
Department of Administration

2014 Budget Overview

Finance & Personnel Committee

October 11, 2013

Community Goals and Objectives

Goals:

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

Community Goals and Objectives

Objectives:

1. Reduce economic disparities that affect Milwaukeeans.
2. Provide mission critical city services through annual budgets that limit the impact of tax levy and municipal service charge changes on the typical residential property to 3% or less
3. Limit the proportion of the 2013-2016 city tax levies allocated to debt service and employer pension contributions to 60% or lower, in a fiscally responsible manner.
4. Increase efficiency and effectiveness in citywide operation information technology.
5. Improve energy efficiency in homes and business firms.

Community Goals and Objectives

Key Performance Measures

Measure	2012 Actual	2013 Planned	2014 Planned
Combined percentage increase from prior year of changes to the property tax levy and municipal service charges on the average valued residential property.	1.4%	- 1.9%	1.3%
Percent of tax levy allocated to debt service and employer pension contribution ^A .	37.8%	50.8%	47.9%
Combined number of jobs created and persons trained and placed in jobs through CDBG and HOME funded projects.	420	420	420
Number of firms receiving SBE certification.	29	50	50
Average speed time for response at Unified Call Center {minutes:seconds}.	5:34	:45	:45
Days needed to resolve IT service requests.	5.19	4.6	4.45
Number of homes receiving energy efficiency upgrades via Me2.	361	685	400
Number of manufacturing firms receiving Me3 grants.	9	4	8

2014 Budget Summary

	2013 ADOPTED BUDGET	2014 PROPOSED BUDGET	DIFFERENCE (amount, %)
FTEs – O&M	92.47	98.37	5.90
FTEs - Other	40.37	37.47	-2.90
Salaries & Wages	\$5,414,946	\$5,622,079	\$207,133 (3.8%)
Fringe Benefits	2,601,127	2,642,377	41,250 (1.6%)
Operating Expenditures	830,856	1,164,461	333,605 (40.1%)
Equipment	25,100	50,600	25,500 (101.6%)
Special Funds	1,462,556	1,460,701	-1,855 (-.1%)
TOTAL	\$10,334,585	\$10,940,218	\$605,633 (5.9%)

Budget Changes

- IT Consolidation for DCD and Port
 - Two positions transferred from DCD
 - \$30,000 Port vendor contract replaced by ITMD staff
- One ITMD position added to manage administrative work
- Two UCC positions added to manage increased workload
- Shift 1.10 FTE in OES to O&M to maintain capacity for sustainability
- New MS360 Email system and other IT operating cost (approx. \$315,000)
- Increased computer equipment

Special Purpose Accounts

	2013 ADOPTED BUDGET	2014 PROPOSED BUDGET	DIFFERENCE (amount, %)
E-Government Payment Systems	\$66,000	\$65,000	-\$1,000 (-1.5%)
E-Civis Grants Locator	\$28,079	\$26,675	-\$1,404 (-5.3%)
Wages Supplement Fund	\$5,719,065	\$13,100,000	+\$7,380,935 (+129%)
Total	\$5,813,144	\$13,191,675	+\$7,378,531 (+126.9%)

Revenues

	2013 ADOPTED BUDGET	2014 PROPOSED BUDGET	DIFFERENCE (amount, %)
Charges for Service	\$75,700	\$773,100	\$697,400, (921%)
Miscellaneous	\$380,400	\$424,500	\$44,100, (12%)
TOTAL	\$456,100	\$1,197,600	\$741,500 (163%)

Capital Improvements Budget

	2013 ADOPTED BUDGET	2014 PROPOSED BUDGET	DIFFERENCE (amount, %)
IT Upgrades/ Replacements	\$300,000	\$285,000	-\$15,000 (-5.0%)
Public Safety Communications	500,000	500,000	0(%)
Workplace Safety & Efficiency	750,000	0	-750,000 (-100%)
Web Application Server Equipment	0	125,000	125,000
Webcasting	0	150,000	150,000
Storage Area Network	325,000	0	-325,000(-100%)
eAps for Procurement Life Cycle	500,000	0	-500,000 (-100%)
TOTAL	\$2,375,000	\$1,060,000	-\$1,315,000 (-55.4%)

