

FISCAL REVIEW SECTION – LEGISLATIVE REFERENCE BUREAU

EXECUTIVE SUMMARY: 2005 PROPOSED BUDGET – DEPARTMENT OF NEIGHBORHOOD SERVICES

1. Total labor hours in the 2005 Proposed Budget are 360,144, an increase of 5,400, 1.5%, from the total labor hours in the 2004 Budget of 354,744. The full-time equivalent (FTE) O&M supported positions, is 166.58 FTEs, the same as 2004 and non-O&M FTE funded positions increased by 3. *(Page 5)*
2. Department activities include:
 - Neighborhood Services System database to track complaints and violations *(Page 3)*
 - Nuisance Vehicles *(Page 3)*
 - Chronic Nuisance Premises *(Page 4)*
3. The 2005 Proposed Budget for Operating Expenditures is \$1,040,319, the same amount funded in the 2004 Budget. *(Page 6)*
4. The 2005 Proposed Budget for Additional Equipment provides \$67,500, a decrease of \$22,500, 25.0%, from the 2004 Budget of \$90,000. *(Page 6)*
5. In the 2005 Proposed Budget, Special Funds provide \$1,810,000, the same amount provided in the 2004 Budget. These line items include funding for the Community Sanitation Fund, the Milwaukee Area Domestic Animal Control Commission and Anderson Lake Tower Building. *(Pages 6 and 7)*
6. The 2005 Proposed Budget seeks \$2,825,381 in Grant funding, an increase of \$273,776, 10.7%, from the 2004 Budget allocation of \$2,551,605 from CDBG. *(Page 7)*
7. Estimated revenue in the 2005 Proposed Budget is \$11,646,600, an increase of \$804,100, 7.4% more than the 2004 projection of \$10,842,500. *(Page 8)*
8. Special Purposes Accounts are funded at \$1,680,000 in the 2005 Proposed Budget, the same amount funded in the 2004 Budget. The accounts include the Graffiti Abatement Fund, Maintenance of Essential Services, Razing and Vacant Buildings, and Neighborhood Cleanup. *(Pages 8, 9 and 10)*

FISCAL REVIEW SECTION – LEGISLATIVE REFERENCE BUREAU

2005 Proposed Budget Summary: Department of Neighborhood Services

	2003 ACTUAL	2004 BUDGET	% CHG	2005 PROPOSED	% CHG
Operating	\$12,319,189	\$12,946,562	5.1%	\$12,909,491	-0.3%
Capital	\$444,893	\$0	-100.0%	\$0	0.0%
DLH – O&M*	294,840	299,844	1.7%	299,844	-0.7%
DLH – Other Funds	36,900	54,900	48.8%	60,300	9.8%
Positions	216	223	3.2%	226	1.3%

* Totals do not include 12,600 Direct Labor Hours (DLH) for members of Committees and Commissions.

Mission: *To enhance Milwaukee's competitive advantage as a vibrant urban community. To work in cooperation with public and private partnerships and neighborhood residents to promote investment and improve the physical, environmental and aesthetic conditions of Milwaukee's neighborhoods.*

Pertinent Historical Information

1. The 1999 Adopted Budget eliminated the Department of Building Inspection and in its place created the Department of Neighborhood Services (DNS) to include regulatory enforcement functions and neighborhood services from Building Inspection (BI), the Health Department, and the Department of City Development (DCD).
2. The 1999 Adopted Budget created DNS through a transfer of 43 employees from the Health Department, 58 employees from DCD, and all of BI's employees, except 24 positions that were formerly part of BI's Permit Center, which transferred to DCD. The specific components of DNS are:
 - ✓ Building Inspection's enforcement and inspections (including residential, commercial, construction, zoning, electrical, and plumbing inspectors),
 - ✓ Health's Consumer Protection and Environmental Health activities (including litter, vector, tire, asbestos and other environmental inspectors),
 - ✓ DCD's Housing and Neighborhood Development Division (including the home and rental rehabilitation loan programs, receivership, TINs and downpayment assistance).
3. In the 2000 Budget, total direct labor hours (DLHs) decreased by 6.1% over 1999. Net authorized positions decreased from 291 in 1999 to 277 in 2000.
4. In 2000, DNS worked with the Police Department to decrease the number of noise complaints through enforcement of nuisance noise abatement code provisions.
5. In 2001, DNS along with DPW-Sanitation section received \$70,000 through the Neighborhood Cleanup Initiative to target one area in each aldermanic district to intensify litter clean up and other litter nuisance situations.
6. In 2002, DNS received \$2.9 million for capital improvements for the Anderson Building and 10th floor Municipal Building.

