

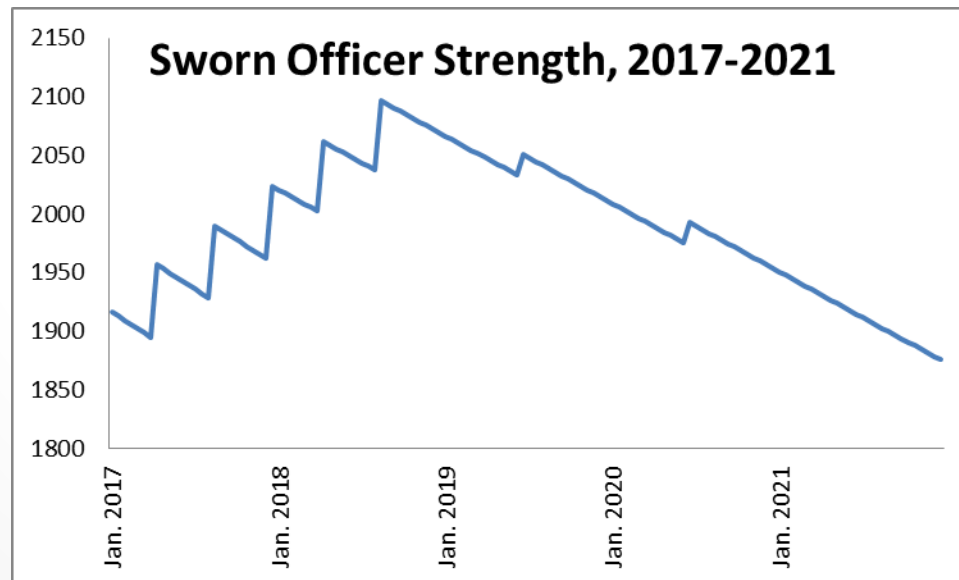
Resolution to Increase Levy via Referendum

Cost of Adding 150 New Police Officers

Key Assumptions								
Max class size	65							
Max # of classes	3							
Max new hires/year	195							
Add 150	2016	2017	2018	2019	2020	2021	Totals	
Attrition Rate	2.5	3.5	3	3	3	3		
Attrition Officers	65	91	78	78	78	78		
Officers to retain strength		91	78	20	20	0		
New officers		59	91	0	0	0		
Cumulative new hires		59	150	150	150	150		
Year end Strength	1,920	2,024	2,070	2,012	1,954	1,876		
Avg Strength	1,888	1,947	2,052	2,040	1,982	1,913		
Cost of new hires								
2017	\$2,501,333	\$5,581,069	\$6,324,022	\$6,697,505	\$7,219,323	\$28,323,252		
2018	\$0	\$3,935,148	\$8,780,252	\$9,949,081	\$10,536,650	\$33,201,131		
2019	\$0	\$0	\$0	\$0	\$0	\$0		
2020	\$0	\$0	\$0	\$0	\$0	\$0		
Salary & Benefit costs	\$2,501,333	\$9,516,217	\$15,104,274	\$16,646,585	\$17,755,973	\$61,524,383		
New officer equipment costs	\$430,700	\$664,300	\$0	\$0	\$0	\$1,095,000		
Additional Squad Cars	\$684,000	\$1,026,000	\$0	\$0	\$0	\$1,710,000		
Total Equipment	\$1,114,700	\$1,690,300	\$0	\$0	\$0	\$2,805,000		
Estimated Layoffs & Cost						0	\$0	
ERP 2018							\$8,722,000	
ERP 2019							\$8,722,000	
ERP 2020							\$0	
Total Estimated Cost	\$3,616,033	\$11,206,517	\$15,104,274	\$16,646,585	\$17,755,973	\$81,773,383		
Difference from Prior Year		\$7,590,484	\$3,897,757	\$1,542,311	\$1,109,388			

Sworn Officer Strength

- Accelerated recruitment from mid-2017 through 2018
- Hiring slows down 2019-2021
- Through typical attrition return to pre-surge numbers by mid-2021 without layoffs



Expenditure Restraint Payments

- Unrestricted aid from State to municipalities that limit growth in spending.
- Eligible if municipal budget for the year before payment has not increased over the prior year's budget by more than an inflation factor plus a valuation factor.
- Milwaukee typically receives \$8.7 million in ERP annually.
- Milwaukee will almost certainly lose ERP aid in 2018 and 2019.
- Because ERP is a year to year comparison, likely to resume in 2020 as "surge" spending levels off, and inflation/valuation factors have increased.

Impact on Levy Limit

- Milwaukee is prohibited under s. 66.0602, Wis. Stats., from increasing its levy in any year by a percentage that exceeds its valuation factor.
- Adding 150 new police officers would almost certainly mean exceeding the levy limit 2017 – 2021.
- **Exception:** Milwaukee may exceed the levy increase limit if:
 - Common Council adopts a resolution to that effect
 - The resolution is approved by a voter referendum
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Referendum Exception

- The resolution must specify the proposed amount of increase in the levy beyond the amount that is allowed under the levy limit.
- The DOR “strongly recommends” that the resolution specify whether the proposed amount of increase is for the next fiscal year only or if it will apply on an ongoing basis.
- Otherwise, the City must submit the referendum question exactly as worded by statute. Whether the City may add contextual language regarding the public safety purpose is under review in consultation with the Department of Revenue.
- Budget Adoption would need to be pushed back until after Fall Election.
- Some concern over how quickly election results can be certified.



Referendum Question

- “Under state law, the increase in the levy of the City of Milwaukee for the tax to be imposed for the next fiscal year, 2017, is limited to XXX%, which results in a levy of \$XXX. Shall the City of Milwaukee be allowed to exceed this limit and increase the levy for the next fiscal year, 2017, by a total of XXX%, which results in a levy of \$XXX, for the exclusive purpose of covering costs related to public safety, and with the intent that the levy increase be applied on an ongoing basis by including it in the base used to calculate the levy limit through the 2020 levy, to be collected in 2021?”

Timeline

