

2021 PLAN AND BUDGET SUMMARY

CITY OF MILWAUKEE

STATE OF WISCONSIN

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Mayor

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GUIDE TO BUDGET DOCUMENTS

PLAN AND BUDGET SUMMARY

A document containing a fiscal summary of the 2021 budget; a budget forecast for Milwaukee; detailed narrative descriptions of each department's mission, services, outcome measures and related activities; and a summary of appropriations by expenditure category. This document is printed annually in Adopted and final form as follows: the *Proposed Plan and Executive Budget Summary* contains the Mayor's Executive Budget as presented to the Common Council for review. The *Plan and Budget Summary* contains the budget as adopted by the Common Council.

BUDGET

The official City of Milwaukee line-item budget provides a listing of all appropriation accounts by department and is published after the final budget adoption.

SIX-YEAR CAPITAL PLAN

A presentation of the city's six year capital program. Includes details on planning, financing, infrastructure, and urban development undertakings involved in the capital plan.

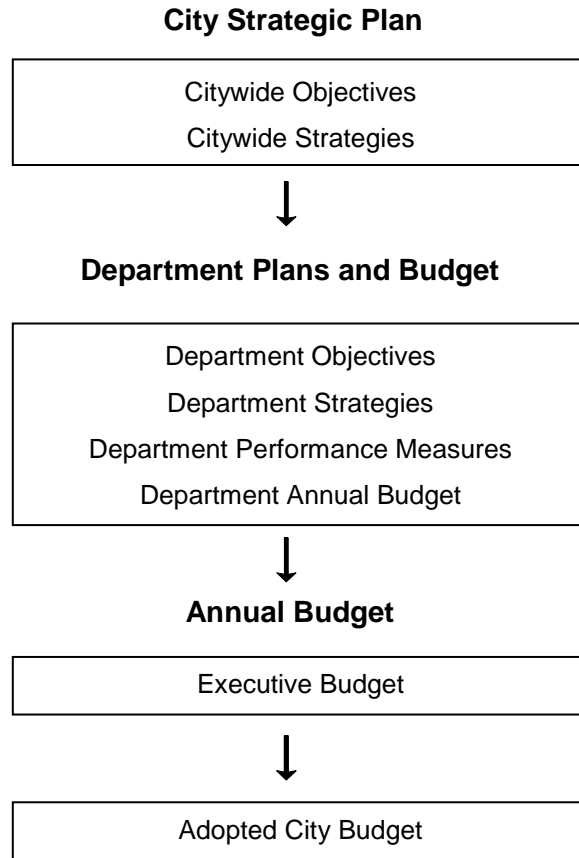
To obtain copies of the: *Proposed Plan and Executive Budget Summary*, *Plan and Budget Summary*, and *Detailed Budget* contact the:

Budget and Management Division
City Hall - Room 603
200 East Wells Street
Milwaukee, Wisconsin 53202
(414) 286-3741
(414) 286-5475 (Fax)

or

Visit the Budget and Management website at:
www.city.milwaukee.gov/budget

BUDGET AND PLANNING PROCESS



Calendar Date	Activity
January - March	Departments Prepare Plans, Objectives, and Performance Measures
Mid-March	Departments Receive Budget Request Materials
Early May*	Department Plans and Budget Requests Due
Mid-August	Mayor's Public Hearing on Plans and Budgets
July - September	Mayor's Executive Plan and Budget Review
Late September**	Plan and Budget Submitted to Common Council
October	Legislative Hearings
Early November	Finance and Personnel Committee Budget Amendment Day
Early November ***	Common Council Action on Budget

* Legal Deadline Second Tuesday in May

** Legal Deadline September 28

*** Legal Deadline November 14

ELECTED OFFICIALS

Mayor Tom Barrett
City Attorney Tearman Spencer
City Comptroller Aycha Sawa
City Treasurer Spencer Coggs

COMMON COUNCIL

President Cavalier Johnson

District **Aldersperson**

First Ashanti Hamilton

Second Cavalier Johnson

Third Nicholas Kovac

Fourth Robert Bauman

Fifth Nikiya Dodd

Sixth Milele A. Coggs

Seventh Khalif J. Rainey

Eighth JoCasta Zamarripa

Ninth Chantia Lewis

Tenth Michael J. Murphy

Eleventh Mark A. Borkowski

Twelfth Jose G. Perez

Thirteenth Scott Spiker

Fourteenth Marina Dimitrijevic

Fifteenth Russell W. Stamper, II

MUNICIPAL JUDGES

Branch 1 Valarie A. Hill

Branch 2 Derek C. Mosley

Branch 3 Phillip M. Chavez

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Tom Barrett
Mayor, City of Milwaukee

Mayor Tom Barrett's 2021 Executive Budget Address **September 22, 2020**

Thank you very much, President Johnson.

Council Members, Treasurer Coggs, Comptroller Sawa, City Attorney Spencer--We all recognize that we are living in very uncertain times, and as a result this is going to be the most sobering budget we have worked on together.

2020 has emerged as the year when our budget challenges have reached a crescendo. We knew the 2021 budget would be problematic even before Covid-19 and the ensuing economic hit. Now, the challenge is much more severe.

Unfortunately, as some of you know, earlier this month S & P Global, one of our bond rating agencies, confirmed how substantial our fiscal challenges are when it cut our bond rating by not one, but two notches. This means our debt costs are higher. It also will make it more difficult for us to fund many of the initiatives that we would like to fund.

In lowering our rating, S & P Global noted that we have been drawing down our reserves. As you know, we've done so to maintain our vital services without any growing revenue.

This, of course, is a direct result of our relationship with the State of Wisconsin and legislature in particular. It is absolutely unbelievable that we have not received an increase in shared revenue in 18 years, especially when State revenue has increased by 61 percent during that time.

And to make matters worse, the State has not given us the ability to have a sales tax here, it has limited our ability to collect fees for the services we do perform, and it has created and continued policies that make it extremely difficult to manage our public safety costs. All these issues must be addressed.

Every budget I have presented to you incorporated challenges and compromise. We have tightened our belts every year. We have always pressed for efficiencies and insisted departments accomplish more. We have modified employee benefits and significantly cut the number of City employees. We have 650 fewer City employees now than we had in 2004.

We have also repeatedly called out the limitations imposed by State government.

Milwaukee is unique among U.S. cities in being forced to rely so heavily on one tax: the property tax. As I've said, our ability to raise revenue is significantly constrained by State law.

Coming into this budget year, I knew we knew we were going to face serious challenges with pension costs, employee healthcare and structural and fiscal issues. The pandemic and economic tsunami have made it much worse. Additionally, this budget demands attention to fundamental issues of racial justice and equity.

There really are very few options. We are cutting the number of employees and cutting services. Ideologues who blindly demand smaller government might be pleased, but our residents, who want neighborhood nuisances remedied and want public works issues addressed, may have to wait longer. Budget cuts do affect the quality of life in the City of Milwaukee.

We must and we will make progress on equity and inclusion. I have asked Nikki Purvis to lead a new office: the Office Equity and Inclusion. She will serve as the City's chief equity officer and will focus on equal rights and opportunity. We have to make sure more people achieve economic success. We have to open new doors to employment, education and greater participation in all aspects of Milwaukee life.

Throughout America and right here in Milwaukee, we are facing an historic challenge regarding law enforcement. Some citizens are demanding defunding of the police department, while others are seeking more funding for law enforcement. As heated as these arguments are and as important as this debate is, here in Milwaukee the fiscal realities make it even more difficult.

Adding to the importance of these issues, we must recognize that this entire debate is taking place when we have seen dramatic increases in homicides and non-fatal shootings in our city this year after four consecutive years of decreases in our violent crime rate.

There will be changes in the Police Department. The budget authorizes 120 fewer sworn positions. This is a change mandated by our current budget reality. As the cost of public safety climbs more and more, we simply cannot continue to cover these expenses.

Many people are probably wondering, how can it be that the police budget is almost as large as last year, and, at the same time 120 police positions will not be filled next year? The answer, is we cut salaries by \$8.5 million; but, police healthcare and other personnel costs have risen and chewed up those budgetary savings. Officer fringe benefits will climb six percent in 2021.

It's important to look back at what I have said in previous budget presentations over the past three years. Absent a local sales tax and/or an increase in State Shared Revenue, cuts to public safety are unavoidable and will continue in the future.

In my 2018 budget address I said, without a new tax, 33 police officer positions would go unfilled and cuts to the Fire Department would include the closing of several fire houses. The State did not respond. We didn't get the tax and those cuts occurred.

It's a theme that reappeared last year. In that speech, I said, with a new tax, we could eliminate staff reductions to the Police Department. Specifically, with the tax, we would not have been forced to eliminate 60 positions. But once again, the legislature did not work with us and those cuts occurred.

My point is, if it's not clear already, we're not blowing smoke about our fiscal situation. We're not playing games. The Wisconsin Policy Forum recognizes this. Many in the business community recognize this. Many in the labor community recognize this. Now the State legislature needs to realize this before it forces us to make even more draconian cuts.

There will be other changes in the Police Department. My budget removes the 9-1-1 operators and dispatchers, consolidating that function along with Fire Department dispatchers in a new division of the Fire and Police Commission.

The new Office of Emergency Communication is positioned to provide better service in a more cost effective way. I want shorter wait times, fewer transfers of calls, and better overall service for our citizens.

Sworn officers are more expensive when compared to civilians, so we have to find ways to civilianize more positions, putting sworn officers on the street rather than overseeing 9-1-1 dispatchers.

There are other important aspects of the Police Department that warrant change. I am concerned about the level of militarization. I want training to be modernized. I want a dramatic improvement in the department's relationship with the community. And, I would love to see more police officers and more firefighters too living in in the City of Milwaukee. I want them to be part of our community.

And, I want a thoughtful review of officer discipline. The Fire and Police Commission needs to endorse the 8 Can't Wait reform initiative. I know the vast majority of officers who serve our city are good officers and really good people who will embrace positive change.

I am also aware that the Police Department budget is going to disappoint some who want far less police spending and fewer police officers and it's going to disappoint those who want more spending and more police officers.

The projected sworn strength of 1,682 is 206 lower than it was just four years ago. The citizens of Milwaukee need to know this. The State legislature needs to know this. And, the State legislature also needs to know that these cuts came as a direct result of laws that limit our ability to control the cost of the Police Department and not having enough revenue.

If a sales tax is enacted, we can and I will revisit public safety issues next year.

Clearly, today, thousands of residents call the police for multiple and valid reasons, most of which are not related to violent crime. When someone picks up the phone to call the police, they are calling to ask for help. We have to recognize that. In 2019, there were 173,340 calls for service. That's 173,340 times people felt they needed help.

It's not just our residents who have asked for more police service. Just three years ago, 12 of the 15 members of the Common Council sent a letter to me and the Fire and Police Commission in support of changing the Police Department's vehicle pursuit policy, a recognition of the need for more police resources, and over the years numerous members have repeatedly asked for increased crack downs on reckless driving.

In the Fire Department, reductions mean one engine company will be cut. Vacant positions will go unfilled in other City departments. We're trimming expenses in every place we can. In some cases, residents will see additional fees to maintain basic city services. A new street lighting fee will be used to upgrade our aging street lighting system improving quality of life and enhancing public safety.

Advocates for social equity have made a compelling case for more investments in housing; and, I agree. That's why I have directed new resources to support housing programs. Funds generated by

high-end residential development downtown will be used to invest in housing opportunities in our neighborhoods. I have discussed this with several Common Council members and there is a clear consensus to invest these resources in programs promoting housing and home ownership. In all, \$6.5 million will be available next year.

One part of our new effort will be to support new homeowners with a down payment supplement--including new homeowners who have been at a disadvantage because of long-standing racial and economic inequities. As many as 200 residents could receive significant support that will allow them to become homeowners. Home ownership is a traditional path to build wealth and economic stability and will be a welcome addition in many Milwaukee neighborhoods.

We aim to support co-ops and community land trusts. We will also increase our contribution to the Housing Trust Fund. Since 2007, Milwaukee's Housing Trust Fund has invested resources to create high quality affordable housing opportunities, including projects for people most in need. From the historic Old Main Soldiers Home project which will provide housing opportunities for our veterans, to the conversion of the 37th Street School for elderly housing in the Washington Park neighborhood, to the work of Habitat for Humanity in preserving and promoting homeownership, the Trust Fund has been a valuable resource and a strong partner.

Our continued investment in the fund will leverage additional housing opportunities for Milwaukee's low income families and support my 10,000 Homes Initiative.

