test residents at risk for STIs.

The department works closely with the State of Wisconsin Division of Public Health (DPH) on targeted initiatives involving high-risk groups. Analysis of data in conjunction with DPH allows for strategic, targeted risk reduction interventions for high-risk community members. The program continues to partner with Diverse & Resilient (D&R) to expand community testing and treatment capacity. The department also partners with Planned Parenthood of Wisconsin to provide services to clients that are turned away from the Keenan Sexual Health Clinic because of overcapacity.

The department participates 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 (GC), and employ rapid field investigation to stop resistant infections. MHD is entering its second 5-year cycle of SURRG funding.

Consumer Environmental Health: The Consumer Environmental Health (CEH) division prevents foodborne illness and assures the safety of food sold in food establishments, including grocery stores, convenience stores, restaurants, food trucks, temporary events and taverns. In 2020, 999 routine inspections were performed. Priority violations that may result in foodborne illness were identified at 44% of these inspections (see Figure 2).

If a priority violation is found, repeat inspections are performed to ensure the potential hazard is mitigated. In 2020, the department performed a total of 3,957 food inspections, identifying and mitigating 8,243 violations. In 2021, it is anticipated that 2,500 food inspections will be completed to address an estimated 6,500 violations. The Food Grading Sanitation System has reduced CDC risk factor violations by 5% since 2017.

Inspectors investigate consumer complaints and provide training in safe food handling practices. Training includes compliance conferences to support operators with greater compliance needs and a Food Truck Summit to proactively support operators. The Food Truck Summit did not occur in 2020 due to the COVID-19 pandemic.

Inspectors also decrease the risk of blood borne diseases such as Hepatitis B, Hepatitis C, and HIV from tattoo or body art practices by conducting inspections to assure that tattoo, permanent makeup, and body piercings are done in a sanitary and sterile manner. CEH will collaborate with the Wisconsin Department of Safety and Professional Services to modify temporary licensing into a tiered system to adequately fund regulatory efforts.

Figure 1

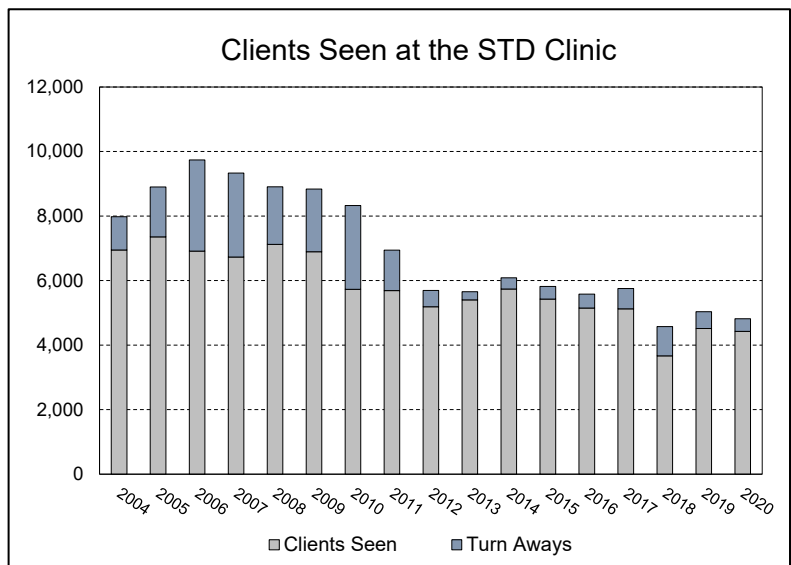
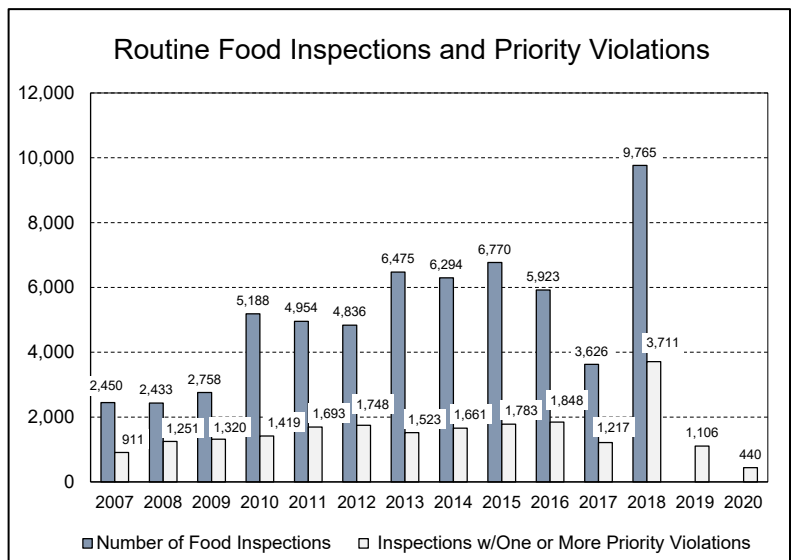


Figure 2



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.)

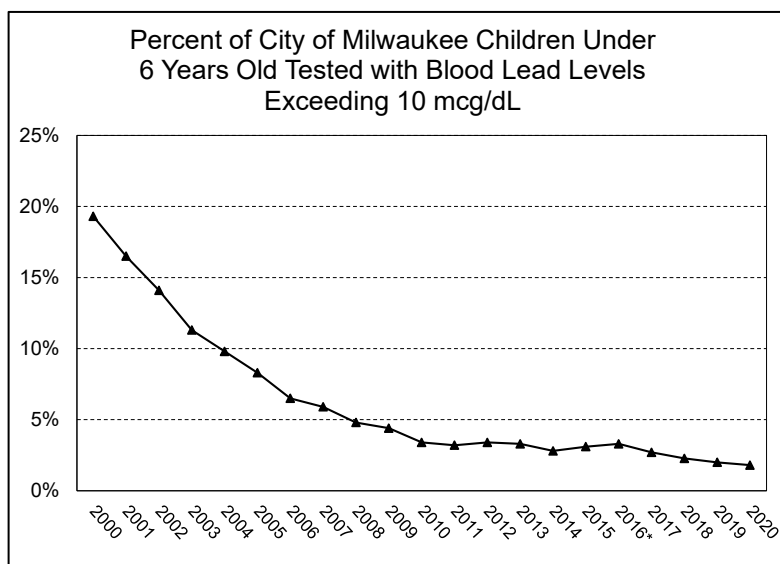
CLPPP includes:

- Housing Based Primary Prevention, to make homes lead safe before children are poisoned by encouraging owner participation and investment in communities and properties.
- Comprehensive Secondary Interventions, to provide lead poisoned children and their families with nursing case management, medical management, and lead hazard control to ensure their housing is made lead safe.
- Compliance Assurance for Ongoing Residential Rehabilitation Programs, to monitor and supervise programs under HUD's Lead Safe Housing Rule.

Prevention efforts also include a drinking water filter distribution program which uses community partner agencies to provide free drinking water filters to those most at risk. Since 2016, MHD has distributed over 5,000 drinking water filters certified to remove lead.

In addition, the department partners with the Social Development Commission and Sixteenth Street Community Health Center to conduct door-to-door community outreach to families most at risk for lead poisoning. This increases awareness on preventing lead exposure and the importance of testing children. MHD management is ensuring that case management continues, work orders are written, and additional contractors are secured to abate properties.

Figure 3



As of April 2021, MHD has expanded the Home Environmental Health program by responding to the one BLL \geq 15 mcg/dL, and not waiting for the second venous blood lead level. In 2022, MHD intends to expand this further by responding to children with lead levels exceeding 10 mcg/dL. This expansion will require using significant American Rescue Plan funds and a highly collaborative cross-sector intervention program that integrates lead abatement with energy efficiency, weatherization, and other areas.

Emergency Preparedness and Environmental Health: The Emergency Response Preparedness Program builds departmental and community resilience to a range of hazards. Staff develops emergency response plans and protocols, identifies internal and external resources, and coordinates deployment and management of assets during public health emergencies, including hazardous material release, communicable disease outbreaks, and extreme weather events. MHD works with other public, private and non-profit agencies to improve public health emergency planning and response and provides technical and operational support for emergency event responses. The COVID-19 pandemic response and 2020 Democratic National Convention preparation demonstrated MHD's ability to protect the health and safety of our community.

The Environmental Health Program conducts investigations and surveillance, and provides public education on environmental health issues such as recreational and drinking water quality, indoor/outdoor air quality, potential chemical exposure hazards, extreme weather, and animal bites. Educational efforts range from phone consultation to community group presentations and include department website postings, brochure publication, and press releases. The program actively participates in and coordinates seminars and inter-organizational meetings to enhance coordination and professional expertise.

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 2020, the department provided 4,818 immunizations to 4,278 clients. Immunizations suppress outbreaks of various vaccine preventable diseases, including measles, mumps, pertussis, and ensure community health during seasonal influenza epidemics.

The department collaborates with organizations including childcare facilities and schools to promote vaccination. The department works to improve primary immunization rates in toddlers and pre-kindergarten age children through immunization clinics and outreach events. In 2020, 58% of children residing in 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 2019-2020 school year, 91% of students were in compliance with the state immunization standards.

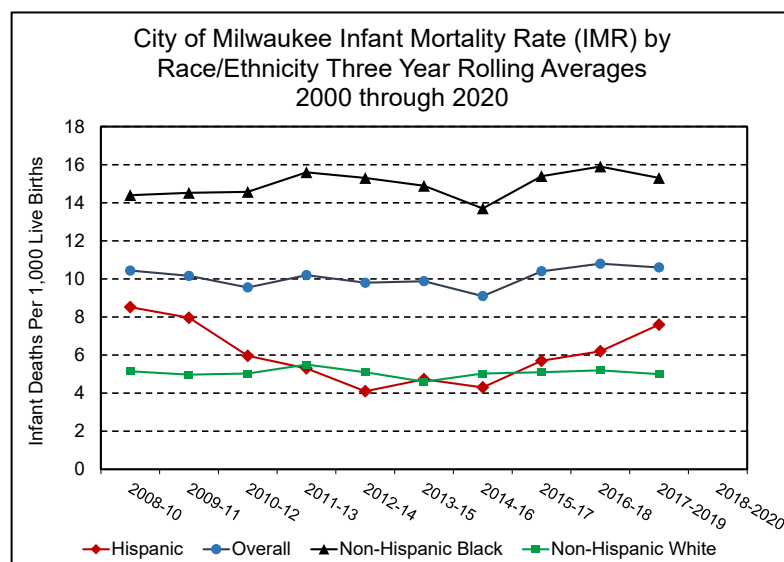
COVID Vaccination: In 2020 and 2021, MHD experienced significant growth in personnel and infrastructure to respond to community needs relating to the COVID-19 pandemic. In addition to hiring over 100 contact tracers, the health department has maintained operations for community testing and mass vaccination at the Wisconsin Center and multiple sites throughout the city. As of August, 2021 over 368,626 COVID tests were administered at six community testing sites. Over 305 clients were isolated and the Mobile Vaccination clinic administered over 10,689 vaccines. American Rescue Plan funds will be needed to continue these efforts.

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 well-being. Milwaukee's overall IMR for 2017-2019 is 10.6. This means that during this time period, 10.6 infants died for every 1,000 livebirths.

There are significant racial and ethnic IMR disparities. Non-Hispanic Black infants have an IMR of 15.3, compared to 4.2 for non-Hispanic White infants, 7.6 for Hispanic/Latinx infants and 5.4 for Asian infants. This disparity indicates that Black infants die at a rate that is more than three and one half times higher than White infants. To reduce infant mortality, the department manages several programs that emphasize healthy birth outcomes, access to cares and improving parenting skills, including:

- Empowering Families of Milwaukee (EFM)
- Parents Nurturing and Caring for their Children (PNCC)
- The Direct Assistance for Dads (DAD) Project

Figure 4



- Birth Outcomes Made Better (BOMB) Doula Program
- Community Healthcare Access Program (CHAP)
- Women, Infants and Children (WIC)
- Fetal Infant Mortality Review
- Strong Baby Program
- Cribs for Kids Program

Empowering Families of Milwaukee: The Empowering Families of Milwaukee (EFM) program targets pregnant women at risk for negative birth outcomes. 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 improves birth outcomes, supports child health, safety and development, prevents child abuse and neglect, improves school readiness, and enhances family functioning offering services for up to 3 years. Since inception, the program has enrolled over 1,500 new clients and seen over 1,100 infants. Since 2017, 547 babies were born into the program and approximately 90% of mothers gave birth to full term babies. In 2021-2022, EFM expects to serve 120 or more families, with a goal of 85% of babies born at term.

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 infants reach two months of age. In 2019, PNCC achieved healthy birth outcomes, with more than 85% of babies born full-term and 85% of mothers initiating breastfeeding after delivery. To date, in 2020, 85% of babies born into the program have been born at term, and approximately 70% of mothers have initiated breastfeeding. For 2021, the projection is 85% for full-term births and healthy birth weights. The PNCC program also houses two Newborn Screening programs to identify conditions in newborns that affect their health and development. The Newborn Hearing program identifies hearing impairment to provide timely intervention. The Congenital Disorder Screening program uses a blood test to identify 44 different genetic, endocrine and metabolic disorders. These programs provide crucial health screenings to newborns to better detect and treat diseases.

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. Meaningful father involvement correlates with children's secure attachment and optimal development, and reduces stress and depression in mothers. The program has served 200 fathers since inception in 2014. In 2019, the DAD project was consolidated under Empowering Families of Milwaukee to provide a more stable programmatic infrastructure around quality assurance and improvement while maintaining MHD's ability to serve men with a range of health services.

Birth Outcomes Made Better (BOMB) Doula Program: The Doula program provides culturally sensitive pregnancy and childbirth education, early linkage to health care and other services; labor coaching, breastfeeding promotion and counseling, and parenting education, while encouraging parental attachment. The peer-to-peer relationship and the continuity of care for the family has a significant impact on outcomes. This program has two components: providing funding to existing Doulas in the community serving families in the 53206 zip code and MHD providing Doula care through its home visiting models. Despite a delayed launch due to the COVID pandemic, since its launch in late 2020 the program has enrolled over 80 mothers, 75% which are Black and in high risk zip codes.

Community Health Care Access Program (CHAP): This program supports improved health care access for city residents. 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, applying, and navigating the health insurance application and enrollment process. In 2019, CHAP completed 405 full applications for BadgerCare. In addition, staff provided trouble shooting or technical assistance to 1,514 clients and supported 17 in accessing family planning insurance and 42 to health insurance via the marketplace. CHAP also connected with families in 172 community outreach events throughout Milwaukee.

WIC (Women, Infant and Children) Program: This is a supplemental nutrition program for eligible women, infants, and children. The WIC Program's primary goal is to promote and maintain the health and wellbeing of nutritionally at risk pregnant, breastfeeding and postpartum women, infants, and children. The program provides health screenings, nutrition education, breastfeeding education and support and benefits/vouchers for healthy foods and formula.

Fetal Infant Mortality Review (FIMR): MHD coordinates the FIMR project, which brings an interdisciplinary body of professionals together to review cases of infant deaths and stillbirths in Milwaukee County. Based upon case review, FIMR annually makes recommendations on interventions to improve birth outcomes. Recommendations from 2019 include:

1. Improve individual behaviors, such as smoking cessation and safe sleep promotion
2. Improve access to quality medical care, especially for women with infections, chronic medical conditions, or prior preterm birth
3. Reduce life stressors that affect prematurity, from safe neighborhoods and fatherhood involvement to early childhood education and job preparation programs

Cribs for Kids/Safe Sleep Program: In 2020 the *Cribs for Kids* program distributed 386 cribs to families who were unable to purchase one. Additional information about safe sleep is provided with other supplies and materials to provide the safest environment for sleep.

Strong Baby Program: This program offers training and education to community-based organizations, hospital systems, early childhood and educational settings, and internal MHD programs around maternal health objectives. Objectives include improving outcomes around perinatal depression, adolescent suicide, breastfeeding, developmental screening, and health equity.

Blanket of Love – Ascension St. Joseph’s: Blanket of Love improves Black maternal and infant health in Milwaukee -- providing prenatal and parenting education and linking women and families to support and services. The Health Department collaborates with the Blanket of Love (BOL) program; providing direct referrals between BOL and the BOMB Doula and MCH Home Visiting programs, co-hosting Community Baby Shower events to provide pregnant mothers with necessary education, supplies and resources and supporting respective initiatives to improve services to pregnant mothers.

The Best Babies Zone: BBZ is a national program that uses a place-based, multi-sector, community-driven approach to reducing racial inequities in birth outcomes. It mobilizes community residents and organizational partners to address the social, structural and economic determinants of health and promote health equity. BBZ Milwaukee focuses 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, and United Way of Greater Milwaukee.

Milwaukee Health Department Laboratory (MHDL): The MHD public health lab annually processes over 70,000 specimens for a variety of clients and agencies. The lab provides clinical diagnostic and disease surveillance capabilities for communicable and emerging infectious diseases and supports emergency preparedness and bio-threat responses at the local, state, and national levels. MHDL’s environmental health programs for household lead including testing to support Childhood Lead Poisoning and Prevention and lead in water programs, drinking and beach water safety, gastrointestinal and respiratory disease surveillance, and outbreak investigations including pandemic responses like COVID-19. MHDL also serves as a public health reference lab and provides testing services to local and regional clients in healthcare agencies. In 2020-21, the laboratory generated more than \$215,000 in revenue through fee-for-service testing, and in 2021 through August generated more than \$240,000 for reimbursement of laboratory testing through shared services performed in support of the STD Clinic.

Initiatives for 2022 include:

- Enhance and expand local laboratory capacity to detect and respond to COVID-19.
- Improve electronic laboratory data reporting and exchange with CDC.
- Participate in preparedness planning and support activities related to special events, federal programs, and law enforcement.
- Enhance STI testing services, including continuing antibiotic resistant gonorrhea testing efforts and expanding clinic services to include the option for clients to self-collect samples at home for mail-in testing.
- Invest in advanced molecular and other analytical technology that improves testing capability, turnaround times, and operational efficiency in the laboratory.
- Expand bioinformatics program to enhance molecular sequencing data analysis.

In 2021, the lab is accepting 10 additional grant funding awards that will bring in more than \$6.8 million, including collaborations with the Centers for Disease Control and Prevention (CDC), Association of Public Health Laboratories (APHL), National Association of County and City Health Officials (NACCHO), Wisconsin Department of Health Services (DHS), and University of Wisconsin-Madison. This is in addition to the \$7.1 million in CDC ELC funding the lab was awarded in 2020 for COVID-19 response.

Policy, Innovation, and Engagement Branch: The Policy, Innovation, and Engagement (PIE) branch works collaboratively with internal and external partners to strengthen policies, systems, and community environments that influence population health and well-being. The branch provides mission-focused leadership and management expertise, consultation and technical support.

PIE engaged partners to develop strategies in areas such as Food Access, Substance Abuse, Criminal Justice System, Sexually Transmitted Infections, Housing, Lead, Transportation, and Mental Health. Policy and strategy activities included publishing and implementing City-level strategic plans (*MKE Elevate* and the City-County Heroin, Opiates and Cocaine Task Force Initial Plan), facilitating department-wide planning, as well as participating in policy committees. PIE advocates for health legislation and works with elected officials on policy issues, including lead, tobacco, and food grading systems. During the COVID-19 pandemic response, PIE created a data dashboard to provide weekly progress updates on new hotline calls, case counts, positivity rate, mortality counts, contact tracing, and case coordination and established outreach efforts targeting hard to reach populations.

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 trauma 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. 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: The Commission provides an inclusive space for survivors, system partners and program leaders to improve coordination and impact. In 2020 the Commission launched several efforts to raise awareness and response to the increased number of non-fatal shootings and homicides related to family violence. The COVID-19 pandemic has had a traumatic impact on families struggling with food, housing, and employment insecurity. The commission continues to advance its strategic priorities in the areas of policy advocacy, community engagement, and raising awareness about family and gender based violence. Despite the pandemic, the Commission hosted a successful virtual Denim Day MKE, an annual sexual assault awareness campaign highlighting the tragic impact of sexual assault and the resilience of survivors. The Commission also hosted a successful virtual Sexual Assault Awareness campaign highlighting the tragic impact of sexual assault and the resilience of survivors.

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 and secure site for custody exchanges and visitation for families with a history of domestic violence. This center helps victims of domestic violence, sexual assault, stalking, and non-offending parents achieve safety and independence from abuse. It provides free civil legal assistance, onsite visitation and exchange for 20 hours per week, onsite domestic abuse advocacy, and connects families to community resources for those impacted by abuse and assault. Over 600 visitations and exchanges occur annually.

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. Over the last five years, ReCast programs served over 5,000 youth and families while training over 1,500 community members in Mental Health First Aid, suicide prevention and crisis response. Over \$4 million has been awarded to partner agencies to implement programs and services in priority neighborhoods identified by the Blueprint for Peace. Through partnerships with community organizations, ReCast helps break the cycle of violence and supports healing for individuals and neighborhoods impacted by trauma. In 2021 OVP was awarded a new five-year grant that goes through 2026.

Suicide Prevention: OVP administered a Question, Persuade, Refer (QPR) suicide prevention training. In 2020 there were 26 training events and 671 people attended the training.

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.

The Blueprint was rolled out in 2018 and has been adopted as the official violence prevention strategy for the City of Milwaukee, Milwaukee County, United Way, Greater Milwaukee Foundation, Safe and Sound, Community Justice Council, and the Milwaukee Healthcare Partnership. OVP supports implementation of strategies in the Blueprint, including 414LIFE, Community Crisis Response, Trauma Informed Care training for city staff and the ongoing trauma response partnership with Milwaukee County. In 2020, Milwaukee was one of 19 cities awarded a BUILD Health Challenge grant to support implementation of the Blueprint for Peace in the Sherman Park neighborhood.

414 LIFE: This program uses the Cure Violence model to train and engage local residents as violence interrupters in priority neighborhoods outlined in the Blueprint for Peace. Since its launch in November 2018, the program has mediated over 100 credible conflicts with a high likelihood of gun violence or other serious injury. In May 2019, OVP facilitated a partnership between 414 LIFE, Froedtert and The Medical College of Wisconsin and Ascension Health. Through this partnership, the 414 LIFE team responds to emergency departments in local hospitals to support survivors of gun violence and assist with their recovery while addressing concerns related to re-injury and potential retaliation. Since May 2019, almost 700 patients have been referred to the 414 LIFE program. The program uses proactive street outreach, targeted case management, and conflict mediation. The program identifies and engages individuals at highest risk of becoming victims or perpetrators of gun violence.

Trauma Response: The Milwaukee Trauma Response Team (TRT) 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 72 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. TRT is coordinated by OVP in collaboration with the Milwaukee Police Department, Milwaukee Fire Department, and the Behavioral Health Division of Milwaukee County. There were over 466 TRT referrals in 2019 and over 217 referrals in 2020. Referrals in 2020 decreased due to the COVID-19 pandemic.

RESTRUCTURE, RESIZE, AND REINVEST

Lead Program: In 2022, MHD plans to expand the Lead Program to respond to and treat all children with Blood Lead Levels exceeding 10 mcg/dL. This will significantly increase caseloads, compared to the current policy of responding when blood lead levels exceed 15 mcg/dL. This plan requires major investments in staff, operating, and contracting costs. The Mayor's plan is to fund this expansion using ARP funding, with \$26.1 million for the first year of a three-year program that will total approximately \$84 million dollars. This funding will enable MHD to treat over 1,260 children and to make over 2,187 homes lead-safe. New positions are added in the 2022 budget for an expanded lead program including nursing and case management, assisting families with temporary or permanent relocation during an abatement, and complying with program reporting requirements.

Electronic Health Record System: The Health Department worked with the DOA-Information and Technology Management Division (ITMD) to select a medical records management system. A full time project manager and supporting staff need to be hired to facilitate transition to the new system. Implementation includes testing, quality improvement, training, programming interface connections with other systems, billing and reimbursement, and case management components of the system.

Opioids Addiction Prevention and Treatment: The 2022 budget includes \$25,000 to continue the opioids addiction prevention and treatment initiative, a collaborative effort with the Medical College of Wisconsin to reduce opioid overdose.

Birthing Mom Pilot Projects: The 2022 budget includes \$240,000 for the Birthing Moms Pilot Project. This program distributes free water filters and education kits on lead-poisoning hazards to birthing moms who live in areas of the city where lead lateral service connections are common, and have high concentration of reported elevated blood-lead levels in children.

Mental Health Awareness and Outreach Initiative: The 2022 budget includes \$250,000 for a pilot outreach initiative to make residents aware of access to mental health services. This initiative is in collaboration with Milwaukee County with the goal of ensuring that residents in need of mental health treatment know where they can receive treatment.

American Rescue Plan Act (ARP): The 2022 budget assumes approximately \$49 million in ARP grant funding to the Health Department for various activities including COVID-19 testing and vaccination, lead remediation, opioids, violence prevention, health care access, maternal child services, laboratory testing, and AIDS prevention and mitigation.

CAPITAL PROJECTS

The 2022 budget provides \$160,000 in capital funding for the Health facilities projects.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1			Chemist Supervisor	Unfunded positions eliminated
-1			Quality Assurance Specialist	
1	1.00		Director of Administration and Operations(X)(Y)	New Position
1		1.00	Graphic Designer (T)	
1		1.00	Epidemiologist (X)(Y)(T)	
1	1.00		Compliance Analyst (X)(Y)	
2	1.00	1.00	Data and Evaluation Coordinator(X)(Y)(T)	
1		1.00	Marketing and Comm. Coordinator (X)(Y)(T)	
5	0.00	5.00	Public Health Strategist	
1		1.00	Community Outreach Specialist (J)(X)	
1		1.00	Bioinformatician (XX)	
2		2.00	Microbiologist (XX)	
1		1.00	Laboratory Quality Assurance Specialist (XX)	
1		1.00	Mammography Technologist (JJ)	
1		1.00	Emerg. Preparedness Environ. Health Dir. (A)(X)(Y)	
1		1.00	Environmental Health Coordinator (X)(TT)(QQ)	
1		1.00	Office Assistant II (TT)	
1	1.00		Accountant II (X)(Y)	
-1	-1.00		Budget and management Analyst (X)(Y)	
-1	-1.00		Healthy Food Access Coordinator	
-2		-2.00	Health Project Assistant (E)(X)	
3		3.00	Fatherhood Involvement Specialist 3 (E)(X)	
1		1.00	Healthcare Access Program Coordinator (X)(Y)(HHH)	
-1	-1.00		Health Access Assistant (X)	
-1	-1.00		Doula Program Coordinator (X)	
1	1.00		Community Outreach Specialist - Doula	
-1		-1.00	Public Health Deputy Lab. Director (X)(Y)	
1	1.00		Assistant Lab Director	
-1	-1.00		Comm. & Infectious Disease Program Coordinator (X)	
1	1.00		Disease Intervention Specialist Supervisor (X)(Y)	
-4		-4.00	Environmental Health Services Mgr. (X)(Y)(RR)	
1		1.00	Home Environmental Health Manager (X)(Y)(EE)(QQ)	
2			Environmental Health Services Manager (X)(Y)(RR)	

HEALTH DEPARTMENT

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
4		4.00	Temporary Disease Intervention Spec. Supervisor	2022 Covid -19 - Auxiliary Positions
50	21.00	4.00	Temporary Disease Intervention Spec. Coordinator	
1	1.00	0.00	Temporary Delivery Driver (S)	
-200		-200.00	Temporary Disease Intervention Spec. Coordinator	2021 Covid -19 - Auxiliary Positions Expired
-15		-15.00	Temporary Disease Intervention Spec. Supervisor	
-75		-75.00	RN Supervisor and Case Investigator	
-3	0.00	-3.00	Temporary Data and Evaluation Coordinator	
-10		-10.00	Temporary Administrative Assistant II	
-20		-20.00	Temporary Customer Service Rep. II	
-2		-2.00	Temporary Epidemiologist	
		0.55	Various adjustment to non O&M FTE	Adjustment to Non O&M FTE
	-50.52	50.52	Various Positions shift from O&M to non O&M FTE	Shift funding source to ARP grant dollars
-252	-26.52	-249.93	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, electronic resources and high-speed broadband.

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
- Support research and reference

21st Century Literacies

- Continue 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
- Develop partnerships to offer technology training and job searches.
- Expand hotspot lending

Workforce Development and Business Growth

- Offer job seeking preparation opportunities
- Seek partnerships for 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
- Provide 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 technology and facilities improvements to reduce costs and improve efficiency in library operations
- Adapt services and programs to virtual formats

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Personnel				
FTEs - Operations & Maintenance	213.18	293.28	268.55	-24.73
FTEs - Other	62.73	20.43	29.54	9.11
Total Positions Authorized	364	359	348	-11
Expenditures				
Salaries and Wages	\$9,316,759	\$13,001,478	\$13,549,077	\$547,599
Fringe Benefits	4,247,465	5,980,680	6,232,576	251,896
Operating Expenditures	2,711,708	3,355,571	3,187,734	-167,837
Equipment	1,736,634	1,944,606	1,978,000	33,394
Special Funds	199,142	252,800	258,200	5,400
Total	\$18,211,708	\$24,535,135	\$25,205,587	\$670,452
Revenues				
Charges for Services	\$848,991	\$979,000	\$931,000	\$-48,000
Total	\$848,991	\$979,000	\$931,000	\$-48,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS**Community Goals and Department Objectives:**

1. Help children succeed, prepare for post-secondary education, and meet their full potential.
 - Encourage reading and improve the literacy rate.
 - Support digital inclusion through access to technology, 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 Milwaukee's informational, cultural, and recreational needs. MPL provides materials, services, and facilities for residents of Milwaukee and Milwaukee County. Nearly 2.5 million physical items and multiple electronic resources are available through the internet and at the Central Library and 12 branch libraries.

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 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.

MPL continues to expand services to youth to help children succeed and prepare for post-secondary education, the Library emphasizes early literacy development, expansion of the LibraryNOW library card school partnerships and out-of-school learning for teens with skills and interested-based programming at new branch makerspaces. 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, 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.

Helping adults find jobs continues to be a priority, as well as developing workforce skills in young adults via the Teen Internship program. Paid work experience gives young people jobs now and helps them develop valuable skills for the future. MPL's walk-in job labs offer assistance in completing résumés, online job applications, and developing skills to perform online job searches. MPL is seeking partners to help provide these services, either in the library or through a referral process.

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. Examples include Employ Milwaukee, Wisconsin Department of Workforce Development, Goodwill Industries, the University of Wisconsin Milwaukee's Small Business Development Center, and Wisconsin Women's Business Initiative Corporation.

A key objective is creating a city of readers, which is accomplished through a wide range of services. The needs and interests of residents are met through a curated collection of reading materials and other information resources in a variety of formats. Print and e-books are available for leisure reading by individuals 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 residents with interests and needs in education, medicine, arts, literature, STEAM-related topics, business, history and genealogy.

The Library helps develop adult literacy skills to improve employability, job retention, and basic literacy. The Library provides drop-in tutoring programs and special materials to develop basic reading skills. Every library offers public computer workstations and laptops, and high-speed wireless internet.

Key Performance Measures	2020** Actual	2021 Projected	2022 Planned
Adult Program Attendance*	6,037	5,100	7,500
Early Literacy Program Attendance*	14,149	5,300	15,000
School Age Program Attendance*	7,599	3,400	15,000
Summer Reading Program Participants	9,039	12,500	17,500
eCirculation	483,780	450,000	475,000
Traditional Circulation	654,533	850,000	1,000,000
Public Service Hours	17,520	25,981	27,094
Public Computer Use Hours	69,724	75,000	100,000
Wi-Fi Connectivity Sessions	518,407	525,000	550,000

* Attendance includes the parents, caregivers, and teachers that accompany youth to library programs; includes attendance at virtual and in-person events; and does not include attendance at teen and general interest events.

** Full service January 1 - March 15, 2020. No or limited service since.

STRATEGY IMPLEMENTATION

Reading and Research Services

The role of public libraries continues to evolve as information delivery systems expand through electronic and digital methods. MPL is adapting and continues to serve the needs of all people, providing resources in many formats, and 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 \$2.97 per capita or \$1.7 million is allocated to fund materials purchased for Central Library and the 12 Branch Libraries. This funding is a small increase (\$14,000) from the 2021 budget. Materials include books, media, electronic databases, serials, e-books, audiobooks and other resources. The Library has prioritized increases for books and materials to provide needed and in-demand resources. The use of e-books is down 6% and downloadable audio books up 1% in the first six months of 2021 compared to 2020. While demand for digital formats is growing rapidly, print materials comprise the majority of total circulation.

Research and Reference: All libraries offer one-on-one reference and research guidance and referral. Librarians and paraprofessionals curate and make available unique research collections and assist in matching resources to individual information needs. The Central Library serves as the resource library to the Milwaukee County Federated Library System (MCFLS) and provides special collections, reference, research, and library services to all county residents as well as support and consultation services to MCFLS member libraries.

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 focuses on child care providers and families located in areas with the highest concentration of poverty. As of July 2021, total attendance for Ready to Read services to early childhood teachers was 179 adults. In March, the Ready to Read team piloted a virtual coaching service for early childhood teachers. The eight-week curriculum includes the core of the Ready to Read in-person coaching program, *The Five Practices of Early Literacy*, and adds additional elements to address the unique needs of the teachers given the pandemic, such as self-care and stress relief for children. After the pilot, the first round of service was launched in May and additional rounds will continue through the end of 2021. The Ready to Read team also identified services that can be adapted to the virtual environment and currently presents biweekly Play & Learn/Juega y aprenda early literacy programming with total attendance of 117 children and 95 adults.

The program provides book delivery service and encourages use of the library's programs such as free continuing education and the Books2Go library card program. The Books2Go library card program is designed for child care providers offering special privileges for cardholders such as multiple users on one account and free educational resources. There are currently more than 500 child care Books2Go cardholders. 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 2020, the program moved to a virtual model and served approximately 8,581 youth and 458 adults.

In 2022, the Library will bring the *Super Reader Squad* program to approximately 12,000 children ages birth to 12 at outreach sites, which includes outreach to elementary school aged youth served by community-based organizations and connecting with early childhood educators at child care centers. Through a planned series of outreach phone

calls, emails, and virtual visits, MPL staff connects with group and family licensed childcares to engage the sites in the *Super Reader Squad* program and share current information about MPL services, resources, and virtual programs. At the same time, School Age Outreach Educators make virtual visits to each school age site weekly to 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. The *Teen Summer Challenge* engages teens in literacy and 21st century skill building activities. The *Super Reader Squad* and *Teen Summer Challenge* programs, summer outreach, and the year-round staff member 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.