7. A new Community Development Block Grant allocation in the 2003 Budget, Proactive Rat Infestation Abatement, provided \$51,501 for salaries, fringe, supplies and equipment for concentrated rat abatement in the Neighborhood Strategic Planning Areas.
8. In July 2003, 7 positions located in Neighborhood Improvement Program (NIP) staff were transferred from DCD to DNS. This transfer confirmed Council action taken earlier this year to move these positions to DNS to remove any potential conflict between DCD and NIDC. NIP provides home rehabilitation to low and very low-income residents.
9. In the 2003 Budget, the Code Compliance Program was changed to eliminate interior code inspections outside of the designated areas. An ordinance consolidated the city's certificate of code of compliance (s. 200-52) and certificate for exterior code compliance (s. 200-55) programs. With the change in the ordinance, anyone who purchases a one or 2-family dwelling as non-owner occupied rental property in the city of Milwaukee is required to apply for and obtain a certificate of code compliance (exterior).

DEPARTMENT ACTIVITIES

Neighborhood Services System - Neighborhood Services System is a common database developed and designed to track multiple types of property complaints and violations. By entering an address in the system, information related to all inspections conducted by department, and permits and complaints is available.

The department's web site links not only the computerized information but also all property Internet accessible information available in the City. The system received over 500,000 lookups in the first year, 1999. With a system upgrade, the network is more reliable and faster. Presently, the department is converting the system to a Windows-based application. Statistics for DNS complaints include:

Type	2000	2001	2002	2003	2004 (through 8/20/04)
Total	33,332	34,030	30,054	31,638	21,045

The top complaints are on garbage, graffiti, exteriors, interiors, vehicles, litigated orders, zoning, and animal problems.

Nuisance Vehicles - In 1999, the department revised procedures and made recommendations to change code provisions that resulted in streamlining the nuisance vehicle procedure and expanding the scope of conditions that resulted in a vehicle being towed. As a result, the amount of time for removing a vehicle was reduced from an average of 90 days to 20 days. The changes have resulted in 50% of the vehicles being removed with the first inspection and posting of the vehicle indicating potential future action.

The decrease in the number of vehicle orders for 2003 and 2004 is due to more citizens complying with the program and taking appropriate actions. The nuisance orders issued and vehicles towed include:

	2002	2003	2004 (through 8/23/04)
Orders Issued	7,659	5,663	3,372
Vehicles towed by City	816	443	186

Chronic Nuisance Code – This is a cooperative effort between the Milwaukee Police Department and DNS pursuant to legislation enacted by the Common Council in February 2001 to assess charges against premises which require excess police services. The owner of a premise which generates 3 or more calls in a 30-day period for any of 23 enumerated nuisance activities, (littering, prostitution, excessive noise, public drinking, etc.) is notified of such activities by the Police Department and is required to respond with a written plan to abate the nuisance activities. Premises includes all types of property – residential, commercial, and industrial, and includes both taxable and tax exempt properties. If, after submission of the plan, nuisance activities continue, the Police Department may calculate the cost of enforcement for these confirmed activities, and DNS charges the premise owner for the costs of enforcement, including administrative costs. Since the inception of the program, more than a dozen owners have been levied charges for Police Department services and DNS administrative costs.