DOA Initiatives and Programs

- Budget and Financial Planning and Management
- Information Technology Management
- Call Center and Customer Service
- Environmental Sustainability
- Intergovernmental Relations
- Grant Cultivation, Management and Administration
- Purchasing, Procurement and Small Business Assistance

BMD Accomplishments

- 2010-13 4 year average combined annual impact of levy & municipal service charge changes on typical residential property owner: 7/10 of 1 % (.7%). No layoffs as a result of O&M Budget.
- Developed 4-year plan for structural budget balance, with lead role in generating \$27 million of improvement in 2013
- Led development and implementation of stable pension contribution policy for 2014-2019 contribution years
- Initiated pre-payment of 2013 and 2014 employer pension contributions, generating ~ \$6 million in reduced cost
- Lead role in developing new investment strategy for the Employer's pension reserve, initiated in October 2011. Inception to date return of 3.37%.
- Financed significant improvements to core infrastructure replacement cycles within a stable debt service levy.

BMD 2014 Plan

- Continue implementation of structural balance plan.
- Annual updates of Capital Improvements Plan that stabilizes levy requirements while maintaining progress on core infrastructure funding levels.
- Integrate call center data into management reporting and analysis

2013 ITMD Accomplishments

- IT consolidation for DPW and Health, addition of UCC
 - 8,338 service requests to date in 2013
 - 6,133 requests for all of 2012
 - Response time improved by ~12%
- Facility updates underway
 - Life safety systems, workspace up to code, workstations for entire staff
- New cloud-based email system in testing
 - Will be rolled out Citywide in coming months

IT Consolidation Efforts to Date

- Departments fully-supported by ITMD:
 - DOA, Mayor, DER, Election Commission, DPW, Health
 - DCD and Port added in 2014
- Net recurring savings of \$766,500 for 2010 to 2014
 - Additional savings as positions reclassified and systems consolidated