LibraryNOW: This program serves the first through twelfth grades of Milwaukee Public Schools (MPS), as well as new partners including Cristo Rey Jesuit High School and St. Marcus Lutheran School. Total 2020-2021 participation from Milwaukee school systems was 82,105. Further expansion will occur with additional partners. The library's education and outreach staff visit and train teachers and school support staff to expand the library's capacity to reach students and encourage use of library resources. Students are encouraged to upgrade from virtual accounts to full service, now totaling more than 9,310 of all participants. This number will grow as awareness increases and the program expands. The library studies the program's impacts with the help of a consulting firm that specializes in planning, evaluation and research. Findings indicate that students at schools where outreach was conducted were more likely to use library resources and more of them advanced a grade as compared to all students in the district. Student proficiency in English and Math was slightly higher among those who had upgraded their virtual accounts to full service accounts.

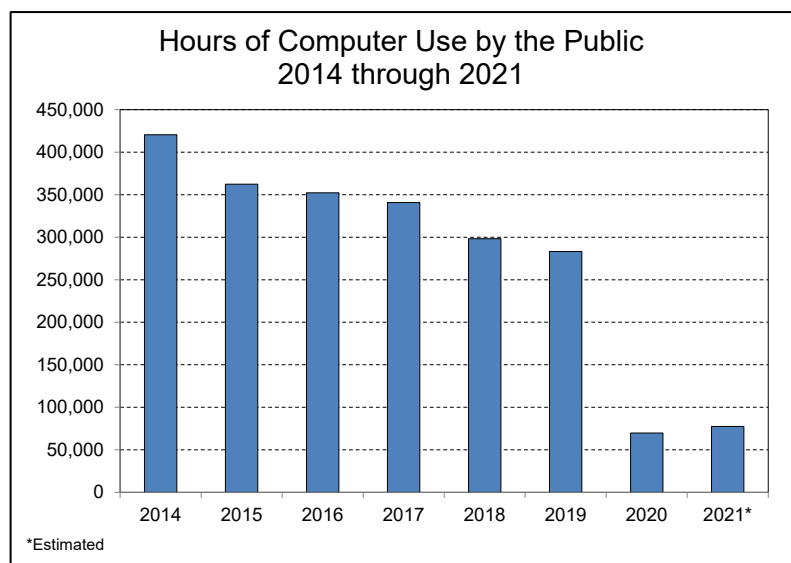
Technology and Digital Inclusion

MPL provides a range of technology related services, from access to 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 2022, the Library expects to receive \$107,460 in discounts, which will support and maintain Spectrum's internet service and the Wide Area Network provided by AT&T. Expanding access to high speed broadband is an ongoing priority.

Computer and Internet Access: MPL provides city residents with access to high speed broadband internet, PCs, and laptops. In the first half of 2021, compared to the same period in 2020, public computer sessions decreased 61% and laptop checkouts decreased 78%. These decreases are largely in part to reducing full service due the COVID pandemic. Additionally, in 2021 through June, patron personal devices connected to the public wireless network 209,710 times. The Library continues to expand technology offerings for the public, including circulating Chromebooks and hot spots, online tools such as internet-based databases, virtual reference, real time study help and online classes, digital downloads, e-books, audiobooks and other online services offered through the Library's website at mpl.org. There have been 2,881 hotspot checkouts since the start of 2020.

Figure 1



Workforce Development and Business Growth: MPL locations are resource hubs for the community. By hosting librarian-led programming, and providing premium database content, the Library contributes to economic and employment growth in Milwaukee. In 2020, MPL engaged 223 attendees at 32 business, patent, and finance programs and engaged 50 attendees through one on-site job recruitment event with a community partner. To date in 2021, there have been 162 attendees at 22 programs. In 2022 the Library will engage new users through a collaborative business commons space for remote workers, entrepreneurs, and small business owners while continuing to offer on-site recruitment through community partners, financial literacy education, new business programming and patent programs.

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. In 2022 these efforts will garner many new partners as the library uses its eligibility for federal funding that allows for off-campus projects to increase access to Wi-Fi and high-speed broadband for educational purposes.

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 processing materials to enhance access to Central Library's Special Collections. In 2020, 104 volunteers donated a total of 1,029 hours valued at \$25,114.

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. Three 'Makerspaces' have been added to the Good Hope, Mitchell Street, and Washington Park branches. Each space has its own specific in-demand industry focus. Good Hope's focuses on engineering and industrial design, Mitchell Street's on arts, media and design, and Washington Park's on information technology. Teen interns program and curate the space and engage their peers by hosting interest-based, tech-oriented programs. Makerspace Facilitators provide expert coaching and support for the teen interns. Production centered events and challenges that empower teens to build skills and create content are offered system-wide. The program is funded primarily by grants through the Milwaukee Public Library Foundation. All three Makerspaces will be open for daily Open Maker Time as soon as it is safe to conduct public programming.

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 seeks additional opportunities to add value to direct public services by streamlining operations.

Virtual Programming: To maintain flexibility going forward, the library plans to continue supporting virtual programming as an integral part of its public services.

Library Hours: In 2022 the library will establish uniform hours across all 12 branches at 48 hours per week, from 47 and 49, and reduce hours at Central from 54 to 52 hours per week. Sunday service will be available at one location instead of three, maintaining the service at Central Library from October through April.

In 2020, visits to the library totaled 583,224 and are expected to reach approximately 650,000 in 2021. In 2020, circulation of physical collections totaled 654,533 and is expected to reach approximately 850,000 in 2021. Growth in digital and non-traditional media is expected to continue to increase.

American Rescue Plan: The Milwaukee Public Library has been allocated \$5.6 million in ARPA funding for the 2022 budget year. Funds will be utilized for continued COVID response (\$300,000), to respond to negative economic impacts (\$1.1 million), and for the construction of the Martin Luther King branch library (\$4.2 million).

Branch Library - New Construction:

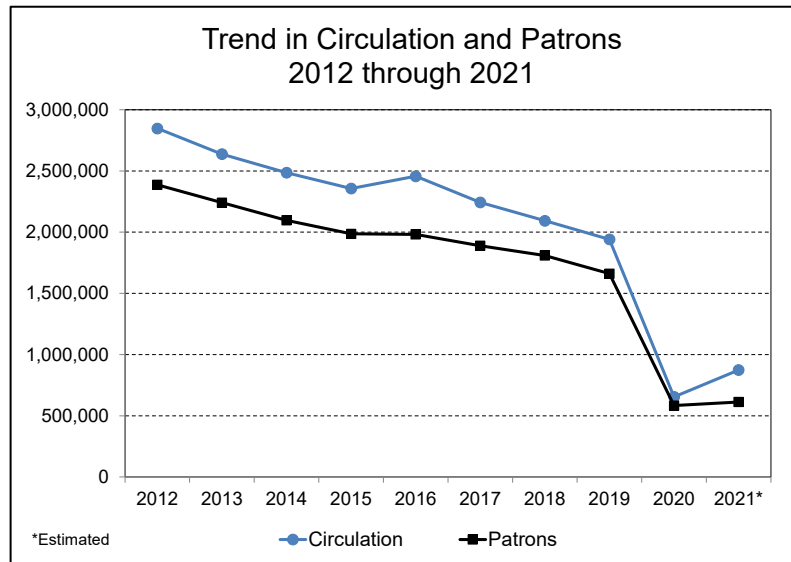
Construction of the Martin Luther King branch is expected to begin in spring of 2022 and will utilize existing capital balances in addition to American Rescue Plan (ARP) funds. The 2022 budget assumes use of \$4.2 million of ARP funds for construction of the King library under the revenue loss provision. Branch libraries anchor neighborhoods and with the city’s investment 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 \$413,000 for Central library improvements. This includes funding for a central HVAC system.

Neighborhood Library Improvements: The capital budget includes \$251,000 for the replacement of a HVAC system at the Center Street library and a boiler at the Bayview library.

Contingent Energy Financing: The 2022 budget continues the contingent energy financing special fund, with funding of \$130,900. 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.

Figure 2



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		Milw. Public Library Assoc. Director (X)(Y)	Moved from Operations Division
1	1.00		Library Volunteer Coordinator (X)	Moved from Human Resources Section
-1	-1.00		Milw. Public Library Assoc. Director (X)(Y)	Moved to Administration Bureau
-1	-1.00		Program Assistant II	Moved to Facilities and Fleet Section
-1	-1.00		Librarian III (X)	Classification: New Librarian Staffing Matrix
1	1.00		Librarian III (X)	
-1	-1.00		Library Volunteer Coordinator (X)	Moved to Administration Bureau
1	1.00		Personnel Payroll Assistant III	Classification and Title Change
-1	-1.00		Personnel Payroll Assistant II	
-1	-1.00		Library Business Manager (Y)	Classification and Title Change
1	1.00		Library Business Manager (Y)	
1	1.00		Accounting Assistant II	Classification and Title Change
-1	-1.00		Accounting Assistant I	
-1	-1.00		Library Security Manager (X)	Classification and Title Change
1	1.00		Library Security Manager (X)	
-1	-1.00		Library Security Investigator (X)	Classification and Title Change
1	1.00		Library Security Investigator (X)	
-1	-1.00		Communications Assistant I	Classification and Title Change: Additional Position Funded in the 2022 Budget
2	2.00		Library Communications Assistant	
1	1.00		Program Assistant II	Moved from Operations Division
	-0.75		Custodial Worker II - City Laborer (X)	Reduced funding
-3	-3.00		Librarian III	Classification: New Librarian Staffing Matrix
3	3.00		Librarian III	
-1	-1.00		Management Librarian (Y)	Classification and Title Change
1	1.00		Library Services Manager (Y)	
-1	-1.00		Library Technician IV	Classification and Title Change
1	1.00		Library Technical Services Coordinator	
-2	-2.00		Library Technician III	Classification and Title Change
2	2.00		Library Technical Services Specialist - Lead	
-4	-4.00		Library Technician II	Classification and Title Change
4	4.00		Library Technical Services Specialist	
-1	-1.00		Management Librarian (Y)	Classification and Title Change
1	1.00		Library Services Manager (Y)	
-1	-1.00		Library Technician IV	Classification and Title Change
1	1.00		Library Technical Services Coordinator	

LIBRARY

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-4	-4.00		Copy Cataloging Technician II (B)	Classification and Title Change
4	4.00		Library Copy Cataloging Specialist (B)	
-1	-1.00		Library Technician III	Classification and Title Change
1	1.00		Library Technical Services Specialist - Lead	
-4	-4.00		Library Technician II	Classification and Title Change
4	4.00		Library Technical Services Specialist	
-2	-2.00		Librarian III (B)	Classification: New Librarian Staffing Matrix
2	2.00		Librarian III (B)	
-1	-0.75		Librarian III (0.75 FTE) (B)	Classification: New Librarian Staffing Matrix
1	0.75		Librarian III (0.75 FTE) (B)	
-12	-12.00		Library Branch Manager (X)	Classification and Title Change: Reduction in funded positions.
12	11.25		Library Services Manager (X)	
-18	-18.00		Librarian III	Classification: New Librarian Staffing Matrix
25	25.00		Librarian III	
-5	-5.00		Librarian II	
-2	-2.00		Librarian Associate	
-8	-8.00		Library Reference Assistant	Classification and Title Change: Reduction in funded positions.
8	7.25		Library Reference Assistant	
-11	-11.00		Branch Library Services Assistant	Classification and Title Change: Reduction in funded positions.
12	12.00		Library Services Coordinator	
-1	-0.50	-0.50	Branch Library Services Assistant (E)	
-28	-28.00		Library Circulation Assistant I	Classification and Title Change: Reduction in funded positions.
28	27.25		Library Circulation Services Representative	
-5	-5.00		Library Circulation Assistant I - Bilingual	Classification and Title Change
5	5.00		Library Circulation Services Rep. - Bilingual	
-23	-10.93		Library Circulation Assistant I (0.53 FTE)	Classification and Title Change: Reduction in funded positions.
0	0.00		Library Circulation Assistant I (0.475 FTE)	
19	8.32		Library Circulation Services Rep. (0.475 FTE)	
-1	-0.50		Library Circulation Assistant I (0.50 FTE)	Classification and Title Change
1	0.50		Library Circulation Services Rep. (0.50 FTE)	
-3	-1.50		Library Circulation Aide (0.56 FTE)	Classification and Title Change
			Library Circulation Aide (0.50 FTE)	
3	1.50		Library Circulation Aide (0.50 FTE)	
-1	-1.00		Librarian V	Classification and Title Change
1	1.00		Library Services Manager	
-1	-1.00		Library Circulation Assistant I	Classification and Title Change
1	1.00		Library Circulation Services Representative	

LIBRARY

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-2	-2.00		Library Circulation Aide (0.56 FTE)	Classification and Title Change
			Library Circulation Aide (0.50 FTE)	
2	2.00		Library Circulation Aide (0.50 FTE)	
-1	-1.00		Management Librarian (X)	Classification and Title Change
1	1.00		Library Services Manager (X)	
-1	-1.00		Librarian V (X)	Classification and Title Change
1	1.00		Library Services Manager (X)	
-1	-1.00		Librarian V (X)	Classification and Title Change
1	1.00		Library Services Manager (X)	
-10	-10.00		Librarian III	Classification: New Librarian Staffing Matrix
			Office Assistant III (0.5 FTE)	Classification and Title Change: Reduction in funded position
-1	-0.50		Library Circulation Assistant I (0.5 FTE)	
-1	-1.00		Management Librarian	Classification and Title Change
1	1.00		Library Services Manager (X)	
-5	-5.00		Librarian III	Classification: New Librarian Staffing Matrix
-1	-0.50		Librarian III (0.50 FTE)	Classification: New Librarian Staffing Matrix
-1	-1.00		Processing Archivist	Classification and Title Change
1	1.00		Librarian III	
1	1.00		Librarian III	Moved from Central Library Services Pool
-1	-1.00		Librarian V (X)	Classification and Title Change
1	1.00		Library Services Manager (X)	
-1	-1.00		Librarian V (X)(Y)	Classification and Title Change
1	1.00		Library Public Services Area Manager (X)(Y)	
-1	-1.00		Management Librarian (X)	Classification and Title Change
1	1.00		Library Services Manager (X)	
-1	-1.00		Librarian III (X)	Classification: New Librarian Staffing Matrix
1	1.00		Librarian III (X)	
-1	-1.00		Library Services Assistant	Classification and Title Change
1	1.00		Library Services Coordinator	
-2	-2.00		Library Circulation Assistant II	Classification and Title Change
2	2.00		Library Circulation Services Rep. - Lead	
-1	-0.50		Library Circulation Assistant I (0.50 FTE)	Classification and Title Change
1	0.50		Library Circulation Services Rep. (0.50 FTE)	
-10	-2.50		Teen Outreach Intern	Classification and Title Change
10	2.50		Library Teen Outreach Intern	
-6	-6.00		Librarian III	Classification: New Librarian Staffing Matrix
24	24.00		Librarian III	

LIBRARY

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Librarian III	Moved to City Archives Unit
-2	-2.00		Librarian III (F)	Classification: New Librarian Staffing Matrix
4	4.00		Librarian III (F)	
-1	-0.50		Librarian III (0.50 FTE)	
1	0.50		Librarian III (0.50 FTE)	
-2	-2.00		Librarian II (F)	
-2	-2.00		Librarian Associate	
-3	-3.00		Library Reference Assistant	Classification
3	3.00		Library Reference Assistant	
-2	-2.00		Library Reference Assistant (F)	Classification
2	2.00		Library Reference Assistant (F)	
-1		-1.00	Management Librarian (D)	Classification and Title Change
1		1.00	Library Services Manager (D)	
-1		-1.00	Librarian III (D)	Classification: New Librarian Staffing Matrix
2		2.00	Librarian III (D)	
-1		-1.00	Librarian II (D)	
-4		-4.00	Library Reference Assistant (D)	Classification and Title Change
4		4.00	Library Reference Assistant (D)	
-1		-1.00	Library Services Assistant (D)	Classification and Title Change
1		1.00	Library Services Coordinator (D)	
-2		-2.00	Audio Machine Technician (D)	Classification and Title Change
2		1.25	Library Audio Machine Technician (D)	
		0.75	Library Audio Machine Technician (D)	Increase Funding
-4		-4.00	Library Circulation Assistant I (D)	Classification and Title Change
4		2.50	Library Circulation Services Representative (D)	
-4	-4.00	-2.50	Library Circulation Services Representative (D)	Reduced Funding
			Library Circulation Asst. I (0.53 FTE) (D)	Classification and Title Change: Reduction in funded position
			Library Circulation Asst. I (0.475 FTE) (D)	
		-0.36	Library Circulation Services Rep. (0.475 FTE) (D)	
		0.36	Library Circulation Services Rep. (0.475 FTE) (D)	Funding Increase
	-13.62	13.62	Various Positions	ARPA Funding
		-0.01	FTE Correction	FTE Correction
-1	-1.00		Administrative Specialist Sr.	Classification and Title Change
1	1.00		Library Circulation Manager	
-2	-2.00		Library Circulation Assistant III	Classification and Title Change
2	2.00		Library Circulation Services Coordinator	

LIBRARY

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-2	-2.00		Library Circulation Assistant II	Classification and Title Change
2	2.00		Library Circulation Services Rep. - Lead	
-1	-1.00		Library Circulation Assistant III	Classification and Title Change
1	1.00		Library Circulation Services Coordinator	
-2	-2.00		Library Circulation Assistant II	Classification and Title Change
2	2.00		Library Circulation Services Rep. - Lead	
-25	-25.00		Library Circulation Assistant I	Classification and Title Change
22	22.00		Library Circulation Services Representative	
-1	-1.00		Library Circulation Assistant I (F)	Classification and Title Change
1	1.00		Library Circulation Services Representative (F)	
-1	-0.50		Library Circulation Assistant I (0.50 FTE)	Classification and Title Change
1	0.50		Library Circulation Services Rep. (0.50 FTE)	
-11	-5.50		Library Circulation Aide (0.56 FTE)	Classification and Title Change
11	5.50		Library Circulation Aide (0.50 FTE)	
-1		-1.00	Library Reference Assistant (H)	Classification and Title Change
1		1.00	Library Reference Assistant (H)	
-1		-0.50	Library Circulation Asst. I (0.50 FTE) (H)	Classification and Title Change
1		0.50	Library Circulation Services Rep. (0.50 FTE) (H)	
-2	-2.00		Librarian V	Classification and Title Change
2	2.00		Library Services Manager	
-1	-1.00		Library Circulation Assistant I	Classification and Title Change
1	1.00		Library Circulation Services Representative	
-5	-5.00		Library Circulation Aide (0.56 FTE)	Classification and Title Change
5	5.00		Library Circulation Aide (0.50 FTE)	
-11	-24.73	9.11	Totals	

MAYOR'S OFFICE

EXECUTIVE SUMMARY

- MISSION:** Enhance the safety, prosperity, and quality of life for all Milwaukee residents.
- OBJECTIVES:** Provide safety and stability for all Milwaukee neighborhoods.
 Increase economic opportunity and family supporting employment for all Milwaukeeans.
 Protect children's health and help them achieve educational success.
 Grow the city's environmental and physical assets.
 Ensure city services are delivered efficiently, effectively, and equitably.
- STRATEGIES:** 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.
 Staff and fund responsive and effective police and fire services.
 Continue increased investment in city infrastructure.
 Continue to secure federal and state funds to improve Milwaukee.
 Promote energy efficiency and renewable energy on a regional basis.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Personnel				
FTEs - Operations & Maintenance	10.79	12.75	12.50	-0.25
FTEs - Other	1.11	1.00	2.25	1.25
Total Positions Authorized	16	16	17	1
Expenditures				
Salaries and Wages	\$798,377	\$912,271	\$909,774	\$-2,497
Fringe Benefits	367,253	419,645	418,496	-1,149
Operating Expenditures	103,471	46,500	49,416	2,916
Equipment	1,150	0	0	0
Total	\$1,270,251	\$1,378,416	\$1,377,686	\$-730

The Mayor's Office provides executive direction and management for 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 10,000 Homes pledge, and reducing lead poisoning in Milwaukee children.

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 members to numerous City Boards and Commissions,

including the Fire and Police Commission, Board of Review, and other bodies charged with carrying out the business of City government.

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 sets management and policy direction for the Administration and Cabinet officials appointed by the Mayor. Under State law and the City Charter, the Mayor proposes the annual City budget, including the property tax levy and spending for all City departments. The Mayor's Office works closely with Cabinet departments and other local elected officials to effectively advocate the City's interests in Washington, DC and Madison.

Since his first election as Mayor in 2004, Mayor Tom Barrett has steered Milwaukee on a positive course. Mayor Barrett's budgets have invested hundreds of millions of dollars in public safety, neighborhood stability, affordable housing, employment opportunity, and the health and well-being of Milwaukee's children. The Mayor has consistently allocated funding to get results for Milwaukee residents:

- Reduced the rate of lead poisoning by over 70% since 2004
- Over 9,000 new affordable housing units developed or funded since 2009
- Billions in new development, reducing property taxes and funding services for neighborhoods
- 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. The Mayor's top priorities are:

Racial Equity & Inclusion: Mayor Barrett created the Office of Equity & Inclusion in the 2021 budget to make explicit his commitment to ensuring every Milwaukee resident has equal opportunity. The Office is currently leading a formal disparity study to help increase equitable access to City contracting and purchasing for minority and woman-owned businesses. The Mayor's Administration joined the City of Milwaukee to the Government Alliance on Race and Equity (GARE) and established equity trainings for 85 senior City officials including many elected leaders.

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 applies a public health approach to violence, working "upstream" of interpersonal and domestic violence, as well as on healing and organizing activities to keep Milwaukee resilient in the face of violence.

The Mayor is committed to full implementation of the Blueprint for Peace, the Office's community-developed 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, the local workforce board for Milwaukee County. 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 to learn meaningful skills and enhance their resumes. Through clerical, recreation, food service, and other work, the youth in this program develop

beneficial work habits and confidence. Between 2005 and 2020, tens of thousands of Milwaukee youth gained critical employment experience through the Earn & Learn program.

Strong and Growing Neighborhoods: Mayor Barrett believes neighborhoods are Milwaukee’s lifeblood, and since 2014, has dedicated over \$100 million to the STRONG Neighborhoods Plan to prevent foreclosures, fight blight and vacancy, and revitalize neighborhoods from the impacts left by the foreclosure crisis. Since 2014, over \$170 million in taxable value has been recovered from the sale of more than 2,800 City-owned properties. These homes have gone from vacant liabilities to stable assets for Milwaukee families and neighborhoods.

Building on the success of the STRONG Neighborhoods Plan, in early 2018 Mayor Barrett announced a goal of creating or preserving 10,000 more affordable housing units by 2028. Through 2020, the City provided funding and support for over 2,800 affordable housing units.

Infrastructure: Quality, reliable infrastructure is critical to keep Milwaukee growing and safe. The 2022 budget invests \$74.6 million in core infrastructure programs including streets, bridges, street lighting, and sewers. Since Mayor Barrett took office in 2004, annual funding for core infrastructure has increased by \$31.8 million, nearly 74%. In that time, \$216.2 million has 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. The Mayor’s 2022 budget upgrades 21 miles of neighborhood and commercial district streets through the Local and High Impact street paving programs.

Early Childhood Initiatives: The 2021 budget moved the Early Childhood Director position from the Milwaukee Public Library to the Mayor’s Office. This move positioned the City’s Office of Early Childhood Initiatives to better address issues that working families face with childcare. The move will also allow the City to take full advantage of government and philanthropic resources available for preschool education.

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		Community Outreach Liaison	Eliminated in error in 2021
	-1.00	1.00	Staff Assistant to the Mayor(Y)	Funded with ARP funds
	-0.25	0.25	College Intern (.25 FTE)	
1	-0.25	1.25	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

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Personnel				
FTEs - Operations & Maintenance	24.22	32.00	33.00	0.00
FTEs - Other	1.29	0.00	0.00	0.00
Total Positions Authorized	39	36	37	1
Expenditures				
Salaries and Wages	\$1,653,616	\$1,755,698	\$1,760,495	\$4,797
Fringe Benefits	760,663	807,621	809,828	2,207
Operating Expenditures	292,376	381,966	328,300	-53,666
Equipment	2,320	6,000	6,000	0
Special Funds	38,576	15,000	15,000	0
Total	\$2,747,551	\$2,966,285	\$2,919,623	-\$46,662
Revenues				
Charges for Services	\$874,598	\$1,231,000	\$1,059,000	-\$172,000
Forfeitures	2,005,172	2,500,000	2,601,000	101,000
Total	\$2,879,770	\$3,731,000	\$3,660,000	-\$71,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

- Build safe and healthy neighborhoods.
 - Adjudicate ordinance violations in a timely and equitable manner.
 - Effectively enforce judgments.
 - Use alternative sentencing for defendants when appropriate.
- 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 prepare 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 meets 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 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.

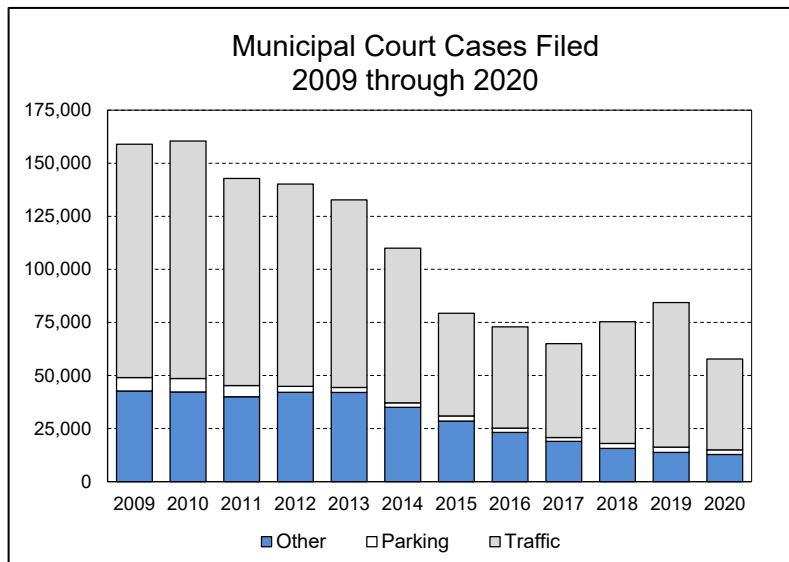
Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Average days from filing to judgment.	30	30	30
Number of enforced driver license suspensions lifted.	9,447	11,000	13,000

STRATEGY IMPLEMENTATION

The Municipal Court’s 2022 budget is based on an estimated 65,000 cases. Case volume had decreased significantly since 2008. In 2020, Court filings were 18% higher than the first half of 2019. In 2021, Court filings are 20% higher than the first half of 2020. The majority of cases in Municipal Court are related to traffic violations. (See Figure 1).

Evening court sessions were offered on seven dates in 2020. Evening court is more convenient for some people and sometimes results in a higher percentage of scheduled defendants appearing for hearings. This can shorten the time to resolve the case for the defendants who choose a night court session.

Figure 1



In 2020, a total of 7 sessions were scheduled for 476 defendants on 287 cases. These totals were down compared to other years due to COVID 19.

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 understand the struggles in the community. This understanding has led the court to establish reasonable court procedures.

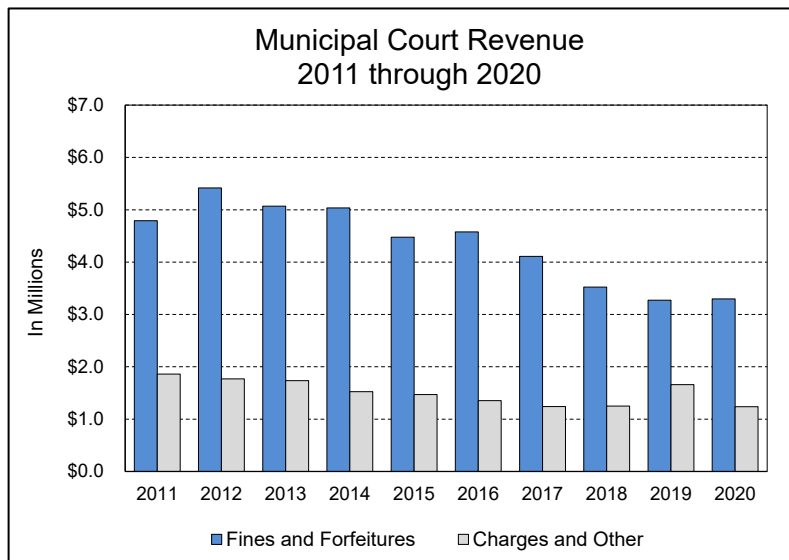
- **Allow walk-in hearings:** Few courts in the nation hear unscheduled cases. Walk-ins allow people the opportunity to appear before a judge without having to schedule a court date ahead of time, which means not having to wait until a court date is available. While the COVID pandemic forced the Court to cease offering sessions for people to just walk-in and all hearings must currently be scheduled in advance, the Court is registering people for Court who have unscheduled, post-judgment cases. These are often cases with unpaid fines that have warrants or driver’s license suspensions.
- **Utilize conditional sentences of community service:** When appropriate, those who cannot pay can choose to perform community service as an alternative to payment. The COVID pandemic curtailed many community service options. The Court works with JusticePoint to identify available options. The Court has also been working directly with some service agencies to reach clients with outstanding municipal violations in Milwaukee.
- **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.
- **30% down payment:** 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.
- **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 2020, the court lifted 1,197 drivers’ license suspensions for 529 individuals.

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

Court Revenues: In 2020, total court revenue decreased by about \$956,270; an approximate 25% decrease from 2019, consistent with the downward trend since 2011 (see Figure 2). This results from a reduced number of citations and cases. It is also affected by defendants’ ability to pay, changes in forfeiture and fine amounts, and the effectiveness of collection efforts.

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 city's cost for housing these offenders.

In 2020, 208 persons were admitted to case management. Individuals that successfully complete the case management programs are relieved of the burden of incarceration or forfeiture payments. The participant completion rates for the various case management programs are as follows:

- Community Service: 55%
- AODA program: 82%
- Mental Health Services: 90%
- Mental Health and AODA: 100%

The 2022 budget provides \$487,000 for this program.

RESIZE, RESTRUCTURE, AND REINVEST

Improving Case Management: The electronic case file project, which started in 2011, provides electronic storage of all case documents, improving customer service while providing additional functionality on the court's website. By 2020, an annual recurring savings of more than \$600,000 is realized from the project. Incremental annual savings, based on case filings, are realized as the purchase of case folders is no longer necessary.

Videoconferencing: On July 6, 2020, the Court began offering hearings via videoconferencing technology for arraignments and pre-trial sessions. Videoconferencing provides the greatest opportunity for proceeding safely during the COVID pandemic. This new format has been successful. The Court began offering trials by videoconferencing at the end of August 2020.

On-going Support of Technology: Capital funding of \$179,000 enables the Court to migrate its primary software, Court Automated Tracking System (CATS), and public query website away from Oracle to MS SQL. The project will also rebuild the query website on a content management system (CMS) and the CATS user interface will become web based.

Operating Changes: The shift to offering hearings by videoconference has identified a need for further improvements in service delivery to defendants using online capabilities. The 2022 Capital Budget includes \$80,000 for IT Infrastructure and Courtroom Upgrades to facilitate improved virtual proceedings.

Position Changes: The 2022 budget eliminates funding for the Deputy Court Administrator position and adds funding for one new Programmer Analyst to assist in managing the Courts growing information technology workload.

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	0	Deputy Court Administrator	Increased workload
1	1.00	0	Programmer Analyst	Increased workload
1	0	0	Totals	

NEIGHBORHOOD SERVICES

EXECUTIVE SUMMARY

- MISSION:** Protect the value of property investments throughout the city and strengthen the redevelopment capacity of neighborhoods.
- OBJECTIVES:** Improve neighborhood and property conditions.
- Reduce blight inducing conditions.
- Increase investment in Milwaukee.
- Improve the safety of buildings.
- STRATEGIES:** Implement proactive code enforcement strategies.
- Provide a timely, well understood, and consistent development process that integrates inspection with permit approvals.
- Assure construction of safe buildings through effective enforcement of the building code.
- Reduce the impact of blighted and neglected properties in the community.

BUDGET SUMMARY

	2020 Actual	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Personnel				
FTEs - Operations & Maintenance	189.30	185.88	188.88	3.00
FTEs - Other	31.72	58.30	60.30	2.00
Total Positions Authorized	289	285	285	0
Expenditures				
Salaries and Wages	\$10,579,127	\$10,639,952	\$10,811,025	\$171,073
Fringe Benefits	4,886,170	4,894,378	4,973,072	78,694
Operating Expenditures	1,533,872	1,508,060	1,508,060	0
Equipment	0	0	0	0
Special Funds	1,974,770	2,075,000	318,000	-1,757,000
Total	\$18,973,939	\$19,117,390	\$17,610,157	\$-1,507,233
Revenues				
Charges for Services	\$10,484,757	\$13,304,000	\$12,680,000	\$-624,000
Licenses and Permits	8,809,332	9,518,800	9,362,000	-156,800
Intergovernmental Aids	1,303,802	1,300,000	1,350,000	50,000
Total	\$20,597,891	\$24,122,800	\$23,392,000	\$-730,800

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. Inspection and enforcement activities ensure compliance with building and property codes, which support an attractive investment environment and foster 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 250,000 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 period.

Factors that affect the stability and quality of housing in the city’s neighborhoods include housing age, ownership, and market conditions. 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, 63%, of the city’s housing units while owner occupancy rates have decreased. Many renters, (55%), have a high housing cost burden spending 30% or more of their income on housing costs.

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. There are approximately 2,829 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	2020 Actual	2021 Projected	2022 Planned
Average days to respond to complaints.	9	9	9
Orders issued.	39,414	34,000	34,000
Number of vacant buildings.	2,829	2,789	2,729
Number of properties that received compliance loans.	54	54	67

ENHANCING DEVELOPMENT

DNS uses several code enforcement services to 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 2020, DNS received 39,414 complaints of building code violations and nuisance activity. The Residential division responded to 30,585 (77%) of the complaints received (see Figure 1). Verified complaints result in orders to correct conditions that violate city ordinances. DNS issued 31,488 orders in 2020.