A study was completed and provided the following information:

- 374 Letters have been sent since 7/5/01
 - 31% were single family properties
 - 22% were two-family properties
 - 49% were multi-family properties
 - 93% of properties that have received 10 or more charges are multi-family
- 81.6% of property owners who received a letter after a 3rd nuisance call in 30 days, never received charges because they corrected the problem
- 18.4% of property owners who received a letter after 3rd nuisance call in 30 days, did not correct the problem(s) and received charges.
 - For the 2004 property taxes, the amount is \$20,242.

2005 ISSUES AND PROPOSED CHANGES

PERSONNEL

The total labor hours in the 2005 Proposed Budget are 360,144, an increase of 5,400, 1.5%, from the total labor hours in the 2004 Budget of 354,744. The net authorized positions increases from 223 in the 2004 Budget, to 226 in the 2005 Proposed Budget. The full-time equivalent (FTE) O&M supported positions, is 166.58 FTEs, the same as 2004 and non-O&M FTE funded positions increases by 3.

As of October 18, 2004, there are 19 vacancies out of 223 authorized positions. This includes:

TITLE	POS	DATE VACANT
<i>Authorized To Fill By Finance & Personnel</i>		
Boiler Inspector	1	5/7/04
Code Enforcement Inspector II	4	9/27/02, 6/8/03, 12/5/03, 3/1/04
Nuisance Control Officer II, SG516	1	5/24/04
Office Assistant II	1	8/28/04
Plumbing Inspector II, SG788	1	8/28/04
Special Enforcement Inspector	1	9/11/04
<i>Not Authorized To Fill</i>		
Code Enforcement Inspector II	4	3/14/04, 5/27/04, 7/16/04, 9/27/04
Office Assistant IV	1	12/20/03
Special Compliance Inspector	1	12/7/03
Administrative Specialist Sr (0.5FTE)	1	9/20/02
Code Enforcement Intern, SG529	3	8/16/03, 7/19/03, 2/28/04

The following summarizes the position changes contained in the 2005 Proposed Budget for DNS:

TITLE	POS	REASON
Electrical Inspectors	1.0	Expanded electrical program.
Plumbing Inspector Assistant Supervisor	1.0	Added for commercial cross connection inspections
Plumbing Inspector II	1.0	Added for commercial cross connection inspections
Office Assistant III	1.0	Added for commercial cross connection inspections
Office Assistant IV	-1.0	Nuisance & Environmental Health reorganization
Office Assistant III	2.0	Nuisance & Environmental Health reorganization
Office Assistant II	-1.0	Nuisance & Environmental Health reorganization
Environmental Hygienist	2.0	Nuisance & Environmental Health reorganization
Environmental Health Specialist II	-3.0	Nuisance & Environmental Health reorganization
TOTAL	+3.0	

In the 2005 Proposed Budget, the 3 additional personnel, 1 Plumbing Inspector Assistant Supervisor, 1 Plumbing Inspector II and 1 Office Assistant III, were added to support the expanded commercial cross connection inspection program for the Water Works. The program is designed to prevent the pollution and contamination of the city's drinking water. Plumbing Inspectors will inspect the cross connections in commercial and industrial buildings when new plumbing permits are issued. DNS staffing for this program is expected to gradually increase in 2006 and 2007 to inspect all non-residential buildings every 10 years. Water Works will reimburse DNS for all costs associated with this program.

An Electrical Inspector is added to the staffing levels to insure compliance with building codes and proper installation of wiring and equipment associated with power, lighting, control, communication, and life safety systems for all buildings.

LINE ITEMS

The 2005 Proposed Budget for Operating Expenditures is \$1,040,319, the same amount funded in the 2004 Budget. The major items include:

1. Property Services, \$276,000, a decrease of \$12,000, -4.2% from the 2004 Budget of \$288,000. This is a projected decrease of costs associated with the reorganization in Nuisance & Environmental Health section.
2. Vehicle Rental, \$281,348, an increase of \$10,348, 3.8% from the 2004 Budget of \$271,000. This reflects the costs associated to the commercial cross connection and expanded electrical inspections.

