

2022 Proposed Executive Budget

2022 Budget Overview

Finance & Personnel Committee

October 1, 2021

2022 Budget

1. Total Proposed 2022 Budget: \$1.7 billion
 - Proposed Tax Levy-Supported Budget: \$1.2 billion
 - General City Purposes (GCP) Budget: \$634.1 million
2. Total Proposed Tax Levy of \$305.2 million
3. Non-Tax Levy-supported Budget: \$594.6 million
 - Enterprise funds: \$304.9 million
 - Grant & Aid Fund: \$267.3 million
 - County Delinquent Tax Fund: \$9.0 million
 - Development Fund: \$13.4 million

2022 Proposed Budget “Bottom Line”

1. General City Purposes Budget: -0.8% (\$-5.1 million)
 - Department expenses: -3.6% (\$-17.6 million)
 - \$2.9 million increase (+2.5%) to Employee Health Care Benefits
 - \$10.9 million increase in the Wages Supplement Fund
2. Total tax levy: +2.0% (\$6.0 million); proposed tax rate = \$10.22 (+ 13 cents)
3. Proposed non-property tax revenues: -1.4% (\$-12.4 million)
4. Expenditure Restraint Program (ERP) operating expense limit
 - ERP Aid = \$10.6 million in 2022 Budget
 - There is an estimated ~ \$29.7 million difference between 2022 proposed ERP expense budget and the estimated ERP limit for 2023 aid eligibility
 - ERP threshold will be finalized in October
 - Operating expense total over the limit (regardless of funding source) would disqualify City from 2023 ERP aid

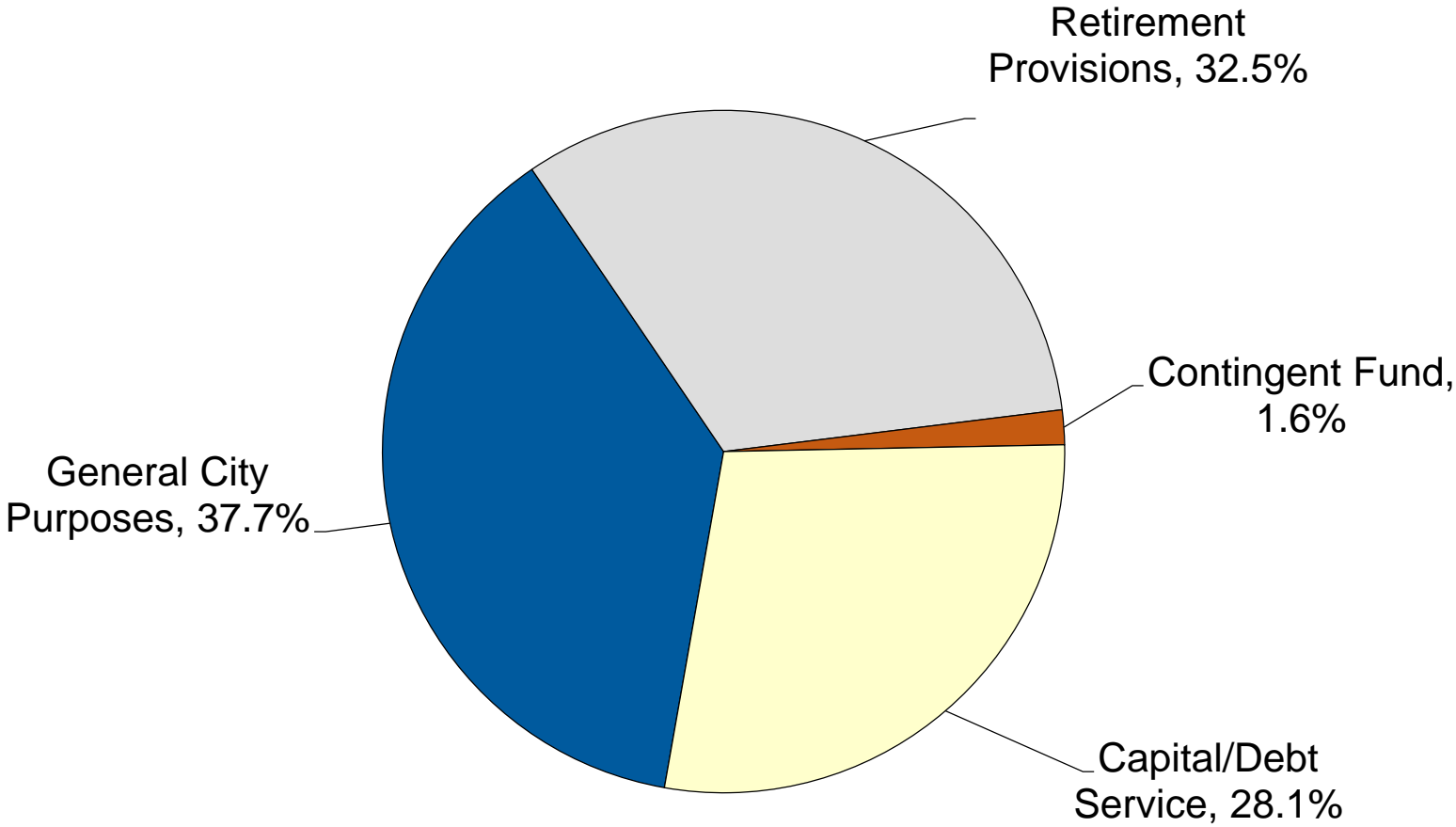
Proposed 2022 Budget Impact on Typical Household