Vacant Building Registration Program: The Vacant Building Registration program supports neighborhood stability and improvement. 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. The registration must be renewed every six months. The first registration period is exempt from fees. A \$250 renewal fee is charged and the fee increases if uncorrected code violations exist.

Development Center: The Permit and Development Center remains busy reviewing plan submittals, processing applications, and providing information to the public at volumes comparable to pre-pandemic levels. DNS reopened its doors to customers via appointment in June 2021 to limit walk-in traffic and build efficiency into its process, ultimately providing better service to DNS customers. Feedback regarding this shift has been overwhelmingly positive.

Development Center staff continues to work with ITMD on the integration of electronic plan review software. This advancement will benefit both DNS staff and customers. Providing applicants with the option of submitting for review digitally will build significant efficiency into the review process and eliminate the disposal of thousands of pounds of paper annually.

Figure 1

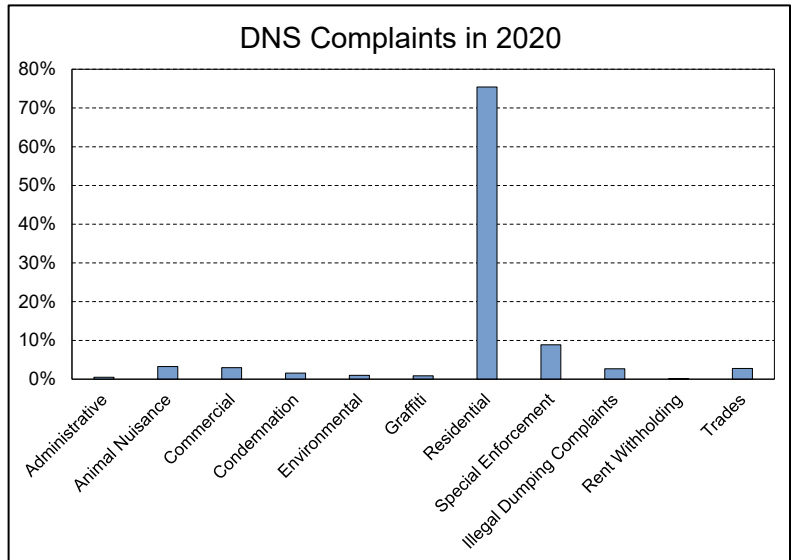
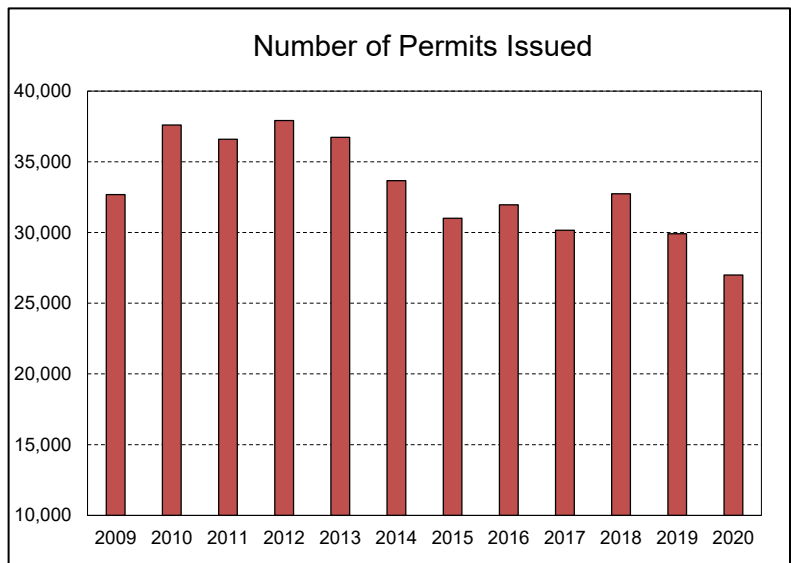


Figure 2



ENGAGING NEIGHBORHOODS, ENSURING SAFETY

Code Enforcement Internship Program: Started in 1995, the Intern Program trains individuals from the community to become full-time Code Enforcement Inspectors. The interns conduct pre-foreclosure and graffiti inspections. Interns receive formalized classroom training at MATC and in-house field training provided by DNS. Since 2011, 41 interns have successfully completed the internship program and are currently employed by the City. Approximately 40% of the interns are African American and 8% are Hispanic.

Downspout Disconnection Program: The Milwaukee Metropolitan Sewerage District (MMSD) revised its rules and regulations in 2014 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) implemented a six-year program to ensure all disconnections occur by the required date. Approximately 53,000 properties will be surveyed. The SMF is using DNS staff to inspect properties and ensure compliance with the disconnection requirements. The Sewer Maintenance Fund pays for all program staff and related costs.

DNS will be moving into phase II of the downspout disconnection program in the fourth quarter of 2021. During phase I of the program, DNS utilized the intern program and inspected 12,000 properties. DNS anticipates performing 16,000 inspections in phase II, requiring an additional 12 to 18 months to complete surveys and follow up on orders. Code enforcement interns will continue to perform inspections.

Lead Abatement Inspections: DNS assists the Milwaukee Health Department Lead Program in conducting property surveys, preparing scopes of work and cost estimates for rehabilitation work. MHD Lead Risk Assessors conduct a lead risk assessment. The MHD risk assessment in combination with DNS scopes and cost estimates ensures comprehensive evaluations of each property. In 2020, 164 scopes and estimates were prepared.

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. Improved technology has enabled faster 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 has created a website (www.Milwaukee.gov/dumping) for citizens to report and provide timely, actionable information. This enables DNS to respond to citizen concerns and act accordingly.

The new reporting tool has generated several hundred tips, resulting in investigation and issuance of citations by DNS. DNS has received 1,091 complaints and issued 52 citations. DNS uses each case to educate citizens about their ability to report illegal dumping and to deter potential illegal dumpers by highlighting the consequences imposed on violators.

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. Fifty-three rewards have been issued since the start of the program in 2018.

Additionally, in the 2021 budget, DNS was awarded \$25,000 to design and implement a proactive illegal dumping campaign. Using data from DPW and input from the Common Council, DNS identified several sites throughout the city with the highest frequency of illegal dumping, and implemented site-specific proactive measures such as signage and cameras to discourage illegal activity. DNS works closely with neighborhood groups to provide educational information and anti-dumping materials in these areas.

Special Funds: The 2022 budget funds the Community Sanitation Fund at \$55,000, and the Anderson Lake Tower at \$140,000. The funding for these accounts are unchanged from the 2021 adopted budget.

The 2022 budget also includes \$25,000 for the Illegal Dumping Prevention Fund special fund. This fund supports efforts to prevent and prosecute illegal dumping in target areas of the city with the greatest level of habitual illegal dumping.

Special Purpose Accounts (SPAs): The Department of Neighborhood Services has access to two Special Purpose Accounts with funding totaling \$120,000. The Graffiti Abatement Fund assists in the removal of graffiti in neighborhoods, while the Essential Services account ensures that residents have basic services available in residential properties.

Position Changes: The 2022 budget funds three positions held vacant in the 2021 budget. The funded positions include one Program Assistant, one Building Construction Division Manager and one Office Assistant III.

The 2022 budget adds two Plumbing Inspector positions. The Plumbing Inspector positions are funded through the Sewer Maintenance Program and will be assigned to the downspout disconnection program.

American Rescue Plan (ARP) Funding: The 2022 budget assumes the use of ARP funds to support three programs in DNS:

- **Animal Pound Contract:** This funds the City contribution to the Milwaukee Area Domestic Animal Control Commission (MADACC). ARP will provide \$1,867,000 to support MADACC. This level of funding represents a \$12,000 increase from 2021. These ARP funds are under the revenue loss provision.
- **Demolition and Deconstruction Funding:** A total of \$3 million in ARP funds is allocated to demolition activity. In 2018, the Common Council suspended legislation that required deconstruction, rather than demolition, for residential properties. The deconstruction ordinance will take effect again on March 1, 2022.
- **Compliance Loan Program:** A total of \$1 million in ARP funds is allocated to the Compliance Loan Program. The Compliance Loan Program assists homeowners by replacing the traditional court enforcement process resulting in fines and fees, with a case management and resource-based program that keeps owners in their homes. 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. Repair programs often do not cover all work and traditional home improvement loans may not be accessible due to income, lack of credit or little to no equity. A total of fifty-five loans, totaling \$686,073, were approved in 2020. DNS plans to award another 54 loans in 2021.

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	Program Assistant II	Position held vacant in 2021
	1.00	0.00	Building Constr. Inspector Div. Mgr.	Position held vacant in 2021
	1.00	0.00	Office Assistant III	Position held vacant in 2021
-3	0.00	0.00	Neighborhood Improve. Proj. Insp. (B)(X)	Unfunded Positions
2	0.00	2.00	Plumbing Inspectors	Increased Inspectors in Cross Connection
0	3.00	2.00	TOTALS	

POLICE DEPARTMENT

EXECUTIVE SUMMARY

- MISSION:** In collaboration with the community, we endeavor to reduce crime and disorder through intelligence-led and problem-oriented policing.
- 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 promoting trust and achieving legitimacy through constitutional policing practices.
- Provide department wide investment in personnel through quality training that enhances effectiveness and prepares staff for leadership opportunities.
- Increase use of field technology and provide metrics for evaluating use and maintaining accountability.
- STRATEGIES:**
- Community Partnership:** Develop and maintain 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, skills and jurisdictional boundaries of local, state and federal law enforcement partners to address public safety threats.
- Intergovernmental Relations:** Work with local and state legislators to create laws that positively impact public safety and create additional sources of funding for public safety resources.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	2,627.00	2,493.95	2,377.45	-116.50
FTEs - Other	40.60	85.50	183.00	97.50
Total Positions Authorized	2,828	2,732	2,753	21
<u>Expenditures</u>				
Salaries and Wages	\$195,678,461	\$188,813,539	\$178,153,242	\$-10,660,297
Fringe Benefits	93,526,222	90,630,499	85,513,556	-5,116,943
Operating Expenditures	15,495,794	15,006,587	15,341,599	335,012
Equipment	112,099	296,000	864,285	568,285
Special Funds	384,060	559,360	559,360	0
Total	\$305,196,636	\$295,305,985	\$280,432,042	\$-14,873,943
<u>Revenues</u>				
Intergovernmental	\$795,610	\$866,000	\$706,000	\$-160,000
Charges for Services	2,394,294	3,148,000	3,488,000	340,000
Total	\$3,189,904	\$4,014,000	\$4,194,000	\$180,000

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 promoting trust and achieving legitimacy through constitutional policing practices.
- Provide department wide investment in personnel through quality training that enhances effectiveness and prepares staff for leadership opportunities.
- Increase use of field technology and provide metrics for evaluating use 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:** 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:** 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 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:** MPD will use the 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	2020 Actual	2021 Projected	2022 Planned
Decrease part one crime by 10% annually.	13%	30%	-10%
Achieve a 70% homicide clearance rate.	65%	50%	60%
Guns seized.	3,097	3,000	2,600

STRATEGY IMPLEMENTATION

The department uses strategic staffing practices to optimize patrol capacity. The 2022 budget includes funding for an average of 1,657 sworn officers; a decrease of twenty five, or 1.5%, from the average funded strength in 2021. The budget plans to hire 195 new police officer recruits in 2022 with funding from the American Rescue Plan.

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

- Partnering with local, state and federal partners to address violent crime, drug trafficking, the illegal use of firearms and reckless driving.
- Improving upon innovative programs like deferred prosecution agreements and diversion programs with prosecution partners, which reduce recidivism and improve quality of life issues.

WI Department of Justice UCR Summary Crime Reporting (SRS) 2016 to 2020						
Offense	2016	2017	2018	2019	2020	19-20 Change
Murder	141	119	100	97	190	96%
Rape - prior to 2017	285	N/A	N/A	N/A	N/A	N/A
Rape - 2017	N/A	434	524	456	446	-2%
Robbery	3,285	2,920	2,288	1,920	1,934	1%
Aggravated Assault	5,306	6,041	5,583	5,496	6,890	25%
Simple Assault	6,255	8,067	7,579	7,330	7,772	6%
Burglary	5,863	5,522	4,295	3,616	3,416	-6%
Larceny Theft	12,358	11,553	9,013	8,122	8,240	1%
Motor Vehicle Theft	6,179	5,504	4,624	3,467	4,493	30%
Arson	311	313	252	198	288	45%

* 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, 2016 – 2020. The data is subject to updates from year-to-year. UCR statistics are based on the reporting agency. The data here is only from the Milwaukee Police Department and does not include crime data that may have occurred in Milwaukee but was reported by another agency. 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 sets should not be combined for comparison purposes.

RESIZE, RESTRUCTURE, AND REINVEST

Funded Strength and Recruit Classes: The 2022 budget funds an average annual sworn strength of 1,657. The budget includes funding for three recruit class of 65 recruits for a total of 195 new recruits in 2022. These recruits will be funded with approximately \$6 million in American Rescue Plan funds under the revenue loss provision.

Technical Communications Division/Department of Emergency Communications: In 2021, the City began consolidating the Police and Fire dispatch centers into one unified Public Safety Answering Point (PSAP) under the Fire and Police Commission. The consolidation continues in 2022 with the creation of a new city department, the Department of Emergency Communications. The consolidation provides the following benefits:

- Improve the safety of citizens and public safety personnel
- Improve Police and Fire response times to life critical incidents
- Enhance the effective allocation and deployment of Police and Fire personnel
- Streamline Police and Fire workflows and business processes
- Provide a common operating picture for Police and Fire to ensure real-time situational awareness and information sharing

The 2022 budget assumes the Police Department will be reimbursed for the salary costs of the positions that will be transferred to the Department of Emergency Communications during 2022. Additional information is available in the Department of Emergency Communications section of the budget summary.

Traffic Safety Unit: In February 2021, the department launched the Traffic Safety Unit (TSU), dedicated to enforcing traffic laws and curbing reckless driving. TSU bases its deployment strategies on data and community feedback of problem locations, which can be input through its website, MPDTSU.org. TSU uses a high visibility enforcement

strategy, where its deployment schedules are publicly available in order to encourage lawful traffic behaviors. As part of the department's ongoing efforts to promote transparency, TSU citation statistics and traffic crash data are publicly available on its website.

MKE Urban Stables: In 2020, the MKE Urban Stables opened, which supports the department's Mounted Patrol. The Mounted Patrol provides a highly visible police presence at large crowd events. They provide crowd management, or crowd control when required, at outdoor festivities, concerts, gatherings, sporting, and special events. In 2021, the MKE Urban Stables was expanded to allow for public education and community service programs for schools and community groups.

Operation Greenlight: Working with the Common Council, the department launched a pilot program to partner with area businesses in a business improvement district (BID) that combines video technology and a commitment to environmental design best practices to decrease crime and nuisance activity at a targeted location.

Civilianization: In 2021, the department reevaluated its staffing levels as it relates to sworn officers and civilian members. In an effort to both reduce costs and improve functionality, while freeing up its sworn officers to perform tasks exclusive to law enforcement, the department began civilianizing positions that have historically been held by its sworn members, including in its grant management and forensics operations. Civilianization efforts will continue in 2022.

Public Safety Cadets: In 2021, the department began a partnership with the Public Safety Cadets program. Public Safety Cadets is a new, national non-profit organization founded and managed by active and retired law enforcement officers and business leaders dedicated to mentoring young adults, ages 14-20, for careers and leadership in the public safety profession. Cadets learn about all facets of a career in law enforcement. It is a community-based program, which reaches out to youth in all parts of Milwaukee. The program builds understanding, provides role models and helps develop young people interested in law enforcement careers through training and hands on programs. In July 2021, the department's Cadets competed against 94 teams from multiple states and jurisdictions in their first National Competitive Training Conference.

Citizen's Academy: The Milwaukee Police Citizen Academy is a seven-week program designed to provide citizens with a working knowledge of the Milwaukee Police Department. It consists of a series of classes held once a week for three hours. The instruction includes classroom academics and practical applications in law, police procedure, defense and arrest tactics, firearms training and state of art technology used to combat crime. Tours of various police facilities and demonstrations of equipment are also conducted. Attendees have the opportunity to participate in a ride-along with officers. This program provides participants an opportunity to ask questions about police services and to express their concerns about quality of life issues. Due to the program's popularity, in 2022 the Citizen's Academy will begin an advanced version for repeat attendees.

#8CantWait: In December 2020, the Department enacted a number of police reforms related to its use of force policy. By Spring 2021, the reforms amounted to aligning fully with the national #8CantWait campaign. These reforms include bans on chokeholds and strangleholds, a duty to intervene, de-escalation and a use of force continuum.

ABLE: In 2021, the Department was selected to join the Active Bystandership for Law Enforcement (ABLE) Project. ABLE was created to prepare officers to successfully intervene to prevent harm and to create a law enforcement culture that supports peer intervention.

Auto Thefts: After identifying a significant increase in overall auto thefts, with certain makes and models of vehicles being disproportionately affected, the department utilized social media, the news media and other forums to create awareness of the issue and recommend protective measures. Partnering with several businesses, non-profits and the Milwaukee Police Foundation, the department gave away thousands of donated steering wheel locks to help abate the issue.

CAPITAL BUDGET

The 2022 capital budget includes \$7.2 million for reinvestment in key areas of the department.

Police Vehicles: The 2022 capital budget includes \$3.6 million for police vehicle replacement, including 40 fully equipped hybrid squad car replacements.

Server Hardware/Software Refresh: The 2022 capital budget includes \$2 million to replace the data center hardware that is currently 8 years old and beyond useful life. This hardware helps operate and backup critical public safety systems, such as CAD and 911.

District Station Repairs: The 2022 capital budget includes \$600,000 to make various upgrades and repairs at the department's district stations.

Police Administration Building Remodeling: The 2022 capital budget includes \$500,000 to modernize the building's freight elevator which is failing at increasing rates and approximately fifty years old.

SONET Ring Replacement: The 2022 capital budget includes \$300,000 to replace the existing SONET ring. The SONET ring is the infrastructure that provides communications between sites for both the radio system and the police and fire department phone system. These systems are critical to the operations of both departments. The existing system is no longer supported.

Security Surveillance Video Infrastructure Upgrade: The 2022 capital budget includes \$200,000 to update the surveillance system that monitors all police department facilities. The project also consolidates the two current systems into one system to improve overall system efficiency.

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		Police Planning & Policy Director	Position reclassified
1	1.00		Grant Compliance Manager	
1	1.00		Police Services Specialist Investigator (E)	New Position in 2022
1	1.00		Technical Writer	Position reclassified.
-1	-1.00		Electronic Technician	
-12	-12.00		Forensic Investigator	Position eliminated
-1	-1.00		Forensic Services Director	New Position in 2022
1	1.00		Forensic Video Examiner	Position eliminated
32	15.00		Crime Scene Specialist	New Position in 2022
1	1.00		Legal Compliance Officer	
-2	-122.50	97.50	Police Officers	Transition to grant funding
-1	-1.00		Police Lieutenant (N)	Position eliminated
-1	-1.00		Police Sergeant	
1	1.00		Police Records Director	New Position in 2022
6	6.00		Crime Scene Supervisor	New Position in 2022
-1	-1.00		Document Examiner	Position eliminated
-1	-1.00		Latent Print Examiner	
-1	-1.00		Identification Systems Spec.	
1	1.00		Police Identification Administrator	New Position in 2022
-2	-2.00		Police Services Specialist - Investigator	Position eliminated
1	1.00		Police Services Specialist	New Position in 2022
-1	-1.00		Police Captain	Position eliminated
-124	-124.00		Emergency Communications Operator	Position reclassified.
124	124.00		911 Dispatcher	
21	-116.50	97.50	Totals	

PORT 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 and multimodal transportation infrastructure on Jones Island.
- Foster development of agricultural and alternative markets.
- Position Milwaukee as a Great Lakes turnaround cruise ship destination.
- 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, Wisconsin and regional-agricultural and manufacturing products to U.S. and overseas markets.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	18.70	19.00	21.00	2.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	35	35	35	0
<u>Expenditures</u>				
Salaries and Wages	\$1,280,678	\$1,213,049	\$1,339,579	\$126,530
Fringe Benefits	613,074	558,003	616,206	58,203
Operating Expenditures	1,293,753	1,208,125	1,437,000	228,875
Special Funds	2,914,578	2,719,243	3,463,503	744,260
Total	\$6,102,083	\$5,698,420	\$6,856,288	\$1,157,868
<u>Revenues</u>				
Charges for Services	\$6,483,900	\$5,698,420	\$6,856,288	\$1,157,868
Total	\$6,483,900	\$5,698,420	\$6,856,288	\$1,157,868

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.

Port Milwaukee 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. Through this work, Port Milwaukee contributes to the citywide goal of increasing investment and economic vitality throughout the City. The businesses that work at and through the Port generate approximately \$100 million in annual local revenue and directly employ approximately 630 people. In addition to those employed by Port tenants, Port operations directly create over 460 family supporting jobs and indirectly support nearly 220 additional jobs in the Milwaukee area.

The Port supports 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 on Jones Island 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, steel, salt, and grain. The Port diversifies its activities by promoting recreational businesses and passenger related travel services. Port Milwaukee is home to the Lake Express high-speed ferry and welcomes passengers from around the world at its two passenger cruise docks.

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 Henry 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 Board of Harbor Commissioners governs Port Milwaukee and is responsible for developing its strategic plan and governing its operations, as required by City Ordinance and State Statute.

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Tonnage growth.	5.4%	0%	0%
Percentage of total expenses covered by revenues.	119%	100%	100%
Port related job growth.	630 (direct) 679 (indirect)	630 (direct) 679 (indirect)	630 (direct) 679 (indirect)
Cruise ship visits	0	0	11

STRATEGY IMPLEMENTATION

In 2020, the Port generated operating revenue of approximately \$5.1 million, an 11.5% increase from 2019. Approximately 63% of the Port’s total revenues result from facility rentals. The Port also received \$1.6 million in revenue from the lease of the 75-acre Henry Maier Festival Park to Milwaukee World Festivals, Inc. in 2019. Revenue generated by Port Milwaukee covers all its operating costs and reduces the financial impact for City services on taxpayers.

In addition to property leases, commercial tonnage totals also affect Port revenues. In 2020, total tonnage increased by 143,381 metric tons (5.4%) to 2.8 million metric tons. International trade patterns and tariffs on commodities affect Port tonnage. This was the highest total tonnage in Milwaukee Harbor in over 7 years. Due to economic duress associated with the COVID-19 pandemic, the commercial performance of port authorities nationwide was down 10-20%, according to an estimate by the American Association of Port Authorities (AAPA). Port Milwaukee was one of few commercial ports in the United States to increase its utilization in 2020.

The Port’s land use strategy is to maximize use of its properties and services by replacing less productive activities with more economically advantageous initiatives. In 2020, Port Milwaukee successfully applied for a \$15.9 million grant through the U.S. Department of Transportation Maritime Administration’s (MARAD) Port Infrastructure Development Program. The MARAD grant will supplement additional public and private investment to construct a new \$35 million agricultural maritime export facility on Jones Island. This project is in partnership with The Delong Company, Inc. which will operate the facility, becoming a new tenant of Port Milwaukee. Construction of the new facility began in early 2021 and will continue into 2022.

RESIZE, RESTRUCTURE, AND REINVEST

Position Changes and Consolidation: Port Milwaukee’s 2022 budget adds a Civil Engineer III, Engineering Technician IV, and a Port Operations Technician. In addition, Port Milwaukee reduced an Engineering Technician II and a Civil Engineer III.

Foreign Trade Zone No. 41: In 2011, Port 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 businesses in Milwaukee and throughout the State of Wisconsin. Companies that participate can retain and create jobs, while remaining competitive in international markets.

Table 1

	Foreign Trade Zone No. 41				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Merchandise Value (In Millions)	\$1,192.0	\$1,645.3	\$1,778.7	\$2,143.6	\$2,249.1
Employees	3,624	3,473	4,204	4,137	5,137
Approved Zones	7	7	7	7	12

Designated foreign trade zones realize the following benefits:

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

The Port has been successful as the grantee of the FTZ No. 41. There are currently 11 approved operating sites. In 2020, the value of merchandise brought through FTZ No. 41 exceeded \$2.4 billion. This is an increase of nearly \$1.3 billion when compared to 2013. The value of goods moving through FTZ No. 41 exceeded \$2 billion for the fourth consecutive year. Table 1 summarizes the success of FTZ No. 41.

Marketing Milwaukee: The Board of Harbor Commissioners and Port Milwaukee worked with various stakeholders to develop the Milwaukee Cruise Collaborative, a comprehensive Port marketing plan to attract more cruise ship passengers. Partners include VISIT Milwaukee, the Milwaukee Downtown BID, the U.S. Department of Transportation, General Mitchell International Airport, and others. These efforts have proven successful as Port Milwaukee has been announced as a home port for Viking Cruises new Great Lakes itineraries, which will begin in 2022. Though international response to COVID-19 resulted in the cancellation of scheduled cruise visits in 2020 and 2021, collaborative efforts on the regional and international levels continue.

Port Facilities: Maintaining high quality facilities and modern capital assets and infrastructure attracts tenants, increases revenues, and improves the local economy. The 2022 budget includes approximately \$1 million for the maintenance and improvement of Port facilities, including:

- **Leasehold Demolition/Facilities Upgrade (\$200,000):** Port Milwaukee is responsible for maintaining and preparing buildings and land for lease to tenants. Funding supports such efforts, ensuring that facility work is done in a safe and timely manner.

- **Dockwall & Breakwater Rehabilitation (\$275,000):** Port Milwaukee maintains an extensive ten-mile dockwall system at or above international Great Lakes depth. An ongoing rehabilitation and maintenance program is necessary to minimize emergency repairs and ensure that the dockwall supports safe cargo operations for domestic and foreign vessels.
- **Major Rehab and Upgrades – Equipment (\$90,000):** The Port Operations Division provides services to tenants and customers by assisting in the loading and unloading of vessels that dock at the Port. These services are a source of revenue for the Port and this work requires machinery and equipment capable of handling large jobs in good working condition.
- **Major Maintenance Terminals & Piers (\$500,000):** Terminal and pier maintenance is an ongoing program. Maintaining terminals and piers at the Port is necessary to ensure vessels can safely dock and to handle the cargo that is loaded and unloaded. The safety of employees and customers is a high priority.

Revenues and Tonnage: The Port continues efforts to generate new revenues and increase tonnage. Sources of potential revenue growth include:

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

CAPITAL BUDGET

Pier, Berth, and Channel Improvements: This program provides ongoing maintenance and improvements to the Port’s heavy lift dock, mooring basin, and the outer harbor. The Wisconsin Department of Transportation provides 80% of the program’s cost. The 2022 capital budget includes \$967,000 for this work.

Rail Track & Service Upgrades: The Port continues its rail track and replacement program to address safety and service load requirements. The 2022 capital budget includes \$1,441,000 for additional improvements to the rail system. These improvements, in conjunction with other facility improvements, make the Port more attractive to potential tenants and enhance its competitive advantages.

Terminal & Facility Maintenance: The Port will continue Terminal and Facility Maintenance in 2022. The 2022 capital budget includes \$404,000 for the work.

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	Civil Engineer III (X)(Y)	Increased funded Civil Engineer III positions and reduced unfunded auxiliary positions.
-1	0.00	0.00	Civil Engineer III	
1	1.00	0.00	Engineering Technician IV	Market Study and Title Change.
-1	-1.00	0.00	Engineering Technician II	
0	1.00	0.00	Port Operations Technician	Increased funded positions from 5 to 6.
0	2.00	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 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 small business enterprise and residents preference program.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	32.82	34.25	34.90	0.65
FTEs - Other	4.97	8.75	9.10	0.35
Total Positions Authorized	45	43	44	1
<u>Expenditures</u>				
Salaries and Wages	\$1,898,199	\$1,837,438	\$1,875,527	\$38,089
Fringe Benefits	924,674	845,221	862,742	17,521
Operating Expenditures	278,877	278,000	329,000	51,000
Equipment	0	0	0	0
Special Funds	0	0	0	0
Total	\$3,101,750	\$2,960,659	\$3,067,269	\$106,610
<u>Revenues</u>				
Charges for Services	\$3,692,318	\$1,826,000	\$2,665,000	\$839,000
Licenses and Permits	2,039,967	2,903,000	1,586,000	-1,317,000
Total	\$5,732,285	\$4,729,000	\$4,251,000	-\$478,000

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.

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
SBE participation as a percent of total annual contract payments.	25%	25%	25%
RPP hours worked as a percentage of total contract hours.	45%	40%	40%
Employee work days lost due to injury.*	15,385	13,122	13,000

* 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.

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.

Compete Milwaukee: Since 2014, the Department of Public Works has provided unemployed and under-employed residents facing multiple barriers to employment with up to approximately six months of meaningful subsidized work experiences, accompanied with professional development career pathways trainings and services, through the Compete Milwaukee program. Compete Milwaukee trainees must meet specific Federal and/or State transitional jobs eligibility requirements. The majority of participating residents subsequently gain unsubsidized employment, including City employment. DPW is the primary employer of program alumni. Compete Milwaukee programming meets trainees where they are at, while assisting them in reaching their career goals. In addition to providing work experiences at various City work site locations, local private sector companies and contractors provide career exposure opportunities targeted towards residents interested in becoming the next generation of construction workers. The City continues to deliver innovative workforce development programming to residents, including individuals who are low-income or have criminal conviction records, to support pathways towards family supporting employment. In 2021, approximately 50 qualifying residents will participate in Compete Milwaukee programs.

Position Changes: The 2022 budget restores a Business Services Specialist positions that that was eliminated in the 2021 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
1	0.65	0.35	Business Services Specialist	Restore position eliminated in 2021 budget
1	0.65	0.35	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 moderate deterioration, good curb and gutter and drainage characteristics.
- Extend useful life of 22 miles of streets in 2022.
- Improve bicycle and pedestrian access and safety.
- Prioritize replacement of series circuitry for street lighting based on reducing area outages.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	344.24	352.41	349.66	-2.75
FTEs - Other	227.84	318.02	308.77	-9.25
Total Positions Authorized	822	824	815	-9
<u>Expenditures</u>				
Salaries and Wages	\$15,570,917	\$18,017,869	\$18,966,575	\$948,706
Fringe Benefits	7,074,982	8,288,220	8,724,624	436,404
Operating Expenditures	13,220,019	14,106,000	9,534,000	-4,572,000
Equipment	366,870	1,093,000	511,000	-582,000
Special Funds	0	300,000	300,000	0
Total	\$36,232,788	\$41,805,089	\$38,036,199	\$-3,768,890
<u>Revenues</u>				
Charges for Services	\$3,682,786	\$13,306,670	\$13,290,000	\$-16,670
Miscellaneous	678,666	716,000	313,000	-403,000
Total	\$4,361,452	\$14,022,670	\$13,603,000	\$-419,670

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 and Port.

In 2022, ISD will use approximately \$141.9 million to support its objectives including \$38 million in operating funds, \$61 million in capital funds, and \$42.9 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 2022, grant funds constitute 80% of the major bridge program and 72% 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	2020 Actual	2021 Projected	2022 Planned
Percentage of bridges with sufficiency rating greater than 50.	97.5%	97.5%	98%
Miles of bicycle lanes or trails added.	13 miles	20 miles	20 miles
Miles of streets with useful life improved through local street, major street and high impact street programs.	23.3 miles	18 miles	22.3 miles
Street lights converted from series to multiple circuitries.	316	600	1,887

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 occur 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.

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 three years, an average of \$40.9 million per year has been dedicated to the preservation and reconstruction of these streets. The 2022 budget includes \$42.6 million for the major street program, of which \$11.4 million is city funding. The city also receives funding for preliminary engineering for an additional three paving projects in the 2022 budget, and several additional grants for major intersection improvements and to implement traffic calming measures across the City.

Local Streets: Approximately 987 miles of city streets are not eligible for state and federal funding, except for the State's Local Road Improvement Program (LRIP) which in even numbered years matches \$1 million of City funding with \$1 million of State funding to be used on local streets. Local streets are typically reconstructed and resurfaced with city funds through the resurfacing and reconstruction program.

In 2022, \$8.75 million is included in the budget for the resurfacing and reconstruction of local streets. \$8 million is from levy-supported borrowing and \$750,000 is from special assessments of property owners. The funding will improve approximately 6.75 miles of local streets. The \$8.75 million also includes \$1 million for capital maintenance. Capital maintenance includes activities such as crackfilling, sealing, and joint repair.

In 2014, DPW restructured street maintenance crews in order to make quality, long lasting repairs to highly trafficked streets in the city. The department has traditionally used 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, but the more thorough repairs made by "super crews" improves the overall long-term street condition.

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 focuses on high traffic streets typically serving commercial districts, but this approach is also applied to local streets when the right conditions are met. Focusing on high traffic streets has improved the condition of streets used by the greatest number of drivers. The 2022 capital budget includes \$6 million for the high impact street program.

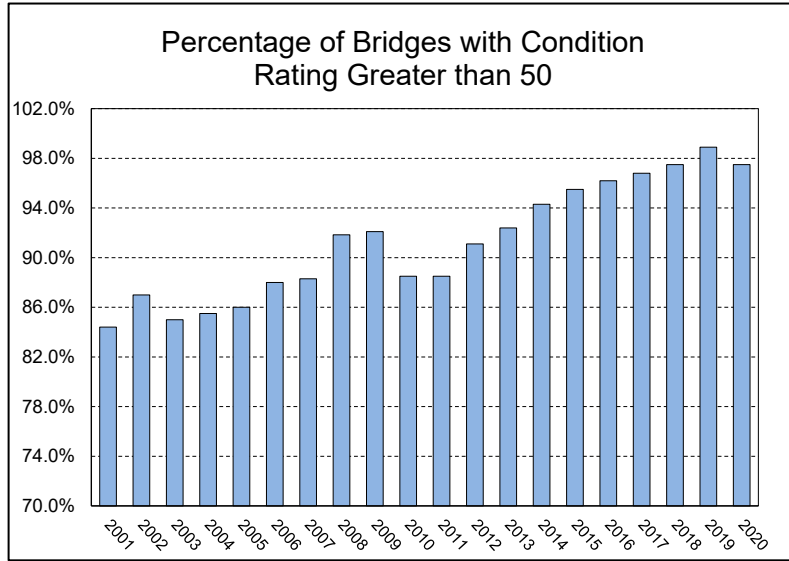
DPW incorporates curb ramp repair into the high impact street program. Whenever a street is resurfaced or reconstructed, any curb ramp at adjacent intersections that does not meet current applicable standards will be replaced. This improves the accessibility and usability of the pedestrian walkway system for persons with disabilities. Curb ramp repairs increase the cost of high impact projects, but enhance the accessibility of intersections and pedestrian ramps.