The 2005 Proposed Budget for Additional Equipment provides \$67,500, a decrease of \$22,500, 25.0%, from the 2004 Budget of \$90,000. This account handles software and hardware replacements for workstations, printers, and network components. In the 2005 Proposed Budget, the department will purchase less computer equipment in order to meet the budget allocation.

SPECIAL FUNDS

Item	2003 Actual	2004 Budget	2005 Proposed	% Change
Community Sanitation	\$ 259,657	\$ 260,000	\$ 260,000	0.0%
MADACC	\$1,364,894	\$1,425,000	\$1,425,000	0.0%
Anderson Lake Tower	\$ 0	\$ 125,000	\$ 125,000	0.0%
Total	\$1,624,551	\$1,810,000	\$1,810,000	0.0%

In the 2005 Proposed Budget, Special Funds provide \$1,810,000, the same amount provided in the 2004 Budget. The items include:

1. Community Sanitation Fund, \$260,000, the same amount provided in the 2004 Budget. The funds are utilized to abate litter nuisance in garbage clean-up, litter and directed special pickup on privately owned properties after the owners fail to clean up the problem after receipt of an order and a subsequent compliance period. The areas are cleaned-up by DNS contractors. The cost of the clean-up and administration is placed on the property owner's taxes.
2. MADACC Animal Pound Contract, \$1,425,000, the same amount provided in the 2004 Budget. The funding supports a contract with the Milwaukee Area Domestic Animal Control Commission (MADACC). MADACC is responsible for control of stray domestic animals. The City through DNS is one of 16 Milwaukee County communities that have a contract with MADACC.

The number of animals impounded for the City include:

2002 10,123 2003 10,612 2004 5,477 (through 7/31/04)

DNS continues to investigate domestic animal bites and enforce all domestic animal control ordinances. The number of domestic animal bites investigated by the department include:

2002 611 2003 555 2004 386 (through 8/16/04)

3. Anderson Lake Tower, \$125,000, the same amount provided in the 2004 Budget. The funding is allocated for the maintenance costs at the Anderson Lake Tower building. The costs are for the custodial service, boiler maintenance, snow removal, floor mats, window washing, utilities and water.

GRANTS

1. As in previous years, all of the requested grant funding, \$2,699,741, is from CDBG. The 2005 Proposed Budget seeks an increase of \$148,136, 5.8%, from the 2004 Budget allocation of \$2,551,605. The funding is for salaries and wages, fringe benefits, supplies and equipment.

The following chart shows funding amounts from CDBG:

Item	2003 Budget	2004 Budget	2005 Proposed
Graffiti	\$61,135	\$61,135	\$48,500
Receivership	\$50,946	\$50,946	\$74,208
Code Enforcement Interns	\$238,597	\$238,597	\$208,441
Community Advocates	\$47,550	\$47,550	\$47,550
Property Management	\$171,518	\$171,518	\$221,518
Vacant Lot Maintenance	\$782,020	\$782,020	\$840,520
Demolition	\$348,978	\$348,978	\$348,978
Neighborhood Clean-up	\$61,135	\$61,135	\$61,135
Target Enforcement Program	\$282,750	\$282,750	\$373,017
Proactive Rat Infestation Abatement	\$51,101	\$51,501	\$48,874
Integrated Neigh. Revitalization Strategy	\$70,475	\$70,475	\$0
Neighborhood Improvement Program*	\$0	\$385,000	\$435,000
Total	\$2,166,605	\$2,551,605	\$2,699,741

* Allocated to NIP, which was in DCD through June, 2003.

2. The following services may receive a portion of their 2005 allocation from entitlement funding and through 2004 CDBG reprogramming. CDBG entitlement allocations will be approved at the November 1st Community & Economic Development Committee and 2004 reprogramming allocations is scheduled for June 2005.