Typical Household Impact

- Tax Levy: + \$33.43
- Municipal Services Bill: \$0
- Net Impact: + \$33.43 (+1.9%)

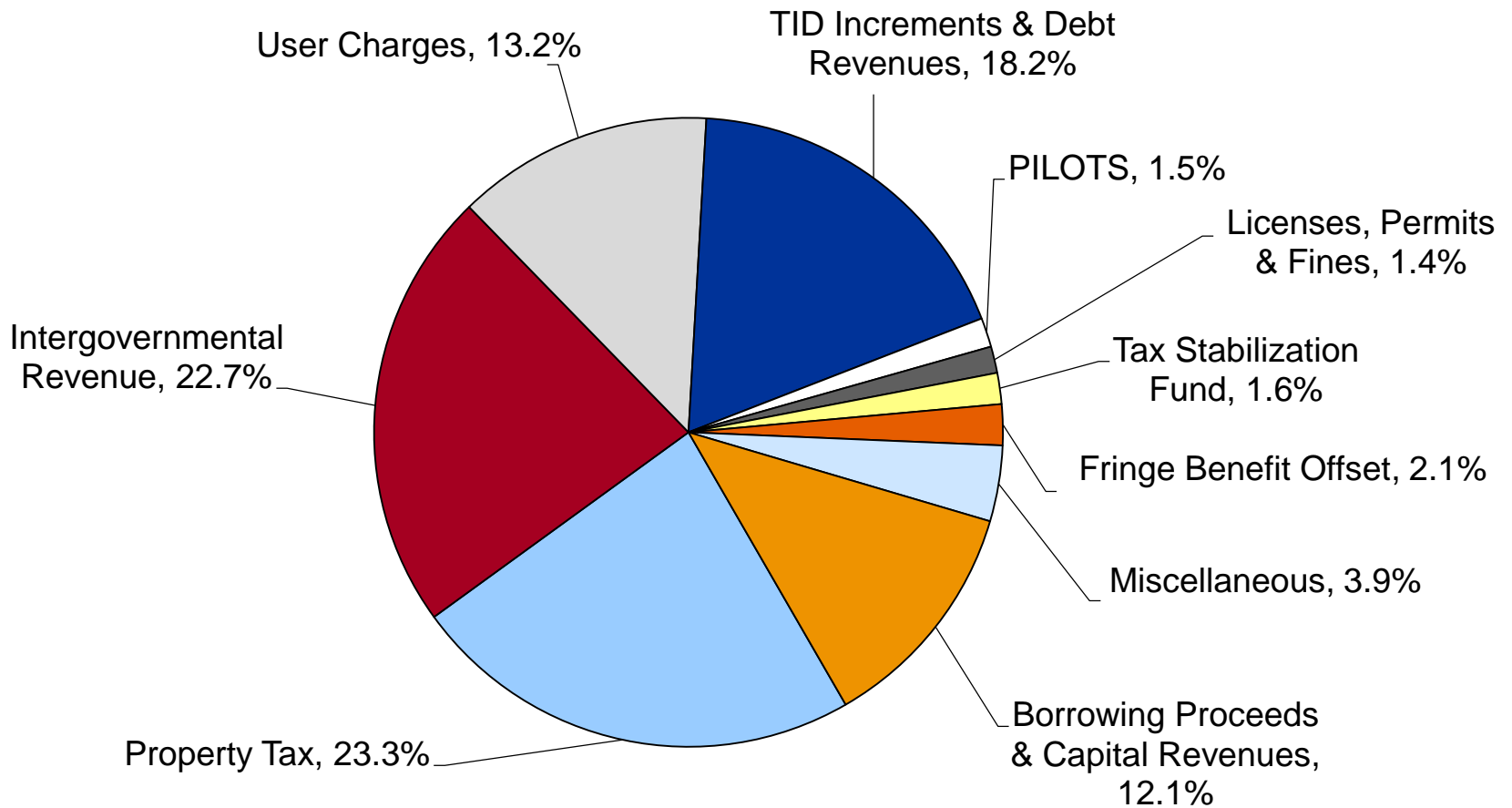
**Based on the average residential value of \$126,235
for 2020 and \$127,900 for 2021**

2022 Proposed Tax Levy: Distribution by Budget Section/Purpose



The total 2022 proposed tax levy: \$305.2 million.