As I assemble these new efforts, a number of Common Council members have provided good ideas. Alderman Stamper, Alderman Rainey, Alderwoman Coggs and Alderman Murphy have all offered valuable input.

Our library system is a bright spot in City government, changing the lives of city residents by creating opportunity, making connections and imparting knowledge. For many, a path out of poverty can begin at a Milwaukee Public Library. Our libraries are constantly innovating and adapting to serve the changing needs of our constituents.

You've seen the new buildings, the modern facilities and the focus on early childhood learning. Progress will continue, and I'm happy to say library hours will remain the same in 2021.

Building on the work that started in the library, the Office of Early Education, which was championed by President Johnson, will get increased attention with the transfer of the office to City Hall under the supervision of my office. We have spoken to potential funders, and they see value in the move. Early Childhood Education is not just a social issue, it is an economic issue as well.

I want Milwaukee to be a national leader, taking full advantage of philanthropic and government resources, including a state Preschool Development Grant of \$10 million and \$1.4 million from the 53206 Initiative. Bringing this initiative into the Mayor's Office will allow coordination across all levels of city, state, and federal partners.

When I was elected Mayor, the City government's contribution to the pension fund was zero. Yes, zero. It remained that way for five years. We got our first real jolt regarding the pension fund when we were required to contribute \$49 million in 2010. In 2013 it was \$60 million. This year, it's \$71 million. It's \$71 million this year. Shocking as it may sound to some, we're looking at a potential annual payment of \$160 million in 2023, requiring us to set aside scarce tax levy funds in the pension reserve to cushion the impact.

We are facing an unsustainable demand driven primarily by the pensions for public safety employees. We must begin preparing now, setting aside money to blunt the impact of the massive payments coming due in just two years. We also need to have a real partnership with the State to help address this problem.

My budget includes an \$8 million contribution to the pension reserve fund. This is no slush fund. This is not money that we can or should transfer for other expenses in 2021. This is money we have to set aside for 2023's pension reckoning.

While Milwaukee is resilient, we need to be concerned about the threats of extreme storms and flooding increasing due to climate change. We need to reduce our reliance on fossil fuels and continue our work to reduce pavement. We also have to add green infrastructure to manage storm water.

Construction has begun on the largest solar energy project in the history of Milwaukee, located on a landfill in Alderman Spiker's district near Mitchell Airport. We will use the annual revenues from this project to create a Climate Action Plan for the City. It will recommend ways to dramatically cut our greenhouse gas emissions while creating green jobs.

As limited as our fiscal situation is, we still have an obligation to take care of our assets; and, our capital budget addresses a wide-range of infrastructure needs. We will be investing in streets, bridges, alleys, buildings, trees, equipment and our invisible infrastructure.

The 2021 proposed capital budget includes \$4 million to provide eligible property owners with financial assistance to replace lead service lines. In 2021, Milwaukee Water Works will replace 1,100 lead service lines.

The Milwaukee Health Department will reinforce the City's lead poisoning prevention, remediation and water filter distribution. We all know how important it is to keep lead from harming our children.

As the Health Department continues its commitment to lead, we all recognize its challenges became enormous with the pandemic earlier this year.

The Health Department has been at the forefront in the battle against COVID-19. It is the Health Department that has worked tirelessly to coordinate our community response, to manage the enormous task of contact tracing and to mobilize its laboratory. The people of the Health Department have stepped up in so many important ways to protect our community. In all, our Health Department will spend more than \$25 million next year on prevention, response, interventions and, yes, addressing racism as a public health issue.

My health budget continues the work of the 414 LIFE initiative. Violence interrupter training and implementation is designed to increase safety, particularly in neighborhoods hardest hit by violence. There will be a new site on the South side of Milwaukee next year serving Alderwoman Zamarripa and Alderman Perez's districts.

The 2021 Budget includes \$250,000 to pilot an initiative for outreach and access to mental health treatment. Working with the County, we will reach more residents who are in need of mental health services. Over the past few months, people have legitimately asked the question: Are police the appropriate responders to a mental health crisis?

Mental health professionals are the ones who bring the greatest knowledge and understanding of those who are dealing with mental health challenges. But, it is important to understand, County mental health workers expect assistance from police and sheriff deputies.

So, as we look at the police budget, changes in mental health responses, vary warranted, do not directly lead to cost savings.

For four consecutive years, the Council has added to the borrowing beyond what I have put in my budget. Council members have seen the concern I expressed in numerous veto messages. That added borrowing added \$500,000 per year in debt service, scarce tax levy funds that could have been available now for critical services.

The change this week in the City's bond ratings should drive home this point even more forcefully. Any decision you make adding additional borrowing in this budget will simply make it more difficult for us in the future.

We are faced with many important tasks, issues that are so important to our residents.

In the coming weeks, as you, the members of the Common Council, review this budget, the concerns I raised today will be repeated and repeatedly reinforced. Limited revenue, growing costs, looming obligations, and public expectations for basic city services all come together in a way that leaves us few, if any, alternatives.

I will continue to work for change from Madison. The dynamic the State has created is unsustainable.

But right now, we have to face the immediate fiscal reality – a reality that none of us relishes. We all want so much more for our constituents in 2021. But we must budget with constraint. We have no other option.

Thank you very much.

A handwritten signature in cursive script that reads "Tom Barrett".

Tom Barrett
Mayor

COMMITTEE ASSIGNMENTS

CHAIR

- Finance and Personnel Committee
- Housing Trust Fund Advisory Board
- Milwaukee Arts Board

VICE CHAIR

- Steering and Rules Committee

MEMBER

- Judiciary and Legislation Committee



MICHAEL J. MURPHY
ALDERMAN, 10TH DISTRICT

FINANCE AND PERSONNEL COMMITTEE REPORT ON THE 2021 ADOPTED CITY BUDGET

Recognizing the fiscal challenges facing the City, particularly the need to support residents during the uncertainty of the current public health crisis, a responsibility to meet pension obligations for our current and retired employees, and the continually increasing proportion of the City's budget devoted to police and fire services, the Common Council amended the 2021 Budget to intensify the City's efforts directed toward improving residents' quality of life.

The Common Council's Adopted Budget includes amendments to improve the health and wellness of Milwaukee's most vulnerable residents:

- Adding \$300,000 to expand the Crisis Assessment Response Team, with funding for three additional clinicians to partner with police officers in responding to mental health calls.
- Expanding the Health Department's capacity for responding to childhood lead poisoning, and adding an additional \$500,000 for abating lead hazards in owner-occupied properties.
- Adding \$200,000 to the Fresh Food Access Fund, which provides financial support for activities that increase fresh food access and healthy food choices in underserved communities.

The Common Council's Adopted Budget also includes amendments to promote peace and public safety:

- Providing \$50,000 to fund activities of the Community Collaborative Commission, an oversight body tasked with providing the community with a voice in police reform.
- Adding \$50,000 to conduct a Police survey to quantify the public's perception of and satisfaction with Police Department activities, public safety, crime and police interactions, and to identify trends based on previous surveys.
- Adding \$250,000 for Community Resource Navigators, a public-health street outreach program targeting neighborhoods impacted by high rates of violence and unemployment, to canvass and engage neighborhood residents, connect residents to food and housing insecurity resources and mental health treatment, and to provide mental health first aid.
- Adding \$150,000 to the Health Department to support anger management programs, nurturing fatherhood training, and domestic violence intervention services for men at-risk of domestic or intimate partner violence, and for the Coaching Boys to Men program.

The Common Council's Adopted Budget also includes amendments to invest in Milwaukee neighborhoods:

- Adding \$175,000 to ensure that city-owned properties are lead paint-abated prior to being sold or rented, while reducing overall borrowing authorizations by \$375,000 to help reduce the City's long-term debt burden.
- Establishing a new \$3 million "Partnership in Affordable Ownership Housing and Alternatives to Home Ownership Initiative" capital program to support affordable housing options and paths to building equity in homeownership in Milwaukee.
- Adding \$25,000 to work with residents and neighborhood stakeholders to prevent and prosecute illegal dumping in targeted areas of the city.

VII

The Council also earmarked nearly \$800,000 in funding cuts and unanticipated revenues to reduce the burden of the Mayor's new Street Lighting Fee on property owners. The Council's action will reduce the new fee on an average property from \$44 to \$40.53, saving property owners 7.9%.

The property tax levy under the 2021 Adopted Budget tax levy will increase \$8.2 million (or 2.8%). The property tax rate is reduced 49 cents to \$10.09 per \$1,000 of assessed value. Reflecting increases in property values and the decreased property tax rate, the overall tax on an average-valued Milwaukee home will increase \$29.50. Municipal fees for solid waste collection, snow and ice control, storm water, and sewer maintenance, along with a new Street Lighting Fee, will increase by an average of \$60.01, resulting in a combined cost increase of \$89.51 for an average-value home.

The 2021 Budget is fiscally sound, preserves public safety and services, and focuses on improving the health and wellness of the city's most vulnerable residents, promoting peace and public safety, and improving local neighborhoods and city infrastructure while reducing the burden of new fees on property owners.

Sincerely,



Michael J. Murphy
Alderman 10th District

THE VALUE OF MILWAUKEE

Milwaukee is a cohesive, talent rich, diverse, safe and economically vibrant community. It is nationally recognized for its manufacturing, arts, recreation, museums, academic institutions, revitalized lakefront and rivers, beautiful neighborhoods and well-maintained housing.

Milwaukee is the economic hub of the southeast region and entire State of Wisconsin, the “Fresh Coast City” that is rising fast in national stature and prominence. It is a premiere center for advanced manufacturing, fresh water research and development, clean and green technology, health care, biomedical technology and financial services. These core industries spur productivity, innovation, heightened rates of business formation and growth, a strong and growing entrepreneurial climate, and a boost in Milwaukee’s national and global competitiveness. Milwaukee’s dynamic and accessible markets attract people, business and investment in large and increasing numbers, and its transportation system is a gateway for tourism, conventions, commerce, business growth and economic development.

OUR VISION FOR MILWAUKEE

We want Milwaukee to become an even more desirable place to live and work. Our vision is a Milwaukee where opportunity is abundant and accessible to all residents - a Milwaukee where:

- Neighborhoods are safe, healthy, thriving and culturally rich;
- Children are empowered with the tools they need to reach their full potential, including a superior education;
- Residents have equal access to good family supporting jobs and benefits; and
- Our environment and economy support and sustain the quality of life for this generation and the next.

MISSION

The mission of city government is to enhance the safety, prosperity, and quality of life of all of our residents by working directly and through partnerships with our community stakeholders.

City government is dedicated to delivering services at a competitive cost and achieving customer satisfaction and responsiveness to residents. This enables the city to deliver the highest quality services possible to residents and businesses. These services enhance the value of Milwaukee by:

- Building safe and healthy neighborhoods;
- Increasing investment and economic vitality throughout Milwaukee;
- Improving workforce development and connecting more residents to family supporting jobs;
- Helping children succeed, prepare for post-secondary education, and meet their full potential;
- Promoting racial, social and economic equity for all residents; and
- Sustaining, enhancing and promoting Milwaukee’s natural environmental assets.

2021 BUDGET INTRODUCTION

The City of Milwaukee's mission is to make Milwaukee a great place to live, work, and do business. City government meets that mission by funding and providing police and fire response, infrastructure and utility services, and preserving public health and neighborhood stability.

In recent years, the City has made significant structural improvements to its budget to maximize the availability and quality of City services. Long-term challenges to the City's structural finances remain, including State aid decreases, increasing employer pension contributions, and commitments to infrastructure and neighborhood improvements.

The current tax structure for local governments and school districts in Wisconsin established by the State government limits local choices to fund public safety, streets, and health to only one: property tax increases. Recently proposed local options sales taxes would help the City continue to provide service and infrastructure by capturing the full value of Milwaukee's dynamic economy.

CITYWIDE PRIORITIES

The following priorities guide the city's budget:

- Provide safety and stability for all Milwaukee neighborhoods
- Increase economic opportunity and family supporting employment for all residents
- Protect children's health and support their educational success from birth to adulthood
- Preserve and leverage the city's environmental and physical assets
- Promote racial, social, and economic equity for all residents

FINANCIAL OBJECTIVES

To develop the 2021 Budget, the City established two primary financial objectives:

- Fund mission critical services while limiting the increase in tax levy and municipal service charge on the typical residential property to 3% or less.
- Manage long term obligations such as core infrastructure, debt, and pension benefits in a manner that stabilizes ongoing funding requirements.