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 2022 budget, the major bridge program is funded at \$15.3 million including \$3.1 million in local funding and \$12.2 million in grant and aid funds.

The 2022 budget includes funding for the third phase of a multi-year project by MMSD and the city to address flooding issues along the Kinnickinnic River. Several vehicular and pedestrian bridges must be replaced to accommodate the wider riverbed. The cost of replacing the city-owned bridges is shared with MMSD, with the City's cost funded through the stormwater fee.

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 means the deck, superstructure, or substructure is in poor condition. In 2020, 97.5% of rated bridges had a sufficiency rating above 50 (see Figure 1).

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 2010 and 2021, the City has invested more than \$82 million in both the Local and Major Bridge programs. Beginning in 2016, budgets for the local bridge program have decreased as the overall

condition of the bridge system improved in order to address growing needs in other programs. The 2022 budget provides \$2.2 million in capital funding for local bridge projects. Investment in bridge rehabilitation and replacement has significantly increased the percentage of bridges with a condition rating greater than 50. In 2022, funding is provided for rehabilitation of the Holton Street Viaduct over the Milwaukee River and the 70th Street Bridge over the Hank Aaron Trail, the future rehabilitation of the Cherry Street bascule bridge over the Milwaukee River, as well as design work for future repairs. The city owns 21 moveable bridges and keeping these bridges in good operating condition is a priority. Moveable bridges provide commercial and leisure craft access to the city’s navigable waterways. In 2020, the city conducted 11,786 bridge raisings to accommodate water traffic.

Alley Reconstruction: The alley reconstruction program replaces aging alleys. The 2022 capital budget includes \$600,000 of new borrowing and \$200,000 of special assessment authority for the alley reconstruction program. This amount will fund 10 to 12 alley reconstruction projects.

Street Lighting: The city owns and operates nearly 77,000 street lights. The 2022 street lighting program includes \$10.9 million in capital funding, a \$1.6 million increase from the 2021 budget. This includes \$400,000 of revenue from the street lighting charge. Converting street lights from older, inefficient lighting to LED is anticipated to result in \$400,000 of savings from street lighting electricity costs. These savings will be applied to the street lighting capital program in 2022 to make long-lasting improvements to the city’s street lighting infrastructure. The 2022 street lighting program includes \$2.7 million for paving related improvements. 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. DPW uses paving projects as an opportunity to replace outdated circuitry and lamps with more resilient circuitry and more efficient LED lamps.

The 2022 budget includes \$2.7 million for proactive replacement of series circuits with modern multiple circuits. The Mayor’s proposed plan for spending American Rescue Plan (ARP) Act funding includes an additional \$10 million for additional conversion of series circuits to multiple circuitry. Approximately 65% of the street lighting system currently uses multiple circuitries. In 2022, DPW estimates 1,887 street lights will be converted from series to multiple circuitry through paving projects, City-funded series circuit conversions and the enhanced funding. There is also \$2.4 million in the 2022 budget for the first year of a multi-year effort to convert City street lights from inefficient lamps to modern LED lamps. Approximately 11,000 lamps are expected to be converted to LED in 2022, and DPW anticipates converting all City street lights to LED by 2026. Lamps with LED bulbs typically use at least 50% less electricity than standard high-pressure sodium bulbs, reducing street lighting energy costs.

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 2022, \$2.5 million in capital funds support the traffic control program, an increase of \$220,000 from the 2021 budget. In 2022, the department will continue 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 occur over five years at an estimated cost of \$1.25 million.

Multimodal Transportation: The 2022 budget is the second year of a new multimodal transportation capital program. This program funds projects to develop and enhance bicycle and pedestrian infrastructure in the city and implements recommendations of the Milwaukee Pedestrian Plan. The program is funded with \$1.3 million of new borrowing. This includes funding for infrastructure improvements such as road diet projects, and Safe Routes to School implementation, planning and studies, and bicycle and shared mobility parking.

Sidewalks: In 2022, \$1.2 million of funding is allocated to replace or repair defective or unsafe sidewalks. Property owners will contribute \$200,000 in special assessments, and \$1 million is new borrowing. Approximately \$400,000 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 traditional quarter section program is provided \$800,000. 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.

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 2022 budget provides \$800,000 for this program.

Electrical Manholes: The electrical manholes program is closely related to the underground conduit program, as these manholes provide access to the city's conduit system for maintenance and installation of new communications cable. Deteriorated or collapsed manholes present a public safety threat to vehicles and can damage communications cables that link various public facilities. The 2022 capital budget includes \$900,000 for this program. In 2013, the department initiated a five-year inspection program to survey all 7,559 of the city's electrical manholes. Inspections conducted through 2017 found that approximately 23% of electrical manholes surveyed are deficient and require repairs or replacement. Manholes are typically replaced in conjunction with paving projects, but DPW prioritizes repair or replacement of manholes that present a hazard to drivers.

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 2022 budget for traditional facilities projects is \$14,625,000. Since 2016, budgets for traditional facilities projects were decreased due to the need to include substantial amounts of funding for the city hall foundation restoration. The city hall foundation project will not require additional funding after 2022. This will provide greater capacity to address other critical infrastructure needs.

City Hall Foundation Restoration: The 2022 budget includes \$10 million for the final 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 the building to settle unevenly, putting stress on walls 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 increases 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. Current efforts are focused on the center of the building and a small section of the west portion of the building near the northernmost bank of elevators. Work shifted towards the south bank of elevators and into the southern end of the building in 2020, and will conclude with the southern end of the building in 2022 and 2023.

Environmental Remediation Program: Funding of \$175,000 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 2022 budget includes \$800,000 for the ADA compliance program, a \$100,000 increase from the 2021 budget. This program improves accessibility in various city facilities as part of a settlement agreement with the United States Department of Justice in 2016. The ADA compliance program will address improvements related to the settlement agreement in all city facilities and make improvements designed to improve accessibility of City programs for residents.

Facilities Exterior Program: The 2022 budget includes \$1.25 million for projects to maintain watertight integrity, improve energy efficiency and provide for safe conditions in city facilities. The 2022 facilities exterior program includes \$350,000 for roof repairs at the Police & Fire Safety Academy, \$500,000 for repairs to a deteriorated driveway at the Lincoln Garage, which is used daily by garbage packers, sweepers and dump trucks, \$100,000 to replace overhead garage doors at the Municipal Services Building, \$100,000 for design work for repairs to the Industrial Road Forestry Building, and \$200,000 for emergency repairs.

Facilities Systems Program: The 2022 budget includes \$1.25 million for facility systems improvements. The largest single project is \$700,000 to replace the HVAC system at Northwest Garage, to address failing boiler, ventilation and heating components. Funding will also provide emergency mechanical and electrical repairs, fire life safety improvements, and security and access control updates at various facilities.

MKE Plays Initiative: The 2022 budget includes \$850,000 for the *MKE Plays* initiative. Led by Alderman Michael Murphy, this program leverages private dollars to replace the city's aging recreational facilities with modern, innovative play spaces for Milwaukee's youth.

Space Planning, Alterations, and Engineering: The 2022 budget includes \$300,000 for space planning, alterations, and engineering. This includes funding for the facilities condition assessment program, which surveys city buildings and develops long term maintenance plans for each building.

RESIZE, RESTRUCTURE, AND REINVEST

- Portions of DPW-Infrastructure's 2022 Operating Budget will be funded through American Rescue Plan (ARP) Act funding instead of through the tax levy. These ARP funds are under the revenue loss provision. The department's Energy account will be funded with \$2,165,000 of ARP funding and \$2,200,000 of the department's Construction Supplies account will be paid for with ARP funding. These costs are not reflected on the department's line item budget.

- Two full-time and four auxiliary Municipal Services Electrician Apprentice positions will allow for the apprentice program to be expanded and provide greater flexibility to use existing Municipal Services Electrician positions for journeyman electricians instead of apprentices.
- 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 resurfacing on high traffic streets with high levels of pothole activity, street maintenance crews can be diverted from pothole patching to longer lasting preventative maintenance activities.
- The 2020 budget shifted responsibility for managing the Milwaukee Health Department’s facility maintenance from the Health Department to the Infrastructure Services Division. This allows the Health Department to focus more on its core mission, and moves responsibility for facility maintenance to the experienced and capable DPW staff. Future savings are expected as Health Department facilities continue to become fully integrated with DPW’s systems and contracts in 2021 and 2022.
- The 2022 budget for DPW-Infrastructure includes the restructuring of two different work units:
 - 15 Engineering Drafting Technicians are moved from DPW-Infrastructure’s Central Drafting section to the Sewer Maintenance Fund (SMF). These positions were primarily designing sewer projects and were funded almost entirely through the SMF. The positions are being shifted to SMF to enhance collaboration and streamline the design process, and reduce the administration and accounting costs as compared to the present arrangement.
 - The Multimodal Unit, which is responsible for implementing traffic, pedestrian and bicycle safety initiatives, is being shifted from the Transportation Operations section to the Transportation Infrastructure section. As part of the Complete Streets initiative, considerations for bicycle and pedestrian improvements are an integral part of the street design process. Shifting the Multimodal Unit to Transportation Infrastructure brings the unit closer to the engineers who design paving projects.
- 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. The 2022 budget includes \$14.8 million for the local and high impact paving programs. The Motor Vehicle Registration Fee annually generates \$6.3 million of revenue. The 2022 budget keeps the fee at \$30. 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 street projects approved by property owners increased from less than 50% to over 90%. This streamlines the approval process and allows DPW 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	Engineering Drafting Technician V	Positions shifted to Sewer Maintenance Fund for operational efficiency
-6	-0.25	-5.75	Engineering Drafting Technician IV	
-8	-0.50	-7.50	Engineering Drafting Technician II	
6	2.00		Municipal Services Electrician Apprentice	Add two full time and four auxiliary positions for enhanced apprentice program
	-4.00	5.00	N/A	Adjustment to FTE count
-2	-2.00		Accountant III	Reorganization of Business Operations section
2	2.00		Accounting & Grant Specialist	
-1	-1.00		Traffic Control Engineer III	Reorganization of Traffic Engineering Unit
-2	-2.00		Traffic Control Engineer II	
3	3.00		Civil Engineer II	
-1	-1.00		Mechanical Engineer II	Reclassification
1	1.00		Mechanical Engineer III	
-1	-1.00		Civil Engineer II	Reclassification
1	1.00		Civil Engineer III	
-1	-1.00		Bicycle & Pedestrian Coordinator	Reclassification
-2	-2.00		Associate Transportation Planner	
3	3.00		Senior Transportation Planner	
-1	-1.00		Street & Bridges Services Manager	Reclassification
1	1.00		Street Services Manager	
-9	-2.75	-9.25	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.
Reduce solid waste to landfill and increase recovery of resources.
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 recycling, robust drop off services for self-haul customers, and vigorous abatement of code violations.
Use the solid waste fee to generate incentives for increased recycling participation and 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, remove and replace dead and diseased trees, prune hazardous and encroaching branches from mature trees, and structurally prune younger trees.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	626.21	689.58	689.58	0.00
FTEs - Other	65.98	61.26	61.26	0.00
Total Positions Authorized	815	815	815	0
<u>Expenditures</u>				
Salaries and Wages	\$31,508,955	\$35,642,153	\$35,878,863	\$236,710
Fringe Benefits	13,914,415	16,395,391	16,504,277	108,886
Operating Expenditures	28,599,516	29,865,616	11,230,629	-18,634,987
Equipment	2,853,278	2,501,400	3,422,670	921,270
Special Funds	2,267,252	2,050,000	16,965,857	14,915,857
Total	\$79,143,416	\$86,454,560	\$84,002,296	-\$2,452,264
<u>Revenues</u>				
Charges for Services	\$84,256,496	\$89,181,000	\$89,546,000	\$365,000
Miscellaneous	1,016,331	923,000	1,240,000	317,000
Total	\$85,272,827	\$90,104,000	\$90,786,000	\$682,000

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 Sanitation and Forestry code violations.
 - 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	2020 Actual	2021 Projected	2022 Planned
Fleet availability	Police 91% Light 90% Heavy 94%	Police 91% Light 91% Heavy 91%	Police 95% Light 95% Heavy 90%
Reduce tons of residential solid waste sent to landfill by 2%.	10%	0%	-2%
Reduce tons of all solid waste sent to landfill by 2%.	6.3%	-1.1%	-2%
Increase household recycling by 2%.	4.4%	4.8%	2%
Tons of rock salt used.	26,036	55,000	45,000
Number of trees pruned.	8,089	19,600	27,000
Trees planted.	2,490	4,358	4,050

STRATEGY IMPLEMENTATION

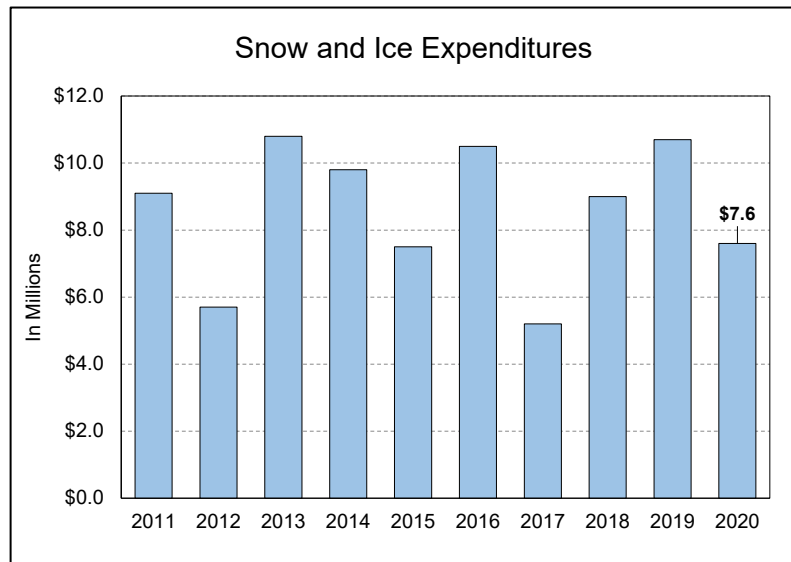
The Department of Public Works Operations Division is comprised of Sanitation, Forestry, and Fleet Operations. The division supports the city’s goals of building safe and healthy neighborhoods, increasing investment and economic vitality throughout the city and sustaining, enhancing, and promoting Milwaukee’s natural environmental assets.

The 2022 budget provides \$84 million in operating funds, \$7.7 million of grant and aid funding, and \$10.7 million of capital funds for the Operations Division.

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.

Figure 1



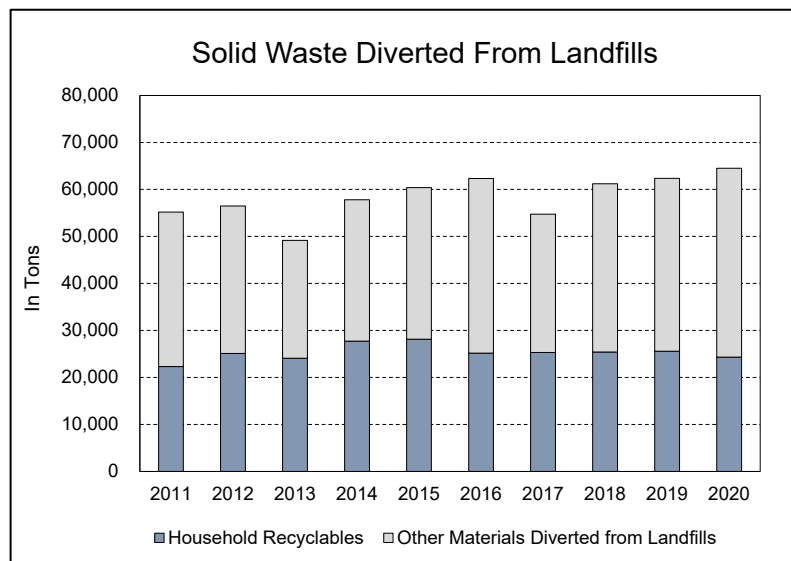
Weather conditions largely determine the extent to which snow and ice control operations are performed. Snowfall, which fluctuates tremendously, is the primary cost driver. The 2022 budget includes approximately \$9.6 million for snow and ice control operations. This level of funding supports on average 24 general ice control operations and 3 full plowings. In 2020, the snow and ice costs were approximately \$7.6 million.

Sanitation Operations: Sanitation is responsible for solid waste collection, recycling, street sweeping, brush collection, code enforcement, 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 imposes the highest state collected fees on landfill disposal in the country. The 2022 budget includes \$12.8 million for landfill tipping fees, and \$1.9 million is included for recycling processing.

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. The Sanitation Section will continue efforts to promote waste reduction, reuse, recycling and composting.

Figure 2



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 2020, the

recycling program generated approximately \$1,000,000 in revenue. In 2022, recycling materials are expected to generate \$1,174,000.

In 2022, the recycling program is fully funded with \$4.3 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 2020, approximately 174,825 tons of residential solid waste was collected and landfilled. In addition, 62,794 tons of residential waste were diverted from landfills (see Figure 2). This included 26,432 tons of household recyclables, 3,329 tons of other materials recycled, and 33,033 tons of compostables.

Forestry Operations: Forestry is responsible for tree and landscape management. Forestry maintains up to 196,000 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 (EAB) is a threat to the state's ash tree population. The city has approximately 28,230 ash street trees under treatment for Emerald Ash Borer. Pesticide treatments in advance of EAB attack have proven highly effective in protecting ash trees. A comprehensive cost-benefit study completed in 2015 estimates a \$3 benefit return for every \$1 invested to protect Milwaukee's ash street tree canopy from Emerald Ash Borer.

Fleet Operations: Fleet Operations maintains and operates the departments' centralized fleet of 5,530 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 Transportation.

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 66 CNG refuse packers; with 11 additional packers scheduled to be in service by November 2021 for a total of 77 CNG refuse packers. The current fleet of CNG packers will generate fuel savings of approximately \$114,000 in 2022.

RESIZE, RESTRUCTURE, AND REINVEST

The 2022 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 2022 budget includes \$2.3 million for maintenance of city owned properties including debris removal, grass mowing, and snow removal. The program maintains over 3,244 city owned vacant lots and nearly 1,154 improved properties.

Transitional Jobs Program: In 2022, the city continues its collaboration with UMOS and Employ Milwaukee on the transitional jobs program. Participants that complete the six-month program develop useful skills in the Forestry and Sanitation Services sections and are equipped with new skills that help them compete for family supporting jobs.

Drop Off Centers: In the fall of 2019 a new fee schedule was implemented by DPW to allow a wider variety of customers to use the Drop Off Centers for proper disposal and recycling. These changes were in part intended to assist DPW in reducing illegal dumping on city-owned properties and vacant lots. The new fee schedule continues

in 2022 and will pay for a wider variety of disposed material and an increase in the volume of debris collected at the sites.

Residential Disposal Costs: In 2022, funding for landfill waste is \$11.8 million. Landfill tonnage costs are budgeted for 260,000 tons at a rate of \$45.31 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 converted to a one person operation instead of a two person operation save approximately \$80,000 annually. Over the last 10 years, DPW has added and expanded fully automated routes, targeting areas most conducive for this type of collection based on street configuration, on-street parking density, and other factors. Limited opportunities remain at this time for feasible further expansion of automated collection in the city.

Replacement Fleet Equipment: The 2022 budget provides \$2 million in replacement equipment funding, including \$1.6 million for additional refuse packers, \$429,000 for fleet vehicle purchases, and \$5,000 for replacement diagnostic equipment.

American Rescue Plan: The Department of Public Works - Operations Division has been allocated \$7.7 million in ARPA funding for the 2022 budget year. Funds will be utilized for vacant lot maintenance (\$2.3 million), a city cleaning program (\$2.3 million), and to continue the provision of government services (\$3 million).

FEES

Solid Waste Fee: The 2022 solid waste fee per quarter will remain \$60.39 per residential unit. The annual impact on households with one garbage cart will also remain the same at \$241.56. The fee will generate approximately \$45 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.

Snow and Ice Control Fee: The snow and ice control fee will remain the same at \$1.07 per front footage. The annual cost for a homeowner with a typical property with 40 feet of street frontage is \$42.80. The fee will generate approximately \$10.3 million or 85% of the estimated cost of the city's snow and ice control operation.

Cart Fee: Approximately 14% of city residents have two or more garbage carts. In 2022 city residents with two or more garbage carts will be assessed \$18.04 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 2022 capital budget provides \$1.25 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 2.3%. This is due to an aging Norway maple population and an increase in street tree removals accompanying major street reconstruction projects. In 2021, 3,844 street trees were removed as a result of disease or decline.

Stump Removal: The 2022 capital budget provides \$860,000 to support the City's in-house stump removal program. Funding will facilitate removing 2,800 stumps in 2021.

Concealed Irrigation and Landscaping: The 2022 capital budget provides \$200,000 for boulevard irrigation system replacements as well as the replacement approximately 100 deep water taps. The replaced systems provide water for plant beds only boulevards.

Emerald Ash Borer: The 2022 capital budget includes \$860,000 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 28,230 ash trees each year.

Major Capital Equipment: The 2022 capital budget includes \$6.7 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
-1	-1.00	0.00	Operations Services Supervisor	Position Title Change
1	1.00	0.00	Operations Services Manager	
1	1.00	0.00	Fleet Repair Supervisor	Increased Fleet Supervision by adding a Fleet Repair Supervisor and reducing a Fleet Services Welder.
-1	-1.00	0.00	Fleet Services Welder	
17	17.00	0.00	Operations Driver Worker (D)	Increased funded position authority for a Human Resources Officer and Operations Driver Worker's, in addition to reducing funded position authority for Vehicle Services Technician II, and Sanitation Laborer positions.
1	1.00	0.00	Human Resources Officer	
-6	-6.00	0.00	Vehicle Services Technician II	
-12	-12.00	0.00	Sanitation Laborer Pool	
-3	-3.00	0.00	Program Assistant II	Classification and Title Change
3	3.00	0.00	Program Assistant I	
0	0.00	0.00	Totals	

SPECIAL PURPOSE ACCOUNTS

EXECUTIVE SUMMARY

OBJECTIVES: Special Purpose Accounts appropriate funds for purposes not included in departmental budgets. These accounts may include funding for short term programs, programs that affect multiple departments, or programs that warrant distinction from departmental budgets. Every year the Common Council adopts a resolution that authorizes expenditure of funds from the various Special Purpose Accounts by specific departments or by Common Council resolution.

The 2022 budget provides funding of \$29 million for miscellaneous special purpose accounts and total funding of \$160.4 million for all special purpose accounts. Highlights of the 2022 miscellaneous special purpose accounts (SPAs) include:

New Accounts

Employee Resource Group Fund: The 2022 budget creates an Employee Resource Group Fund special purpose account with funding of \$5,000. An Employee Resource Group (ERG) is an employee group that has been formally recognized by the City and shares a common background, focus area, and set of interests or goals that foster an environment of inclusion. The purpose of ERGs is to foster diversity, encourage information sharing, and support informal interaction between employees. This funding will help ERGs perform tasks that support these goals.

Other Changes

Alternative Transportation for City Employees: This account is decreased by \$28,000 to \$90,000 in 2022. This account pays for part of the cost for employees to use Milwaukee County Transit System buses. Actual expenditures decreased to approximately \$84,000 in 2020 and through July 2021 were \$46,215. The 2022 funding amount is based on these decreased expenditures.

Crisis Assessment and Response Team: This account funds the cost of three CART teams. CART teams include a licensed mental health clinician and a law enforcement officer and have existed since 2013, through a partnership between the Milwaukee County Behavioral Health Division and the Milwaukee Police Department. CART teams respond to situations when individuals call 911 and request mental health services or indicate that mental health symptoms may be present. These teams expand the capacity to respond to mental health calls for service. No tax-levy funding is provided for this account in 2022. This account is anticipated to be funded from the American Rescue Plan Act (ARPA) in 2022.

Crisis Response for Trauma-Informed Care Counseling: This account funds activities that provide emotional aid and practical support to victims of traumatic events and their families in the first few hours following a tragedy. No tax-levy funding is provided for this account in 2022. This account is anticipated to be funded from the American Rescue Plan Act (ARPA) in 2022.

Firemen's Relief Fund: This account defrays the costs of the Fire Department Relief Association, established under Section 20-18 of the City Charter. The association provides assistance to injured or fatally injured Fire Fighters and their families. The account is increased by \$10,000 to \$175,000 in 2022, consistent with anticipated expenditures.

Flexible Spending Account: This account funds a program that allows employees to set aside pre-tax dollars for certain medical care and dependent care expenses. Funding is decreased by \$25,000 from \$115,000 to \$90,000 in the

2022 budget. Actual expenditures decreased to approximately \$86,498 in 2020 and through July 2021 were \$35,430. The 2022 funding amount is based on these decreased expenditures.

Insurance Fund: This account provides funding for insurance premiums for city policies. In 2022, the account is increased by \$224,200 to \$1,146,200. This funding amount reflects anticipated insurance premium payments in 2022.

Land Management: This account supports the maintenance and management costs of RACM and city owned improved property, with the goal of preserving property for sale and return to private ownership. No tax-levy funding is provided for this account in 2022. This account is anticipated to be funded from the American Rescue Plan Act (ARPA) in 2022.

Long Term Disability Insurance: This account funds a negotiated benefit that provides income continuation to employees who are unable to work because of a disabling injury or illness. The account is decreased by \$100,000 to \$670,000, reflecting anticipated costs in 2022.

Milwaukee Fourth of July Commission: This account supports Fourth of July activities that take place in neighborhood parks throughout the city. The account was not funded in the 2021 budget. As a result of the COVID-19 pandemic, there were no Fourth of July activities in 2020. The unspent funds from 2020 were carried over into 2021 to fund the account. The 2022 budget restores full funding of \$125,000.

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 \$74,960 to \$1.2 million in the 2022 budget, based on anticipated needs.

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 increased by \$25,000 to \$400,000 in the 2022 budget, based on anticipated expenses.

Violence Interruption: This account supports the Office of Violence Prevention's violence interruption initiative. Local residents in priority neighborhoods outlined in the Blueprint for Peace are trained as violence interrupters. Interrupters seek to prevent violence by mediating conflicts likely to result in gun violence or other serious injury. No tax-levy funding is provided for this account in 2022. This account is anticipated to be funded from the American Rescue Plan Act (ARPA) in 2022.

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. Funding of \$10.9 million is provided in 2022.

SPECIAL PURPOSE ACCOUNTS SUMMARY

<u>Special Purpose Accounts Miscellaneous</u>	<u>2020 Actual Expenditures</u>	<u>2021 Adopted Budget</u>	<u>2022 Adopted Budget</u>	<u>Change 2022 Adopted Versus 2021 Adopted</u>
Alternative Transportation for City Employees	\$83,805	\$118,000	\$90,000	\$-28,000
Annual Payment to Department of Natural Resources	7,034	7,100	7,100	0
Audit Fund	250,000	255,000	255,000	0
Boards and Commissions Reimbursement Expense	7,225	16,000	16,000	0
Care of Prisoners Fund	0	5,000	5,000	0
Children's Savings Accounts	25,000	25,000	25,000	0
City Collection Contract	886,409	1,250,000	1,250,000	0
City Memberships	83,904	88,000	88,000	0
Contribution Fund General	0	3,200,000	3,200,000	0
Crisis Assessment and Response Team	0	300,000	0	-300,000
Crisis Response-Trauma Informed Care Counseling	185,167	180,000	0	-180,000
Damages and Claims Fund	6,979,475	1,225,000	1,225,000	0
eCivis Grants Locator	29,880	21,250	21,250	0
Economic Development Committee Fund	4,350	20,000	20,000	0
E-Government Payment Systems	59,257	187,800	190,000	2,200
Employee Training and Safety Fund	26,243	70,000	70,000	0
Employee Resource Group Fund	0	0	5,000	5,000
Firemen's Relief Fund	162,975	165,000	175,000	10,000
Flexible Spending Account	86,498	115,000	90,000	-25,000
Graffiti Abatement Fund	64,194	65,000	65,000	0
Group Life Insurance Premium	4,384,688	4,560,000	4,560,000	0
Insurance Fund	1,146,159	922,000	1,146,200	224,200
Land Management	675,820	676,000	0	-676,000
Long Term Disability Insurance	670,000	770,000	670,000	-100,000
Maintenance of Essential Utility Services	30,379	55,000	55,000	0
Milwaukee Arts Board Projects	114,542	250,000	250,000	0
Milwaukee Fourth of July Commission	500	0	125,000	125,000
Milwaukee Health Initiative	64,518	0	0	0
MKE Community Excellence Fund	25,265	0	0	0
MPS Driver's Education	50,000	0	0	0
MMSD User Charge	0	55,771,852	54,859,222	-912,630
Less Recover MMSD User Charge	0	-55,771,851	-54,859,221	912,630
Municipal Court Intervention Program	486,936	487,000	487,000	0
Outside Counsel/Expert Witness Fund	239,763	150,000	150,000	0
Reimbursable Services Advance Fund	0	50,000,001	50,000,001	0
Less Recover Reimbursable Services Advance Fund	0	-50,000,000	-50,000,000	0
Remission of Taxes Fund	1,081,490	1,124,800	1,199,760	74,960
Reserve for 27th Payroll	0	1,500,000	1,500,000	0

SPECIAL PURPOSE ACCOUNTS

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Special Purpose Accounts Miscellaneous</u>				
Retirees Benefit Adjustment Fund	31,899	41,000	32,000	-9,000
Tuition Reimbursement Fund	612,833	700,000	700,000	0
Unemployment Compensation Fund	1,436,286	375,000	400,000	25,000
Violence Interruption	172,336	300,000	0	-300,000
Wages Supplement Fund	0	562,500	10,930,000	10,367,500
Total Miscellaneous SPAs	<u>\$20,164,830</u>	<u>\$19,786,452</u>	<u>\$29,002,312</u>	<u>\$9,215,860</u>
Board of Zoning Appeals	\$305,760	\$336,604	\$336,604	\$0
Workers' Compensation Fund	\$11,001,918	\$13,000,000	\$12,000,000	\$-1,000,000
<u>Employee Health Care Benefits</u>				
Administration Expenses	\$6,072,892	\$6,400,000	\$6,400,000	\$0
UHC Choice Plus (formerly Claims)	2,755,464	5,000,000	3,000,000	-2,000,000
Wellness Program	2,244,315	2,900,000	2,900,000	0
Dental Insurance	1,705,111	1,800,000	1,800,000	0
UHC Choice "EPO" (formerly HMOs)	92,132,014	100,000,000	104,830,000	4,830,000
High Deductible Health Plan	100,477	100,000	150,000	50,000
Total Employee Health Care Benefits	<u>\$105,010,273</u>	<u>\$116,200,000</u>	<u>\$119,080,000</u>	<u>\$2,880,000</u>
Grand Total Special Purpose Accounts	\$136,482,781	\$149,323,056	\$160,418,916	\$11,095,860

SPECIAL PURPOSE ACCOUNT BOARD OF ZONING APPEALS

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	4.33	4.33	4.33	0.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	11	11	11	0
<u>Expenditures</u>				
Salaries and Wages	\$201,551	\$210,037	\$210,037	\$0
Fringe Benefits	85,783	96,617	96,617	0
Operating Expenditures	18,426	29,950	29,950	0
Equipment	0	0	0	0
Total	\$305,760	\$336,604	\$336,604	\$0
<u>Revenues</u>				
Licenses and Permits	\$183,963	\$224,000	\$225,000	\$1,000
Total	\$183,963	\$224,000	\$225,000	\$1,000

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	2020 Actual	2021 Projected	2022 Planned
Number of appeals filed.	437	650	650
Number of appeals resolved in one hearing.	301	520	520
Percentage of appeals resolved in one hearing.	69%	75%	75%
Number of days from appeal filing to hearing.	61 days	40 days	40 days

STRATEGY IMPLEMENTATION

The Board of Zoning Appeals plays an important role in Milwaukee’s economic development. The city encourages developers to invest in Milwaukee by making the zoning appeals process simple and consistent. BOZA hears approximately 650 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 reduced waiting times for hearings and expedited the appeal process. In 2015, the Local Business Action Team evaluated 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 2022, BOZA will continue to work with city departments to create efficiencies that support business development while maintaining the quality of the city’s urban setting.

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

SPECIAL PURPOSE ACCOUNT EMPLOYEE HEALTH CARE BENEFITS

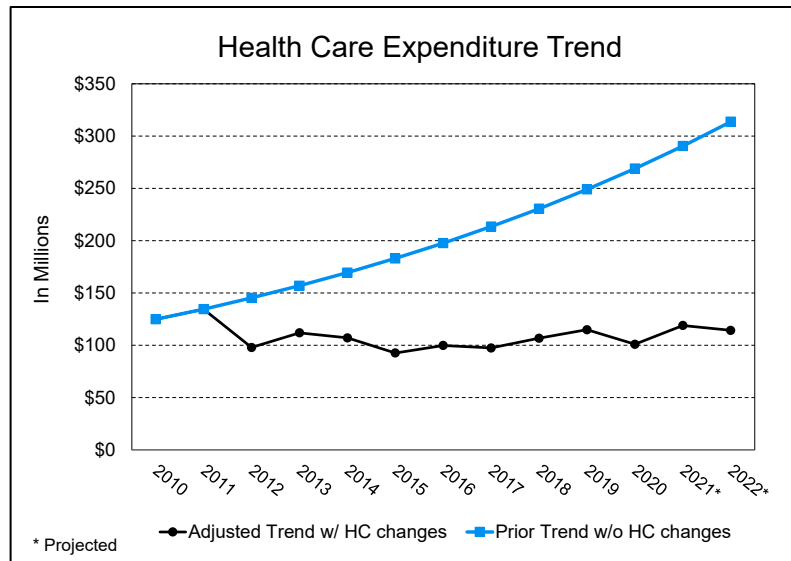
SUMMARY OF EXPENDITURES

	2020 Actual <u>Expenditures</u>	2021 Adopted <u>Budget</u>	2022 Adopted <u>Budget</u>	Change 2022 Adopted Versus <u>2021 Adopted</u>
UHC Choice Plus PPO	\$2,755,464	\$5,000,000	\$3,000,000	\$-2,000,000
UHC Choice EPO	92,132,014	100,000,000	104,830,000	4,830,000
HDHP	100,477	100,000	150,000	50,000
Dental Insurance	1,705,111	1,800,000	1,800,000	0
Wellness Program	2,244,315	2,900,000	2,900,000	0
Administrative Expense	6,072,892	6,400,000	6,400,000	0
Total	<u>\$105,010,273</u>	<u>\$116,200,000</u>	<u>\$119,080,000</u>	<u>\$2,880,000</u>

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 related benefits, programs, and services.