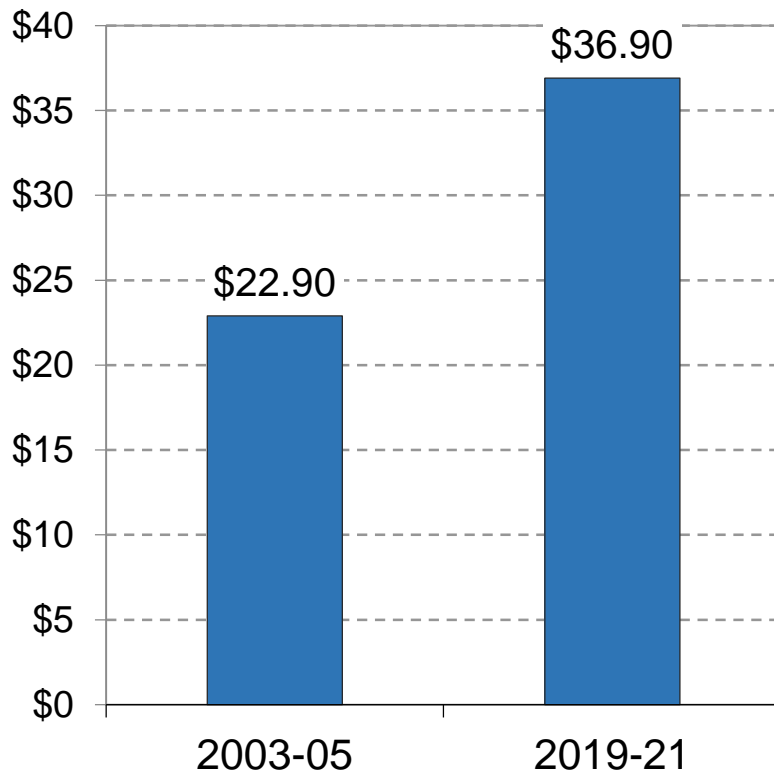
City of Milwaukee 2022 Revenue Sources: Tax Levy Supported Budget