BUDGET STRATEGY

The city's strategy to achieve structural balance includes three main components:

- **Resize:** Reduce the scale of city government operations
- **Restructure:** Increase productivity and reduce staffing through technology, automation, and functional consolidations
- **Reinvest:** Make strategic investments in equipment, data applications, process improvements, and people; and engage in redevelopment to improve the tax base and economic opportunities

ADVANCING RACIAL EQUITY

Racial disparities persist across key indicators of child, family, and community well-being in Milwaukee. It is critical for the City of Milwaukee to achieve racial equity within city government itself and in the communities it serves. The City of Milwaukee is committed to implementing strategies, policies, and practices designed to advance and achieve racial equity in areas including health, housing, education, employment, environment, and criminal justice,

as well as in the delivery of quality and timely government services. This commitment is essential to achieving the city's strategic goal to promote racial, social, and economic equity for all residents.

Through the efforts of the Racial Equity Leadership Team, as outlined in the city's 2020-2021 Racial Equity Action Plan, the city will build capacity and strengthen relationships so that departments can work more effectively and collaboratively to advance racial equity, and identify and change policies and practices that may be contributing to racial disparities and inequity. In addition, the city will develop a shared racial equity framework with data-driven tools and measures to evaluate progress. This framework will provide an enhanced structure for incorporating equity practices in city government. It is designed to integrate explicit consideration of racial equity in decision-making and will be used to apply a racial equity lens to the annual budget process moving forward as city and department-level goals and outcomes are developed.

OFFICE OF EQUITY AND INCLUSION

The 2021 Budget creates an Office of Equity and Inclusion in the Department of Administration. The office will focus on government compliance, accountability and equal rights, while the Office of African American Affairs will focus on service delivery and community engagement and partnerships. Both will support four equity and inclusion goals:

- Improve the racial equity practices of existing and new services
- End disparities in City government
- Strengthen outreach and community engagement with people of color
- Strengthen partnerships with community stakeholders

OFFICE OF AFRICAN AMERICAN AFFAIRS

The OAAA will provide African American residents with direct services and resources in areas including employment, job training, education, and health services. In 2021, the OAAA will guide efforts to improve black male achievement. Through the My Brother's Keeper (MBK) Action Plan, Black Male Achievement Advisory Council (BMAAC), and the Milwaukee Fatherhood Initiative (MFI), OAAA will work to increase awareness of resources and services that are available to improve life outcomes for males of color.

All of these efforts support the City's goal to promote racial, social and economic equity for all residents, a Milwaukee where opportunity is abundant and accessible to all. Several strategies will be implemented to support this goal, including:

- Create a Racial Equity and Inclusion Leadership Team comprised of two members from each City Department who are passionate about promoting equity and inclusion.
- Implement racial equity and anti-racism training for City employees, starting with frontline managers.
- Create and implement a plan to recruit diverse talent.
- Increase access to City and other community services through the Office of African American Affairs (OAAA) in collaboration with government agencies and nonprofits.
- Strengthen and expand racial equity and inclusion partnerships. The City will collaborate with the Milwaukee County OAAA, local foundations and others focused on racial equity to develop initiatives.

The 2021 budget also includes funding for mental health education, potential expansion of the lead program and additional funding for the Office of Violence Prevention.

STATE SHARED REVENUE

Wisconsin’s tax system collects sales, income, and various business and excise taxes, and redistributes a portion of them to municipal governments as “shared revenue.” The State Shared Revenue Program distributes payments to municipalities based on their ability to generate revenues. Since 2003, the State Legislature and Governor have chosen to keep shared revenues to local government near zero growth. In 2004 and again in 2011, the State reduced the city’s shared revenue payment by a total of \$21.8 million. Given inflation in major costs for local government, that means that the value of state aid for local budgets has decreased considerably since 2003. Figure 1 shows 2003 shared revenue, the shared revenue payment if increased by the rate of inflation and the 2020 shared revenue payment.

Limits by State law on the property tax levy growth and charging fees for service force the City to rely heavily on the property tax levy. Many local governments and school districts in Wisconsin are facing the same structural financing issue.

Prior to 2011, the City of Milwaukee received more in aids from the State than the taxes paid by the City to the State. By 2015 the City paid the State \$464.7 million more than it received in State aids and over the period of 2011 to 2015 paid \$1.1 billion more.

PENSION FUNDING

Costs for current and future pension benefits present another fiscal challenge. The City of Milwaukee, as the plan sponsor for the City’s Employee Retirement System, has proactively addressed pension costs with innovative strategies. Those include setting a 5-year “stable contribution” policy, working with employees to share funding costs, changing benefits for new employees, and creating a reserve fund to cushion against large changes in pension funding requirements.

The current stable contribution period runs through 2022, and requires approximately \$71 million per year in City pension payments. Investment income earned by the Employees Retirement System fund is the other source of funding for pensions.

Figure 1

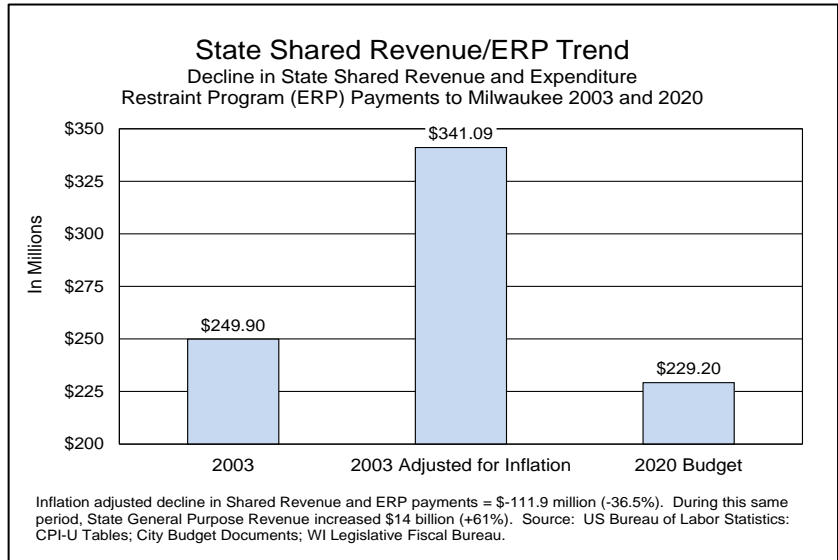
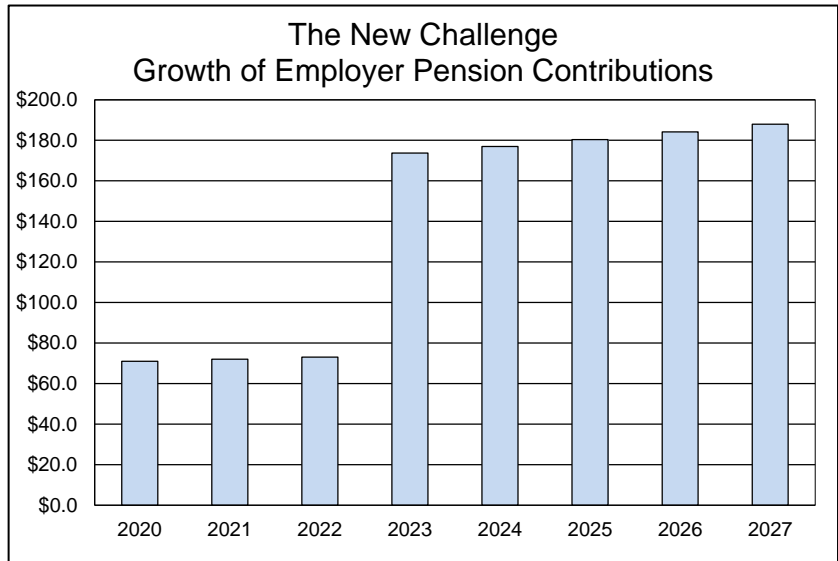


Figure 2



The Pension Board approved a lower rate of return on investments beginning with the 2019 Actuarial Valuation. Reducing the rate of return for investments from 8.25% to 7.5% increasing the required contribution from the City.

Figure 2 shows the magnitude of the pension contribution that the City expects to experience in 2023. Actuarial forecasts for the next 5-year stable contribution period project an increase of nearly \$100 million per year in required pension funding. In 2021, City budget will set aside funds in the pension reserve fund to assist in smoothing the large increase in future pension contributions. This increased cost will put tremendous pressure on the property tax levy.

LOCAL OPTION TAXES

Since 2016, the City’s police budget is larger than State shared revenue and the property tax levy, as shown in Figure 3. The Police department budget is 95% salaries and benefits. Despite relatively stable staffing, Police costs continue to grow due to wage increases and associated future pension benefits.

This trend’s implications are particularly evident upon examination of funding for the Milwaukee Police Department. As Figure 3 illustrates, in 2004 the State Shared Revenue payment to Milwaukee was almost \$52 million larger than the total operating budget for the Police Department. In 2016, the police budget was greater than the City’s property tax levy. In the 2021 proposed budget, for the first time since 2016, the police budget will not be higher than the tax levy.

Figure 3

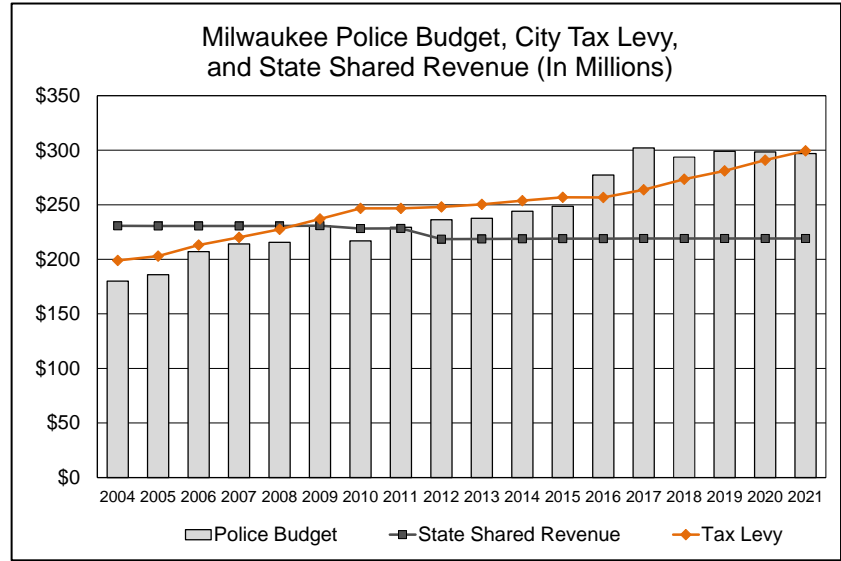
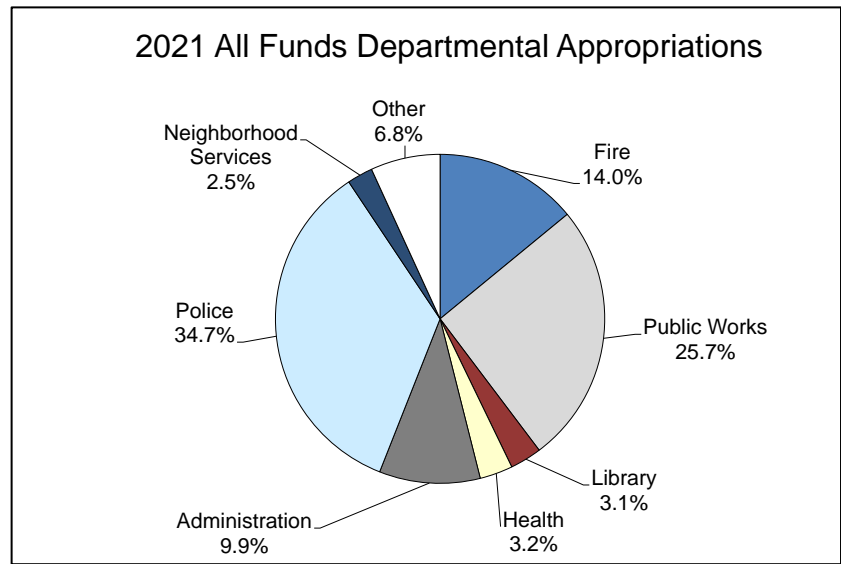


Figure 4



The City normally faces an annual structural gap of \$30 million to deliver the same service levels. In 2021 the gap was \$60 million. A 4% annual increase in property taxes, which is above state property tax limits, could not keep up with cost growth in existing Police and Fire budgets. The gap that remains would be roughly equivalent to the Library, Health Department and the Department of Neighborhood Services budgets.