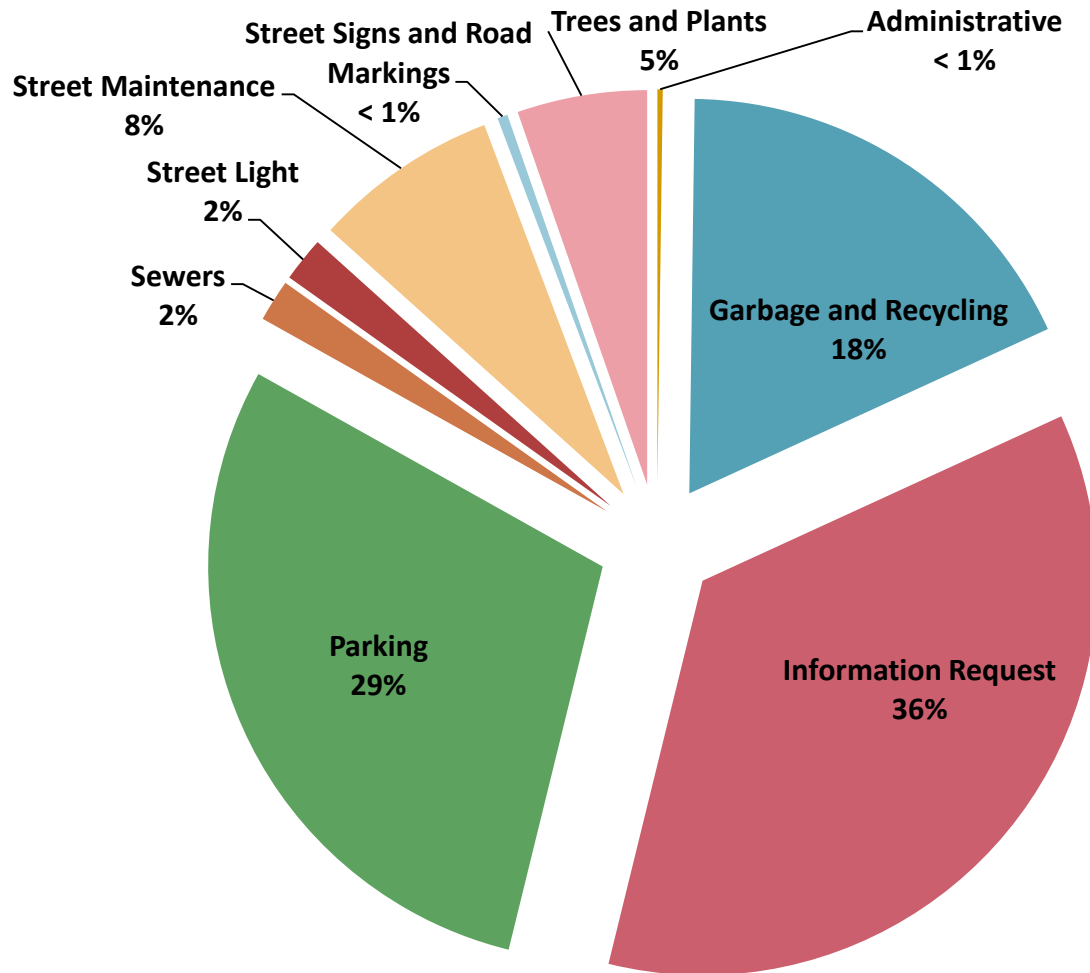
2014 ITMD Initiatives

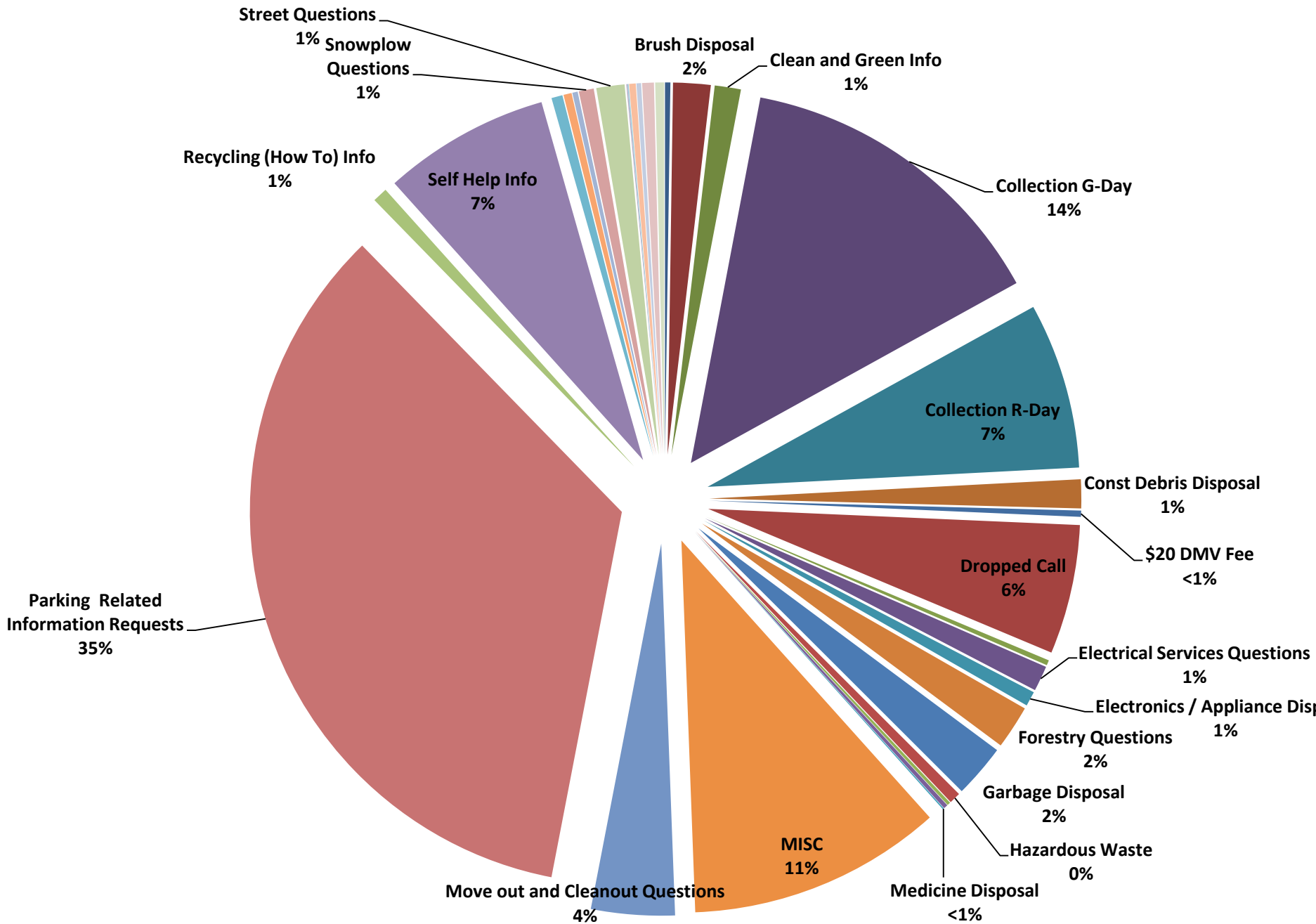
- IT Consolidation for DCD and Port
 - Two positions from DCD and replacement of a \$50k contract for Port
- Continue to standardize and simplify City IT environment
 - Removing redundant servers, moving to single antivirus and backup packages
- Working to standardize desktop computers throughout departments

