



Department of Administration
Budget and Management Division

October 23, 2003

John O. Norquist
Mayor

Michael J. Solka
Director

Joseph J. Czarnecki
Budget and Management Director

Ref: 04BF, 3-D

Alderman Fredrick G. Gordon, Chairperson ✓
Committee on Finance and Personnel

Subject: Information Requested at Finance Committee Review of the Department of
Neighborhood Services 2004 Proposed Budget

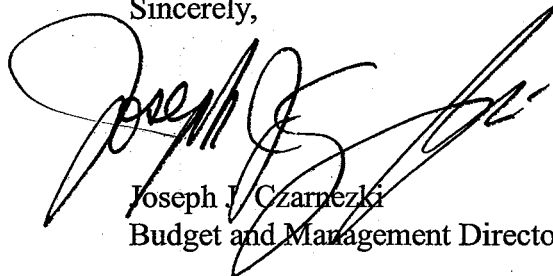
Dear Alderman Gordon:

During the Finance Committee review of the 2004 proposed budget, the following question was directed to this office:

How much revenue would be anticipated to increase if the two Nuisance Control Officer II and the two Code Enforcement Inspector II positions in the Department of Neighborhood Services were added back to the 2004 budget?

The attached memo contains our response.

Sincerely,



Joseph J. Czarnecki
Budget and Management Director

cc: Members, Finance and Personnel Committee
Steve Jacquart, Mayor's Office
Marianne Walsh, Fiscal Review Manager
W. Martin Morics, Comptroller
Craig Kammholz, Revenue and Financial Services Specialist

ECP:dmr



**City of Milwaukee
Budget and Management
Intra-Office Memo**

To: Joseph J. Czarnecki
From: Dennis A. Yaccarino
Eric C. Pearson
Date: October 23, 2003
File Ref: 04BF, 3-D
Subject: Anticipated Revenue from DNS Positions
Added Back to Budget

The 2004 proposed budget eliminates four positions in DNS. The positions eliminated, with salary savings, are identified below:

- Two Nuisance Control Officer II positions, salary savings of \$59,909
- Two Code Enforcement Inspector II positions, salary savings of \$67,147

The Finance Committee wanted to know how much revenue these positions would likely generate if they were added back to the budget.

Nuisance Control Positions

The Nuisance Control Officer II positions work primarily on enforcing codes involving rats, litter and garbage nuisances, nuisance vehicles, and certain animal control regulations. The positions respond to complaints, con-

duct inspections, and issue orders. This activity generates revenue primarily through the following accounts:

- Litter Nuisance
- Nuisance Vehicles
- Reinspection Fee

There are several other revenues generated by these positions, but they involve a relatively small amount of money (about \$20,000 in total), and the enforcement activities generating this revenue would occur whether or not the positions are added back.

The number of full time equivalent nuisance control positions and actual revenues for the litter, vehicle and reinspection fee accounts in 2000, 2001 and 2002, are shown in Table 1.

As Table 1 shows, these positions generate approximately \$40,000 per full time equivalent from the routine activities involving vehicle, litter, and reinspection fees. This is based on a three-year average. If two positions are added back to the budget and filled, they should generate \$80,000 in revenue.

Commercial Code Enforcement Positions

The Code Enforcement Inspector II positions work primarily on enforcing commercial building codes, including fire safety and building maintenance issues. This activity generates revenue through the following accounts:

- 2% Annual Fire Dues
- Fire Prevention Annual Inspection
- Reinspection Fee

The fire inspections conducted by these staff are mandatory and will be conducted even if the two positions are eliminated. Therefore, adding back the two positions does not affect these revenues. The only revenue account affected is the reinspection fee.

The number of full time equivalent commercial enforcement positions and actual reinspection fee revenues for 2000, 2001 and 2002 are shown in Table 2.

As Table 2 shows, these positions generate approximately \$12,000 per full time equivalent. The trend in reinspection fees is an increase, making 2002 data a

Table 1

Nuisance Control FTEs and Revenues				
	2000	2001	2002	Average
FTEs	16.17	16.49	15.81	16.16
Revenues	\$607,642	\$672,905	\$652,714	\$644,420
Revenue Per FTE	\$37,574	\$40,809	\$41,278	\$39,882

more accurate basis for 2004 projections. If two positions are added back to the budget and filled, they should generate \$24,000 in revenue.

Table 2

Commercial Code FTEs and Revenues			
	2000	2001	2002
FTEs	13.61	15.64	14.11
Revenues	\$40,800	\$102,775	\$170,439
Revenue Per FTE	\$2,998	\$6,570	\$12,077

Estimated Costs and Revenues

Our best estimate is that if the four positions are added back to the 2004 budget, the following changes would occur:

- Salaries would increase by \$127,000
- Operating expenses would increase by \$7,000
- Revenues would increase by \$104,000

Total costs would be \$134,000 while revenue would be \$104,000, or a cost recovery percentage of 78%. The Nuisance Control positions more than offset their direct costs, while the commercial Code Enforcement positions offset only a small percentage of their costs (this is a result of excluding the fire inspection revenue). If all four positions were to be added back to the 2004 budget, and additional revenues were to be recognized by the Comptroller, the net impact on the levy would be \$30,000.

While we can project the revenue that will likely result from adding these positions back to the budget, the Budget Office does not estimate revenue for the city. Any increase to current revenue estimates is entirely dependent upon the Comptroller recognizing the additional revenue. We will forward this information to the Comptroller and address any questions that they have.

If the Comptroller does not recognize any additional revenue, the impact of adding the positions back would be to increase the tax levy by \$134,000.

ECP

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