Milwaukee is at a fiscal crossroads. Future budgets cannot sustain core City services and continue meeting the City’s pension obligations. To preserve critical City services and current police and fire staffing, a local sales tax has been proposed that would require adoption of a referendum for approval.

State approval by the Legislature and Governor is required to allow the City to put the sales tax to a voter referendum. A referendum on the April 2021 ballot, if approved by the voters, could restore funding for police and fire services as early as October 2021.

MAJOR PROGRAM INITIATIVES AND CHANGES

A majority of the general fund is allocated to police, fire and public works. Figure 4 shows the all funding received by departments. This is followed by funding highlights for the 2021 Budget.

Public Safety

- The Police Department uses strategic staffing practices to optimize patrol capacity. The 2021 budget includes funding for an average of 1,682 sworn officers. This is a decrease of 120 sworn officers from the 2020 strength level. The department will hire 30 officers in early 2021. These positions will be funded by a COPS grant at no cost to the city.
- The Fire Department's community paramedic program ensures that the 9-1-1 system is utilized appropriately and provides Milwaukee's citizens with the appropriate care for their health care needs. During 2016 an initial pilot program focused on proactively visiting frequent 9-1-1 callers at scheduled times to assist the patient through the health care system. In 2019, the program has reduced 9-1-1 calls by 70% for callers in the program since it began.
- The 2021 budget reduces a Fire Department heavy apparatus with a cost savings of \$1.9 million. Response times to fire and emergency medical service calls are expected to increase by 6 to 8 seconds but remain superior to national standards. If the sales tax is approved, the City would restore this unit.
- Continued funding for the 5-year community collaborative and monitoring outlined in the settlement with the American Civil Liberties Union of Wisconsin. The 2021 Budget includes \$300,000 in the Police budget for this effort.

Public Works

- Core infrastructure programs including streets, bridges, street lighting, and sewers total \$71.2 million in the 2021 budget. The 2021 Budget repaves and reconstructs 21 miles of major streets, local streets, and high traffic streets serving commercial corridors.
- Funding to replace 1,100 lead water service lines. The City assists with funding of the private side of the replacement, and the Water Works funds the public side. Total City funding for 2021 will be \$4 million, from the City's capital improvement budget. Another \$5.6 million will be provided with utility funding.
- Funding of \$25 million to replace and line 10 miles of medium to large combined storm and sanitary sewer mains and an additional \$2 million to line 11 miles of small diameter sanitary sewer main and inspect sanitary sewer manholes.
- Funding for the downspout disconnection program. The program provides incentives for residential properties that contain up to four units to disconnect their downspouts from the combined sewer system by 2025. An estimated 50,000 residential parcels will need their downspout disconnected.
- Replacement of 20 miles of water mains and \$4.4 million for water facilities.

Neighborhoods and Development

- Funding for neighborhood investment, affordable housing and homeownership totaling \$11.8 million. This funding supports Mayor Barrett's commitment to creating or funding 10,000 affordable housing units in 10 years, starting in 2018.
- Improvements to the nuisance garbage policies to facilitate more timely abatement. Potential violations are referred sooner to contractors in order to expedite clean-up and technology has been implemented to enable timely intake and routing of garbage complaints.
- Continued funding for the Strong Loan Program and the Code Compliance Loan Program as well as commercial corridor revitalization.

Culture and Recreation

- Continued service levels at Milwaukee's libraries, including after-school and employment resource programs. Library hours will remain the same in 2021.
- There is \$300,000 in capital funding for the MKE Plays program which replaces City playgrounds. Additional funds are raised through donations.

Health

- The 2021 budget includes \$4,000,000 in CDBG funding to continue the City's efforts in preventing and containing the spread of COVID-19. Funding will support positions that perform testing and contact tracing, including the addition of 325 auxiliary positions.
- In 2021, MHD will continue to improve the Lead Program. It is critical to ensure that Milwaukee has a strong and effective lead poisoning prevention and remediation program. Procedures and management are in place to ensure the program is effective. Several new positions were added in 2020 and 2021 to improve intake of new cases, assist families if they must temporarily or permanently vacate a property, and comply with program requirements.
- The 2021 Budget adds \$200,000 in CDBG funding to expand the violence prevention interrupter program to the Southside.
- There is \$250,000 for the Health Department to provide mental health awareness and education. The department will work with Milwaukee County to coordinate the program.

REVENUES

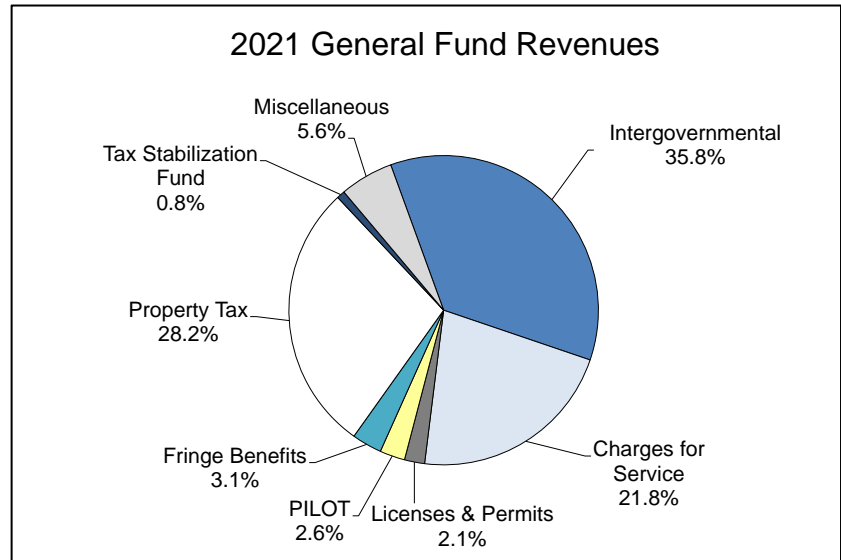
The City of Milwaukee is unusual in its reliance on intergovernmental revenues (35.8%) and property taxes (28.2%) for general fund revenue (see Figure 5). Research from the Wisconsin Policy Forum pertaining to a peer group of 39 cities (including Milwaukee) with populations between 300,000 and one million indicates that Milwaukee's revenue structure is highly unusual. For example, in 2012, property taxes comprised 96% of Milwaukee's local tax revenues. No other city in the peer group approached this level of property tax reliance as a percentage of local tax funds.

Research indicates that intergovernmental aid does not provide Milwaukee with an unusual level of total revenue. In fact, Milwaukee ranks 8% lower than average in total revenue per capita among its peers.

The City relies much more than its national peers on a limited number of revenue sources, namely the property tax and intergovernmental revenues (comprised mostly of State aids). The decline in State aids requires the City to

increase property taxes and service charges to bridge the gap. For example, between 2004 and 2019 the City increased charges for service as a percentage of general city purposes revenue from 11.6% to 20.7%. See Figure 5 for a breakdown of City general fund revenues and the large reliance on intergovernmental revenue, property taxes and charges for service

Figure 5



STREET LIGHTING FEE

The City has found itself with the difficult challenge of needing to increase street lighting maintenance but being unable to fund such maintenance. In fact, it has become nearly impossible to maintain a reasonable lower service level to preserve our current lighting system. In 2021, the City is implementing a street lighting fee

that is legal under State law that does not impact the City’s levy limit. The fee will generate \$9.7 million and this additional revenue will enable the City to increase and improve street lighting services in a manner that meets its goals for fixing street lighting outages in a timely manner.

BUDGET BOTTOM LINE

The city’s property tax levy for the 2021 budget is \$299.2 million. This is an increase of \$8.2 million from the 2020 property tax levy or a 2.81% increase.

The impact of the property tax levy and municipal service charges on the typical residential property is \$89.32 or 5.2%. This is based on the following factors:

- The average residential property value increased from \$117,601 in 2019 to \$126,235 in 2020
- The tax rate per \$1,000 of assessed value decreased from the 2020 rate of \$10.58 to the 2021 rate of \$10.09
- City property taxes on the average-valued home increase \$28.84
- 2021 municipal service fees increases \$60.48 for the typical homeowner

The 2021 capital budget tax levy GO borrowing is reduced by \$0.4 million.

CONCLUSION

The city’s structural imbalance is, in large part, the challenge of public safety funding. The city’s structural imbalance needs to be corrected. Milwaukee’s huge and dynamic economy brings millions of people into the city, creating jobs throughout the city and making the city a great place to live. Yet the City is not able to capture the value of major sports events, festivals, and all the economic activity it generates to fund critical services and invest in streets and infrastructure. Adding a local sales tax is critical to the City’s financial future, and makes funding local government more fair for city residents and property taxpayers.

The City of Milwaukee has persistent challenges to structural balance over the last two decades. Independent third party analysts as well as credit rating agencies conclude that the primary factor behind this challenge has been a revenue system that fails to generate even inflationary annual growth. This reality forms the rationale for the sales tax proposal.

2021 ADOPTED BUDGET AND TAX RATE COMPARED TO PRIOR YEAR

Purpose Of Expenditure And Funding Source	2020 Adopted Budget	2021 Adopted Budget	CHANGE 2021 Minus 2020 Adopted	2020 Adopted Budget	2021 Adopted Budget	CHANGE 2021 Minus 2020 Adopted
A. GENERAL CITY PURPOSES						
1. Budget (Expenditure Authority)	\$637,625,198	\$639,198,992	\$1,573,794			
2. Non Tax Levy Funding	522,395,200	526,412,890	4,017,690			
3. Tax Levy Funding	115,229,998	112,786,102	-2,443,896	\$4.19	\$3.81	\$-0.38
B. EMPLOYEE RETIREMENT						
1. Budget (Expenditure Authority)	\$120,023,177	\$120,223,657	\$200,480			
2. Non Tax Levy Funding	23,312,834	22,875,804	-437,030			
3. Tax Levy Funding	96,710,343	97,347,853	637,510	\$3.52	\$3.28	\$-0.24
C. CAPITAL IMPROVEMENTS						
1. Budget (Expenditure Authority)	\$155,624,000	\$138,481,415	\$-17,142,585			
2. Non Tax Levy Funding	155,058,000	137,861,300	-17,196,700			
3. Tax Levy Funding	566,000	620,115	54,115	\$0.02	\$0.02	\$0.00
D. CITY DEBT						
1. Budget (Expenditure Authority)	\$267,569,200	\$258,812,500	\$-8,756,700			
2. Non Tax Levy Funding	194,057,000	175,366,000	-18,691,000			
3. Tax Levy Funding	73,512,200	83,446,500	9,934,300	\$2.67	\$2.81	\$0.14
F. CONTINGENT FUND						
1. Budget (Expenditure Authority)	\$5,000,000	\$5,000,000	\$0			
2. Non Tax Levy Funding	0	0	0			
3. Tax Levy Funding	5,000,000	5,000,000	0	\$0.18	\$0.17	\$-0.01
SUBTOTAL (A+B+C+D+F)						
1. Budget (Expenditure Authority)	\$1,185,841,575	\$1,161,716,564	\$-24,125,011			
2. Non Tax Levy Funding	894,823,034	862,515,994	-32,307,040			
3. Tax Levy Funding	291,018,541	299,200,570	8,182,029	\$10.58	\$10.09	\$-0.49
G. TRANSPORTATION FUND						
1. Budget (Expenditure Authority)	\$51,037,376	\$49,044,330	\$-1,993,046			
2. Non Tax Levy Funding	51,037,376	49,044,330	-1,993,046			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
H. GRANT AND AID						
1. Budget (Expenditure Authority)	\$94,946,990	\$51,347,144	\$-43,599,846			
2. Non Tax Levy Funding	94,946,990	51,347,144	-43,599,846			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
I. DEVELOPMENT FUND						
1. Budget (Expenditure Authority)	\$11,484,600	\$17,252,181	\$5,767,581			
2. Non Tax Levy Funding	11,484,600	17,252,181	5,767,581			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
J. WATER DEPARTMENT						
1. Budget (Expenditure Authority)	\$152,461,000	\$150,102,511	\$-2,358,489			
2. Non Tax Levy Funding	152,461,000	150,102,511	-2,358,489			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
K. SEWER MAINTENANCE FUND						
1. Budget (Expenditure Authority)	\$107,495,178	\$114,954,259	\$7,459,081			
2. Non Tax Levy Funding	107,495,178	114,954,259	7,459,081			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
M. COUNTY DELINQUENT TAXES FUND						
1. Budget (Expenditure Authority)	\$8,000,000	\$8,000,000	\$0			
2. Non Tax Levy Funding	8,000,000	8,000,000	0			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
SUBTOTAL (G+H+I+J+K+M)						
1. Budget (Expenditure Authority)	\$425,425,144	\$390,700,425	\$-34,724,719			
2. Non Tax Levy Funding	425,425,144	390,700,425	-34,724,719			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
TOTAL (A thru M)						
1. Budget (Expenditure Authority)	\$1,611,266,719	\$1,552,416,989	\$-58,849,730			
2. Non Tax Levy Funding	1,320,248,178	1,253,216,419	-67,031,759			
3. Tax Levy Funding	291,018,541	299,200,570	8,182,029	\$10.58	\$10.09	-\$0.49

Tax Rates and Assessed Value - 2021 rate column is based on an estimated assessed value of: \$29,685,041,104 as of December 22, 2020.