Prior to 2012, total health care expenditures were increasing at a rate of 8% to 9% annually, 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.

Figure 1



Initiatives were launched to address the increased cost and utilization trends in 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 worker’s compensation expenditures. 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.

Health Care: Since 2012, the city has experienced positive health care expenditure trends. City employees have continued to pay a 12% premium that has increased 16% despite the cost of medical care increasing an average of 6%

every year during that same time period. Nationally, employee premiums have increased over 35% and average 24% to 32% for large employers with similar plans and are at least 63% higher than City employee rates. The City's experience is possible because of the culture shift that occurred with employees and their high engagement in the City's comprehensive health and wellness program and onsite clinic services which improve health awareness and encourage smarter healthcare utilization choices. Employees' intentional actions to improve or maintain their health make a significant difference in healthcare trends, limiting premium increases over the past ten years and allowing the City to maintain generous health benefits for employees.

Wellness Program: The City's wellness program started in 2009 as a single participation based program, the Health Appraisal, and has since grown significantly. The program includes an outcomes based component, Healthy Rewards, and a wide range of programs, services and resources, such as a wellness center, traveling wellness center sites, year round coaching and access to registered dietitians, ongoing educational sessions, multiple onsite weight management programs, chronic condition prevention and management programs, flu clinics, group fitness classes, mental health and financial wellness initiatives, an onsite nurse liaison, department specific initiatives as well as the City's onsite clinics and Froedtert FastCare Clinic services.

The comprehensive wellness program and onsite clinic services play a critical role in the City's efforts to control healthcare costs while providing a substantial benefit to employees and their families and contributing to an integrated model for total worker health, safety and wellbeing.

DER uses a multi-pronged approach to inform decision making and provide critical feedback on current and new programs. The Wellness and Prevention Labor Management Committee reviews all benefit and wellness related programming including trends and issues impacting programs and employees. DER meets regularly with 50 employee wellness champions through the Wellness Promotion Committee which serves as a sounding board on programs and services. DER also holds quarterly health and wellness vendor partner meetings to share best practices, discuss barriers to access and participation in programs, and ensure benefit programming at many different levels is promoted among all partners. Utilizing a transparent approach with inclusive practices builds trust and ensures the City's benefits and wellness program continues to be designed by employees for employees. This model has enabled DER to increase health and wellness programming by 300% over the last few years.

Services provided to employees and spouses through the City's health and wellness program are free and are considered best in class. The City strives to meet the continual high demand for programs and services. The partnerships developed with employees and vendors allow DER to quickly respond to employee needs which was exemplified during the ongoing COVID-19 pandemic as DER worked with its partners and employees to transform every program and service to virtual, online or telephonic formats, including the onsite clinics. This not only expanded the reach of benefits and wellness programs but also made them more accessible to a wider audience. DER was able to do this because of the trusted relationships with employees and partners, providing the ability to transform a complex program in a few short months. Going forward DER and its partners will be providing programs and services in a hybrid format to ensure easy access for a wide audience and better meet the needs of employees and their families.

Employee Safety and Worker's Compensation: Froedtert Occupational Health provides occupational health services for the City of Milwaukee. Froedtert Workforce Health provides comprehensive health and wellness services to employees and their families and supports the City's goal of an integrated model for total work health, safety and wellbeing. Utilizing Froedtert Occupational Health for pre-employment services allows the City to capitalize on existing synergies with health and wellness efforts, employee safety, and risk management initiatives and the need to assess employment suitability at time of hire.

DER continues to assess current practices and implement new initiatives to address field worker safety and to ensure the safest possible work environment for all employees. DER's Risk Management and Safety Officer works with departments and safety personnel to implement practices for injury prevention and mitigation as well as ongoing

training efforts to promote employee safety. The Risk Management and Safety Officer also works with departments to update the City’s Risk Management Program including department safety plans and annual safety reporting.

2022 Highlights

The 2022 cost per health care contract is expected to increase at the rate of medical inflation to \$13,900. In 2012, the revised health care benefit structure combined with other wellness changes substantially decreased the overall cost per contract (see Figure 2).

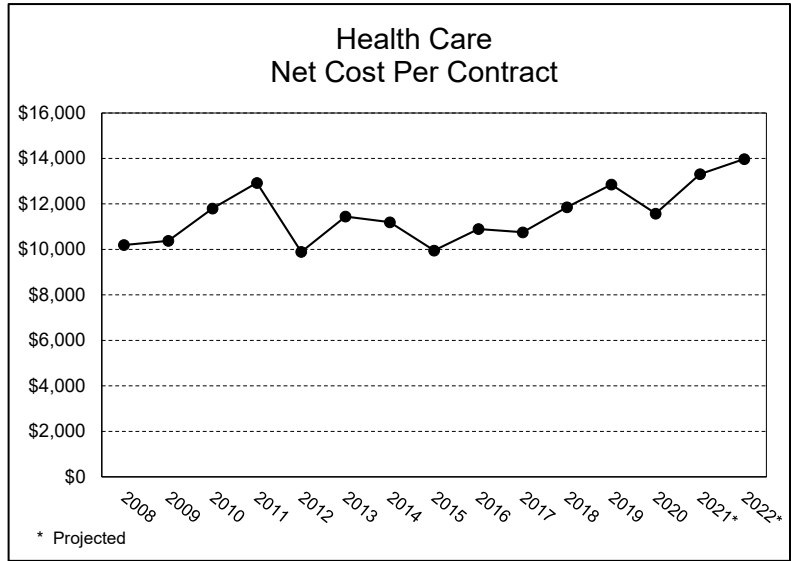
The cost per contract has historically increased by approximately \$2,000 every three years and prior to 2012 that increase had become more dramatic. On a percentage basis, costs from 2006 to 2008 increased 24% while costs from 2009 to 2011 grew over 28%. In 2022, the projected cost per contract is expected to increase but only modestly over 2011 levels.

The City’s annual health care expenditures are significant and affect funding available for City services. The cost of medical care continues to increase and DER is working on both short and long term strategies to control healthcare costs while ensuring employees have affordable access to health care. In 2021, for the first time in six years, additional benefit design changes were implemented for employees to help control increasing expenditures. To balance those changes, additional care options were implemented through the City’s Workplace Clinic to include chronic condition management and dependent care options as well as wellness and prevention care. The ongoing pandemic has caused members to delay or cancel certain care options including preventive measures which could lead to more serious health conditions and increasing healthcare expenditures in the future. The Workplace Clinic remains a critical and free resource to help employees and their families resume care and identify health concerns before they become more urgent issues. In addition to expanded clinic services, DER also launched a free second opinion service, 2nd MD, for members enrolled in the City’s health insurance. The 2nd MD service offers expert medical consultation and navigation services to employees and family members seeking a second opinion for a variety of medical issues and conditions.

The City continues to self-insure the health plans provided to employees and retirees and established a reserve fund in 2012 to address the risk associated with self-insurance and fluctuating health care expenditures. The City has not purchased stop loss insurance to date because its health plan experience did not warrant that type of coverage. In addition, the City has been able to maintain a reserve fund that provides an extra layer of funding protection if annual expenditure levels exceed budgeted funding. The City will continue to explore stop loss insurance on an annual basis to determine if that type of coverage is needed. Stop Loss coverage can prevent the City from assuming total liability for expenditures arising from extremely high medical and pharmacy claims that exceed normal levels of expenditure variation.

In 2021, DER launched a new voluntary benefits initiative starting with vision insurance to provide additional solutions to address the changing needs of employees and their families and give employees the opportunity to tailor a benefit package that meets their specific circumstances. Voluntary benefits build upon core benefit offerings without adding significant costs for the City. In 2022, additional voluntary benefits will be added such as short-term disability insurance and critical illness and accident coverage.

Figure 2



To further assist employees with care demands, DER is implementing a free service in 2021, Care@Work through Care.com to help employees find and manage a variety of care options. The pandemic created many challenges for employees including identifying and providing consistent care to family members and Care@Work will help employees find the right care options for their situation.

DER is also placing extra emphasis on educating employees about current benefit programs and services through a new video benefits education tool that is launching in 2021. Employees who have a better understanding of their benefits enroll in and utilize benefits more appropriately, are more engaged with their workplace and have higher retention rates. As DER continually expands benefit options for employees, it will become increasingly important to ensure employees are aware of existing benefits to aid in informed decision-making.

SPECIAL PURPOSE ACCOUNT WORKER'S COMPENSATION

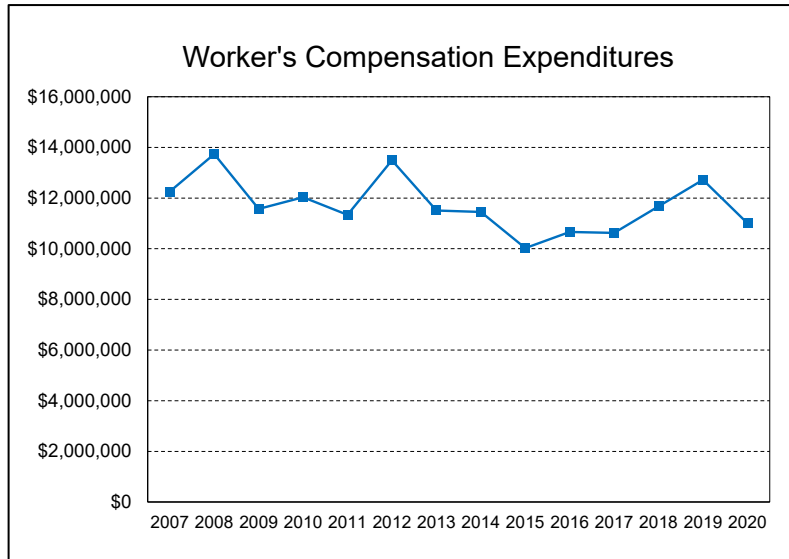
SUMMARY OF EXPENDITURES

	2020 Actual <u>Expenditures</u>	2021 Adopted <u>Budget</u>	2022 Adopted <u>Budget</u>	Change 2022 Adopted Versus <u>2021 Adopted</u>
Worker's Compensation	\$11,001,918	\$13,000,000	\$12,000,000	\$-1,000,000
TOTAL	<u>\$11,001,918</u>	<u>\$13,000,000</u>	<u>\$12,000,000</u>	<u>\$-1,000,000</u>

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 2022 budget for the worker's compensation account totals \$12 million. Expenditures in 2021 are projected to be between \$11 and \$12 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 administered by CorVel Corporation. CorVel has a long-standing relationship with the City of Milwaukee and is 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 makes proper medical care for employees the priority. DER works closely with CorVel in a collaborative approach to claims administration that focuses on helping employees recover from injuries and return to full health.

DER continues to assess current practices and implement new initiatives to address field worker safety, fulfilling the City's responsibility to provide the safest possible work environment for employees. DER's Risk Management and Safety Officer works with departments and safety personnel to implement practices for injury prevention and mitigation as well as ongoing training efforts to promote employee safety. The Risk Management and Safety Officer also works with departments to update the City's Risk Management Program including department safety plans and annual safety reporting.

Froedtert Occupational Health provides occupational health services for the City of Milwaukee. Froedtert Workforce Health provides comprehensive health and wellness services to employees and their families and supports the City's goal of an integrated model for total work health, safety and wellbeing. Using Froedtert Occupational Health for pre-

employment services allows the City to capitalize on existing synergies with health and wellness efforts, employee safety, and risk management initiatives and the need to assess employment suitability at time of hire. Pre-employment medical exams use screening mechanisms at the time of hire and help identify interventions to prevent and reduce workplace injuries. Froedtert also conducts job analysis to align pre-placement evaluations with physical job demands and cost effective management of work related injury treatment and rehabilitation services.

Froedtert Occupational Health also works with the City's existing wellness programs to implement targeted programs to increase worker safety, identify unsafe work conditions and practices, implement programs to improve job readiness, and educate and train employees to reduce future injuries.

DER has invested significant time and resources to develop an effective response to COVID-19. Keeping employee safety as the top priority, DER developed, implemented and continues to manage numerous policies and guidelines related to COVID-19 including:

- COVID-19 Vaccination Policy
- COVID-19 Policy and Administrative Guidelines
- Protocols for Responding to Confirmed Cases or Symptomatic Individuals
- Face Covering Requirement Policy
- Policy and Protocol for Returning Employees to the Workplace
- Alternative Work Arrangements Program and Policy

In addition, DER's Risk Management and Safety Officer transitioned employee safety training services to a virtual format and continues to collaborate with departments and outside organizations to identify and provide relevant training opportunities for employees.

FRINGE BENEFIT OFFSET

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Fringe Benefit Offset	<u>\$-180,000,501</u>	<u>\$-185,404,440</u>	<u>\$-170,065,830</u>	<u>\$15,338,610</u>
Total	\$-180,000,501	\$-185,404,440	\$-170,065,830	\$15,338,610

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 2022 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 2022 amounts to approximately \$170.1 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 2022, the city anticipates generating approximately \$610.9 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 \$72 million higher than the inflation adjusted revenue for 2022 of \$354 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 2022 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 44.8% in 2022.

Over the same time period, the city’s reliance on property taxes increased from 10.6% to 13.9%. The city has increased its efforts to diversify revenues by increasing charges for service as a percentage of revenue from 4.3% to 23.7%.

From 2010 to 2022, intergovernmental revenues increased by \$2.6 million from \$270.9 million to \$273.5 million. This is shown in Figure 4 along with the inflation adjusted amounts.

The following discussion provides more specific detail on the different categories of general purpose revenues.

Figure 1

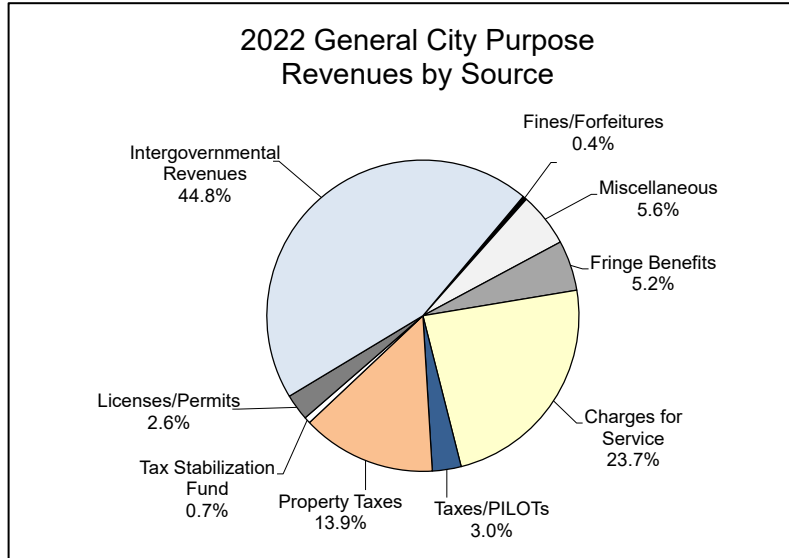
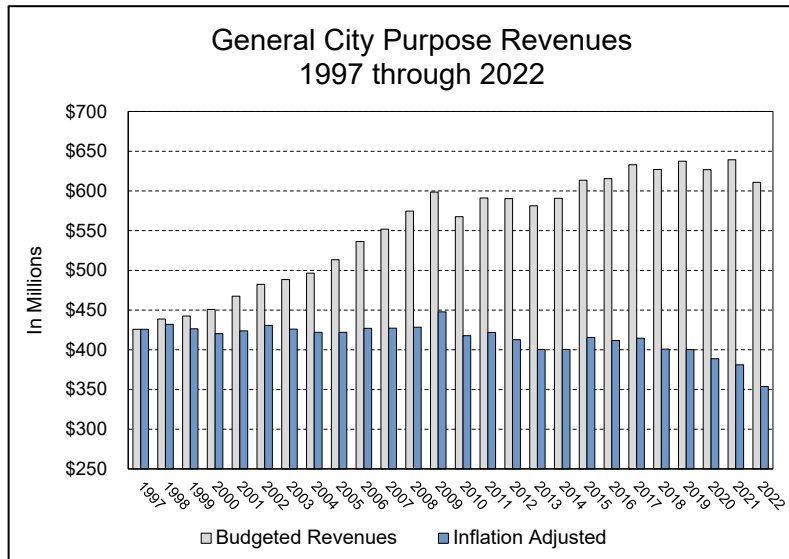


Figure 2



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 2022 budget, intergovernmental revenues total \$273.5 million, an increase of \$469,000 from 2021.

The largest amount of state aids received by the city comes in the form of state shared revenue. In 2022, the city expects to receive \$219.1 million of shared revenue; the same as 2021.

Since the state fixed the allocation for shared revenue in 1995 and later fixed the amount municipalities received, the city is unable to rely on shared revenue to address its structural budget issues. The city has turned to other sources of funds or service cuts to offset this lack of growth. The city will experience a \$113 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 2022, these aids total \$30.1 million, a decrease of \$133,000 from 2021.

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 2022 is \$10.6 million, an increase of \$291,000 from 2021.

Property Taxes: The property tax levy will provide \$85 million in revenue for the general city purposes budget in 2022. In 2022, the total city tax levy will be \$305.1 million; a \$5.9 million increase in the tax levy from the 2021 budget.

Taxes and Payments in Lieu of Taxes: The 2022 budget includes an estimated \$18.2 million in revenue attributable to taxes and payments in lieu of taxes (PILOTs), a decrease of \$1.9 million from 2021. These funds include:

- Revenues raised by non-property tax levies;
- Occupational taxes;
- Trailer park taxes;

Figure 3

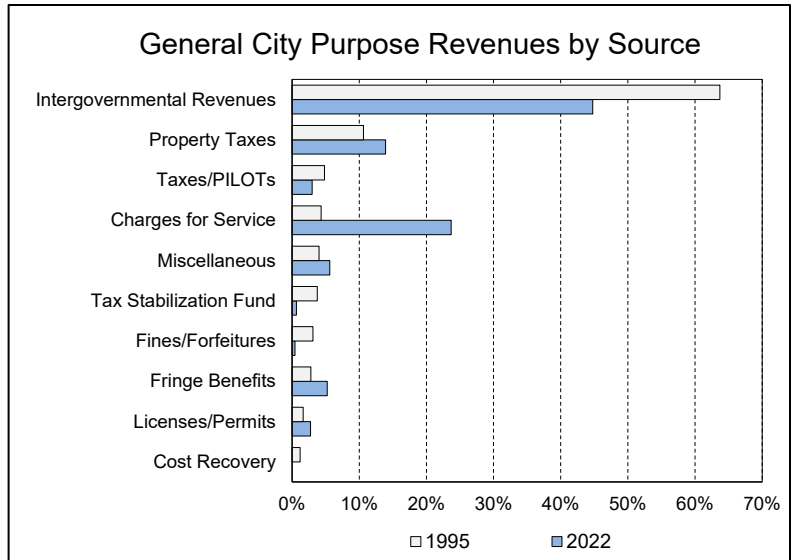
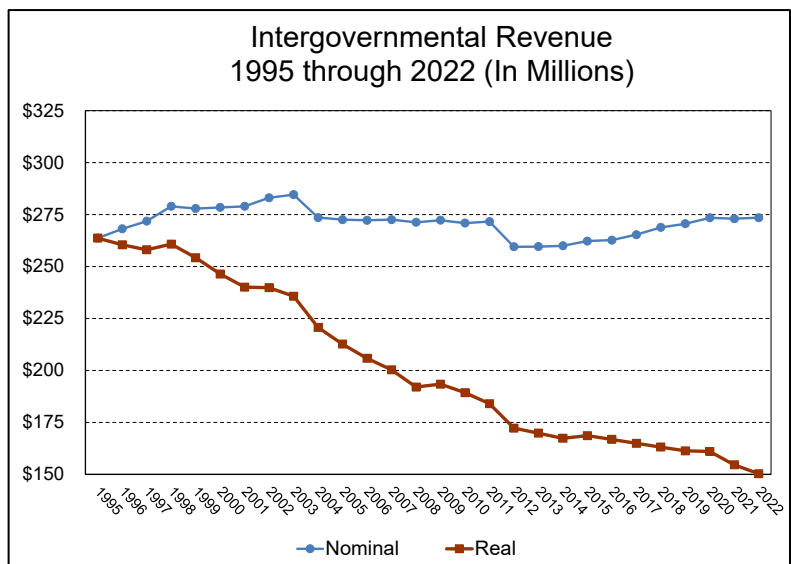


Figure 4

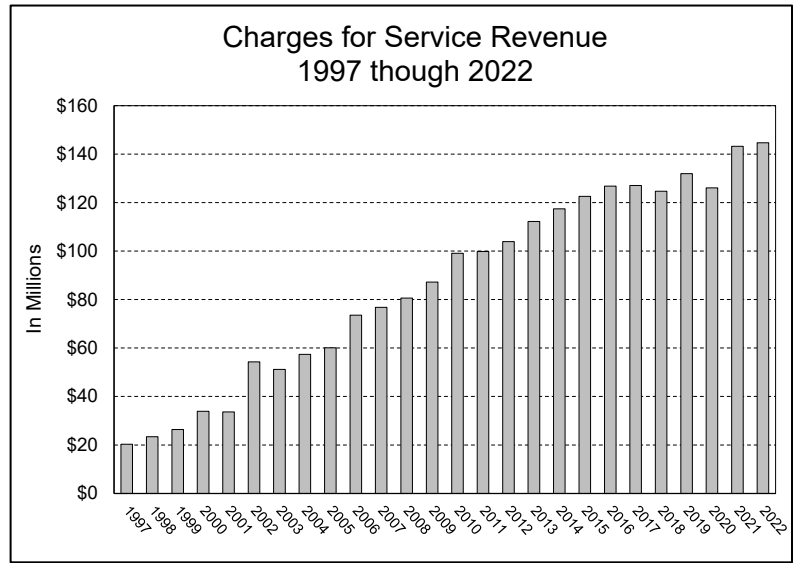


- Principal, interest, and penalties on delinquent taxes;
- Property tax adjustments;
- TID excess revenue; and
- Payments from property tax exempt governmental entities.

Charges for Services: The 2022 budget includes \$144.7 million in revenue from charges for services, an increase of \$1.4 million from 2021. This category of funding encompasses revenue received for services provided by city operating departments.

Figure 5 illustrates the increased city reliance on user-based fees. Charges for service revenues increased from \$20.3 million in 1997 to \$144.7 million in 2022. This trend is also evident in Figure 3, where charges for service revenues increased from 4.3% of revenues to 23.7%.

Figure 5



Fees for solid waste, snow and ice, street lighting, and sewer maintenance are charged to city property owners according to usage, instead of through the tax levy. There are no fee increases included in the 2022 budget.

The solid waste fee is a charge that recovers approximately 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.

In 2022 the annual extra garbage cart fee remains \$72.16 per cart above one cart per household, the same as in 2021. There is no charge for additional recycling carts. The solid waste fee remains \$241.56 per year for residential units to and will generate \$46.7 million when combined with the extra garbage cart fee.

The snow and ice fee remains \$1.07 per foot of property frontage, same as 2021. In 2022, the fee will generate a total of \$10.3 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 \$24.4 million transfer from the sewer maintenance fund to the general fund.

A street lighting fee was created in 2021. The fee in 2022 is estimated to generate \$9.3 million. The fee offsets the cost of operating and maintaining the City’s street lights. Costs that will be recovered through the fee include the cost of electricity, equipment, labor, and other operating expenses like parts and materials. Properties will be assessed the Street Lighting fee based on a rate of \$1.00 per foot of frontage that the property has on City streets that are served by City of Milwaukee street lights.

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 2022, these revenues are expected to total \$34.3 million, a decrease of \$6.0 million from 2021. The primary change in 2022 is a \$6 million decrease in transfer from other funds.

Fines and Forfeitures: Revenue of \$2.6 million related to fines and forfeitures is included in the 2022 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.

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

Licenses and Permits: In 2022, revenue from licenses and permits is estimated at \$16.7 million, a decrease of \$571,000 from 2021. 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 benefits, which is anticipated to be \$31.9 million in 2022.

Tax Stabilization Fund (TSF): The tax stabilization fund accumulates 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, 2021 was \$23.9 million. The 2022 withdrawal will be \$4.0 million which is 16.8% of the fund balance.

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	2019 Actual <u>Expenditures</u>	2020 Actual <u>Expenditures</u>	2021 Adopted <u>Budget</u>	2022 Adopted <u>Budget</u>	Change 2022 Adopted Budget Versus 2021 Adopted Budget
<u>Taxes and Payments in Lieu of Taxes</u>					
Housing Authority	\$967,959	\$1,094,988	\$900,000	\$875,000	\$-25,000
Parking	1,409,000	1,357,484	1,444,000	1,464,000	20,000
Water Works	13,300,000	13,500,000	13,459,000	13,647,000	188,000
Trailer Park Taxes	65,084	82,968	70,000	82,000	12,000
Payment in Lieu of Taxes Other	387,080	347,710	380,000	350,000	-30,000
Interest/Penalties on Taxes	1,681,375	1,425,858	1,486,000	1,426,000	-60,000
TID Excess Revenue	8,452	0	1,795,000	0	-1,795,000
Other Taxes	719,511	512,133	589,000	405,000	-184,000
Total Taxes	<u>\$18,538,461</u>	<u>\$18,321,141</u>	<u>\$20,123,000</u>	<u>\$18,249,000</u>	<u>\$-1,874,000</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Dog and Cat	\$101,357	\$85,597	\$99,000	\$92,000	-\$7,000
Food City Clerk	2,110,475	407,939	1,912,000	1,837,000	-75,000
Food Health Dept.	244,295	110,585	155,000	130,000	-25,000
Health Dept. Non-Food	17,277	2,865	15,000	10,000	-5,000
Scales	337,452	77,879	337,000	321,000	-16,000
Miscellaneous City Clerk	2,278,056	553,766	2,095,000	2,049,000	-46,000
Miscellaneous Neighborhood Services	224,251	165,113	219,000	191,000	-28,000
Ambulance Service License	0	4,400	0	2,000	2,000
Miscellaneous Dept. Public Works Administration	11,988	11,907	12,000	12,000	0
<u>Permits</u>					
Board of Zoning Appeals	\$271,742	\$183,963	\$224,000	\$225,000	1,000
Zoning Change Fees	58,695	49,195	55,000	50,000	-5,000
Building	5,676,284	4,736,912	5,119,000	5,027,000	-92,000
Electrical	1,723,452	1,679,091	1,728,800	1,750,000	21,200
Elevator	568,575	469,688	513,000	506,000	-7,000
Occupancy	396,626	296,188	436,000	385,000	-51,000
Plumbing	906,077	742,239	823,000	823,000	0
Miscellaneous Neighborhood Services	113,631	94,246	97,000	119,000	22,000
Sign and Billboard	58,164	59,976	81,000	59,000	-22,000
Special Events	234,950	16,463	230,000	175,000	-55,000
Miscellaneous Dept. of Public Works	197,508	191,446	227,000	175,000	-52,000
Special Privilege Misc. Neighborhood Services	379,991	395,257	313,000	313,000	0
Sprinkler Inspection	204,072	170,622	189,000	189,000	0
Use of Streets Excavating	2,387,727	3,472,502	2,434,000	2,303,000	-131,000
Total Licenses and Permits	<u>\$18,502,645</u>	<u>\$13,977,839</u>	<u>\$17,313,800</u>	<u>\$16,743,000</u>	<u>\$-570,800</u>

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	2019 Actual Expenditures	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Budget Versus 2021 Adopted Budget
<u>Intergovernmental Revenue</u>					
Fire Insurance Premium	\$1,298,147	\$1,303,802	\$1,300,000	\$1,350,000	\$50,000
Local Street Aids	28,650,953	31,367,755	30,275,000	30,142,000	-133,000
Payment for Municipal Services	2,564,117	2,177,295	2,150,000	2,650,000	500,000
State Payments Police	1,168,823	795,610	866,000	706,000	-160,000
State Shared Revenue (General)	219,148,115	219,181,330	219,132,000	219,101,000	-31,000
Other State Payments	7,034	7,034	7,000	7,000	0
Expenditure Restraint Aid	9,768,840	10,099,917	10,268,000	10,559,000	291,000
Computer Exemption Aid	6,610,439	6,610,439	6,610,000	6,610,000	0
Personal Property Exempt Aid	1,358,717	1,406,307	1,454,000	1,406,000	-48,000
Video Service Provider Aid	0	472,334	920,000	920,000	0
Total Intergovernmental Revenue	\$270,575,185	\$273,421,823	\$272,982,000	\$273,451,000	\$469,000
<u>Charges for Services - General Government</u>					
City Attorney	\$791,973	\$1,137,744	\$956,000	\$1,127,000	\$171,000
Dept. of Employee Relations	225,832	224,049	230,000	240,000	10,000
City Treasurer	177,328	178,613	126,000	120,000	-6,000
Common Council City Clerk	199,823	204,247	197,000	211,000	14,000
Cable Franchise Fee	4,601,136	4,042,070	4,140,000	3,700,000	-440,000
Comptroller	560,676	460,003	550,000	560,000	10,000
Municipal Court	1,236,325	874,598	1,231,000	1,059,000	-172,000
Assessor	1,101,974	958,676	859,000	864,000	5,000
Dept. of City Development	8,970	107,360	108,000	108,000	0
Dept. of Administration	94,623	70,895	75,000	71,000	-4,000
Fire Dept.	6,466,051	6,257,309	6,046,000	6,880,000	834,000
Police Dept.	4,407,036	2,394,294	3,148,000	3,488,000	340,000
Dept. of Neighborhood Services	8,207,151	7,745,241	9,980,000	9,351,000	-629,000
Building Razing	487,120	318,665	487,000	480,000	-7,000
Fire Prevention Inspections	1,992,689	2,163,946	2,500,000	2,500,000	0
Essential Services	43,313	0	40,000	40,000	0
Placard Fee	8,704	9,114	11,000	9,000	-2,000
IT/Training Surcharge Dept. of Neighborhood Services	286,156	247,791	286,000	300,000	14,000
Dept. of Public Works Operations Buildings and Fleet	3,829,499	3,120,729	3,500,000	3,190,000	-310,000
Dept. of Public Works Infrastructure Division	4,014,030	3,682,786	3,598,000	3,981,000	383,000
Dept. of Public Works Operations Division Forestry	182,087	93,808	139,000	870,000	731,000
Harbor Commission	6,186,404	6,483,900	5,698,420	6,856,288	1,157,868
Dept. of Public Works Administrative Services	4,782,894	2,039,967	1,826,000	1,586,000	-240,000
Dept. of Public Works Operations Div. Sanitation	4,339,764	2,607,510	4,158,000	4,054,000	-104,000
Solid Waste Fee	39,988,540	43,039,465	44,930,000	44,930,000	0
Extra Garbage Cart Fee	1,668,000	1,746,656	1,786,000	1,786,000	0
Snow and Ice Control Fee	9,623,546	10,054,903	10,297,000	10,297,000	0
Forestry Stormwater Management	22,332,000	23,433,600	24,371,000	24,396,000	25,000
Apartment Garbage Pickup	1,080,749	159,825	0	23,000	23,000
Health Dept.	1,991,941	1,369,860	1,271,000	1,349,000	78,000
Public Library	222,768	92,957	228,000	160,000	-68,000
County Federated System	765,750	756,034	751,000	771,000	20,000
Street Lighting Fee	0	0	9,708,670	9,309,000	-399,670
Total Charges for Services	\$131,904,852	\$126,076,615	\$143,232,090	\$144,666,288	\$1,434,198
<u>Fines and Forfeitures</u>					
Municipal Court	\$2,622,131	\$2,005,172	\$2,500,000	\$2,601,000	\$101,000
Other	\$0	2,578	0	1,000	1,000
Total Fines and Forfeitures	\$2,622,131	\$2,007,750	\$2,500,000	\$2,602,000	\$102,000
<u>Miscellaneous Revenue</u>					
Transfer from Other Funds	\$16,000,000	\$16,110,000	\$16,000,000	\$10,000,000	\$-6,000,000

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	2019 Actual <u>Expenditures</u>	2020 Actual <u>Expenditures</u>	2021 Adopted <u>Budget</u>	2022 Adopted <u>Budget</u>	Change 2022 Adopted Budget Versus 2021 Adopted Budget
Interest on Overdue Invoices	74,971	82,480	60,000	\$80,000	20,000
Interest on Investment	3,888,848	1,757,742	615,000	783,000	168,000
Contributions	2,719,392	3,158,918	3,200,000	3,200,000	0
Dept. of Administration Property Sales	81,421	173,039	82,000	215,000	133,000
Dept. of City Development Property Sales	206	1,602	0	0	0
Dept. of Public Works Infrastructure Division Rent	481,379	678,666	716,000	313,000	-403,000
Comptroller Rent	84,598	82,075	80,000	80,000	0
Dept. of City Development Rent	57,009	12,009	27,000	12,000	-15,000
DOA Rent/Leases	4,101	0	100,000	100,000	0
Sale of Recyclable Materials	1,118,918	1,016,331	923,000	1,240,000	317,000
Other Miscellaneous	2,266,874	1,134,821	1,570,000	1,368,000	-202,000
Insurance Recovery	51,982	8,371	10,000	10,000	0
Potawatomi	6,097,136	4,414,762	5,750,000	5,750,000	0
Harbor Commission Transfer	1,549,442	2,465,165	1,679,000	1,698,000	19,000
Vehicle Registration Fee	6,279,214	6,201,931	9,450,000	9,450,000	0
Total Miscellaneous Revenue	<u>\$40,755,491</u>	<u>\$37,297,912</u>	<u>\$40,262,000</u>	<u>\$34,299,000</u>	<u>\$-5,963,000</u>
<u>Fringe Benefits</u>					
Fringe Benefit Offset	\$18,788,809	\$30,377,583	\$23,500,000	\$31,897,107	\$8,397,107
Total Fringe Benefits	<u>\$18,788,809</u>	<u>\$30,377,583</u>	<u>\$23,500,000</u>	<u>\$31,897,107</u>	<u>\$8,397,107</u>
<u>Total General Fund Revenue</u>	<u>\$501,687,574</u>	<u>\$501,480,663</u>	<u>\$519,912,890</u>	<u>\$521,907,395</u>	<u>\$1,994,505</u>
Amount to be Raised Pursuant to 18-02-6	\$135,746,830	\$125,273,570	\$119,286,102	\$89,038,772	\$-30,247,330
Less:					
Tax Stabilization Fund Withdrawal (Sustainable)	\$16,000,000	\$10,000,000	\$6,500,000	\$4,000,000	\$-2,500,000
Tax Stabilization Fund Withdrawal (Revenue Anticipation)	\$0	\$0	\$0	\$0	\$0
Property Tax Levy	\$119,746,830	\$115,273,570	\$112,786,102	\$85,038,772	\$-27,747,330
Total Sources of Funds for General City Purposes	<u>\$637,434,404</u>	<u>\$626,754,233</u>	<u>\$639,198,992</u>	<u>\$610,946,167</u>	<u>\$-28,252,825</u>

B. PROVISION FOR EMPLOYEES' RETIREMENT FUND

EXECUTIVE SUMMARY

- MISSION:** Secure payment of retirement benefit obligations in a manner that seeks to avoid destabilizing city operations and that limits the transfer of financial responsibility to future generations by funding those obligations over the remaining work life of System members on an actuarially sound basis.
- OBJECTIVES:** Comply with the Employees' Retirement System funding requirement provisions of Chapter 36 of the City Charter.
- 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

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Firemen's Pension Fund</u>				
Lump Sum Supplement Contribution	\$18,000	\$18,000	\$18,000	\$0
Subtotal	\$18,000	\$18,000	\$18,000	\$0
<u>Policemen's Pension Fund</u>				
PABF Payroll	\$77,360	\$83,250	\$55,000	\$-28,250
Lump Sum Supplement Contribution	10,000	10,000	10,000	0
Subtotal	\$87,360	\$93,250	\$65,000	\$-28,250
<u>Employees' Retirement Fund</u>				
Employer's Pension Contribution	\$69,848,690	\$71,000,000	\$71,000,000	\$0
Employer's Pension Contribution - Employers' Reserve Fund	8,000,000	8,000,000	40,000,000	32,000,000
Administration	16,061,242	20,664,825	21,387,904	723,079
Subtotal	\$93,909,932	\$99,664,825	\$132,387,904	\$32,723,079
Social Security Tax	\$19,270,510	\$20,000,000	\$20,000,000	\$0
Deferred Compensation Plan	\$289,887	\$447,582	\$443,766	\$-3,816
Total	\$113,575,689	\$120,223,657	\$152,914,670	\$32,691,013
<u>Revenues</u>				
Fringe Benefits Pensions	\$1,579,726	\$1,642,397	\$1,648,282	\$5,885
Charges for Service ERS	15,675,052	20,664,825	21,387,904	723,079
Charges for Service Deferred Compensation	298,880	447,582	443,766	-3,816
Property Tax Levy	96,710,343	97,347,853	129,314,718	31,966,865
Employer's Reserve Fund	0	0	0	0
Miscellaneous Employees' Retirement System	115,900	121,000	120,000	-1,000
Total	\$114,379,901	\$120,223,657	\$152,914,670	\$32,691,013

The Employees' 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 Employees' 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 29,198 members in the system as of January 1, 2021, including 10,567 active members and 13,647 retirees.