Trends in State General Purpose Revenue (GPR) and City Shared Revenue/ERP Aid

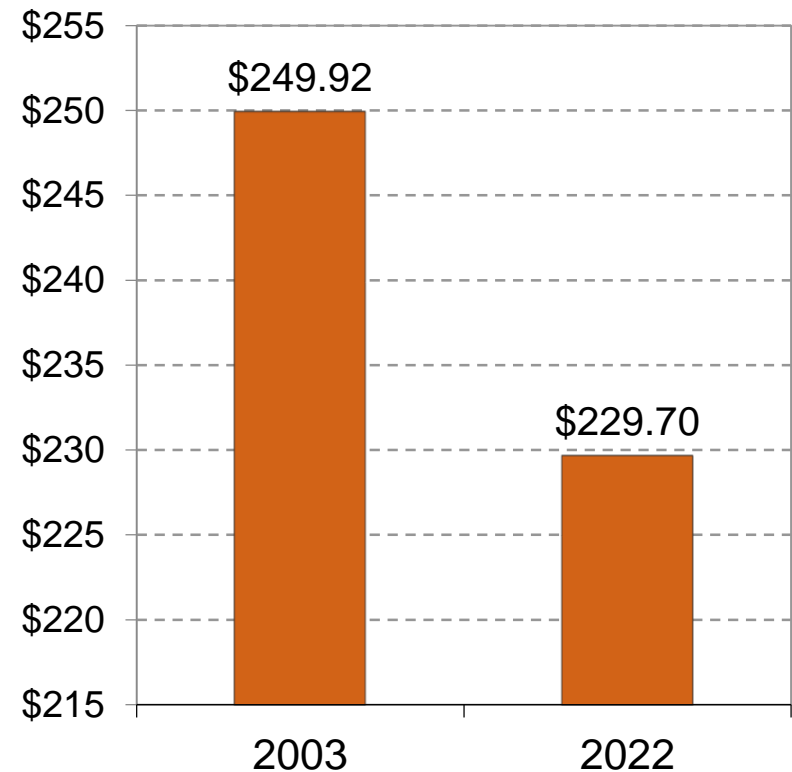
State GPR

In Billions

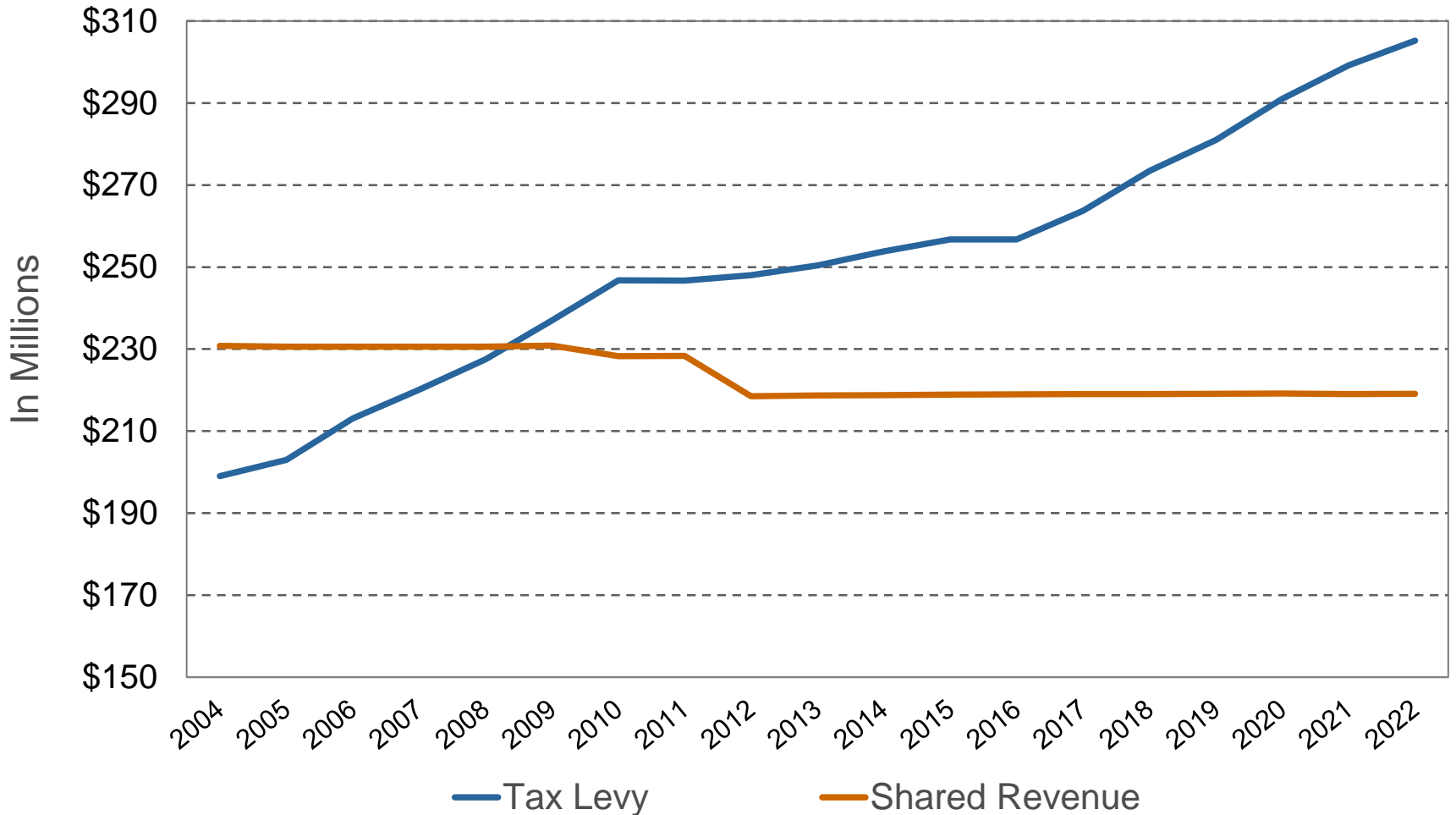


City Shared Revenue/ERP Aid

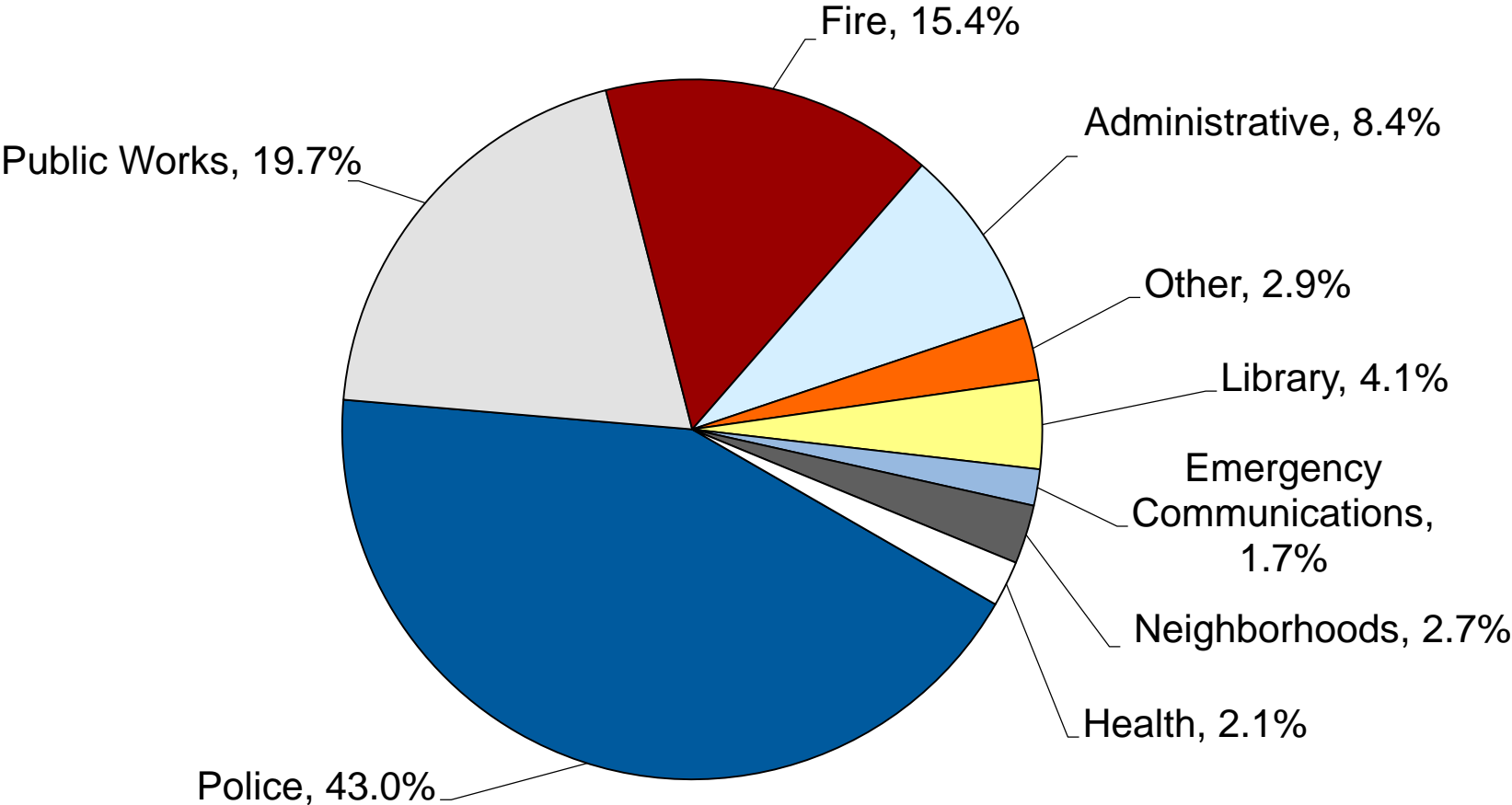