PROPERTY TAX PROFILE COMBINED PROPERTY TAX RATES 2017 THROUGH 2021

(Per \$1,000 Assessed Valuation, Rounded to the Nearest Full Cent. Rates May Not Add Due to Rounding)

City of Milwaukee (Controlled by the Common Council)	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General City Purposes	\$4.70	\$4.22	\$4.51	\$4.19	\$3.81
Provision for Employee Retirement	3.18	3.70	3.26	3.52	3.28
Capital Improvement Program	0.01	0.03	0.04	0.02	0.02
City Debt (Including School Debt)	2.66	2.60	2.58	2.67	2.81
Common Council Contingent Fund	0.20	0.20	0.19	0.18	0.17
Subtotal City of Milwaukee	\$10.75	\$10.75	\$10.59	\$10.58	\$10.09
Area Board of Vocation, Technical and Adult Education District Nine	\$1.31	\$1.26	\$1.23	\$1.19	\$1.13
Milwaukee School Board	11.46	10.71	9.44	9.57	10.39
Metropolitan Sewerage District	1.82	1.72	1.69	1.66	1.56
State Forestry	0.18	0.00	0.00	0.00	0.00
Milwaukee County	5.31	5.05	4.90	4.83	4.54
Subtotal Other Taxing Bodies	\$20.08	\$18.74	\$17.26	\$17.25	\$17.62
Total Combined Tax Rate	\$30.83	\$29.49	\$27.85	\$27.83	\$27.71
State Tax Credit	\$-2.13	\$-2.19	\$-1.97	\$-1.76	\$-1.55
Net Tax Rate	\$28.70	\$27.30	\$25.88	\$26.07	\$26.16

PROPERTY TAX LEVIES FOR COMMON COUNCIL CONTROLLED PURPOSES

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General City Purposes	\$115,212,740	\$107,191,811	\$119,704,126	\$115,229,998	\$112,786,102
Provision for Employee Retirement	77,982,361	94,188,661	86,619,281	96,710,343	97,347,853
Capital Improvement Program	300,000	889,000	1,114,000	566,000	620,115
City Debt	65,280,205	66,215,500	68,558,500	73,512,200	83,446,500
Common Council Contingent Fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Property Tax Levies for Common Council Controlled Purposes	\$263,775,306	\$273,484,972	\$280,995,907	\$291,018,541	\$299,200,570

TAXABLE ASSESSED VALUATION

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Residential	\$14,438,034,368	\$14,854,223,750	\$15,647,625,900	\$16,098,608,880	\$17,953,629,068
Commercial	9,964,809,169	10,496,050,788	11,255,216,460	11,915,465,884	12,426,338,857
Manufacturing	728,863,500	765,075,100	763,522,500	790,548,200	829,539,400
Total Real Estate	\$25,131,707,037	\$26,115,349,638	\$27,666,364,860	\$28,804,622,964	\$31,209,507,325
Personal Property	\$842,551,928	\$822,009,672	\$682,203,143	\$685,223,248	\$721,121,379
Total Taxable Assessed Valuation*	\$25,974,258,965 (a)	\$26,937,359,310 (b)	\$28,348,568,003 (c)	\$29,489,846,212 (d)	\$31,930,628,704 (e)

*Amount Includes Tax Increment District Assessed Value

(a) Based upon assessed values as of December 2, 2016.

(b) Based upon assessed values as of December 1, 2017.

(c) Based upon assessed values as of December 7, 2018.

(d) Based upon assessed values as of December 5, 2019.

(e) Based upon assessed values as of December 22, 2020.

Comparisons by Budget Sections Between 2021 Adopted Budget Versus 2020 Adopted Budget, Revenues, Tax Levies, and Resulting Changes

	<u>2020 Adopted Budget</u>	<u>2021 Adopted Budget</u>	<u>Change 2021 Adopted Budget Versus 2020 Adopted Budget</u>
A. General City Purposes			
Appropriations			
Salaries and Wages	\$394,326,673	\$386,395,574	\$-7,931,099
Fringe Benefits	163,374,201	185,404,440	22,030,239
Operating Expenditures	79,333,010	83,896,218	4,563,208
Equipment Purchases	6,503,493	6,995,511	492,018
Special Funds	14,024,420	13,487,737	-536,683
Special Purpose Account Miscellaneous*	18,787,602	19,223,952	436,350
Workers Compensation Special Purpose Accounts	12,500,000	13,000,000	500,000
Employee Health Care Special Purpose Accounts	112,150,000	116,200,000	4,050,000
Fringe Benefit Offset	-163,374,201	-185,404,440	-22,030,239
Total Appropriations	<u>\$637,625,198</u>	<u>\$639,198,992</u>	<u>\$1,573,794</u>
Funding Sources			
General City Revenues	\$512,395,200	\$519,912,890	\$7,517,690
Tax Stabilization Fund Withdrawal	10,000,000	6,500,000	-3,500,000
Property Tax Levy	115,229,998	112,786,102	-2,443,896
Total Revenues	<u>\$637,625,198</u>	<u>\$639,198,992</u>	<u>\$1,573,794</u>
B. Employee Retirement			
Total Appropriations	\$120,023,177	\$120,223,657	\$200,480
Funding Sources			
Non-Property Tax Revenue	\$23,312,834	\$22,875,804	\$-437,030
Property Tax Levy	96,710,343	97,347,853	637,510
Total Revenues	<u>\$120,023,177</u>	<u>\$120,223,657</u>	<u>\$200,480</u>
C. Capital Improvements			
Total Capital Improvements Program			
Appropriations	\$155,624,000	\$138,481,415	\$-17,142,585
Funding Sources			
1. Borrowing (General Obligation)			
a. New	\$83,543,000	\$82,766,300	\$-776,700
2. Borrowing (Tax Incremental Districts)			
a. New	\$44,000,000	\$25,000,000	\$-19,000,000
3. Special Assessments (Internal Borrowing)			
a. New	\$3,830,000	\$3,535,000	\$-295,000
4. Cash Financed			
a. From Revenues	\$23,685,000	\$26,560,000	\$2,875,000
c. From Tax Levy	566,000	620,115	54,115
d. Total Cash Financed	24,251,000	27,180,115	2,929,115
Total Revenues (Capital Improvements)	<u>\$155,624,000</u>	<u>\$138,481,415</u>	<u>\$-17,142,585</u>

	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
D. City Debt			
Total Appropriations			
(Includes Borrowing for Milwaukee Public Schools)	\$267,569,200	\$258,812,500	\$-8,756,700
Funding Sources			
Revenues	\$37,529,000	\$15,465,000	\$-22,064,000
TID Increments	31,130,000	30,207,000	-923,000
Delinquent Tax Revenue	15,398,000	12,194,000	-3,204,000
Offset and Premium	110,000,000	117,500,000	7,500,000
Property Tax Levy	73,512,200	83,446,500	9,934,300
Total Revenues	<u>\$267,569,200</u>	<u>\$258,812,500</u>	<u>\$-8,756,700</u>
F. Common Council Contingent Fund			
Total Appropriations	\$5,000,000	\$5,000,000	\$0
Funding Sources			
Total Revenue (Property Tax Levy)	\$5,000,000	\$5,000,000	\$0
Subtotals (Items A through F)			
City Budget Appropriations	\$1,185,841,575	\$1,161,716,564	\$-24,125,011
Less: Non-Property Tax Revenues	\$894,823,034	\$862,515,994	\$-32,307,040
Property Tax Levies	\$291,018,541	\$299,200,570	\$8,182,029
Special Revenue Accounts (Items G through M)			
G. Transportation Fund			
Total Appropriations	\$51,037,376	\$49,044,330	\$-1,993,046
Funding Sources			
Current Revenues	\$28,437,936	\$23,822,433	\$-4,615,503
Withdrawal from Reserves	3,674,440	8,021,897	4,347,457
Citation Revenue and Processing	16,200,000	15,400,000	-800,000
New Borrowing	2,725,000	1,800,000	-925,000
Total Revenues	<u>\$51,037,376</u>	<u>\$49,044,330</u>	<u>\$-1,993,046</u>
H. Grant and Aid			
Total Appropriations	\$94,946,990	\$51,347,144	\$-43,599,846
Funding Sources			
Grantor Share	\$94,946,990	\$51,347,144	\$-43,599,846
Total Revenues	<u>\$94,946,990</u>	<u>\$51,347,144</u>	<u>\$-43,599,846</u>
I. Economic Development			
Total Appropriations	\$11,484,600	\$17,252,181	\$5,767,581
Funding Sources			
BID Assessment/Excess TID Revenue	\$11,484,600	\$17,252,181	\$5,767,581
Total Revenues	<u>\$11,484,600</u>	<u>\$17,252,181</u>	<u>\$5,767,581</u>
J. Water Works			
Appropriations			
Operating Budget	\$94,531,772	\$98,869,511	\$4,337,739
Capital Improvements Program	44,570,000	40,300,000	-4,270,000
Debt Service (Principal and Interest)	8,901,000	10,933,000	2,032,000
Capital Funding from Retained Earnings	4,458,228	0	-4,458,228
Total Appropriations	<u>\$152,461,000</u>	<u>\$150,102,511</u>	<u>\$2,099,739</u>