The Policemen's Annuity and Benefit Fund (PABF) administers pensions for city police officers employed prior to 1947. There were eight members as of June, 2021.

Funds in the Firemen's Pension Fund are provided for retired fire fighters who were employed prior to 1947. This fund had six members as of June, 2021.

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 is 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; and
- Review adequacy of contributions as part of a five-year cycle.

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. The stable contribution policy began in 2013, and the contribution was modified at the five-year update for the 2018 pension contribution. The next update will occur in 2023. The current blended rates are 7.48% for general city, 25.22% for police and 26.83% for fire. These rates are based on various factors that determine estimated pension fund needs, including the assumed rate of return on investments, the ages of retirements by employee groups, and mortality rates. The 2022 pension contribution is \$71 million, the same as the 2021 budget, with the entire amount funded from the tax levy. No funding will come from the pension reserve account.

One benefit of the stable contribution policy is ensuring that there are relatively small changes in the contribution amount during each five-year contribution period. This makes budgeting for the contribution easier to manage. The contribution of \$71 million for 2022 does not change from 2021. However, the required contribution when the stable contribution is reset in 2023 is projected to significantly increase.

Several factors contribute to the increase in the required contribution, including investment experience, increases to employee compensation, and demographic changes. However, one of the more significant factors is that in April

2019, the Annuity and Pension Board voted to reduce the assumed investment rate of return from 8% to 7.5%. While this rate is more consistent with the rate of return used by most pension systems, reducing this rate significantly increases unfunded pension liabilities. Unfunded liabilities for the City were \$1.1 billion as of January 1, 2021, reflecting an 80.1% funded status on an actuarial basis. These unfunded liabilities require significantly larger employer pension contributions in future years. The actuary estimates that the required contribution from the City after the reset in 2023 will be approximately \$149 million, an increase of \$78 million or 110% from the current stable policy contribution amount of \$71 million. The City's contribution will continue to increase to about \$163 million in 2027.

These increases cannot be funded within the current fiscal constraints facing the City. Specifically:

- The State does not provide meaningful increases in Shared Revenue that reflect either increases in inflation or increases in tax revenue generated by the residents and businesses in Milwaukee
- The State has imposed a strict levy limit and expenditure limit on the City budget, both of which will need to be violated in order to adequately fund the pension contribution in 2023
- The State strictly limits the revenue sources available to the City, such as not authorizing a local municipal sales tax
- The State, by retaining the collective bargaining powers of the Police and Fire unions that were eliminated for all other public employee unions in 2011, has strictly limited the City's ability to adjust both member pension contributions and pension benefits

Mayor Barrett has been seeking authority from the State to hold a local referendum in which City residents have the ability to approve a City sales tax, in order to increase the revenue available to meet the City's financial obligations while maintaining core service levels. A City sales tax is necessary to enable the City to fund its financial obligations without significantly reducing core service levels, including Police and Fire services. Large service reductions, including reductions in Police and Fire services, will be necessary, unless the State works with the City to remove the fiscal constraints previously identified.

The majority of the pension liability is for Police and Fire members, as the salaries and pension benefits for these members are significantly higher than for General City members. Moving forward the City will struggle to fund this level of benefits. It is imperative that work be done to modify the pension benefit structure.

The actuarially determined employer contribution under the decreased rate of return is based on a 17.22% rate for general city, 47.47% for police and 51.44% for fire. Employee member contributions are currently 4% for General City employees hired after January 1, 2014 (5.5% for employees hired before 2014) and 7% for Police and Fire. The City will be unable to fully fund the pension contribution on its own. A greater portion of the cost will need to be funded from the employee contribution.

The City has a pension reserve fund that can be used to ease the impact of the pension contribution increase in 2023. The reserve fund has a current balance of \$42.3 million. The City plans to make annual contributions to the reserve fund over the next several years. This will build a higher balance in the reserve fund, which will be used to smooth out the required increase in the employer pension contribution beginning in 2023. The 2022 budget includes a \$40 million addition to the reserve fund. Contributions to the reserve fund will have to increase significantly to provide sufficient balance in the reserve fund to smooth out the tax levy impact of the contribution increase in 2023. However, the fiscal constraints identified above prohibit the city from making larger increases to the reserve fund. A significantly higher tax levy, one that exceeds the State imposed levy limit, will be necessary to fund the employer contribution.

Under current fiscal conditions, increases to the reserve fund will not be sufficient to avoid significant service reductions, including reductions to Police and Fire services, in order to fund the pension contribution. To minimize service reductions, the City requires a substantial increase to its baseline revenues, such as through a sales tax, and expanded authority to adjust member contributions and benefits for pensions. Resolving the City's structural budget

imbalance requires a significant increase in the City's baseline revenues, such as provided by a sales tax, and a reduction in long-term pension liabilities. Both of these require action by the State of Wisconsin.

Employer's Reserve Fund: A balance of approximately \$42.3 million is in the Employer's Reserve Fund as of July 2021. A contribution of \$40 million to the reserve fund is included in the 2022 budget. Combined, these provide \$82.3 million of reserves.

Social Security Payments: In the 2022 budget, \$20 million is provided for social security payments.

Administration: In the 2022 budget, ERS administrative costs are \$21.4 million.

Employer's Pension Contribution (PABF): The 2022 budget does not include a contribution for the former Policemen's Annuity and Benefit Fund. Instead the city will provide \$55,000 for member payments on an on-going basis from an account funded by an annual appropriation.

Lump Sum Contribution for Policemen's Annuity and Benefit Fund (PABF): There is \$10,000 provided in the 2022 budget to provide a pension supplement.

Lump Sum Contribution for Firemen's Annuity and Benefit Fund (FABF): A total of \$18,000 is provided in the 2022 budget for a pension supplement to remaining members of this fund.

EMPLOYEES' RETIREMENT SYSTEM

EXECUTIVE SUMMARY

- MISSION:** Administer the plan as provided under the city charter, as a fiduciary pursuant to state and federal requirements as an IRS-qualified retirement plan and trust, maintain member and beneficiary records, pay the benefits to which members and beneficiaries are entitled, communicate with and counsel member and beneficiaries , 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 7.5%).
- 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 Employees' Retirement Information Technology System to provide effective and efficient pension administrative services.
- Improve member communication through the Employees' Retirement System website, pre-retirement counseling seminars, brochures, and newsletters.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	48.77	49.00	49.00	0.00
FTEs - Other	3.00	0.00	0.00	0.00
Total Positions Authorized	61	58	57	-1
<u>Expenditures</u>				
Salaries and Wages	\$3,316,239	\$3,570,428	\$3,583,222	\$12,794
Fringe Benefits	1,579,726	1,642,397	1,648,282	5,885
Operating Expenditures	11,106,875	14,577,000	15,558,400	981,400
Equipment	58,402	875,000	598,000	-277,000
Total	\$16,061,242	\$20,664,825	\$21,387,904	\$723,079
<u>Revenues</u>				
Charges for Services	\$15,675,052	\$20,664,825	\$21,387,904	\$723,079
Miscellaneous	115,900	121,000	120,000	-1,000
Total	\$15,790,952	\$20,785,825	\$21,507,904	\$722,079

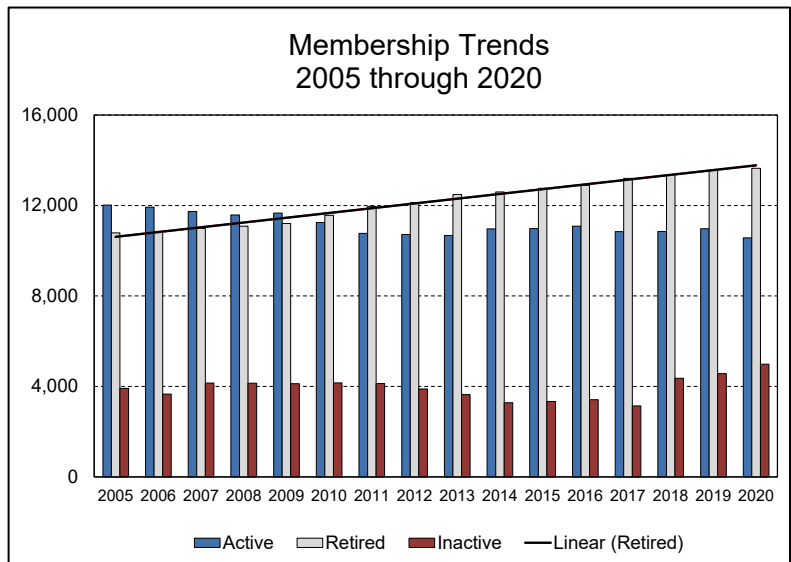
DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Optimize the amount of tax levy funding needed to support the Employees' Retirement System consistent with the risk assumed by the investment policy.
 - Effectively manage the pension funds under its control.
 - Provide fiduciary standard of care as required by state law to its members and beneficiaries.

The Employees' Retirement System ("ERS" or "the Fund") operates a multiple employer cost-sharing 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 and member funding needed to support ERS and the pensions it manages. It also ensures adequate funding for the city's long term financial obligations to retirees and their beneficiaries. 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 January 2021, there were 29,198 members and beneficiaries in the Employees' Retirement System, of which approximately 64% are retirees or inactive members (see Figure 1).

Figure 1



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

The Annuity & Pension Board is a city agency pursuant to state law that serves as an independent fiduciary with a duty of loyalty to members and beneficiaries of the system and is sworn to act solely in their interests. The Board is comprised of three trustees elected by the members and beneficiaries, three appointed by the President of the Common Council, and the city Comptroller as an ex officio trustee. This structure and the Board's status as an independent fiduciary was confirmed by a 2018 decision of the Wisconsin State Supreme Court.

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Annualized excess return above the blended benchmark index, gross of fees (over the past five years).	0.0%	0.5%	0.5%
Exceed 95% favorable rating on customer satisfaction survey.	99%	100%	100%

STRATEGY IMPLEMENTATION

The actuarial accrued liabilities on behalf of the ERS members are approximately \$6.8 billion as of January 1, 2021.

The Annuity and Pension Board voted in April 2019 to reduce the investment return assumption for the fund from 8.0% for calendar years through 2022 and 8.25% beginning in 2023 to 7.5% for all years, effective with the 2019 valuation and to amortize the resulting unfunded liabilities over 25 years. The reduction of the investment return assumption to 7.5% significantly increased the actuarial accrued liability, resulting in a liability increase of \$450 million in 2019. As of January 1, 2021, the actuarial accrued liability is approximately \$6.8 billion, and the funded status on an actuarial basis is 80.7%, with an unfunded liability of approximately \$1.3 billion. The Board's adopted reduction in the investment return assumption reduced projected earnings from investments and thereby increased both unfunded liabilities and the required employer contributions, effective for 2023. The actuarial estimate is that this will require a projected \$100 million increase in the actuarially determined employer contributions to the fund starting in 2023, with the city's share estimated at approximately 83% of this amount.

Achieving a 7.5% return over the long-term requires the portfolio to take certain risks that may result in negative returns and or underperformance during short and medium times. The current level of interest rates, which are at a historically low level, makes this more difficult. The Annuity and Pension Board works with its investment consultant and staff to identify a prudent long-term investment strategy that balances the prospects for achieving this long-term return target with the expected year-to-year downside-risks.

The inherent volatility of capital markets has created material swings in the Fund's value in recent years (see Figure 2). Despite this volatility, as of July 31, 2021, the Fund has been able to generate an annualized 5-year return of 10.4% and an annualized 10-year return of 9.0%, both net of fees. Figure 3 shows historical information with the 10 year rolling average of returns (net of fees).

Figure 2

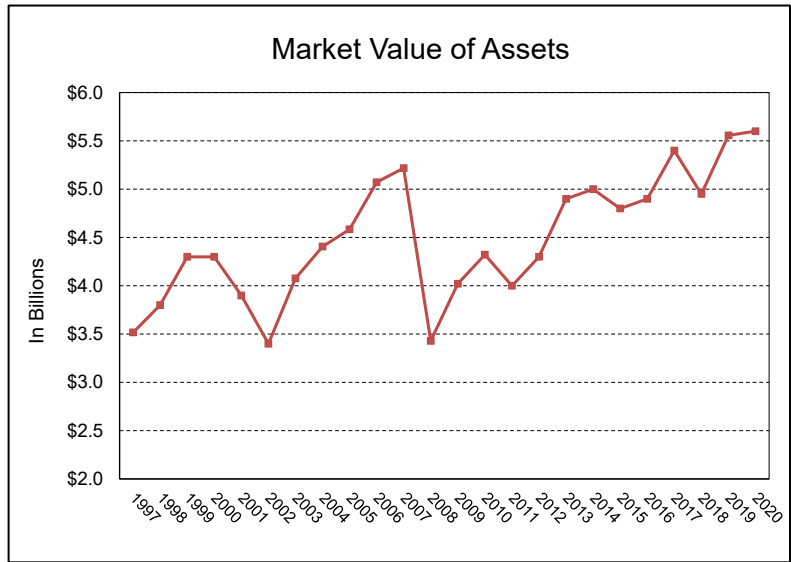
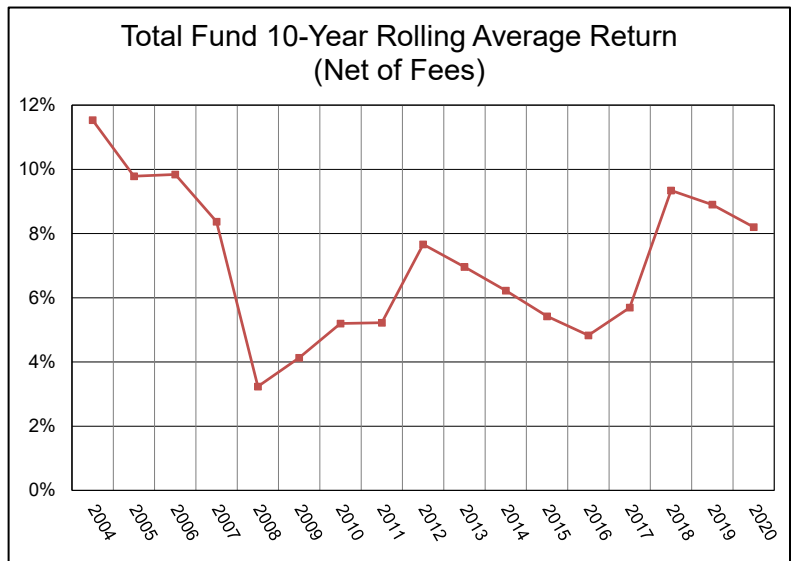


Figure 3



Market swings caused by COVID-19 made 2020 a challenging year for the Fund. In 2020, the Fund generated a net of fee return of 6.6%, and the Fund, along with the Public Equity, Fixed Income, and Absolute Return asset classes it invests in, underperformed their respective benchmarks. In 2021, the Fund has benefited from improved global markets. As of July 31, 2021, the Fund has generated a year-to-date net of fee return of 12.1%, and the Fund, along

with all of the asset classes it invests in, have generated returns that exceed their respective benchmarks. Figure 2 shows the market value of the Fund's assets over the past 20 years.

During the 13-year period from 2008-2020, investment gains of approximately \$3.7 billion have contributed substantially to funding the approximately \$4.3 billion in benefit payments during the period, aided by approximately \$1.2 billion of employer and member contributions. The most recent actuarial report projects benefit payments to be approximately \$5.1 billion over the next 10 years. Increased contributions are needed to maintain the Fund's current asset level.

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
- Bloomberg Barclays U.S. Aggregate Bond Index
- NFI-ODCE (NCREIF Open End Diversified Core Equity) Real Estate Property Index
- 90 Day T-Bill + 3%
- Russell 3000 + 2%
- 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 Fund's long-term objective is to outperform the blended benchmark by 0.5%.

Customer Service: ERS provides enhanced customer service through a series of membership awareness projects and counseling on a variety of benefits, including pension, disability, separation, and death.

ERS also administers 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 provide information 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 answer their questions. ERS regularly conducts community presentations and pre-retirement seminars for its members. More recently, due to the COVID pandemic, ERS has switched to conducting these seminars using video conferencing. The response has been positive and ERS plans to continue some online sessions after the pandemic ends. The ERS member handbooks, brochures, and website also improve customer service delivery. At this time, as a response to the pandemic, the ERS also is conducting retirement sessions remotely through phone and video conferencing. ERS returned to in person individual counselling sessions in June 2021 and is closely monitoring the level of community spread of COVID -19 and its variants in order to protect the health and safety of its clients and staff.

ERS focuses on providing enhanced online services and business process automation. Several technology upgrade projects were completed in 2021 and more will be completed in 2022. Product lines that are nearing end-of-life status are brought into compliance in accordance with a lifecycle management process. Enhancements were made to the ERS website and self-service site, including security updates and additional service features.. Network security enhancements were made to better protect and secure member and institutional data, including the implementation of multi-factor authentication, internal network scanning, and website configuration security updates that provide a more proactive approach to network security. ERS plans to further strengthen its network security in 2022 and will use a third-party security firm to assist in a security review. An update to the ERS communication infrastructure is also being considered for 2022.

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 2022 budget increases by approximately \$723,000 or 4.5%, primarily due to a projected increase in professional services.

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		Network Administrator	Reclassification
1	1.00		ERS Network Administrator	
-1			College Intern	Position eliminated
-1	0.00	0.00	Totals	

DEFERRED COMPENSATION PLAN

EXECUTIVE SUMMARY

MISSION: To help City of Milwaukee employees save assets adequate to retire at the desired time, with dignity, and with 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 participants.

Utilize industry best practices, academic research, and partnerships with financial sector experts to consistently improve the Plan's investment options, 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 on financial planning topics, including the benefits of diversification and the relative benefits and risks between a long-term investment perspective and trading in response to short-term market volatility.

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

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	2.46	3.00	3.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	3	3	3	0
<u>Expenditures</u>				
Salaries and Wages	\$188,589	\$206,837	\$204,223	\$-2,614
Fringe Benefits	85,660	95,145	93,943	-1,202
Operating Expenditures	13,085	67,600	67,600	0
Equipment	2,553	3,000	3,000	0
Special Funds	0	75,000	75,000	0
Total	<u>\$289,887</u>	<u>\$447,582</u>	<u>\$443,766</u>	<u>\$-3,816</u>
<u>Revenues</u>				
Charges for Services	<u>\$298,880</u>	<u>\$447,582</u>	<u>\$443,766</u>	<u>\$-3,816</u>
Total	<u>\$298,880</u>	<u>\$447,582</u>	<u>\$443,766</u>	<u>\$-3,816</u>

BACKGROUND

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. 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 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. 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.

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, that focus on vendor management, board governance, participant services, payroll contribution reconciliations, records management, monitoring legal issues and market innovations, financial statement preparation, and oversight of the annual audit.

As of December 31, 2020, plan assets were over \$1 billion, with 9,255 active and retired participants. The overall participation rate for City of Milwaukee employees was 88%.

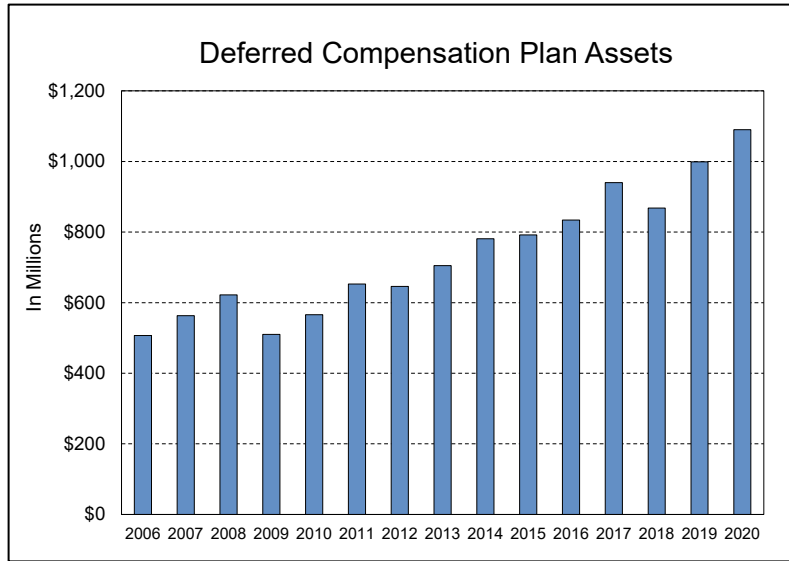
DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Plan’s mission is to assist city employees in saving assets to enable them to retire with sufficient retirement income, to support the financial stability, health, and retirement readiness of 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. The Plan’s growing size and the increasing complexity of the deferred compensation market, make it necessary for the Plan to partner with industry experts and consultants to ensure that the Plan adopts industry best practices, effectively monitors fee efficiency, appropriately benchmarks investment performance, and incorporates innovations to best meet the needs of participants.

Figure 1



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 work to reduce fees through contract renegotiations and by market testing current pricing arrangements through regularized requests for proposal processes.

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 pre-retirement workshops to assist plan participants in making informed investment decisions. Information on deferred compensation is provided at new employee orientations.

Plan participants allocate their payroll or rollover contributions, as well as earnings on those contributions, among a variety of investment account options, including Target Date Funds, four core asset options, and participant-controlled brokerage accounts. These investment options, their market values, and their rate of return relative to investment benchmarks as of June 30, 2021 are listed below.

Investment Performance as of June 30, 2021*				
		% Rate of Return**		
Investment Option	Market Value as of 6-30-20 in \$ Millions	One Year	Three Year	Five Year
Actively Managed Equity	\$189.7	44.47	16.42	16.03
<i>AMEA Benchmark</i>		41.39	14.63	14.87
Actively Managed Income	\$86.8	2.86	5.94	3.81
<i>AMIA Benchmark</i>		0.21	4.60	2.69
Stable Value	\$211.9	1.79	2.18	2.06
<i>SVA Benchmark</i>		0.16	1.33	1.21
Passive International Equity	\$77.9	35.55	9.53	11.13
<i>MSCI ACWI ex US</i>		35.72	9.38	11.08
Passive U.S. Equity	\$296.0	43.99	18.61	17.74
<i>Russell 3000 Index Benchmark</i>		44.16	18.73	17.89
JPMorgan Passive SR DRE Income	\$44.0	14.58	7.72	7.08
<i>JPMCB Passive SR DRE Income Idx</i>		14.24	8.42	7.29
JPMorgan Passive SR DRE 2020	\$34.7	15.20	7.95	7.86
<i>JPMCB Passive SR 2020 Idx</i>		14.90	8.65	8.15
JPMorgan Passive SR DRE 2025	\$41.2	19.79	9.30	9.23
<i>JPMCB Passive SR 2025 Idx</i>		20.29	10.12	9.63
JPMorgan Passive SR DRE 2030	\$39.3	24.28	10.37	10.49
<i>JPMCB Passive SR 2030 Idx</i>		24.85	11.14	10.83
JPMorgan Passive SR DRE 2035	\$27.2	28.82	11.20	11.35

Investment Performance as of June 30, 2021*				
Investment Option	Market Value as of 6-30-20 in \$ Millions	% Rate of Return**		
		One Year	Three Year	Five Year
<i>JPMCB Passive SR 2035 Idx</i>		29.49	12.12	11.86
JPMorgan Passive SR DRE 2040	\$17.7	32.25	12.02	12.26
<i>JPMCB Passive SR 2040 Idx</i>		33.28	12.83	12.71
JPMorgan Passive SR DRE 2045	\$13.0	35.42	12.65	12.67
<i>JPMCB Passive SR 2045 Idx</i>		36.64	13.50	13.17
JPMorgan Passive SR DRE 2050	\$7.4	35.44	12.61	12.65
<i>JPMCB Passive SR 2050 Idx</i>		36.64	13.50	13.17
JPMorgan Passive SR DRE 2055	\$5.8	35.58	12.56	12.60
<i>JPMCB Passive SR 2055 Idx</i>		36.64	13.50	13.17
JPMorgan Passive SR DRE 2060	\$1.2	35.58	12.68	-
<i>JPMCB Passive SR 2060 Idx</i>		36.64	13.50	-
Schwab Brokerage Window [^]	\$57.6	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 2020 include:

- Awarded Pensions & Investments' 2020 Eddy Award, in recognition for the plan's integration with the City's Wellness Program.
- Implemented the fourth year of automatic enrollment for new hires.
- Conducted a fifth 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.
- Six consecutive year of decreases in plan operating expenses.

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. To ensure transparency, the Plan's internal budget, reflecting all professional fees and operating expenses is 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 (Jefferson Wells) 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 cover unanticipated expenses. Funds in this contingency can only be released by the Plan's fiduciary board.

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

C. CAPITAL IMPROVEMENTS

EXECUTIVE SUMMARY

- MISSION:** Support the regional economy and protect the environment and public health.
- OBJECTIVES:** Improve core infrastructure condition.
- Improve the efficiency of city operations.
- STRATEGIES:** Where feasible use alternative strategies to increase the amount of infrastructure improved within funding constraints.
- Develop investment strategies to ensure favorable rates of return on city capital investments.
- Stage project funding over multiple years.
- Continue increasing budgets for most infrastructure.
-

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The 2022 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 2022 general city capital improvements budget totals \$137 million, a decrease of \$1.5 million from the 2021 budget. Tax levy supported general obligation (GO) debt in the 2022 budget, totals \$85 million. This is a \$2.2 million increase from the amount of tax levy supported borrowing included in the 2021 budget.

One of the city's long term goals 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 prudently invest in infrastructure, using long term debt within debt limit constraints.

Continuing high levels of investment in core infrastructure projects is a priority of the 2022 capital budget. Core infrastructure programs including streets, bridges, street lighting, and sewers total \$74.6 million in the 2022 capital budget, a \$3.5 million increase from 2021. Figure 1 shows improvements made in core infrastructure funding from 2004 to 2022. Since 2004 funding for core infrastructure has increased by \$31.8 million, or nearly 74%.

The 2022 capital budget includes \$17.5 million for facility improvement projects, which is 20.4% of the levy supported general city capital budget. The city hall foundation repair project is the largest single facility improvement project

in the 2022 budget at \$10 million, and the Facilities Exterior and Facilities Systems programs which repair and replace major mechanical, interior and exterior building components are funded at \$1.25 million each.

The 2022 capital budget uses \$315,000 of cash from the tax levy for capital improvements. The Department of City Development’s Advance Planning Fund will utilize \$200,000 of levy funding and the Municipal Art Fund and staffing for the Capital Improvements Committee use the remaining \$115,000. While levy funding in the capital improvements budget is limited, the use of cash revenues from the sewer maintenance fund helps manage overall 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).

Surface transportation projects constitute the largest functional category, which is 38.6% of the levy-supported capital budget or \$52.8 million. Including grant and aids, total surface transportation spending is \$94.9 million, an increase of \$30.7 million from 2021.

Economic development is the second largest capital functional area at \$38.5 million or 28.2% of the general city funded capital budget. In 2022, the capital budget for economic development is \$6.6 million lower than in 2021. Borrowing for tax incremental districts (TIDs) totals \$35 million, a \$1 million increase from the 2021 budget. This amount includes \$10 million for developer funded TID’s.

The general government project category constitutes the third largest functional area with \$29.1 million or 21.3% of total funding provided for this purpose. This is a net decrease of \$1 million from 2021. This category consists of buildings, non-police IT projects, and major capital equipment.

The health and safety project category comprises 7.8% of the 2022 levy-supported capital budget. This includes Fire, Police, and Health department capital programs. Environment programs include forestry and environmental

Figure 1

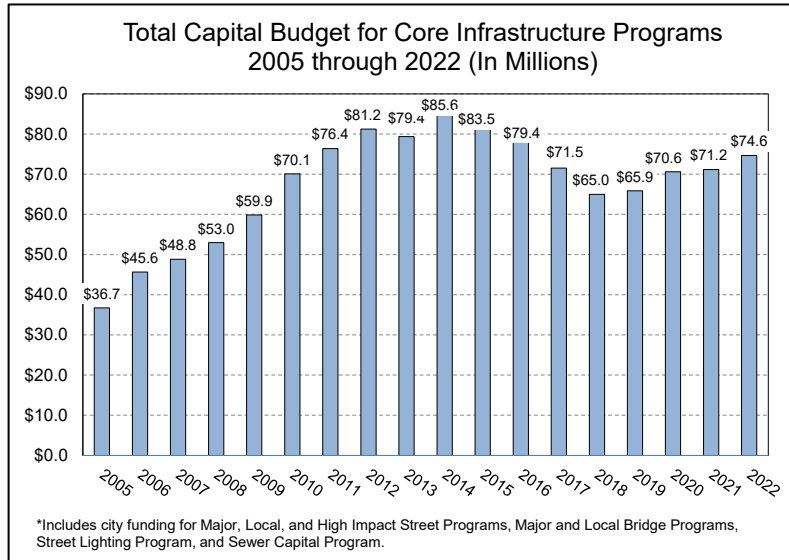
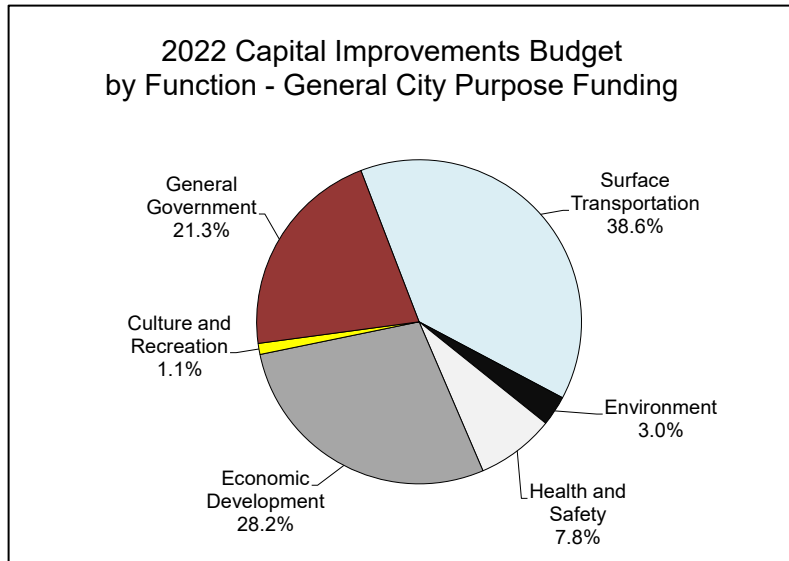


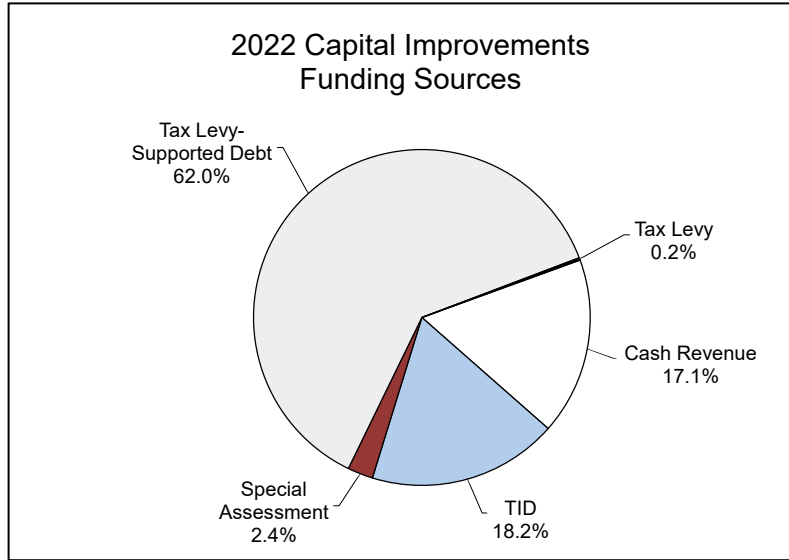
Figure 2



remediation programs. These projects are 3% of the city funded capital budget. Culture and recreation projects include a \$850,000 allocation for the *MKE Plays* program, which leverages private investment to create innovative play spaces in neighborhoods. This category also includes the Library’s neighborhood library reconstruction program. The culture and recreation project category represents 1.1% of the city funded capital budget.