	Entitlement	Reprogramming	Requested
Targeted Enforcement Program	\$282,750	\$90,267	\$373,017
Landlord Training/Property Mgmt.	\$171,518	\$50,000	\$221,518
Neighborhood Improvement Program	\$385,000	\$50,000	\$435,000
Vacant Lot Maintenance	\$782,020	\$58,500	\$840,520
Total		\$248,767	

3. A total of 54,900 labor hours are supported by CDBG grant funding in the 2005 Proposed Budget.

REVENUE

The following chart shows the 2005 expected revenues for DNS. According to the Comptroller's Office, for 2005, 50% of total revenue is derived from charges for services. Charges for services include title searches, power plant maintenance, fire inspection, litter nuisance and rodent control and re-inspection fees.

Category	2003 Actual	2004 Estimate	% Chg	2005 Proposed	% Chg
Charges for Services	\$ 6,484,936	\$5,273,700	-23.0%	\$ 5,775,600	9.5%
Permits	\$ 4,834,502	\$4,513,900	-6.6%	\$ 4,714,800	4.5%
Intergovernmental Aids	\$ 798,880	\$ 750,000	-6.1%	\$ 900,000	20.0%
Licenses	\$ 306,815	\$ 304,900	-0.6%	\$ 274,200	-10.1%
Total	\$12,425,133	\$10,842,500	-12.7%	\$11,646,600	7.4%

Estimated revenue in the 2005 Proposed Budget is \$11,646,600, an increase of \$840,100, 7.4% more than the 2004 projection of \$10,842,500. In licenses, the decrease of \$30,700, -10.1%, is due to the 2 year cycle for purchasing licenses and the current economic climate, decreasing revenue estimates.

SPECIAL PURPOSE ACCOUNTS

Special Purposes Accounts are funded at \$1,680,000 in the 2005 Proposed Budget, the same amount funded in the 2004 Budget. The accounts include the Graffiti Abatement Fund, the Maintenance/Services, Razing Vacant Buildings, and Neighborhood Clean & Green Initiative.

Accounts	2003 Actual	2004 Budget	2005 Proposed	% Change
Maintenance/Services	\$ 60,168	\$ 75,000	\$ 75,000	0.0%
Graffiti Abatement	\$ 146,636	\$ 145,000	\$ 145,000	0.0%
Neighborhood Clean & Green Initiative	\$ 10,577	\$ 10,000	\$ 10,000	0.0%
Razing Vacant Buildings	\$1,431,055	\$1,450,000	\$1,450,000	0.0%
Total	\$1,648,436	\$1,680,000	\$1,680,000	0.0%

1. Maintenance of Essential Services, \$75,000, is the same funding level as 2004. This account was established in 1995 to provide Department of Neighborhood Services, with funding needed to make repairs or provide needed maintenance of essential equipment (such as heating, electrical or sanitary facilities) whose failure would constitute a substantial threat to the health and safety citizens per section 200-21 of the Milwaukee Code. DNS can make those repairs only after the landlords have been informed of the conditions and do not correct them. The cost of the repairs is charged to owners and put on owners' tax bills. A revenue estimate offsets the appropriation.

	10/1/02 – 9/30/03	10/1/03 – 8/19/04
Plumbing	18x's - \$42,864	19x's - \$33,500
Heating	15x's - \$12,502	18x's - \$14,091
Electrical	<i>Not used.</i>	<i>Not used.</i>

2. Graffiti Abatement Fund \$145,000, is the same amount funded in the 2004 Budget. The account funds several approaches to decrease the proliferation of graffiti. The funds pay for graffiti removal through individual business matching grants to business associations and DNS ordered abatement. The operating expenses include brochures, postage and paint brushes.