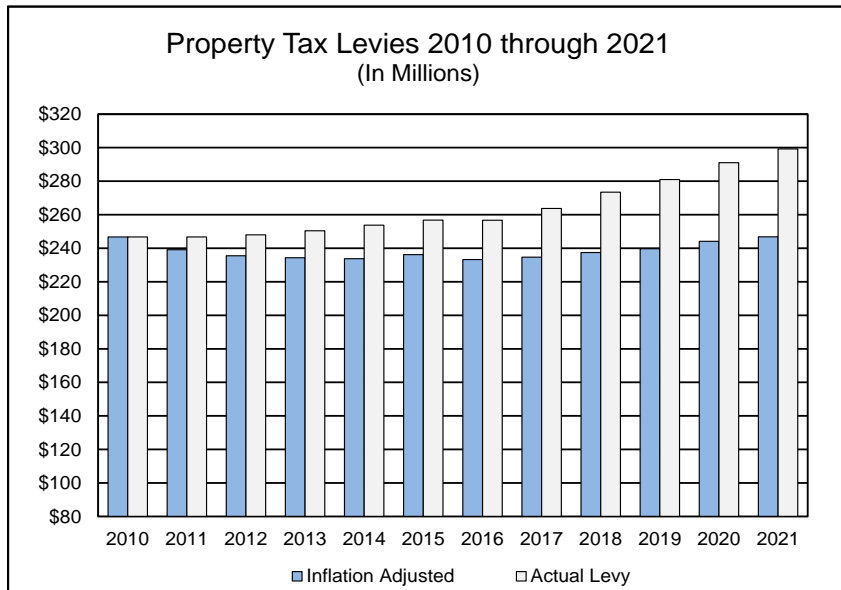
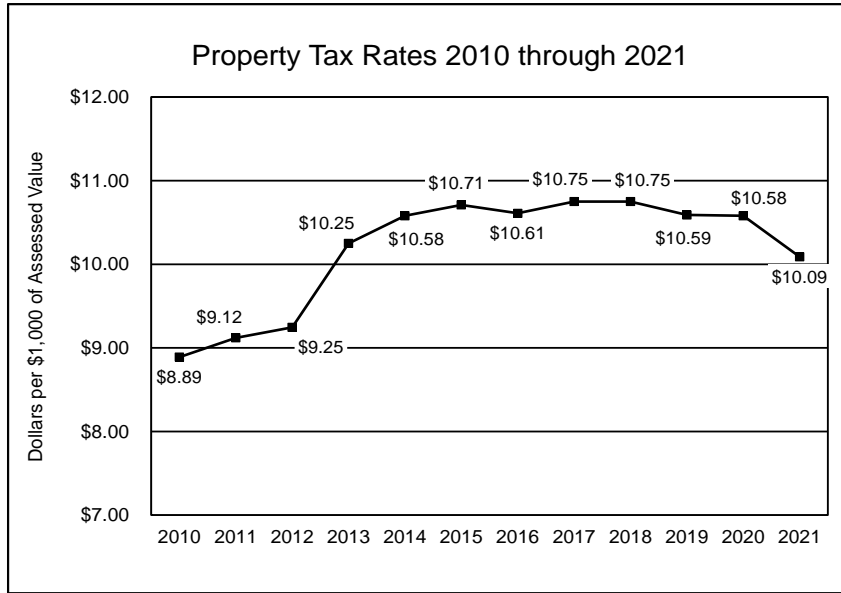
	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Funding Sources			
Current Operating Revenues	\$94,675,000	\$91,003,000	\$-3,672,000
Non-Operating Revenues	13,226,000	11,818,000	-1,408,000
Proceeds from Borrowing	40,101,772	40,290,000	188,228
Use of Retained Earnings	4,458,228	6,991,511	2,533,283
Total Revenues	\$152,461,000	\$150,102,511	\$-2,358,489
K. Sewer Maintenance			
Appropriations			
Operating Budget	\$73,345,178	\$74,604,259	\$1,259,081
Capital Improvements Program	34,150,000	40,350,000	6,200,000
Total Appropriations	\$107,495,178	\$114,954,259	\$7,459,081
Funding Sources			
Sewer User Fee	\$32,371,573	\$33,258,160	\$886,587
Storm Water Management Fee	37,118,714	38,809,680	1,690,966
Charges for Services	1,706,600	1,688,200	-18,400
Miscellaneous Revenue and Retained Earnings	6,998,291	6,698,219	-300,072
Proceeds from Borrowing	29,300,000	34,500,000	5,200,000
Total Revenues	\$107,495,178	\$114,954,259	\$7,459,081
M. County Delinquent Taxes			
Appropriations			
Operating Budget	\$8,000,000	\$8,000,000	\$0
Total Appropriations	\$8,000,000	\$8,000,000	\$0
Funding Sources			
Operating Revenue	\$8,000,000	\$8,000,000	\$0
Total Revenues	\$8,000,000	\$8,000,000	\$0
Subtotals Special Revenue Account Budgets (Items G through M)			
Total Budgets	\$425,425,144	\$390,700,425	\$-30,266,491
Total Revenues (Non-Property Tax)	\$425,425,144	\$390,700,425	\$-34,724,719
Grand Totals (Items A through M)			
Budget Appropriations	\$1,611,266,719	\$1,552,416,989	\$-54,391,502
Less: Non-Property Tax Revenues	\$1,320,248,178	\$1,253,216,419	\$-62,573,531
Property Tax Levies	\$291,018,541	\$299,200,570	\$8,182,029

Note: All adopted budgets for governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance reserved for tax stabilization. For budget purposes, the fund balance reserved for tax stabilization is reflected as other financing sources. However, for accounting purposes it is reflected as part of the overall fund balance.

* The Wages Supplement Fund appropriation for pending labor agreements is shown in this table under "Salaries and Wages" but is budgeted under "Special Purpose Accounts Miscellaneous" in the line budget.

PROPERTY TAX RATE AND LEVY COMPARISON

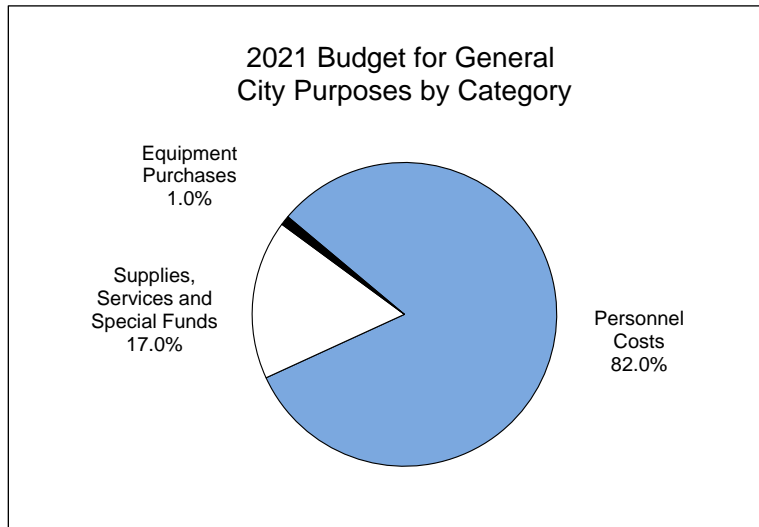
The graphs below show property tax rates and levies for the City of Milwaukee from 2010 through the 2021 budget. The 2021 tax rate of \$10.09 is \$0.49 lower than the 2020 rate of \$10.58. The 2021 tax levy of \$299.2 million is \$8.2 million higher than the 2020 levy. The property tax rate has increased by \$1.20 from \$8.89 in 2010 to the 2021 rate of \$10.09. During this same period, the “real” or inflation adjusted property tax levy has not increased.



GENERAL CITY PURPOSES SPENDING

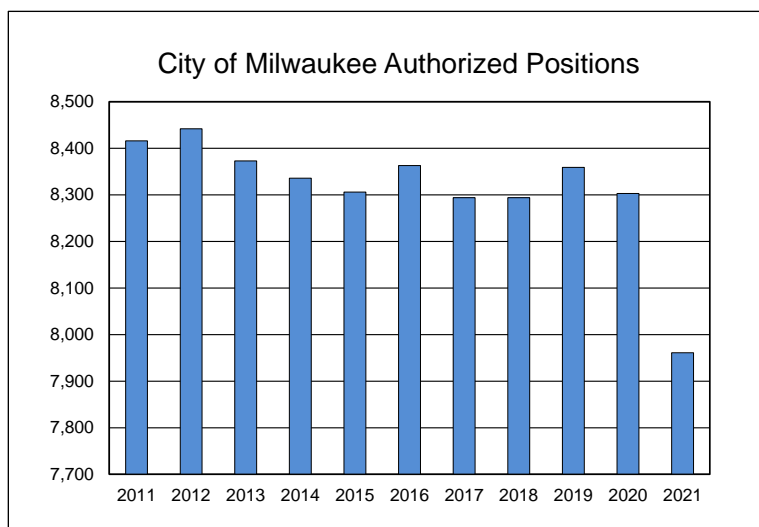
The pie chart below depicts the proportions of general city purposes spending allocated to personnel costs (82.0%), supplies, services, and special funds (17.0%), and equipment purchases (1.0%) in the 2021 budget.

It should be noted that the 2021 budget also funds approximately \$11.2 (DPW, FIRE, MPD) million of major equipment purchases in the capital budget.



AUTHORIZED POSITIONS

The following bar graph indicates changes in authorized positions from 2011 to 2021. Funding for personnel costs (which include salary and wages) relates directly to the number of positions authorized citywide. Excluding temporary and seasonal staff, the 2021 budget reflects a decrease of 342 positions from 2020 levels (8,303 in 2020 to 7,961 in 2021).



CHANGE IN POSITIONS

	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
General City Purposes			
Administration, Dept. of	167	168	1
Assessor's Office	59	57	-2
City Attorney	64	65	1
City Development, Dept. of	121	121	0
Common Council City Clerk	125	125	0
Comptroller's Office	59	59	0
Election Commission	2,531	1,532	-999
Employee Relations, Dept. of	81	81	0
Fire and Police Commission	34	37	3
Fire Department	874	860	-14
Health Department	285	637	352
Library	364	359	-5
Mayor's Office	16	16	0
Municipal Court	39	36	-3
Neighborhood Services, Dept. of	289	285	-4
Police Department	2,828	2,732	-96
Port Milwaukee	35	35	0
Public Works, Dept. of (Total)	(2,261)	(1,682)	(-579)
Administrative Services Division	45	43	-2
Infrastructure Services Division	820	824	4
Operations Division	1,396	815	-581
Special Purpose Account	11	11	0
Treasurer's Office	50	50	0
General City Purposes Total	10,293	8,948	-1,345
General City Purposes Total *	7,773	7,428	-345
Pensions			
Deferred Compensation	3	3	0
Employees' Retirement System	57	58	1
Pensions Total	60	61	1
Special Revenue Funds			
Transportation Fund	127	118	-9
Sewer Maintenance Fund	148	156	8
Water Works	436	439	3
Special Revenue Funds Total	711	713	2
Subtotal Budgeted Positions	11,064	9,722	-1,342
Less Temporary Positions	2,761	1,761	-1,000
Total Budgeted Positions	8,303	7,961	-342

*Does not include Election Commission temporary election workers (2,520 in 2020 and 1,520 in 2021) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS O&M Funded

	2020 Adopted <u>Budget</u>	2021 Adopted <u>Budget</u>	Change 2021 Adopted Budget Versus <u>2020 Adopted Budget</u>
General City Purposes			
Administration, Department of	96.30	103.64	7.34
Assessor's Office	48.00	47.00	-1.00
City Attorney	58.50	59.50	1.00
Common Council City Clerk	99.57	99.07	-0.50
Comptroller's Office	48.40	47.10	-1.30
Department of City Development	50.50	49.40	-1.10
Election Commission *	8.00	9.00	1.00
Employee Relations, Department of	44.83	41.69	-3.14
Fire and Police Commission	22.40	27.00	4.60
Fire Department	875.90	865.25	-10.65
Health Department	164.26	162.12	-2.14
Library	298.28	293.28	-5.00
Mayor's Office	13.75	12.75	-1.00
Municipal Court	32.00	32.00	0.00
Neighborhood Services, Department of	192.02	185.88	-6.14
Police Department	2,627.00	2,493.95	-133.05
Port Milwaukee	19.00	19.00	0.00
Public Works, Department of (Total)	(995.03)	(1,076.24)	(81.21)
Administrative Services Division	35.90	34.25	-1.65
Infrastructure Services Division	355.39	352.41	-2.98
Operations Division	603.74	689.58	85.84
Special Purpose Accounts	4.33	4.33	0.00
Treasurer's Office	31.52	29.41	-2.11
General City Purposes Total	5,729.59	5,657.61	-71.98
Pensions			
Deferred Compensation	3.00	3.00	0.00
Employees' Retirement System	48.50	49.00	0.50
Pensions Total	51.50	52.00	0.50
Special Revenue Funds			
Transportation Fund	119.00	118.00	-1.00
Sewer Maintenance Fund	101.30	108.30	7.00
Water Works	401.49	403.38	1.89
Special Revenue Funds Total	621.79	629.68	7.89
Grand Total	6,402.88	6,339.29	-63.59

* Election Commission does not include temporary election workers (42.00 FTEs in 2020 and 20.63 FTEs in 2021) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS Non-O&M Funded

	2020 Adopted <u>Budget</u>	2021 Adopted <u>Budget</u>	Change 2021 Adopted Budget Versus <u>2020 Adopted Budget</u>
General City Purposes			
Administration, Department of	37.55	32.16	-5.39
Assessor's Office	0.00	0.00	0.00
City Attorney	2.50	2.50	0.00
Common Council City Clerk	1.40	1.40	0.00
Comptroller's Office	7.60	6.90	-0.70
Department of City Development	41.25	42.35	1.10
Election Commission	0.00	0.00	0.00
Employee Relations, Department of	16.67	16.67	0.00
Fire and Police Commission	0.00	0.00	0.00
Fire Department	11.10	7.75	-3.35
Health Department	120.71	441.85	321.14
Library	20.43	20.43	0.00
Mayor's Office	0.00	1.00	1.00
Municipal Court	0.00	0.00	0.00
Neighborhood Services, Department of	56.48	58.30	1.82
Police Department	40.60	85.50	44.90
Port Milwaukee	0.00	0.00	0.00
Public Works, Department of (Total)	(390.40)	(388.03)	(-2.37)
Administrative Services Division	9.10	8.75	-0.35
Infrastructure Services Division	320.04	318.02	-2.02
Operations Division	61.26	61.26	0.00
Special Purpose Accounts	0.00	0.00	0.00
Treasurer's Office	0.00	0.00	0.00
General City Purposes Total	746.69	1,104.84	358.15
Pensions			
Deferred Compensation	0.00	0.00	0.00
Employees' Retirement System	0.00	0.00	0.00
Pensions Total	0.00	0.00	0.00
Special Revenue Funds			
Transportation Fund	0.00	0.00	0.00
Sewer Maintenance Fund	13.00	15.70	2.70
Water Works	20.43	21.54	1.11
Special Revenue Funds Total	33.43	37.24	3.81
Grand Total	780.12	1,142.08	361.96