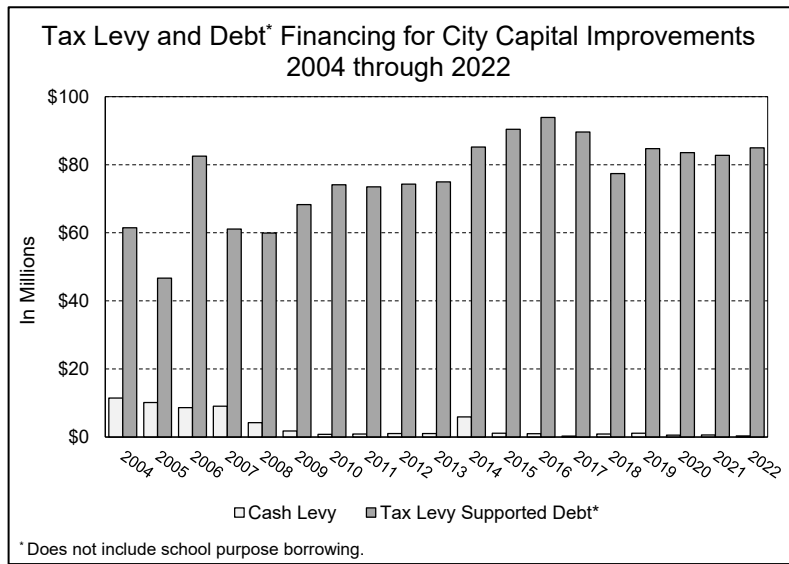
Funding Sources: The 2022 capital budget is financed through several funding sources including the property tax levy, tax levy supported GO debt, tax incremental districts, special assessments, cash revenues, and grants and aids. Figure 3 shows funding sources for the 2022 city funded capital budget (excluding grant and aids).

Figure 3



In 2022 the largest funding source is tax levy supported debt financing, composing 62% of total funding sources. Levy supported GO borrowing in the capital budget is \$85 million, an increase of \$2.2 million from the amount of levy supported borrowing in 2021. 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.

Figure 4



Another major source of funding for capital projects is TID borrowing, with \$25 million or 18.3% of total funding sources. TID borrowing is self-supporting because the improvements made in these districts are financed through property tax revenue generated from the incremental values resulting from the improvements. The 2022 budget includes borrowing authority for TIDs of \$25 million, which matches the amount included in the 2021 budget.

In addition to TID financing, other self-supporting funding sources include \$23.3 million of cash revenues, which represents 17.1% of the total capital budget funding sources. Cash revenues in the 2022 budget include \$10 million of revenues for costs related to developer-financed TID’s \$5.1 million from the stormwater fee for forestry capital programs and other stormwater-related projects, and \$400,000 from the street lighting charge for the street lighting capital program. The 2022 budget includes \$3 million of special assessments, which represents 2.4% of capital budget funding sources. Figure 3 does not include capital grant and aids for street reconstruction, bridge rehabilitation, and harbor improvements, which are anticipated to be \$42.9 million in 2022.

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. Figure 4 highlights the tax levy compared to tax levy supported debt for capital improvements from 2004 through the 2022 budget.

2022 HIGHLIGHTS AND CHANGES

American Rescue Plan Act Funding: The American Rescue Plan (ARP) Act will bring \$394 million to the City of Milwaukee and provides an opportunity to fund programs and projects which would otherwise be funded using the City's levy-supported capital budget. The Mayor's proposal for allocating the first tranche of ARP funding makes large investments in housing. As a result, the 2022 budget limits or eliminates levy-supported capital funding for a number of programs including the In Rem Property Program, Strong Homes Loan Program, Code Compliance Loan Program, Concentrated Blight Elimination, Housing Trust Fund, and the Housing Infrastructure Preservation Program. In addition, ARP funds have been set aside in the Mayor's plan to fund the remaining \$4.2 million necessary to begin construction of the Martin Luther King Jr. Public Library. The plan also calls for ARP funds to support major upgrades to outdated street lighting infrastructure as well as infrastructure improvements intended to address the City's reckless driving problem.

Facility, Information Technology (IT), and Equipment: The 2022 levy-supported capital budget includes \$17.5 million in capital funding for projects to upgrade or construct city facilities, \$4.4 million for IT related capital projects, and \$12.4 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 2022 budget includes \$17.5 million for city facility projects. Of this amount, \$800,000 will be used make programs and facilities accessible for all residents through the ADA Compliance program. The 2022 budget includes \$450,000 for Fire Department facility improvements and \$600,000 for improvements to Police district stations. The Department of Public Works Facilities Exterior and Facilities Systems programs include \$2.5 million 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 2022 capital budget is the city hall foundation repair project at \$10 million. This will fund the final 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, refer to the *Department of Public Works - Infrastructure Services Division* section of the *2022 Plan and Executive Budget Summary*.

In 2022, opportunities for increased efficiency and the need to upgrade existing systems result in \$4.4 million in capital funding for IT related upgrades and improvements. The largest single IT project in the 2022 budget is a major upgrade to the Police Department's aging server systems and associated software at \$2 million. The next largest IT project in the 2022 budget is additional funding for the Fire & Police Commission's unified Computer Aided Dispatch (CAD) system. Other IT projects include an upgrade to the City's Cyber Security system for \$200,000, and replacement of the City Clerk's Business License System for \$500,000.

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 2022, capital equipment totals \$12.4 million. The 2022 budget includes \$6.7 million for Fleet equipment for the Department of Public Works, \$700,000 to replace brine equipment which reduces road salt usage, \$1,380,000 for the Fire Department to replace capital equipment, and \$3,620,000 for Police Department vehicles.

Core Infrastructure: The 2022 capital budget prioritizes investments in projects that will enhance and repair the City's core infrastructure. Core infrastructure spending in the 2022 budget totals \$74.6 million, a 4.9% increase from the 2021 budget. Streets, bridges, sewers and street lights will be improved in nearly all areas of the city in 2022. These improvements include 16 miles of sewer relay and relining, 22 miles of street reconstruction and resurfacing,

and replacement of hundreds of street lights and circuits replaced as part of paving projects. The 2022 capital budget also includes funding for the third year of a multi-year initiative by the Milwaukee Metropolitan Sewerage District and the City of Milwaukee which requires the replacement of several city-owned vehicle and pedestrian bridges. The project will address flooding issues along the Kinnickinnic River.

**Summary of Departmental Appropriations
Overview of 2022 Adopted Capital Budget General City Purposes**

	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Budget Versus 2021 Adopted Budget
<u>City Funded</u>			
Special Projects	\$9,114,000	\$8,115,000	-\$999,000
Administration, Department of	2,057,000	1,592,000	-465,000
City Attorney	0	0	0
City Development, Department of	40,825,000	36,450,000	-4,375,000
Common Council City Clerk	56,115	0	-56,115
Employee Relations, Department of	0	0	0
Fire Department	1,800,000	1,830,000	30,000
Fire and Police Commission	0	685,000	685,000
Health Department	1,550,000	160,000	-1,390,000
Library	1,680,000	664,000	-1,016,000
Municipal Court	0	259,000	259,000
Neighborhood Services, Department of	3,000,000	0	-3,000,000
Police Department	6,337,500	7,220,000	882,500
Port of Milwaukee	675,000	2,812,000	2,137,000
Public Works, Department of	71,386,800	76,888,000	5,501,200
Subtotal City Funded	\$138,481,415	\$136,675,000	-\$1,806,415
<u>Grants and Aids Funding</u>			
Port of Milwaukee	\$800,000	\$800,000	\$0
Public Works, Department of	21,634,815	42,944,000	21,309,185
Subtotal Grants and Aids Funding	\$22,434,815	\$43,744,000	\$21,309,185
<u>Enterprise Funds</u>			
Transportation	\$1,800,000	\$1,300,000	-\$500,000
Sewer Maintenance	40,350,000	33,000,000	-7,350,000
Water	40,300,000	43,060,000	2,760,000
Subtotal Enterprise Funds	\$82,450,000	\$77,360,000	-\$5,090,000
Total Capital Plan	\$243,366,230	\$257,779,000	\$14,412,770

C. CAPITAL IMPROVEMENTS

2022 CAPITAL IMPROVEMENTS FINANCED BY CATEGORY

	<u>Tax Levy</u>	<u>General Obligation</u>	<u>TID</u>	<u>Special Assessments</u>	<u>Cash Revenues</u>	<u>City Budget Total</u>	<u>Grant and Aid Financing</u>	<u>Project Total</u>
<u>Special Capital Projects</u>								
Municipal Art Fund								
Budget	\$25,000	\$0	\$0	\$0	\$0	\$25,000	\$0	\$25,000
Grant and Aid								
Budget	0	0	0	0	8,000,000	8,000,000	0	8,000,000
Housing Trust Fund								
Budget	0	0	0	0	0	0	0	0
Capital Improvements Committee								
Budget	90,000	0	0	0	0	90,000	0	90,000
Total	\$115,000	\$0	\$0	\$0	\$8,000,000	\$8,115,000	\$0	\$8,115,000
<u>Department of Administration</u>								
IT Upgrades								
Budget	\$0	\$300,000	\$0	\$0	\$0	\$300,000	\$0	\$300,000
Cyber Security								
Budget	0	200,000	0	0	0	200,000	0	200,000
Facilities Comm. Repair Vehicle								
Budget	0	35,000	0	0	0	35,000	0	35,000
Better Buildings Challenge								
Budget	0	100,000	0	0	0	100,000	0	100,000
City Clerk Business License Conv.								
Budget	0	500,000	0	0	0	500,000	0	500,000
Public Facility Communications								
Budget	0	457,000	0	0	0	457,000	0	457,000
Total	\$0	\$1,592,000	\$0	\$0	\$0	\$1,592,000	\$0	\$1,592,000
<u>Department of City Development</u>								
Advanced Planning								
Budget	\$200,000	\$0	\$0	\$0	\$0	\$200,000	\$0	\$200,000
Tax Increment Financed Urban Renewal Project (Including Grant Funded)								
Budget	0	0	25,000,000	0	10,000,000	35,000,000	0	35,000,000
Commercial Investment Program								
Budget	0	500,000	0	0	0	500,000	0	500,000
Brownfield Program								
Budget	0	750,000	0	0	0	750,000	0	750,000
Total	\$200,000	\$1,250,000	\$25,000,000	\$0	\$10,000,000	\$36,450,000	\$0	\$36,450,000
FIRE AND POLICE COMMISSION								
CAD Replacement								
Budget	\$0	\$685,000	\$0	\$0	\$0	\$685,000	\$0	\$685,000
Total	\$0	\$685,000	\$0	\$0	\$0	\$685,000	\$0	\$685,000
<u>Fire Department</u>								
Major Capital Equipment								
Budget	\$0	\$1,380,000	\$0	\$0	\$0	\$1,380,000	\$0	\$1,380,000
Fire Facilities Maint. Program								
Budget	0	450,000	0	0	0	450,000	0	450,000
Total	\$0	\$1,830,000	\$0	\$0	\$0	\$1,830,000	\$0	\$1,830,000
<u>Health Department</u>								
Health Facilities Capital Projects								
Budget	0	160,000	0	0	0	160,000	0	160,000
Total	\$0	\$160,000	\$0	\$0	\$0	\$160,000	\$0	\$160,000
<u>Library</u>								
Central Library								
Central Library Improvements Fund								
Budget	\$0	\$413,000	\$0	\$0	\$0	\$413,000	\$0	\$413,000

C. CAPITAL IMPROVEMENTS

	<u>Tax Levy</u>	<u>General Obligation</u>	<u>TID</u>	<u>Special Assessments</u>	<u>Cash Revenues</u>	<u>City Budget Total</u>	<u>Grant and Aid Financing</u>	<u>Project Total</u>
Neighborhood Libraries								
Branch Library Improvement Fund								
Budget	0	251,000	0	0	0	251,000	0	251,000
Total	\$0	\$664,000	\$0	\$0	\$0	\$664,000	\$0	\$664,000
Municipal Court								
SQL Migration and Website Project								
Budget	\$0	\$179,000	\$0	\$0	\$0	\$179,000	\$0	\$179,000
IT Infra. and Courtroom Upgrades								
Budget	0	80,000	0	0	0	80,000	0	80,000
Total	\$0	\$259,000	\$0	\$0	\$0	\$259,000	\$0	\$259,000
<u>Police Department</u>								
SONET Ring Replacement								
Budget	\$0	\$300,000	\$0	\$0	\$0	\$300,000	\$0	\$300,000
Remodel Admin. Building Offices								
Budget	0	500,000	0	0	0	500,000	0	500,000
Police Vehicles								
Budget	0	3,620,000	0	0	0	3,620,000	0	3,620,000
Server Hardware/Software Refresh								
Budget	0	2,000,000	0	0	0	2,000,000	0	2,000,000
MPD Facility Security Server Upgrade								
Budget	0	200,000	0	0	0	200,000	0	200,000
District Station Repairs								
Budget	0	600,000	0	0	0	600,000	0	600,000
Total	\$0	\$7,220,000	\$0	\$0	\$0	\$7,220,000	\$0	\$7,220,000
<u>Port of Milwaukee</u>								
Rail Track and Service Upgrades								
Budget	\$0	\$1,441,000	\$0	\$0	\$0	\$1,441,000	\$0	\$1,441,000
Pier Berth and Channel Improvements								
Budget	0	967,000	0	0	0	967,000	800,000	1,767,000
Terminal & Facility Maintenance								
Budget	0	404,000	0	0	0	404,000	0	404,000
Total	\$0	\$2,812,000	\$0	\$0	\$0	\$2,812,000	\$800,000	\$3,612,000
<u>Public Works, Department of Infrastructure Services Division</u>								
Bridge Construction								
Bridge State and Federal Funded								
Budget	\$0	\$1,270,000	\$0	\$0	\$1,800,000	\$3,070,000	\$12,205,000	\$15,275,000
Bridge Reconstruction Local								
Budget	0	2,160,000	0	0	0	2,160,000	0	2,160,000
Total	\$0	\$3,430,000	\$0	\$0	\$1,800,000	\$5,230,000	\$12,205,000	\$17,435,000
Street Paving Construction								
Street Reconstruction City Contribution to State & Federally Aided Projects								
Budget	\$0	\$11,429,000	\$0	\$384,000	\$0	\$11,813,000	\$30,739,000	\$42,552,000
Street Reconstruction or Resurfacing Regular City Program								
Budget	0	8,000,000	0	750,000	0	8,750,000	0	8,750,000
High Impact Street Program								
Budget	0	6,000,000	0	0	0	6,000,000	0	6,000,000
Alley Reconstruction Program								
Budget	0	600,000	0	200,000	0	800,000	0	800,000
Street Improvements Sidewalk Replacement								
Budget	0	1,000,000	0	200,000	0	1,200,000	0	1,200,000

C. CAPITAL IMPROVEMENTS

	<u>Tax Levy</u>	<u>General Obligation</u>	<u>TID</u>	<u>Special Assessments</u>	<u>Cash Revenues</u>	<u>City Budget Total</u>	<u>Grant and Aid Financing</u>	<u>Project Total</u>
Street Improvements Street Lighting								
Budget	0	10,500,000	0	0	400,000	10,900,000	0	10,900,000
Street Improvements Traffic Control Facilities								
Budget	0	2,500,000	0	0	0	2,500,000	0	2,500,000
Multimodal Transportation Program								
Budget	0	1,300,000	0	0	0	1,300,000	0	1,300,000
Street Improvements Underground Conduit and Manholes								
Budget	0	800,000	0	0	0	800,000	0	800,000
Underground Electrical Manhole Reconstruction								
Budget	0	900,000	0	0	0	900,000	0	900,000
Lead Service Line Replacement Program								
Budget	0	0	0	1,500,000	0	1,500,000	0	1,500,000
Total	\$0	\$43,029,000	\$0	\$3,034,000	\$400,000	\$46,463,000	\$30,739,000	\$77,202,000
Building Projects								
Space Planning Facilities								
Budget	\$0	\$300,000	\$0	\$0	\$0	\$300,000	\$0	\$300,000
MKE Plays Initiative								
Budget	0	850,000	0	0	0	850,000	0	850,000
Facility Systems Program								
Budget	0	1,250,000	0	0	0	1,250,000	0	1,250,000
Environmental Remediation Program								
Budget	0	125,000	0	0	50,000	175,000	0	175,000
ADA Compliance Program								
Budget	0	800,000	0	0	0	800,000	0	800,000
Facilities Exterior Upgrades Program								
Budget	0	1,250,000	0	0	0	1,250,000	0	1,250,000
City Hall Foundation Repair								
Budget	0	10,000,000	0	0	0	10,000,000	0	10,000,000
Total	\$0	\$14,575,000	\$0	\$0	\$50,000	\$14,625,000	\$0	\$14,625,000
Infrastructure Services Division Total	\$0	\$61,034,000	\$0	\$3,034,000	\$2,250,000	\$66,318,000	\$42,944,000	\$109,262,000
Operations Division								
Fleet Section								
Brine Equipment								
Budget	\$0	\$700,000	\$0	\$0	\$0	\$700,000	\$0	\$700,000
Major Capital Equipment								
Budget	0	6,700,000	0	0	0	6,700,000	0	6,700,000
Total	\$0	\$7,400,000	\$0	\$0	\$0	\$7,400,000	\$0	\$7,400,000
Forestry Section								
Concealed Irrigation and General Landscaping								
Budget	\$0	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
Production and Planting Program								
Budget	0	0	0	0	1,200,000	1,200,000	0	1,200,000
Stump Removal								
Budget	0	0	0	0	860,000	860,000	0	860,000
Emerald Ash Borer Readiness & Response								
Budget	0	0	0	0	860,000	860,000	0	860,000
Total	\$0	\$0	\$0	\$0	\$3,120,000	\$3,120,000	\$0	\$3,120,000

C. CAPITAL IMPROVEMENTS

	<u>Tax Levy</u>	<u>General Obligation</u>	<u>TID</u>	<u>Special Assessments</u>	<u>Cash Revenues</u>	<u>City Budget Total</u>	<u>Grant and Aid Financing</u>	<u>Project Total</u>
Sanitation Section								
MRF Seawall Repairs								
Budget	\$0	\$50,000	\$0	\$0	\$0	\$50,000	\$0	\$50,000
Total	\$0	\$50,000	\$0	\$0	\$0	\$50,000	\$0	\$50,000
Total Budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operations Division Total	\$0	\$7,450,000	\$0	\$0	\$3,120,000	\$10,570,000	\$0	\$10,570,000
Public Works, Department of Total	\$0	\$68,484,000	\$0	\$3,034,000	\$5,370,000	\$76,888,000	\$42,944,000	\$119,832,000
Capital Projects Grand Total	\$315,000	\$84,956,000	\$25,000,000	\$3,034,000	\$23,370,000	\$136,675,000	\$43,744,000	\$180,419,000

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 the 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 overall capacity to meet its financial obligations remains robust.

The city has maintained a high quality bond rating for general obligation debt. Fitch rated the City as AA- stable, and S&P Global Rating now rates the City as A. Table 1 details the city's performance on several commonly used debt indicators.

OVERVIEW

Debt expenditures for 2022 total \$256.6 million, a decrease of \$2.2 million from 2021. Table 2 shows expenditures for self-supporting and tax levy supported city debt. 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 \$152.2 million in 2022, a decrease of \$7.1 million from 2021. The property tax levy for debt service is \$85.4 million, an increase of \$2 million from 2021.

Table 1

City Debt Indicators Relationship to S&P Global Ratings Debt Benchmarks		
Debt Indicators		S & P Rating
Economic		
Per Capita Effective Buying Income (% of National)	64.2%	Weak
Market Value Per Capita	\$54,013	
Management		
S&P Financial Management Assessment	Standard	Adequate
Budgetary Performance		
General Fund Net Result	-2.0%	Weak
Total Government Funds Net Result	-0.9%	
Budgetary Flexibility		
Available Reserves as a Percentage of Expenditures	3.8%	Weak
Liquidity		
Available Cash as a Percentage of Expenditures	33.3%	Very Strong
Available Cash Coverage of Debt Service	1.7x	
Debt and Contingent Liability Profile		
Debt Service as a Percentage of Expenditures	19.7%	Very Weak
Net Direct Debt as a Percentage of Revenue	114.6%	
Institutional Framework		
		Strong

Table 2

CITY DEBT EXPENDITURES AND SOURCES OF FUNDS			
	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Total City Debt Expenditures	\$258,812,500	\$256,601,818	\$-2,210,682
<u>Debt Funding Sources</u>			
<i>Self Supporting Debt</i>			
Brewer MEDC Loan	\$1,063,000	\$1,063,000	\$0
Delinquent Tax Financing	12,194,000	12,884,502	690,502
MPS Reimbursed	7,404,000	8,555,075	1,151,075
Parking	1,823,000	2,091,347	268,347
Sewer Maintenance Fund	980,000	880,750	-99,250
Tax Increment Districts	30,207,000	25,835,305	-4,371,695
Water Works	1,043,000	949,375	-93,625
Subtotal	<u>\$54,714,000</u>	<u>\$52,259,354</u>	<u>\$-2,454,646</u>
<i>General Obligation Debt Financing</i>			
Other Sources of Funds	\$120,652,000	\$118,907,915	\$-1,744,085
Tax Levy	83,446,500	85,434,549	1,988,049
Subtotal	<u>\$204,098,500</u>	<u>\$204,342,464</u>	<u>\$243,964</u>
Total Debt Funding Sources	\$258,812,500	\$256,601,818	\$-2,210,682

Milwaukee Public Schools (MPS): The debt service cost for school borrowing will be \$8.6 million in 2022, an increase of \$1.2 million from 2021. 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 TID property retire the debt incurred for city funded district improvements. In the 2022 budget, debt service for TIDs is \$25.8 million with revenues from tax increments supporting that debt service cost. This is a \$4.4 million decrease from 2021.

Delinquent Taxes: The 2022 budget includes \$12.9 million to finance delinquent tax borrowing, which is \$690,502 more than 2021.

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 2022 debt budget, the parking fund provides \$2.1 million to finance debt service costs associated with parking capital projects.

Water Works: The 2022 debt budget includes \$949,375 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: Debt service for sewer capital projects in 2022 totals \$880,750, a decrease from 2021 of \$99,250.

Miller Park Stadium Project: The 2022 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 2022, the rental payment is \$2.1 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 be as close as possible to the level of annual debt retirements to stabilize the debt tax levy.

Despite efforts to limit annual increases in the debt tax levy, the 2022 budget adds \$2 million or 2.4% to the debt tax levy. Recent budgets have utilized debt service fund balance to limit growth in the debt tax levy, but debt service fund balance has declined to the point where the fund cannot support a drawdown on fund balance in 2022. Future debt tax levy growth may be greater than typical annual growth due to the declining balance in the Public Debt Amortization Fund.

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 2022 budget is \$5 million, a decrease of \$5.5 million from the 2021 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 rose to over \$60 million in 2014, but has been drawn down to a level in line with fund balances from the mid 2000’s.

The 2022 PDAF withdrawal reflects the need to control the debt service property tax levy. Figure 2 shows the ratio of the PDAF withdrawal to the debt tax levy. The 2022 budget reflects a 5.8% ratio.

Figure 1

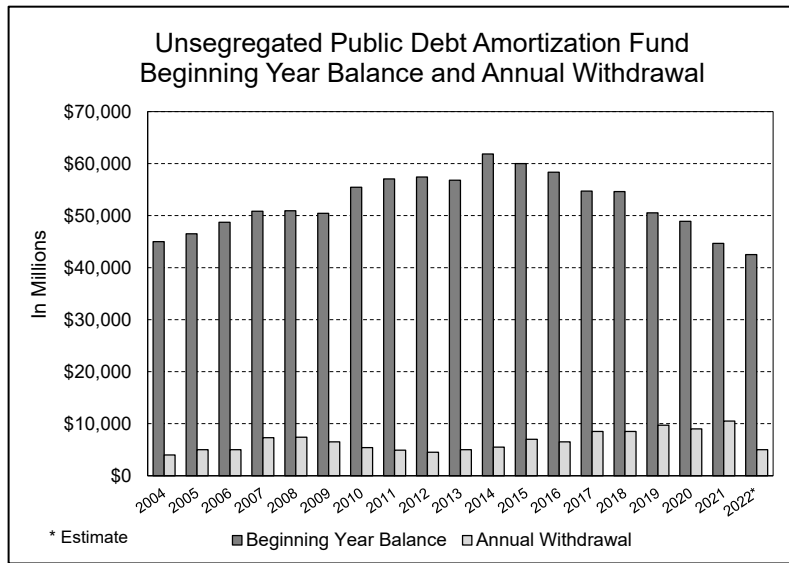
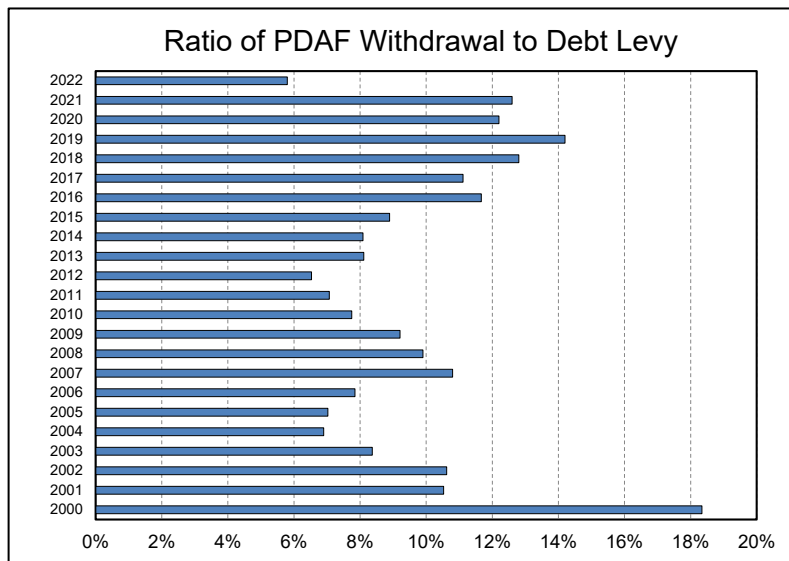


Figure 2



F. COMMON COUNCIL CONTINGENT FUND

EXECUTIVE SUMMARY

- MISSION:** Provide budgetary authority and funding to pay for emergencies that arise during the year for which no express provisions have been made elsewhere in the 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

	<u>2020 Actual Expenditures</u>	<u>2021 Adopted Budget</u>	<u>2022 Adopted Budget</u>	<u>Change 2022 Adopted Versus 2021 Adopted</u>
Common Council Contingent Fund	[2,439,483]	\$5,000,000	\$5,000,000	\$0
Total	[2,439,483]	\$5,000,000	\$5,000,000	\$0

SOURCE OF FUNDS

	<u>2020 Actual Expenditures</u>	<u>2021 Adopted Budget</u>	<u>2022 Adopted Budget</u>	<u>Change 2022 Adopted Versus 2021 Adopted</u>
Property Tax Levy	\$5,000,000	\$5,000,000	\$5,000,000	\$0
Total	\$5,000,000	\$5,000,000	\$5,000,000	\$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 80.5% of the contingent fund has been expended. Over the last five years, an average of 79.1% of the contingent fund has been expended.

SPECIAL REVENUE FUNDS

	2020 Actual <u>Expenditures</u>	2021 Adopted <u>Budget</u>	2022 Adopted <u>Budget</u>	Change 2022 Adopted Versus <u>2021 Adopted</u>
G. Transportation Fund	\$46,988,596	\$49,044,330	\$41,281,533	\$-7,762,797
H. Grant and Aid Project Fund	163,360,685	51,347,144	267,330,723	215,983,579
I. Economic Development Fund	10,335,410	17,252,181	13,420,602	-3,831,579
J. Water Works	121,974,829	150,102,511	150,610,741	508,230
K. Sewer Maintenance Fund	102,518,347	114,954,259	112,995,194	-1,959,065
M. Delinquent County Taxes Fund	<u>9,848,290</u>	<u>8,000,000</u>	<u>9,000,000</u>	<u>1,000,000</u>
Total	\$455,026,157	\$390,700,425	\$594,638,793	\$203,938,368

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

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations & Maintenance	106.77	118.00	118.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	127	118	122	4
<u>Expenditures</u>				
Salaries and Wages	\$4,992,153	\$4,985,877	\$5,080,984	\$95,107
Fringe Benefits	5,015,041	3,290,679	3,353,449	62,770
Operating Expenditures	14,768,701	17,438,645	16,751,100	-687,545
Equipment	562,898	632,900	332,000	-300,900
Special Funds	2,996,088	4,896,229	4,464,000	-432,229
Transfer to General Fund	16,110,000	16,000,000	10,000,000	-6,000,000
Total Operating	\$44,444,881	\$47,244,330	\$39,981,533	\$-7,262,797
Capital Projects	\$2,543,715	\$1,800,000	\$1,300,000	\$-500,000
Total Budget	\$46,988,596	\$49,044,330	\$41,281,533	\$-7,762,797

STATEMENT OF REVENUES

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Operating Revenues				
Structures & Lots	\$4,585,500	\$7,028,000	\$5,549,000	\$-1,479,000
Meters	2,520,200	4,498,000	5,243,000	745,000
Permits	3,193,972	4,352,100	4,552,200	200,100
Towing	1,841,100	3,675,000	4,000,000	325,000
Parking Citation Revenue	8,057,900	15,400,000	16,000,000	600,000
Miscellaneous	409,100	975,000	600,000	-375,000
Vehicle Disposal	1,365,200	1,961,000	2,600,000	639,000
Sale of Real Property	0	0	0	0
Streetcar Revenue	2,531,100	1,333,333	1,437,333	104,000
Withdrawal From Reserves	0	8,021,897	0	-8,021,897
Total Operating Revenues	\$24,504,072	\$47,244,330	\$39,981,533	\$-7,262,797
Capital Financing				
Permanent Improvement Reserve	\$0	\$0	\$0	\$0
Proceeds from Borrowing	2,543,715	1,800,000	1,300,000	-500,000
Retained Earnings	0	0	0	0
Total Capital Financing	\$2,543,715	\$1,800,000	\$1,300,000	\$-500,000
Total Source of Funds	\$27,047,787	\$49,044,330	\$41,281,533	\$-7,762,797

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

- 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.
- Improve the city's fiscal capacity.
 - Diversify the city's revenue base.
 - Maintain a sustainable annual transfer to the general fund.

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 6,000 metered parking spaces, manages over 40 parking lots, issues approximately 600,000 parking citations each year, annually tows over 20,000 illegally parked and abandoned vehicles, and annually issues approximately 170,000 night parking permits.

These activities provide convenient, efficient, and cost effective on- and off-street parking for Milwaukee’s residents, businesses, and visitors.

The Milwaukee streetcar, known as The Hop, began operations in November 2018. The Hop creates a more connected city by providing an easy and efficient way for visitors and residents to access destinations and events in Milwaukee and contributing to economic development and increased property values along the route. Ridership in 2020 declined due to the COVID-19 pandemic. In 2021, ridership has steadily increased and continued increases are expected in 2022.

In 2022, streetcar operating costs are projected to be \$4.6 million. The contract with Transdev Services, Inc. to operate and maintain the streetcar system is \$3.6 million and is the largest single component of the streetcar budget. Other costs include marketing, insurance, energy, and two city positions to manage the streetcar and ensure safe operations.

DPW-Transportation Fund will continue to maximize streetcar revenue through available federal and state operating assistance, federal preventative maintenance assistance, advertising and sponsorships.

STRATEGY IMPLEMENTATION

Financial Management: The Transportation Fund’s financial strength results from its diverse revenue sources (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 \$16 million in 2019. In 2020, due to the COVID-19 pandemic fewer citations were issued and citation revenue decreased to \$8 million. In 2022 citation issuance will return to pre-pandemic levels. Citation revenue is driven by issuance, which is impacted by economic factors, changing regulations and compliance.