In Millions



City Tax Levy vs. State Shared Revenue

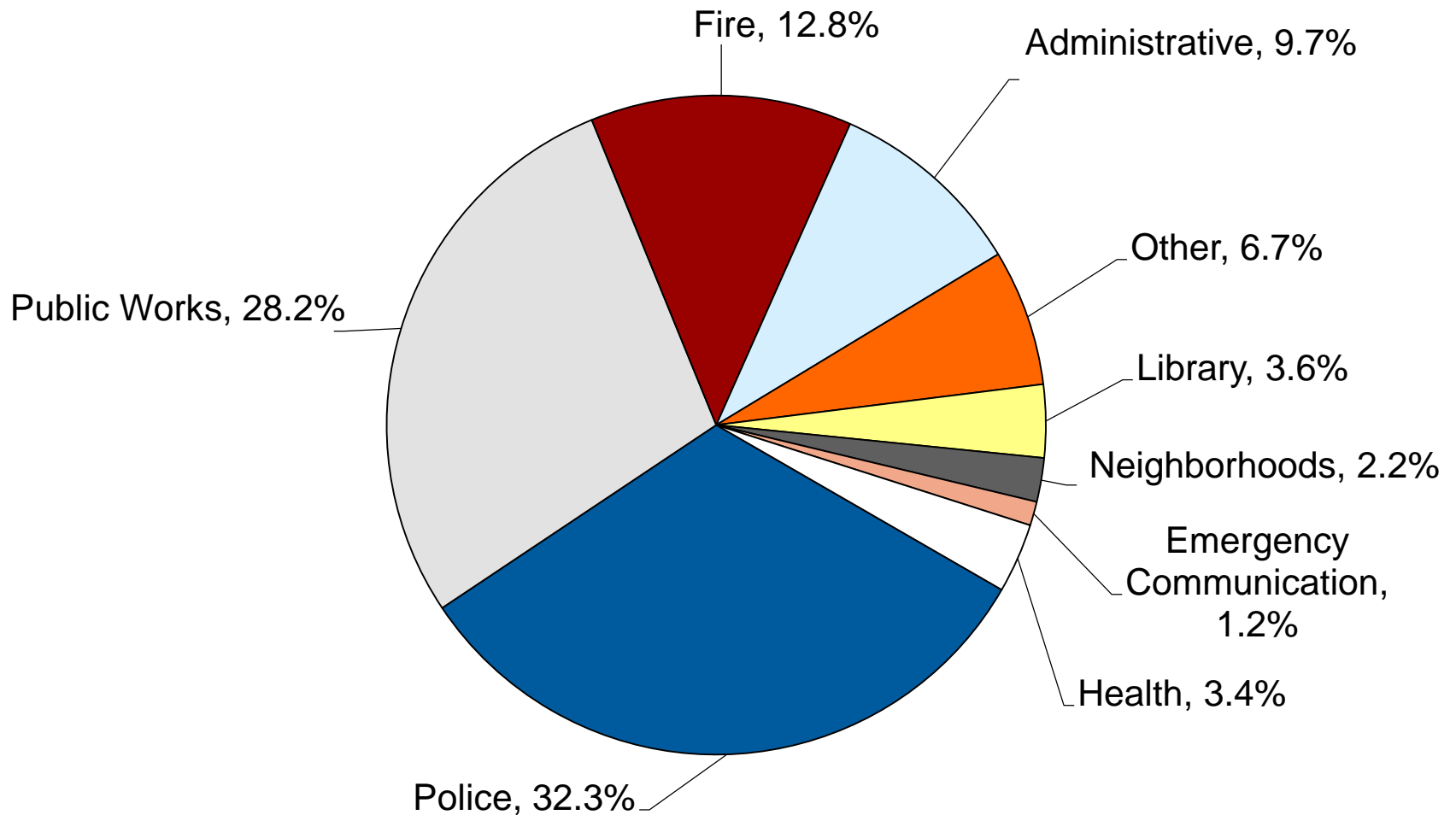


2022 Proposed Departmental Budgets: Expenditures



Note: Three departments (DPW, Police, Fire) comprise 78.1% of the Proposed 2022 General City Purposes Budget.