ESTIMATED FULL TIME EQUIVALENTS All Funding Sources

	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
General City Purposes			
Administration, Department of	133.85	135.80	1.95
Assessor's Office	48.00	47.00	-1.00
City Attorney	61.00	62.00	1.00
Common Council City Clerk	100.97	100.47	-0.50
Comptroller's Office	56.00	54.00	-2.00
Department of City Development	91.75	91.75	0.00
Election Commission *	8.00	9.00	1.00
Employee Relations, Department of	61.50	58.36	-3.14
Fire and Police Commission	22.40	27.00	4.60
Fire Department	887.00	873.00	-14.00
Health Department	284.97	603.97	319.00
Library	318.71	313.71	-5.00
Mayor's Office	13.75	13.75	0.00
Municipal Court	32.00	32.00	0.00
Neighborhood Services, Department of	248.50	244.18	-4.32
Police Department	2,667.60	2,579.45	-88.15
Port Milwaukee	19.00	19.00	0.00
Public Works, Department of (Total)	(1,385.43)	(1,464.27)	(78.84)
Administrative Services Division	45.00	43.00	-2.00
Infrastructure Services Division	675.43	670.43	-5.00
Operations Division	665.00	750.84	85.84
Special Purpose Accounts	4.33	4.33	0.00
Treasurer's Office	31.52	29.41	-2.11
General City Purposes Total	6,476.28	6,762.45	286.17
Pensions			
Deferred Compensation	3.00	3.00	0.00
Employees' Retirement System	48.50	49.00	0.50
Pensions Total	51.50	52.00	0.50
Special Revenue Funds			
Transportation Fund	119.00	118.00	-1.00
Sewer Maintenance Fund	114.30	124.00	9.70
Water Works	421.92	424.92	3.00
Special Revenue Funds Total	655.22	666.92	11.70
Grand Total	7,183.00	7,481.37	298.37

* Election Commission does not include temporary election workers (42.00 FTEs in 2020 and 20.63 FTEs in 2021) due to staffing fluctuations between election and non-election years.

Comparison of 2021 Adopted Expenditures and Funding Sources with Prior Years by Major Budget Sections and Subsections

Section 1. City Budgets Under Control of the Common Council

	2018 Actual** <u>Expenditures</u>	2019 Actual** <u>Expenditures</u>	2020 Adopted <u>Budget</u>	2021 Adopted <u>Budget</u>	Change 2021 Adopted Budget Versus <u>2020 Adopted Budget</u>
A. General City Purposes					
1. Budgets for General City Purposes					
Administration, Department of	\$12,392,960	\$13,047,772	\$12,735,064	\$14,270,217	\$1,535,153
Assessor's Office	4,595,879	4,448,417	4,301,630	4,452,191	150,561
City Attorney	7,206,231	7,219,031	6,970,897	7,313,312	342,415
City Development, Department of	4,907,682	4,777,265	4,816,171	5,110,576	294,405
City Treasurer	2,977,715	3,493,095	3,817,595	3,784,020	-33,575
Common Council City Clerk	9,196,411	9,245,412	9,065,868	9,821,741	755,873
Comptroller	4,575,994	4,533,599	4,555,508	4,628,616	73,108
Election Commission	2,941,560	1,161,224	3,162,037	1,565,994	-1,596,043
Employee Relations, Department of	3,870,906	4,128,997	4,095,114	4,475,270	380,156
Fire and Police Commission**	2,099,930	2,095,637	2,727,999	5,073,394	2,345,395
Fire Department**	118,889,620	116,333,390	114,496,084	121,624,358	7,128,274
Health Department*	12,989,753	14,342,479	14,743,321	12,938,748	-1,804,573
Library	24,154,727	23,153,755	23,559,805	24,535,135	975,330
Mayor's Office	1,425,680	1,317,271	1,364,487	1,378,416	13,929
Municipal Court	2,995,481	2,624,307	2,904,191	2,966,285	62,094
Neighborhood Services, Department of	19,608,956	19,497,661	19,045,478	19,117,390	71,912
Police Department**	309,090,104	303,035,189	297,366,419	295,305,985	-2,060,434
Port Milwaukee	5,904,942	4,933,509	6,483,900	5,698,420	-785,480
Public Works Department (Total)	(127,734,592)	(129,357,504)	(121,026,227)	(131,220,308)	10,194,081
Administrative Services Division	3,199,677	3,219,231	2,962,516	2,960,659	-1,857
Infrastructure Services Division	38,099,942	38,153,658	38,198,572	41,805,089	3,606,517
Operations Division	86,434,973	87,984,615	79,865,139	86,454,560	6,589,421
Special Purpose Accounts***	137,505,124	157,144,235	143,761,604	149,323,056	5,561,452
Fringe Benefit Offset	-183,404,411	-165,836,748	-163,374,201	-185,404,440	-22,030,239
Total Budgets for General City Purposes	\$631,659,836	\$660,053,001	\$637,625,198	\$639,198,992	\$1,573,794
* Does not reflect total funding of \$28.6 million, which includes \$14.3 million of grant funding and \$1.1 of other funding sources.					
** Department totals reflect transfer of 911 Dispatch staff beginning in the fourth quarter of 2021. See department summaries for further details.					
*** Special Purpose Account expenditures do not include wage supplement funding, these funds are reflected in departmental expenditures.					
2. Source of Funds for General City Purposes					
Revenues					
Taxes and Payment in Lieu of Taxes	\$18,131,516	\$18,538,461	\$18,031,200	\$20,123,000	\$2,091,800
Licenses and Permits	17,232,423	18,502,645	17,165,350	17,313,800	148,450
Intergovernmental Revenue	268,791,901	270,575,185	273,505,000	272,982,000	-523,000
Charges for Services	124,698,237	131,904,852	134,770,150	143,232,090	8,461,940
Fines and Forfeitures	3,295,757	2,622,131	3,276,000	2,500,000	-776,000
Miscellaneous Revenue	41,392,846	40,755,491	41,647,500	40,262,000	-1,385,500
Fringe Benefits	22,643,333	18,788,809	24,000,000	23,500,000	-500,000
Total Revenues	\$496,186,013	\$501,687,574	\$512,395,200	\$519,912,890	\$7,517,690
Tax Stabilization Fund Withdrawals	\$19,000,000	\$16,000,000	\$10,000,000	\$6,500,000	\$-3,500,000
Property Tax Levy	112,235,239	119,746,830	115,229,998	112,786,102	-2,443,896
Total Financing for General City Purposes	\$627,421,252	\$637,434,404	\$637,625,198	\$639,198,992	\$1,573,794
B. Employees' Retirement					
1. Budgets for Employees' Retirement					
Firemen's Pension Fund					
Pension Contribution	\$0	\$0	\$0	\$0	\$0
Lump Sum Supplement Contribution	29,000	25,000	18,000	18,000	0

	2018 Actual** <u>Expenditures</u>	2019 Actual** <u>Expenditures</u>	2020 Adopted <u>Budget</u>	2021 Adopted <u>Budget</u>	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Policemen's Pension Fund					
Pension Contribution	\$142,054	\$104,197	\$98,400	\$83,250	\$-15,150
Lump Sum Supplement Contribution	10,000	10,000	10,000	10,000	0
Employees' Retirement Fund					
Pension Contribution	\$77,094,964	\$55,731,560	\$71,000,000	\$71,000,000	\$0
Administration	18,004,305	16,587,079	20,923,077	20,664,825	-258,252
Employers' Share of Employees' Annuity Contribution	0	0	0	0	0
Annuity Contribution Employer's Reserve Fund	11,938,024	13,400,000	8,000,000	8,000,000	0
Social Security					
Social Security Tax	\$19,095,664	\$19,437,299	\$19,500,000	\$20,000,000	\$500,000
Former Town of Lake Employees' Retirement Fund					
Pension Contribution	\$0	\$0	\$0	\$0	\$0
Deferred Compensation	336,071	308,984	473,700	447,582	-26,118
Total Budgets for Employees' Retirement	\$126,650,082	\$105,604,119	\$120,023,177	\$120,223,657	\$200,480
2. Source of Funds for Employees' Retirement					
Fringe Benefits Pension	\$1,302,100	\$1,175,127	\$1,344,308	\$1,642,397	\$298,089
Charges to Retirement Fund	17,665,333	16,274,379	20,485,826	20,664,825	178,999
Charges to Deferred Compensation	336,071	308,984	473,700	447,582	-26,118
Miscellaneous and Other	96,300	100,300	1,009,000	121,000	-888,000
Reserve Fund	5,000,000	0	0	0	0
Property Tax Levy	94,188,661	86,619,281	96,710,343	97,347,853	637,510
Total Financing for Employees' Retirement	\$118,588,465	\$104,478,071	\$120,023,177	\$120,223,657	\$200,480
C. Capital Improvements					
1. Budgets for Capital Improvements					
Special Capital Projects or Purposes	\$554,679	\$417,153	\$9,016,000	\$9,114,000	\$98,000
Administration, Department of	2,222,782	1,999,145	1,533,000	2,057,000	524,000
Assessor's Office	353,440	1,683	0	0	0
City Attorney	0	123,661	0	0	0
City Development, Department of	37,931,168	25,426,089	55,400,000	40,825,000	-14,575,000
Common Council City Clerk	364,579	221,015	25,000	56,115	31,115
Election Commission	206,372	282,393	0	0	0
Fire and Police Commission	0	31,531	5,000,000	0	-5,000,000
Fire Department	1,479,672	2,685,240	1,950,000	1,800,000	-150,000
Health Department	957,357	1,229,587	690,000	1,550,000	860,000
Library	4,448,988	5,194,734	1,290,000	1,680,000	390,000
Municipal Court	325,720	373,176	0	0	0
Neighborhood Services, Department of	2,062,775	2,595,032	3,000,000	3,000,000	0
Police Department	7,570,178	8,038,373	3,995,000	6,337,500	2,342,500
Port Milwaukee	217,261	244,546	475,000	675,000	200,000
Public Works, Department of (Total)	(103,460,944)	(74,183,183)	(73,250,000)	(71,386,800)	(1,863,200)
Administration Division	0	0	0	0	0
Infrastructure Services Division	94,173,205	64,813,594	63,665,000	61,609,000	-2,056,000
Operations Division	9,287,739	9,369,589	9,585,000	9,777,800	192,800
Total Budgets for Capital Improvements					
(Other than Transportation, Water Works and Sewer Maint.)	\$162,155,915	\$123,046,541	\$155,624,000	\$138,481,415	\$-17,142,585
2. Source of Funds for Capital Improvements					
General Obligation Borrowings					
New Borrowing	\$121,433,568	\$95,406,654	\$83,543,000	\$82,766,300	\$-776,700
Tax Increment District Public Improvements					
New Borrowing	\$25,625,619	\$20,407,776	\$44,000,000	\$25,000,000	\$-19,000,000
Anticipated Special Assessments					
New Authorizations	\$2,314,394	\$2,296,229	\$3,830,000	\$3,535,000	\$-295,000