UCC Updates

- Successful operational assessment included call center benchmark metrics, staffing structure, technology, and data integrity.
- Currently handling over 90% of Parking information, permission, and complaint calls.
- In queue messaging implemented with expected wait times and other current topical information.
- Increased positive feedback from Residents, Departments, and Elected Officials.
- Agreement with DPW - City Hall Operators to take overflow calls – August 1, 2013.
- Agreement with DPW - Parking to take overflow calls during Harley Fest and other peak call times.
- Integrations: DNS, ME2, Call 4 Action, Emergency Mgmt.

UCC 2013 YTD Interactions by Type





UCC Customer Service Data Update

	2012 Estimated	2013 Projected	2012 to 2013 Est.Change
Total Calls	294,835	385,513	31% Increase
Total Interactions – inc. Web/EMail	382,587	544,849	42% Increase
Average Speed of Answer *	5:34	:45	Mins:Seconds
Abandonment ** - Month of Aug.	16.9%	9.8%	-42%
Call Answered (60sec)	72.6%	+90%	+18%

* Using available 3 full months of 2012.

** 75% of 2013 Abandoned Calls occur < 45 seconds.

2014 UCC Goals

1. Develop a citizen mobile application for most frequent service request types.
2. Review and “re-architect” original interfaces, call flows, and business process mapping.
3. Improve reporting on Service Level Agreement (SLAs) data for request types.
4. Integrate City service and SLA information into a public facing knowledge tool.
5. Continue department integrations with UCC.

Sustainability Program



- *ReFresh MKE*: Milwaukee's first Sustainability Plan
- Key Programs
 - Me2 Residential and Commercial
 - ME3 Sustainable Manufacturing
 - Milwaukee Shines solar program
 - Public education, outreach & branding
 - HOME GR/OWN
 - Better Buildings Challenge
 - Energy management- City ops
 - Green Infrastructure planning
- 2013 Sierra Club Clean Transportation Leadership Award
 - Electric Vehicle Charging Stations
 - Zipcar expansion
 - Bikeshare station (Discovery World)





Milwaukee Energy Efficiency
Smart energy pays.