2022 Proposed Departmental Expenditures: All Funds

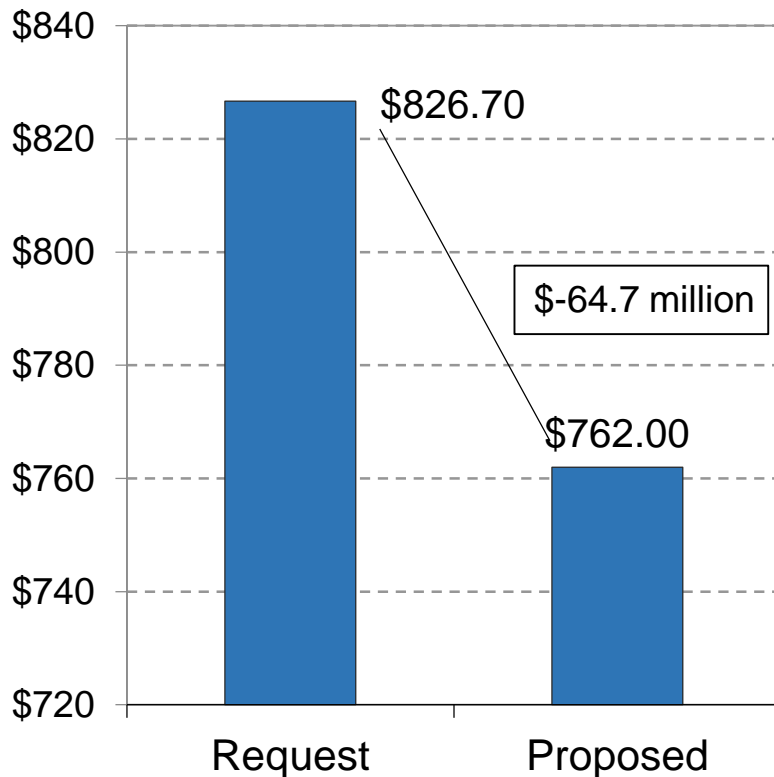


Note: Three departments (DPW, Police, Fire) comprise 73.3% of the Proposed 2022 General City Purposes Budget.