Technology Improvements: Parking payment flexibility has increased with *MKE Park*, a mobile payment system implemented in 2015. *MKE Park* allows customers 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, installation of new “Smart meters” began, to 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

Figure 1

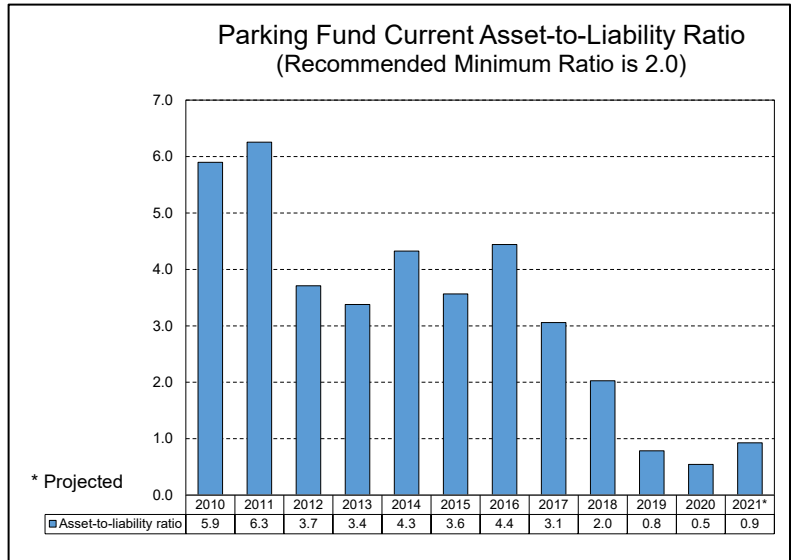
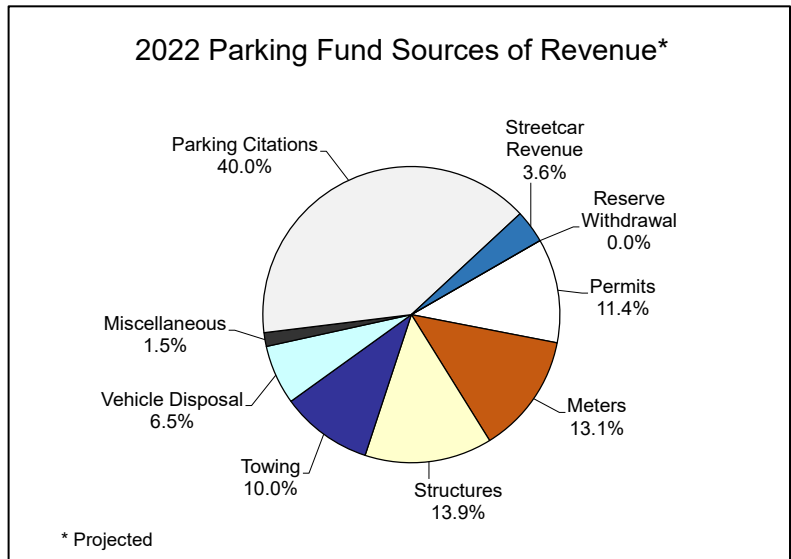


Figure 2



provides the ability to update meters remotely. Smart meters will replace all current multi-space meters and coin-only single space meters. The Smart meter installation is projected to be completed in 2021, providing more operational efficiency in 2022.

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.

The online appeal system allows customer to remotely appeal parking citations. This customer service initiative has grown significantly.

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Number of parking citations issued	303,087	432,000	600,000
Number of vehicles towed to the city's tow lot	15,873	24,090	25,000
Number of night parking permits issued	116,034	147,270	170,000

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.

- **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 \$43.6 million in outstanding parking debt has been collected by the city. In 2019, TRIP collections were \$2.4 million and are estimated to be approximately \$2.08 million in 2021.
- **Citation Payment Plans:** The citation processing contract allows persons seeing the Citation Review Manager to pay their citations over a period of up to one year without having to schedule a hearing in Municipal Court. Since 2010, more than 47,129 payment plans have been initiated, covering more than 282,000 citations.

RESIZE, RESTRUCTURE, AND REINVEST

The 2022 budget includes a \$10 million transfer to the general fund. This is a \$6 million reduction from 2021. The reduction results from lost revenue during the COVID-19 pandemic. This transfer provides a meaningful level of relief to property taxpayers. Two major spending pressures on the Transportation Fund are debt service and future payments toward accrued pension liability. Approximately \$3 million is included in the 2022 budget for these costs. Debt and pension costs and constraints on revenue growth may require the Transportation Fund to further reduce the general fund transfer in future years, in order to maintain adequate reserves.

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 also increased compliance. The 2022 budget include funding for additional license plate recognition. It also includes four auxiliary Parking Enforcement Officer positions to increase compliance.

Capital improvement funding for Parking projects total \$1.3 million. In 2022, the these projects will replace and modernize elevators at the 1000 N. Water St. parking structure, resurface several parking lots, and make ADA accessibility improvements at various sites.

In a collaborative effort with MMSD and Great Lakes Restoration, the Parking Division is redeveloping the surface parking lot and alley at several parking lot sites to improve stormwater management while creating a vibrant and active community space. In 2022, the Parking Division will continue to collaborate with MMSD on opportunities to improve stormwater management and green infrastructure at City parking lots and structures.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
4			Parking Enforcement Officer (Auxiliary)	Additional enforcement capacity
4	0.00	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 must comply 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.

Manage the American Rescue Plan Act grant.

BUDGET SUMMARY

	<u>2020 Actual Expenditures</u>	<u>2021 Adopted Budget</u>	<u>2022 Adopted Budget</u>	<u>Change 2022 Adopted Versus 2021 Adopted</u>
Grantor Share (Non-City)	\$163,360,685	\$51,347,144	\$267,330,723	\$215,983,579
TOTAL	\$163,360,685	\$51,347,144	\$267,330,723	\$215,983,579

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 2022 grant and aid budget is \$267.3 million, a \$215 million increase from 2021. The primary reason for the significant increase in grant funding

is the \$197.1 million under the American Rescue Plan that is expected in 2022. The City was awarded a total of \$394.2 million in the Local Fiscal Recovery Fund under the American Rescue Plan and \$197.1 million of this award was received in 2021. The remaining award amount of \$197.1 million is expected in 2022. This one-time grant is reflected in the unanticipated grant amount in Table 1. Other grant funding by department is shown in Table 1.

Community Development Grants Administration: The Community Development Grants Administration (CDGA) anticipates receiving approximately \$22.6 million in grant funds. This is approximately the same as in the 2021

Table 1

Comparison of Projected Grant Activity (Grantor Share)			
<u>Department</u>	<u>2021</u>	<u>2022</u>	<u>Difference</u>
Administration	\$22,629,031	\$22,670,110	\$41,079
City Development	25,000	275,000	250,000
Fire	600,000	700,000	100,000
Health	14,324,031	16,753,556	2,429,525
Library	1,212,639	1,244,725	32,086
Police	2,241,443	2,372,332	130,889
Public Works	2,315,000	2,315,000	0
Unanticipated	8,000,000	221,000,000	213,000,000
Totals	\$51,347,144	\$267,330,723	\$215,983,579

budget. Anticipated funding for the Community Development Block Grant and the HOME grant are the same in 2022 as in 2021, at \$15 million and \$5.2 million respectively. The only anticipated increase is in the Continuum of Care grant, with an increase of \$41,079.

Department of City Development grant funding is \$275,000, a \$250,000 increase from the 2021 budget based on an expected Community Development Investment grant from the Wisconsin Economic Development Corporation.

Fire Department grant funding increases by \$100,000 (16.7%) to \$700,000 from 2021. The department anticipates receiving \$100,000 in a Special Teams/Emergency Management Funding grant, \$300,000 in the Assistance to Firefighters Grant, and \$300,000 in a Community Paramedics grant.

Health Department grant funding increases by \$2.4 million (17%) to \$16.7 million. There are decreases and increases to various grants. Some significant grants are the continuation of the Resiliency in Communities After Stress and Trauma (ReCAST) grant of \$1 million; a \$4.3 million Epidemiology and Laboratory Capacity grant; \$2.3 million in Lead Abatement grants; and about \$1.5 million in various Women, Infants and Children grants.

In 2022, Library grant funding increases by \$32,086 (2.6%) from 2021. The Library receives two grants, the Interlibrary Loan Services grant (\$108,646) and the Talking Book and Braille Library grant (\$1,136,079). The majority of the increase is in the Talking Book and Braille Library grant, with anticipated funding increasing by \$29,111.

Police Department grant funding increases by \$130,889 (5.8%), increasing to \$2.4 million.

In 2022, Department of Public Works grant funding is \$2.3 million, the same as in 2021. The department anticipates receiving one grant, the State of Wisconsin Recycling grant.

Unanticipated grant funding is \$221 million in 2022, an increase of \$213 million from 2021. The primary reason for this significant increase in unanticipated grant funding is the \$197.1 million the City expects to receive in 2022 under the American Rescue Plan.

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 *2022 Plan and 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

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Business Improvement Districts	\$10,335,410	\$11,952,181	\$11,920,602	\$-31,579
Excess TID Revenue	0	5,300,000	1,500,000	-3,800,000
Total	\$10,335,410	\$17,252,181	\$13,420,602	\$-3,831,579

STRATEGY IMPLEMENTATION

The Economic Development Fund supports the goal of increasing investment and economic vitality throughout the city. The 2022 budget for the Economic Development Fund is \$13.4 million. There is no tax levy impact in this fund. Revenue of \$13.4 million will be received from tax incremental districts and business improvement district assessments to finance budgeted expenses.

Business improvement districts (BIDs) are special assessment districts created at the petition of local commercial property owners. In accordance with section 66.608 of the Wisconsin Statutes, 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 use (residential and commercial) and multi-family or multi-unit housing. Districts are established and administered in accordance with section 66.1110 of the Wisconsin Statutes, 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 \$11.9 million in 2022 for activities ranging from economic development and administration to streetscaping and public safety. The following is a list of active BIDs and NIDs for 2022:

2022 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

2022 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 20 miles of water main with the highest probability of failure in 2022.
- Replace lead service lines to limit lead in water during construction and for at risk populations.
- 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

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
<u>Personnel</u>				
FTEs - Operations and Maintenance	334.61	403.38	401.38	-2.00
FTEs - Other	14.25	21.54	21.54	0.00
Total Positions Authorized	436	439	437	-2
<u>Expenditure Authorizations</u>				
Salaries and Wages	\$19,727,071	\$22,006,722	\$22,543,661	\$536,939
Fringe Benefits	19,913,194	14,941,189	15,115,718	174,529
Operating Expenditures	48,252,594	56,831,700	56,549,962	-281,738
Equipment	2,936,690	4,889,900	3,532,400	-1,357,500
Special Funds	10,979,997	11,133,000	9,809,000	-1,324,000
Total	\$101,809,546	\$109,802,511	\$107,550,741	\$-2,251,770

CAPITAL BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Capital Budget				
Mains Program	\$19,221,573	\$35,860,000	\$32,580,000	\$-3,280,000
Plants and Other	943,710	4,440,000	10,480,000	6,040,000
Total Capital Budget	<u>\$20,165,283</u>	<u>\$40,300,000</u>	<u>\$43,060,000</u>	<u>\$2,760,000</u>
Capital Financing				
Retained Earnings/Cash	\$0	\$0	\$0	\$0
Bond Issue	20,149,018	40,290,000	43,050,000	2,760,000
Assessments	0	5,000	5,000	0
Developer Financed	16,265	5,000	5,000	0
Total Capital Financing	<u>\$20,165,283</u>	<u>\$40,300,000</u>	<u>\$43,060,000</u>	<u>\$2,760,000</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Revenues				
Operating	\$93,156,932	\$91,003,000	\$94,033,030	\$3,030,030
Non-Operating	7,314,608	6,308,000	7,600,000	1,292,000
Developer Capital and Assessments	16,265	10,000	10,000	0
Bond Issue	20,149,018	40,290,000	43,050,000	2,760,000
LSL Replacement- City Share	2,871,370	4,000,000	4,000,000	0
LSL Replacement- Special Assess	846,938	1,500,000	1,500,000	0
Withdrawal From Retained Earnings	0	6,991,511	417,711	-6,573,800
Total Revenues	<u>\$124,355,131</u>	<u>\$150,102,511</u>	<u>\$150,610,741</u>	<u>\$508,230</u>
Expenditure Authorizations				
Operating	\$101,809,546	\$109,802,511	\$107,550,741	\$-2,251,770
Capital Funding	20,165,283	40,300,000	43,060,000	2,760,000
Deposit To Retained Earnings	0	0	0	0
Total Authorizations & Deposits	<u>\$121,974,829</u>	<u>\$150,102,511</u>	<u>\$150,610,741</u>	<u>\$508,230</u>

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

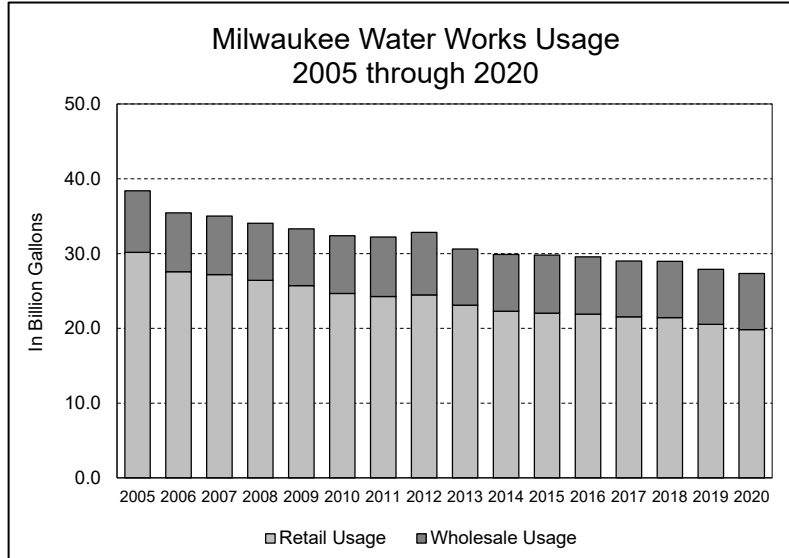
- Increase investment and economic vitality throughout the city.
- Ensure the quality and safety of drinking water.
- Maintain a regular and effective replacement cycle for water mains.
- Maintain competitive rates and generate an appropriate rate of return for the utility.
- Ensure the treatment and 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. A sustainable drinking water supply supports industries and promotes long term business and residential growth.

The Milwaukee Water Works (MWW) is a municipally owned water utility regulated by the 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 861,000 customers in the City of Milwaukee and 15 suburbs.

Figure 1

Through October 2021, water consumption increased by 0.3% or 63 million gallons compared to the same period in 2020. Revenue through October 2021 increased by 0.1% compared to the same period in 2020. From 2005 to 2020, total annual water consumption fell by nearly 11.2 billion gallons or 29%, reflecting 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 2005.



Consumption decreases, however, do not proportionally decrease the cost for electricity, chemicals, and construction and maintenance of the water distribution system. Despite decreased consumption, from 2010 through 2014 electricity costs for the utility increased to over \$6,000,000 per year. From 2014 to 2020, Milwaukee Water Works has reduced electricity costs by approximately \$800,000, a 14% reduction. The implementation of peak hour plans at some facilities in 2016 has reduced energy usage and cost, and replacing oversized pumps in 2019 and 2020 helped control energy costs.

In January 2020, it was apparent that COVID-19 was spreading across the world. In February 2020, MWW implemented its Emergency Response Plan, including the Pandemic Plan. MWW’s response included limiting workplace interaction with remote work, adjusting shift schedules, and closing facilities to the public. MWW followed US Center for Disease Control (CDC) guidance for enhancing cleaning and disinfection, social distancing, and wearing masks. MWW reviewed protocols daily and closely monitored employee sick leave to ensure continuity of operations. Federal pandemic stimulus funding was utilized to offset additional pandemic related costs. MWW further protected employees and offset overtime and seasonal workforce costs by reassigning employees from sections that typically have frequent customer interaction. Financial relief was provided to customers through waiving late fees. Utility staff and management maintained safe drinking water service for the duration of the pandemic. Regular communication to employees, consumers, and wholesale customers reassured end users of MWW’s reliability.

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 have reduced revenue growth and put pressure on MWW to control spending and increase rates.

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Rank of highest rate for 1 ccf of water residential customer among class AB utilities in the seven-county metro area.	26 of 28	24 of 28	22 of 28
Rate of return.	1.74%	1.74%	2.00%
Percent of days in full compliance with water quality parameters of the Safe Drinking Water Act.	100%	100%	100%
Main breaks.	316	454	440

In 2022, Milwaukee Water Works anticipates recovering approximately \$94 million of revenue through fees for water service, in addition to \$7.6 million of non-operating revenue. In 2022, the average single family residential customer will pay approximately \$246.00 for a full year of water service. Starting in 2021, the department will seek approval for a conventional rate increase made necessary by increasing costs related to treatment plant updates, main replacement, service line replacement, and cross connection inspections.

MWW provides reliable, high quality water at competitive rates for residential, commercial and industrial customers. Rates for high volume industrial customers remain the second lowest among the 90 largest U.S. water utilities, and the lowest in southeastern Wisconsin. MWW’s three tiered declining block structure for large industrial customers decreases the cost per gallon with increased consumption. The utility’s cost structure directly affects water rates. Water rates are based on a rate of return requested by the City and established by the PSC, and the rate formula allows the utility to recover operating costs and make investments in the treatment and distribution system. Continuing decreases in the volume of water sold have reduced revenue growth and put pressure on MWW to both control spending and increase rates.

In July 2019, MWW implemented a 3% “simplified” rate increase for all customers. In the fall of 2021, MWW will apply for a “conventional” rate increase anticipated to be effective in spring 2022. This increase is designed to bring the utility’s finances back into structural balance and avoid large increases in the future. A full year of increased rates in 2023 will help generate more net revenue and increase investment in plants and mains. In addition, MWW will begin selling water to Waukesha in September 2023, increasing revenue by approximately \$3 million. The PSC has mandated that MWW file a conventional rate case no later than 24 months after commencement of service to Waukesha to ensure the increase in revenue is accounted for in the rate structure.

QUALITY AND RELIABILITY

In 2020, the department achieved its goal of providing safe, high quality drinking water and fully complied with the Safe Drinking Water Act all 365 days. Beyond that, Water Works received the Director’s award for participation in the Partnership for Safe Water, which requires stringent evaluation of metrics to optimize the distribution system.

MWW’s capital budget emphasizes funding for water main replacements, essential to the system’s long term sustainability 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 October 31, 2021, 11.6 miles of water main have been installed, an additional 4.4 miles of water mains are under contract, and a further 4.0 miles have been designed. While every effort has been made to reach a replacement goal of 20 miles in 2020, the ongoing COVID-19 pandemic has inhibited Water Works from reaching that goal. Staff and management resources were required to implement safety protocols with a focus on protecting health and safety. Progress on design, contracting, and construction was slowed by work force unavailability due to illness and child care needs.

In an added effort to ensure water quality, MWW began a Corrosion Control Treatment (CCT) Study in 2020 to analyze current water quality parameters. MWW worked with a consultant to harvest lead service lines from replacement locations and study optimal water quality parameters in a pipe loop located at the Howard Ave water treatment plant, including the optimal concentration of orthophosphate needed to protect from corrosion of lead and copper within service lines and interior plumbing or fixtures. The CCT Study will be complete by end of 2021, and any necessary adjustments to the optimized water quality parameters will be completed in 2022.

RESIZE, RESTRUCTURE, AND REINVEST

The 2022 Water Works capital budget provides \$32.6 million for 20 miles of water main replacement. The main replacement program goal remains 20 miles per year in 2022, due to a mandate from the Wisconsin Public Service Commission (PSC). The conventional Rate Case seeks to reduce this goal due to the necessary resource allocation. This level of main replacement provides for a 100 year replacement cycle. Water main segments 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.

The 2022 budget includes \$10.5 million for improvements to Milwaukee Water Works plants, pumping and storage facilities. At the Linnwood treatment plant, engineering analysis and design will be performed for improvement to the revetment wall due to increasing Lake Michigan levels and frequency and severity of high wind events. At the Howard Ave water treatment plant, a multi-year upgrade of the filter beds started in 2021.

MWW has the capacity to annually treat, pump, and distribute 131.4 billion gallons of water. In 2020, just over 27 billion gallons were consumed by customers, meaning that just 21% of Water Works' capacity was utilized. Much of MWW's pumping and treatment infrastructure was optimized for greater levels of demand and consumption. Water Works engineering and plants divisions continue identifying initiatives to optimize treatment and pumping operations for the current level of demand in order to streamline operations and control future ratepayer costs.

In 2020 the percent of "lost water" in MWW's distribution system was down to 19%, from 21% in 2019, and 22% in 2018. There are a number of potential causes being examined including leaking pipes, excess lost water from hydrant flushing, and malfunctioning meters or valves. MWW is reviewing known data to identify additional causes for unaccounted water loss. 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. Based on the success of finding non-surfacing leaks, MWW added a position to form an additional leak detection crew in 2021. Since beginning its work in March 2018, the leak detection team has as of November 12, 2021 discovered 385 leaking hydrants, 128 leaking main and hydrant valves, 86 main breaks, and 68 service line leaks. The majority of these leaks were not visible from the surface, and would have continued to lose water if not for this proactive effort to address lost water. This effort is estimated to have saved rate-payers up to \$650,000 in water production costs alone. MWW is continuing to systematically inspect distribution system components to ensure leaks are detected and repaired.

In 2018, the main replacement program began replacing lead service lines that are connected to mains that are being replaced. MWW estimates 300 lead service lines will be replaced in conjunction with the 2022 main replacement program. In 2020, MWW began replacing lead service lines associated with local or state road reconstruction projects and anticipates an additional 200 replacements in 2022 prior to paving projects.

In 2020, Water Works crews continued replacing the utility owned portion of lead service lines in emergency situations to return water service to customers in a cost effective and timely manner. 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 will utilize its crews to replace the utility owned portion when leaks are reported that require immediate attention, reducing the time customers are out of service. Water filter pitchers are provided to every lead service line replacement customer to reduce the risk of lead exposure from water during and after the replacement project.

Overall, the 2022 budget includes funding to replace 1,100 lead service lines. Replacement of lead service lines is required when a lead service line has failed or is found to be leaking or is scheduled for replacement as part of a planned project, such as a water main replacement or road reconstruction. Lead service lines at certified or licensed child care facilities in Milwaukee are required to be replaced.

Water Works’ goal of replacing 1,100 lead service lines in 2020 was inhibited by the COVID-19 pandemic due to the number of contractors, inspectors, and technicians required to enter a property for the replacement. To promote health and safety guidelines by health officials, Water Works prioritized work at vacant properties until enough information was available to prepare COVID-19 protocols.

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 \$5,500 in 2022. The average cost of replacing the privately owned portion of a lead service line is estimated to be \$5,500. 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 of \$1,843 as of March 1, 2021 to have their service line replaced. The City Clerk adjusts the maximum cost for eligible residential properties on March 1 of each year.

Replacement of the privately owned portion of lead service lines in 2022 is funded by \$4 million of levy supported City capital funds that were allocated in prior years, and \$1.5 million of special assessments to property owners. In fall 2020, MWW applied to the DNR for principal forgiveness of Safe Drinking Water Loan Funding for the privately owned section of lead service line replacements. Milwaukee expects to be eligible for up to \$15 million over the anticipated three year period (2020-2022) to offset the levy supported City capital funding needs.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

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

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Administrative Assistant III	Correction to match Positions Ordinance
1	1.00		Administrative Services Coordinator	
-5	-5.00		Water Meter Technician	Scaling down of Meter Replacement Program
1	1.00		Program Assistant III	For additional administrative and outreach work related to lead service line replacement
-1	-1.00		Civil Engineer V	Reclassification
1	1.00		Engineer in Charge	
1	1.00		Program Assistant III	Meter services administration
-1		-1.00	Electrical Engineer III	Correction to match Positions Ordinance
1		1.00	Civil Engineer III	
-1	-1.00		Water Chemist	To meet needs of laboratory operations
1	1.00		Water Laboratory Technician	
1	1.00		Customer Service Supervisor	Supervision for Customer Service Representatives
-2	-2.00	0.00	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 waterways.
- Conduct projects for private lateral rehabilitation on private property to assess its effectiveness at reducing infiltration and inflow into sanitary basins that the Milwaukee Metropolitan Sewerage District has stipulated for correction.
- Develop and implement a capacity, management, operations and maintenance program to govern operations.

BUDGET SUMMARY

	2020 Actual Expenditures	2021 Adopted Budget	2022 Adopted Budget	Change 2022 Adopted Versus 2021 Adopted
Personnel				
FTEs - Operations & Maintenance	79.49	108.30	112.05	3.75
FTEs - Other	9.98	15.70	25.95	10.25
Total Positions Authorized	148	156	160	4
Expenditures				
Salaries and Wages	\$4,251,279	\$5,046,407	\$5,208,037	\$161,630
Fringe Benefits	479,465	3,784,806	3,906,028	121,222
Operating Expenditures	5,106,719	6,381,748	6,643,000	261,252
Equipment	1,046,848	993,000	976,000	-17,000
Special Funds	36,823,939	58,398,298	63,262,129	4,863,831
O&M Total	\$47,708,250	\$74,604,259	\$79,995,194	\$5,390,935
Capital Projects	\$32,657,008	\$40,350,000	\$33,000,000	\$-7,350,000
Deposit to Retained Earnings	22,153,089	0	0	0
Total	\$102,518,347	\$114,954,259	\$112,995,194	\$-1,959,065
Revenues				
Sewer Maintenance Fee	\$30,771,362	\$33,258,160	\$32,463,687	\$-794,473
Stormwater Management Fee	37,195,165	38,809,680	38,682,972	-126,708
Charges for Services	209,455	1,688,200	1,749,000	60,800
Interest Revenue	217,077	144,300	206,000	61,700
Miscellaneous Revenue	5,122	0	0	0
Developer Financed	543,830	1,000,000	1,000,000	0
Proceeds from Borrowing	32,657,008	34,500,000	29,000,000	-5,500,000
Grant and Aid	919,328	3,650,000	2,000,000	-1,650,000
Assessable	0	0	0	0
Withdrawal from Retained Earnings	0	1,903,919	7,893,535	5,989,616
Total	\$102,518,347	\$114,954,259	\$112,995,194	\$-1,959,065

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.

A sewer system’s core purpose 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 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 protects 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 effectively, as measured by the number of annual sewer overflows. However, leaky sewers and private laterals, coupled with the increasing frequency of large storms, present challenges to the regional sewer system. During large storms, excess stormwater can overwhelm the sanitary sewer system and result in sanitary sewer overflows (SSOs) and/or basement backups.

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Sanitary sewer overflows	11	7	0
Number of basement backups reported	20	41	22
Miles of sewers replaced or relined	16	23	16

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 minimize sanitary sewer overflows the city aims for a sewer replacement cycle of 90 years, which requires annually replacing or lining 27 miles of sewer main. Since 2012, the city has averaged replacing or lining 33 miles annually, approximately 20% above the required replacement rate. Figure 1 shows the recent history of replacing and lining sewers. The 2022 capital budget includes \$21 million to replace and line 10 miles of medium to large diameter combined, storm and sanitary sewer mains and an additional \$2 million to line 6 miles of small diameter sanitary sewer main and inspect sanitary sewer manholes. This work will target 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). 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. Analysis indicates approximately a 30% to 40% reduction of I&I in the project areas, depending on location and rehabilitation methods utilized.

In 2022, the department plans three neighborhood projects to reduce I&I from 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 basement backups in residents’ homes. The 2022 capital budget includes \$500,000 for rehabilitation of three bypass pumps and maintenance and replacement of electrical equipment. Bypass pumps 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 by using natural processes. These projects reduce total suspended solids (TSS) and phosphorus and help meet the water quality requirements of the Total Maximum Daily Loads (TMDLs). TMDL levels have been established by MMSD in conjunction with the Wisconsin Department of Natural Resources (DNR). The implementation plan and timeline for meeting the TMDLs will be evaluated now that the Environmental Protection Agency has approved the TMDLs. The 2022 capital budget includes \$3 million, of which \$2 million is grant funding from MMSD, for the installation of bioretention facilities and other green infrastructure projects in conjunction with street repair projects.

Figure 1



RESIZE, RESTRUCTURE, AND REINVEST

Downspout Disconnection Program: The downspout disconnection program began in 2019. MMSD’s regulations require residential parcels that contain up to four units to disconnect their downspouts from the combined sewer system by January 1, 2025. The program affects approximately 50,000 residential properties. The program will be completed in 2024 and cost approximately \$7.2 million. The 2022 capital budget includes \$500,000 for the program.

Flood Mitigation Projects: Design has started on the West Basin project near North 35th Street and West Capitol Drive. The City is partnering with MMSD on design and construction elements for this project and related infrastructure. This project is expected to be constructed over two years from 2023 and 2024. The current cost estimate is \$16 million, with \$5 million included in the 2022 budget.

Stormwater Management Fee: The 2022 stormwater management fee per quarter per equivalent residential unit (ERU) will remain at \$23.19. The annual impact on the typical residential user will remain \$92.76. In 2022, this will generate \$38.7 million. Charges for all one to four unit residential properties are 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 to fund increased investment in private property work and debt service related to the improved replacement cycle.

Local Sewerage Charge: The 2022 local sewerage charge rate per 100 cubic feet of water (CCF) per quarter will remain \$1.59 per CCF, resulting in a charge of \$26.19 per quarter. The annual impact on the typical residential user will remain \$104.76. This will generate \$32.5 million in 2022.

Payment to the General Fund: The Sewer Maintenance Fund makes an annual transfer to the general fund to pay for all tree care costs and pension payments associated with street sweeping, leaf collection, brush collection, and pruning services provided by the Department of Public Works Operations Division. Street trees reduce stormwater flows by absorbing water through their root system. The 2022 budget will transfer \$24.4 million. An additional

\$5.1 million transfer to the capital fund will support tree planting and stump removal, the emerald ash borer prevention program, the environmental remediation program, concealed irrigation on city boulevards, and flood mitigation enhancements at local bridges.

Capital Financing: In the 2022 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 2022 budget includes an approximate \$900,000 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			Engineering Technician II	Position eliminated
-1	-1.00		Civil Engineer II	
1	1.00		GIS Developer - Senior	New position in 2022
1	0.75	0.25	Engineering Drafting Technician V	Position transferred from DPW-ISD
6		6.00	Engineering Drafting Technician IV	
8		8.00	Engineering Drafting Technician II	
-10			Operations Driver/Worker	Position authority no longer needed
-3	-3.00		Sewer Crew Leader II	Positions reclassified
-26	-26.00		Sewer Crew Leader I	
29	29.00		Sewer Crew Leader	
	3.00	-4.00	Miscellaneous changes	Reflects 2022 budget changes
4	3.75	10.25	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

	2020 Actual <u>Expenditures</u>	2021 Adopted <u>Budget</u>	2022 Adopted <u>Budget</u>	Change 2022 Adopted Versus 2021 Adopted
Purchase of Delinquent County Taxes	\$9,848,290	\$8,000,000	\$9,000,000	\$1,000,000
Total	\$9,848,290	\$8,000,000	\$9,000,000	\$1,000,000

SOURCE OF FUNDS

	2020 Actual <u>Expenditure</u>	2021 Adopted <u>Budget</u>	2022 Adopted <u>Budget</u>	Change 2022 Adopted Versus 2021 Adopted
County Delinquent Taxes Collected	\$9,848,290	\$8,000,000	\$9,000,000	\$1,000,000
Total	\$9,848,290	\$8,000,000	\$9,000,000	\$1,000,000

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

	<u>New 2022 Authority</u>
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.	\$1,250,000
B. Public Improvements	
1. Public buildings for housing machinery and equipment.	\$16,714,000
2. Harbor improvements.	2,812,000
3. Parking facility improvements.	1,300,000
4. All Fire borrowing.	1,830,000
5. All Police borrowing.	7,220,000
6. Bridge and viaduct.	3,430,000
7. Sewage disposal, sewer improvement, and construction.	0
8. Street improvements and construction.	43,486,000
9. Parks and public grounds.	850,000
10. Library improvements authorized under section 229.11 and 229.17.	664,000
11. Rubbish.	6,700,000
12. Water Infrastructure.	0
Subtotal General Obligation Bonds or Short Term Notes (Sections A and B).	\$86,256,000
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.	
3. Water Infrastructure.	\$0
Subtotal General Obligation Bonds or Local Improvements Bonds.	\$0
F. Tax Incremental Districts	
1. For paying project costs in accordance with project plans for Tax Incremental Districts.	\$25,000,000
Subtotal General Obligation Bonds, Short Term Notes, or Revenue Bonds.	\$25,000,000
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.	\$43,050,000
Subtotal Revenue Bonds or General Obligation Bonds.	\$43,050,000
J. Sewer Maintenance Fund Borrowing	
Sewer Maintenance Fund revenue bonds or general obligation bonds.	\$29,000,000
Subtotal Revenue Bonds or General Obligation Bonds.	\$29,000,000
Total General Obligation Bonds or Short Term Notes	\$822,306,000

(1) Design plans for any alteration to building exteriors and interiors shall be reviewed and approved by the city.

III. CLARIFICATION OF INTENT

Employee Fringe Benefits

Employee fringe benefit costs are allocated to operating and capital budgets on an estimated basis for informational purposes only. Such estimated expenditures are 100% appropriation offset for operating budgets and 100% revenue offset for the capital budget to avoid any impact on the city's tax levy. Actual fringe benefit costs, such as health care benefits, life insurance, and pensions, are budgeted separately in non-departmental accounts, which are funded from the property tax levy.

The amount included in each departmental (or budgetary control unit) operating budget on the line entitled "Estimated Employee Fringe Benefits" is subject to adjustment by unilateral action of the City Comptroller, during the budget year, if the actual rate charged against salaries paid is at variance with the estimated rate used in calculating the budgeted amount.

Departmental Salary Appropriations

Department net salary and wage appropriations reflect current wage rates and expenditures and are limited to these amounts. Funding of future salary increases is provided in the Wages Supplement Fund.

Footnotes

Section 18-06-12 of the Milwaukee City Charter states that the adoption of the budget shall be the authority for the expenditure by a department for the purposes therein provided and of the amounts assigned to the department thereby and no further action by the Common Council shall be necessary to authorize any department to make such expenditures. The City Attorney has advised that footnotes contained in the line item budget are informational only and not controlling over expenditures unless a corresponding resolution specifying the footnote's intent is also adopted by the Common Council.

**POSITIONS ORDINANCE AND
SALARY ORDINANCE**

The Positions Ordinance and the Salary Ordinance for the City may be obtained from the City Clerk's Office upon request, 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 December 3, 2021: \$30,018,616,599

Tax Rate Per \$1,000 of Assessed Valuation	<u>Levy Change</u>	<u>Levy Change</u>	Tax Rate Per \$1,000 of Assessed Valuation
\$0.01	\$300,186	\$5,000	\$0.00
\$0.05	\$1,500,931	\$10,000	\$0.00
\$0.10	\$3,001,862	\$50,000	\$0.00
\$0.25	\$7,504,654	\$100,000	\$0.00
\$0.50	\$15,009,308	\$500,000	\$0.02
\$1.00	\$30,018,617	\$1,000,000	\$0.03

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:

$$\text{TAX LEVY} = \text{TAX RATE} \times (\text{ASSESSED VALUE}/1,000)$$

Formula for deriving assessed value from known rate and levy:

$$\text{ASSESSED VALUE} = (\text{TAX LEVY}/\text{TAX RATE}) \times 1,000$$

Note: Results are Approximate Due to Rounding