The activity in the graffiti abatement fund for 2002, 2003 and 2004 (*through July*) is:

Removal Requests	2002	2003	2004
DNS Jobs	1,991	2,020	912
Cost	\$96,240	\$112,402	\$68,925,98

The scheduled expenditures for the 2005 Graffiti Abatement funding is:

City-Wide Area Abatement	\$ 100,000
Matching Individual Business	\$ 25,000
Operating Expenses	<u>\$ 20,000</u>
Total	\$145,000

3. Neighborhood Clean and Green Initiative, \$10,000 - The original program began in 2000, as Neighborhood Cleanup Initiative. DNS worked with the Sanitation Section of DPW, and developed and assisted in the Directed Special Pick-up. The program doubled the amount of debris, trash and garbage collected in a test area.

In the 2001 Budget, the service expanded to target an area in each aldermanic district. DNS and Sanitation worked with the aldermen and community groups to assure successful implementation of the program city-wide. The program is usually from June through Labor Day. In the 2003, DNS worked with 16 community based organizations. As shown in the chart below, the tons of debris removed had its greatest impact in 2001 with 788.77 tons. The number of clean-up orders have steadily increased.

	2001	2002	2003	2004
Clean-Up Orders Issued	109	171	242	48
Nuisance Vehicle Orders Issued	123	309	48	53
Tons Of Debris Removed	788.77*	473.84*	198*	51*

**Does not include debris removed by DNS contractors.*

In the 2005 Proposed Budget, the program is expanding to Green Initiative, DNS will receive \$10,000, the same as 2004 and Sanitation will receive \$60,000. In this initiative, Sanitation will concentrate its clean-up and greening efforts in one part of the City, each week, for six weeks (April 18th through May 27th). The clean-up will include citizens to setting out bulky items on collection day, targeted collection of targeted collection of bulky items from landlords, and partnering with neighborhood groups to promote cleaning and greening efforts. The enhanced program is still being designed and discussions are continuing on the details for both DNS and Sanitation.

4. Razing & Vacant Building Protection Fund, \$1,450,000, is the same as the 2004 Budget of \$1,450,000. The 1998 Adopted Budget consolidated two separate special purpose accounts: the Public Nuisance and Human Hazard Abatement Fund and the Razing and Vacant Building Protection Fund. The account consolidation provided increased flexibility in resource allocation for demolition or nuisance abatement actions. The "Nuisance Abatement" SPA was established to provide funds to take the necessary actions to fix the violations, clean up the property, or take whatever action is required to abate the nuisance and/or hazard. *The number of razed buildings by DNS are:*

	1999	2000	2001	2002	2003	2004 (through 8/24)
Buildings razed	176	126	167	151	211	83 (bid for removal)

The types of buildings that are demolished are primary and secondary structures. Primary structures are houses and commercial buildings. Secondary structures include garages and sheds. For 2004 year-to-date, 64 primary structures and 19 secondary structures have been demolished. Condemnation currently has 104 raze orders pending of which 91 will be torn down this year. Of those, 73 are primary structures and 18 are garages. This does not include any emergency demolitions which may occur before the end of the year.

The following provides historical perspective on razing expenditures:

ACTUAL EXPENDITURES FOR RAZING, 1996 THROUGH 2003

YEAR	AMOUNT
1996	\$2,556,657*
1997	\$1,872,801
1998	\$1,601,737
1999	\$2,388,819
2000	\$2,201,442
2001	\$1,917,667
2002	\$1,793,230
2003	\$1,431,055

* In 1995 the Common Council approved a \$250,000 Contingent Fund appropriation for Razing purposes. This was carried over and expended in 1996.

For total buildings razed under permit by private demolitions and DNS contracted demolitions:

		Primary	Secondary	Total
2002	Private	260	430	690
	DNS	104	47	151
	Total	364	477	841
2003	Private	151	291	442
	DNS	169	42	211
	Total	320	333	653
2004*	Private	105	187	292
	DNS	64	19	83
	Total	169	206	375

* Year-to-date 8/24/04.