2022 General Fund Budget Request Compared to Proposed

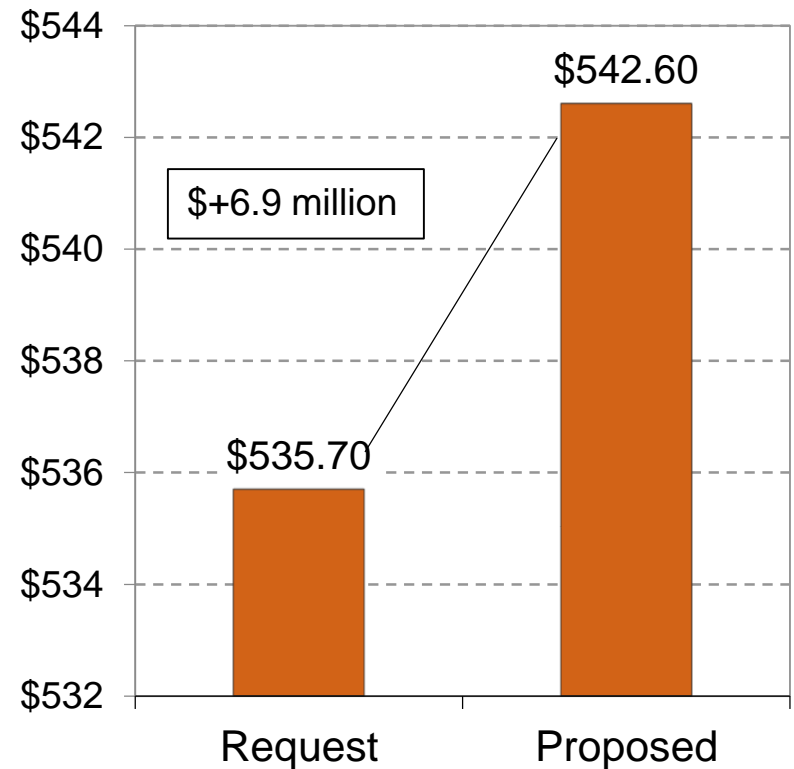
Expenditures

In Millions



Revenues – Non Property Tax

In Millions



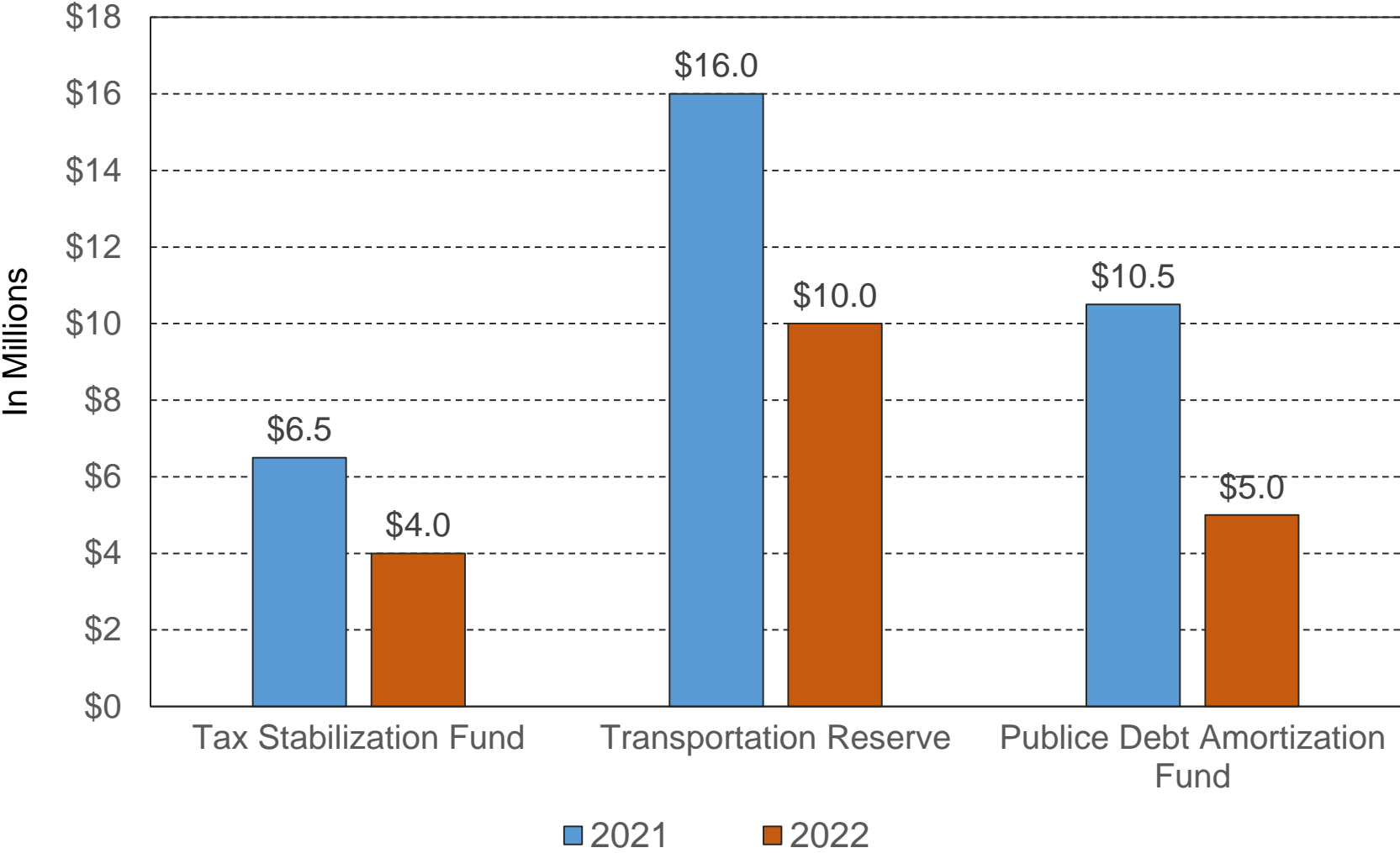
Uses of \$34.6 million of ARPA Revenue Loss Funds in the 2022 Proposed Budget

- \$14.8 million for six engine companies
- \$6 million for three police recruit classes of 65 each
- \$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

Uses of \$9.7 million of ARPA Funds in the 2022 Proposed Budget – Non Revenue Loss

- \$400,000 - In Rem Property Program (DCD)
- \$1 million - Code Compliance Program (DNS)
- \$2.2 million - Demolition/Deconstruction (DNS)
- \$1 million - Strong Homes Program (DCD)
- \$1 million - Housing Trust Fund (DCD)
- \$100,000 - Housing Infrastructure Preservation Fund (DCD)
- \$340,000 - Lead Abatement (MHD)
- \$250,000 - Violence Prevention Initiative - Special Fund
- \$20,000 - Trauma Informed Care Marketing - Special Fund
- \$250,000 - Water Filters - Special Fund
- \$2 million - COVID-19 - Operational Expenditures
- \$112,450 - Professional Services MD's contract Cost - Operating Expenditures
- \$1 million – Electronic Health Record System maintenance