Milwaukee Energy Efficiency

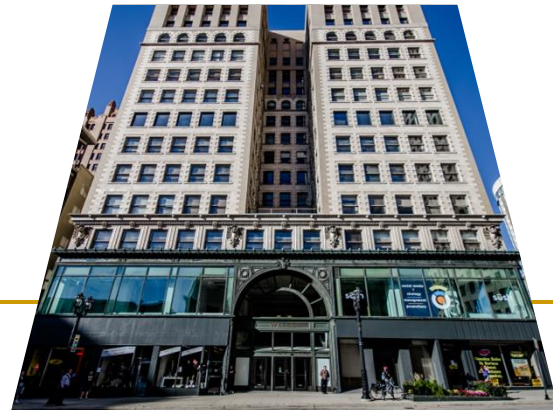
Residential

- 2,248 Home Evaluations
- 1,267 homes upgraded (249 loans)
- National recognition
- Plan is to continue to pair affordable Me² loans with Focus on Energy incentives
- Streamline staff and process
 - No Energy Advocates and WECC staff for reporting only
 - Loan can cover new efficient furnaces and boilers as stand-alone improvements



Business

- 133 Businesses Improved (\$14 million in economic stimulus)
- Key projects: Wells Building, The Blue, Alverno College, City Center, US Bank, Rexnord, gas stations, apartments, etc.
- Small Business Program Partnership with Focus on Energy
- Commercial PACE program



ME3: Milwaukee Economy, Energy and Environment

- 22 small/med manufacturers
- 20:1 ROI
- \$5+ million in econ. activity stimulated
- Ave. payback = Under 2 years
- 2 million sq. ft. of industrial space improved
- 3.1 million kWh's saved; 9000 tons of waste diverted
- Firms hiring, new sales + MMP and Me2 tie-in
- Nationally recognized leader, only few cities in US do this
- But no grant funds, post-Sept



OES City Operations Impact

- 18 Buildings Audited; 37 Buildings Improved
- Annual energy savings = \$535,000 (add'l \$100,000 since last year)
- 18.3 million kBTU's energy reduction (add'l 6 million since last year)
- 27,000 metric tons of CO2 avoided
- Energy Reduction Team
- Centralized Energy Management
- Better Buildings Challenge
- Flooding Taskforce Recs Implementation & Green Streets Stormwater Management Plan

Intergovernmental Relations

- Protect approximately \$270 million in annual intergovernmental revenue and \$130 million in federally funded grant and aids
- Secured significant improvements to Landlord Tenant Bill (SB179)
- Secured a fix to the school choice funding flaw - Over the next twelve years, this change is projected to eventually save city property taxpayers \$120 million a year as school choice enrollment continues to expand.
- Secured a budget amendment to enable local governments to control healthcare plan design for public safety employees - reduces health care costs by approx. \$3.0 million a year
- Secure \$2 million in funding for demolitions

Intergovernmental: 2014 Focus

- Coordinate strategy and secure commitments for a collaborative multiagency State and Federal investment in the 30th Street Industrial Corridor
- Amend State and Federal law to reduce access to illegal firearms
- Secure additional State and Federal funding for foreclosure demolition
- Maximize ability to benefit from the Federal Ladders of Opportunity investments in high poverty urban communities
 - create jobs, increase economic activity, improve education opportunities, leverage private investment and reduce violent crime.

CDGA Budget update

- Continuum of Care
 - Lead Agency Role
 - 2014 update
 - Upcoming Milestones

- Block Grants
 1. Timelines
 2. Effects of Sequestration and Shutdown
 3. Major Initiatives

Business Operations Division

■ Citywide Toner Program

- Using remanufactured toner cartridges (approx. \$75,000)
- Collect and Recycle toner cartridges Citywide (approx. \$25,000)

■ Chapter 370

- Revision in process.