2021 Budget Reserve Use Compared to the 2022 Budget



Changes from the 2021 Budget

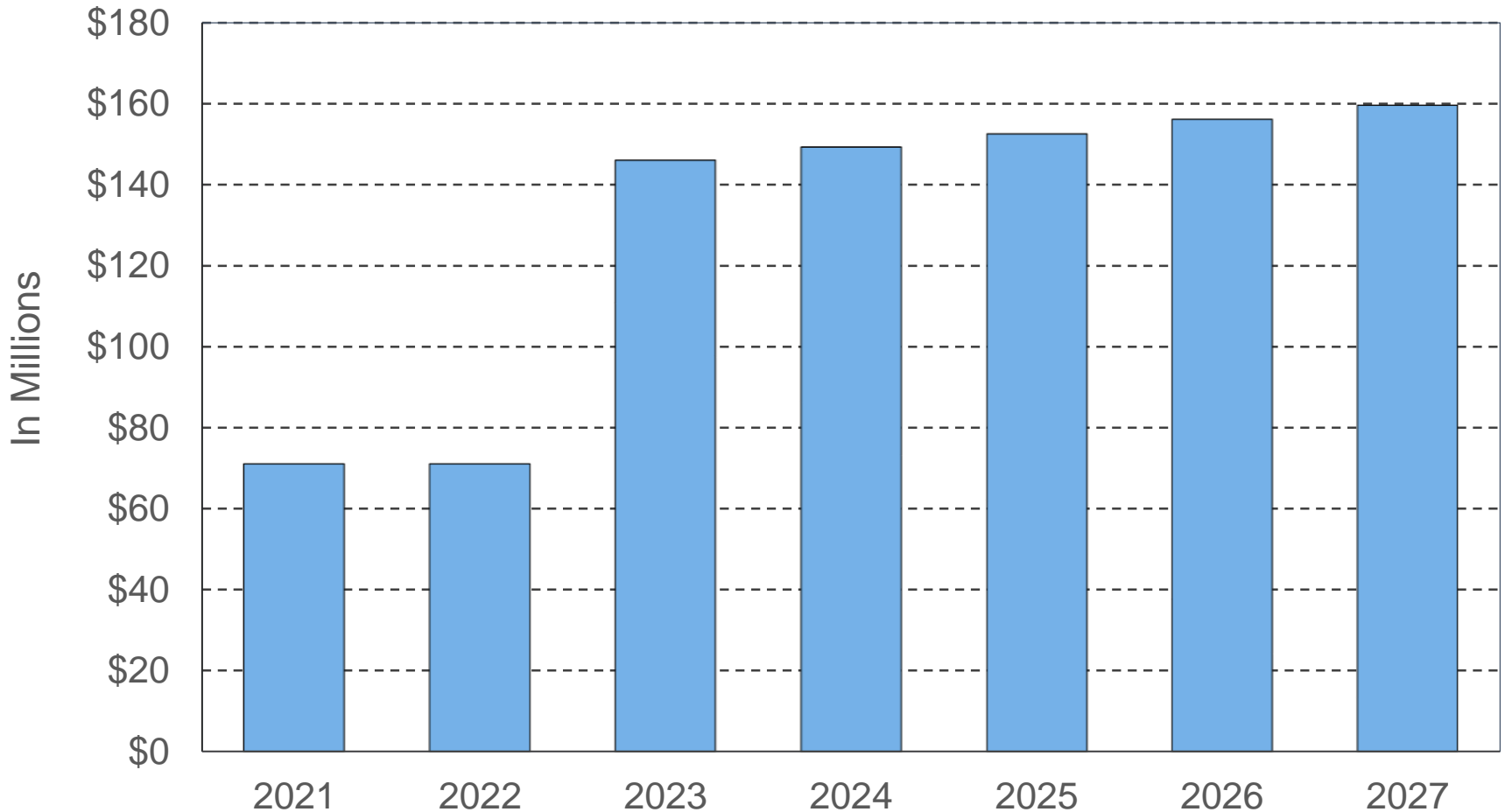
Expenditure Changes

1. \$10 million contribution to the Employer Pension Reserve Fund
2. \$34.6 million of ARPA revenue loss funding used in the budget to sustain existing services
3. Creation of \$10.7 million new department of Emergency Communications
4. Police budget down \$16.7 million
5. 2% wage increase for general city employees beginning PP1 of 2022

Pension Contribution Outlook

- Budgeted a payment of \$71 million in 2021 based on the current stabilized contribution plan
- \$10 million put into the pension reserve fund
- By 2023, the estimated payment will be \$149 million
- Current pension reserve balance is \$42 million
- Build up pension reserve balance to \$52 million by 2023

Pension Contribution Outlook



Pension Reform

- Higher employee pension contributions
- Develop a hybrid pension system more similar to the Wisconsin Retirement System
 - Will reduce future liabilities

Presentation Follow-up

If you have questions or a request for follow-up information, you may contact:

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View the City's budget at www.milwaukee.gov/budget