	2018 Actual** Expenditures	2019 Actual** Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Capital Improvement Revenues					
Cash Revenues	\$12,338,940	\$4,508,402	\$23,685,000	\$26,560,000	\$2,875,000
Property Tax Levy	443,394	427,480	566,000	620,115	54,115
Total Financing for Capital Improvements					
(Other than Transportation, Water Works and Sewer Maint.)	\$162,155,915	\$123,046,541	\$155,624,000	\$138,481,415	\$-17,142,585
* Does not include School Board expenditures.					
D. City Debt (Including School Purposes)					
1. Budget for City Debt					
Bonded Debt (Principal)	\$272,906,610	\$323,427,348	\$223,636,000	\$217,255,500	\$-6,380,500
Bonded Debt (Interest)	56,401,009	44,143,735	51,920,200	50,969,000	-951,200
Bonded Debt (Fees)	263,486	190,360	250,000	325,000	75,000
Bonded Debt (Issuance Expenses)	1,106,149	813,600	763,000	763,000	0
Subtotal	\$330,677,254	\$368,575,043	\$276,569,200	\$269,312,500	\$-7,256,700
Less: Prepayment					
Prepayment Deduction (PDAF)	\$-9,700,000	\$-9,000,000	\$-9,000,000	\$-10,500,000	\$-1,500,000
Special Assessment	0	15,666,635	0	0	0
Total Budget for City Debt	\$320,977,254	\$375,241,678	\$267,569,200	\$258,812,500	\$-8,756,700
2. Source of Funds for City Debt					
Revenues	\$33,955,485	\$15,160,278	\$37,529,000	\$15,465,000	\$-22,064,000
TID Increments from Prior Year	29,059,831	30,854,485	31,130,000	30,207,000	-923,000
Delinquent Tax Revenues	16,900,332	23,096,045	15,398,000	12,194,000	-3,204,000
Offsets and Premium	128,050,000	219,431,181	110,000,000	117,500,000	7,500,000
Property Tax Levy	66,215,500	68,558,500	73,512,200	83,446,500	9,934,300
Total Financing for City Debt	\$274,181,148	\$357,100,489	\$267,569,200	\$258,812,500	\$-8,756,700
F. Common Council Contingent Fund					
1. Budget for Common Council Contingent Fund					
Common Council Contingent Fund	[4,996,634]	[5,000,000]	\$5,000,000	\$5,000,000	\$0
2. Source of Funds for Common Council Contingent Fund					
Property Tax Levy	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$0
* 2017 and 2018 experience shown for informational purposes only.					
Expenditure experience represents transfers and expenditures authorized by resolution.					
Subtotal Budget Authorizations Common Council Controlled Purposes					
(Except Water and Special Revenue Accounts)	\$1,241,443,087	\$1,263,945,339	\$1,185,841,575	\$1,161,716,564	\$-24,125,011
Non-Tax Levy	\$909,263,986	\$946,707,414	\$894,823,034	\$862,515,994	\$-32,307,040
Tax Levy	\$278,082,794	\$280,352,091	\$291,018,541	\$299,200,570	\$8,182,029
Subtotal Financing for (Estimated Revenues) Common Council Controlled Budgets					
(Except Water and Special Revenue Accounts)	\$1,187,346,780	\$1,227,059,505	\$1,185,841,575	\$1,161,716,564	\$-24,125,011
Special Revenue Accounts Sections G through M					
G. Transportation Fund					
1. Budget for Transportation Fund					
Operating and Maintenance Expense	\$27,374,868	\$30,327,715	\$32,202,376	\$31,244,330	\$-958,046
Transfer to General Fund	17,123,005	16,000,000	16,110,000	16,000,000	-110,000
Capital Improvement Program	1,687,278	4,672,615	2,725,000	1,800,000	-925,000
Total Budget for Transportation Fund	\$46,185,151	\$51,000,330	\$51,037,376	\$49,044,330	\$-1,993,046
2. Source of Funds for Transportation					
Parking Permits	\$4,694,159	\$3,966,000	\$4,845,000	\$4,352,100	\$-492,900
Meters	4,610,037	4,303,500	5,184,000	4,498,000	-686,000
Rental and Lease of Facilities	7,414,769	7,443,300	6,965,000	7,028,000	63,000
Towing of Vehicles	3,911,301	3,165,500	3,700,000	3,675,000	-25,000
Vehicle Disposal	2,202,251	1,882,900	2,000,000	1,961,000	-39,000
Miscellaneous and Other	1,041,354	4,897,365	5,743,936	2,308,333	-3,435,603
Subtotal Financing for Transportation	\$23,873,871	\$25,658,565	\$28,437,936	\$23,822,433	\$-4,615,503

	2018 Actual** Expenditures	2019 Actual** Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Other Funding Sources					
Withdrawal from Reserves	\$4,413,786	\$4,640,110	\$3,674,440	\$8,021,897	\$4,347,457
Citation Revenue	16,210,216	16,029,040	16,200,000	15,400,000	-800,000
Capital Improvements to be Financed from Available:					
Cash Reserves	\$0	\$0	\$0	\$0	\$0
New Borrowing	1,687,278	4,672,615	2,725,000	1,800,000	-925,000
Subtotal Other Funding Sources	\$22,311,280	\$25,341,765	\$22,599,440	\$25,221,897	\$2,622,457
Total Financing for Transportation	\$46,185,151	\$51,000,330	\$51,037,376	\$49,044,330	\$-1,993,046
H. Grants and Aids Projects (Except Capital Projects)					
1. Budget for Grants and Aids Projects					
Grantor Share (Non-City)	\$41,464,029	\$41,361,644	\$94,946,990	\$51,347,144	\$-43,599,846
Total for Grants and Aids Projects	\$41,464,029	\$41,361,644	\$94,946,990	\$51,347,144	\$-43,599,846
2. Source of Funds for Grants and Aids Projects					
Grantor Share (Non-City)	\$41,464,029	\$41,361,644	\$94,946,990	\$51,347,144	\$-43,599,846
Total Financing for Grants and Aids Projects (Except Capital Projects)	\$41,464,029	\$41,361,644	\$94,946,990	\$51,347,144	\$-43,599,846
I. Economic Development Fund					
1. Budget for Economic Development Fund					
Business Improvement Districts	\$9,868,817	\$9,968,081	\$11,484,600	\$17,252,181	\$5,767,581
Total Budget for Economic Development Fund	\$9,868,817	\$9,968,081	\$11,484,600	\$17,252,181	\$5,767,581
2. Source of Funds for Economic Development Fund					
Business Improv. District Assessments/Excess TID Revenue	\$9,868,817	\$9,861,017	\$11,484,600	\$17,252,181	\$5,767,581
Total Source of Funds for Economic Development Fund	\$9,868,817	\$9,861,017	\$11,484,600	\$17,252,181	\$5,767,581
J. Water Works					
1. Budget for Water Works, Department of Public Works					
Operating Budget	\$91,901,422	\$95,178,053	\$103,432,772	\$109,802,511	\$6,369,739
Capital Improvements Program	49,841,325	30,018,046	44,570,000	40,300,000	-4,270,000
Retained Earnings, Borrowing, and Other Accounts	28,056,998	29,988,843	4,458,228	0	-4,458,228
Total Expenditures and Deposits	\$169,799,745	\$155,184,942	\$152,461,000	\$150,102,511	\$-2,358,489
2. Source of Funds for Water Works					
Operating Revenue	\$94,583,450	\$93,187,558	\$94,675,000	\$91,003,000	\$-3,672,000
Non-Operating Revenue	8,641,631	7,413,689	7,916,000	6,308,000	-1,608,000
Proceeds from Borrowing	20,168,521	0	40,101,772	40,290,000	188,228
Retained Earnings/Miscellaneous	46,406,143	54,583,695	9,768,228	12,501,511	2,733,283
Total Source of Funds for Water Works	\$169,799,745	\$155,184,942	\$152,461,000	\$150,102,511	\$-2,358,489
K. Sewer Maintenance					
1. Budget for Sewer Maintenance					
Operating Budget	\$55,488,034	\$48,513,188	\$73,345,178	\$74,604,259	\$1,259,081
Capital Budget	20,320,441	40,595,952	34,150,000	40,350,000	6,200,000
Deposit to Retained Earnings	11,081,552	23,235,161	0	0	0
Total Budget for Sewer Maintenance	\$86,890,027	\$112,344,301	\$107,495,178	\$114,954,259	\$7,459,081
2. Source of Funds for Sewer Maintenance					
Sewer User Fee	\$30,949,526	\$31,045,624	\$32,371,573	\$33,258,160	\$886,587
Storm Water Fee	33,953,264	35,778,984	37,118,714	38,809,680	1,690,966
Charges for Services	1,683,487	1,224,656	1,706,600	1,688,200	-18,400
Miscellaneous Revenue	272,386	355,857	185,200	144,300	-40,900
Retained Earnings	0	4,384,697	3,163,091	1,903,919	-1,259,172
Proceeds from Borrowing/Grants/Developer	20,031,364	39,554,483	32,950,000	39,150,000	6,200,000
Total Source of Funds for Sewer Maintenance	\$86,890,027	\$112,344,301	\$107,495,178	\$114,954,259	\$7,459,081

	2018 Actual** Expenditures	2019 Actual** Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
M. Delinquent County Taxes					
1. Budget for Delinquent County Taxes					
Delinquent County Taxes and Tax Certificate Purchases	\$10,626,078	\$7,828,257	\$8,000,000	\$8,000,000	\$0
2. Source of Funds for Delinquent County Taxes					
Purchase of Milwaukee County Delinquent Taxes	\$10,626,078	\$7,828,257	\$8,000,000	\$8,000,000	\$0
Total Source of Funds for Delinquent County Taxes	\$10,626,078	\$7,828,257	\$8,000,000	\$8,000,000	\$0
Subtotal Budget Authorization for Special Revenue Accounts	\$364,833,847	\$377,687,555	\$425,425,144	\$390,700,425	\$-34,724,719
Subtotal Estimated Revenues for Special Revenue Accounts	\$364,833,847	\$377,580,491	\$425,425,144	\$390,700,425	\$-34,724,719
Total All Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	\$1,606,276,934	\$1,641,632,894	\$1,611,266,719	\$1,552,416,989	\$-58,849,730
Total Financing Revenues of Budgets Under the Control of the Common Council					
(Includes Water and Special Revenue Accounts)	\$1,552,180,627	\$1,604,639,996	\$1,611,266,719	\$1,552,416,989	\$-58,849,730
** Expenditures include funding carried over from prior year.					

DEPARTMENT APPROPRIATIONS BY FUNDING CATEGORY

The table below shows the 2021 appropriations for departments by funding category. Funding in the Operating category is from departmental operating budgets in the general fund, the enterprise funds, and from various special purpose accounts. Estimated employee fringe benefit amounts are included in the Operating category. Funding in the Capital category is from capital improvement projects in the capital funds, including enterprise fund capital funds. Funding in the Grant category includes both operating and capital grants. The table only includes department specific appropriations and anticipated funding and excludes non-department specific contingency appropriations as well as anticipated appropriations that are not allocated to specific departments.

<u>Department</u>	<u>Operating</u>	<u>Capital</u>	<u>Grant</u>	<u>Total</u>
Administration, Dept. of	\$15,754,267	\$2,057,000	\$22,629,031	\$40,440,298
Assessor's Office	5,576,991	0		5,576,991
City Attorney	9,610,312	0	0	9,610,312
City Development, Dept. of	6,036,576	41,850,000	25,000	47,911,576
City Treasurer	3,784,020	0	0	3,784,020
Common Council City Clerk	10,484,741	145,115	0	10,629,856
Comptroller	4,816,717	0	0	4,816,717
Election Commission	1,565,994	0	0	1,565,994
Employee Relations, Dept. of	6,623,270	0	0	6,623,270
Fire and Police Commission	5,073,394	0	0	5,073,394
Fire Department	121,624,358	1,800,000	600,000	124,024,358
Health Department	13,418,748	1,550,000	14,324,031	29,292,779
Library	24,535,135	1,680,000	1,212,639	27,427,774
Mayor's Office	1,378,416	0	0	1,378,416
Municipal Court	3,458,285	0	0	3,458,285
Neighborhood Services, Dept. of	19,237,390	3,000,000	0	22,237,390
Police Department	295,305,985	6,337,500	2,241,443	303,884,928
Port Milwaukee	5,698,420	675,000	800,000	7,173,420
Public Works, Dept. of	131,220,308	71,386,800	23,949,815	226,556,923
Board of Zoning Appeals	336,604	0	0	336,604
ERS Administration	25,265,825	0	0	25,265,825
Deferred Compensation	447,582	0	0	447,582
Transportation Fund	47,244,330	1,800,000	0	49,044,330
Water Works	109,802,511	40,300,000	0	150,102,511
Sewer Maintenance Fund	74,604,259	40,350,000	0	114,954,259

**SCHOOL BOARD BUDGET
(NOT UNDER THE CONTROL OF THE COMMON COUNCIL)
(FOR INFORMATIONAL PURPOSES ONLY)**

A. BUDGET FOR SCHOOL BOARD*

	2017 - 2018 <u>Budget</u>	2018 - 2019 <u>Budget</u>	2019 - 2020 <u>Budget</u>	2020 - 2021 <u>Budget</u>
Appropriations and Expenditures	<u>\$1,020,463,954</u>	<u>\$1,027,316,315</u>	<u>\$1,038,133,353</u>	<u>\$1,103,028,409</u>
Total Appropriations and Expenditures	\$1,020,463,954	\$1,027,316,315	\$1,038,133,353	\$1,103,028,409

B. SOURCE OF FUNDS FOR SCHOOL BOARD*

	2017 - 2018 <u>Budget</u>	2018 - 2019 <u>Budget</u>	2019 - 2020 <u>Budget</u>	2020 - 2021 <u>Budget</u>
Non-Property Tax Revenue and Surpluses	\$755,201,927	\$776,926,142	\$775,245,708	\$795,053,007
Tax Levies				
Property Tax Levy	<u>\$272,114,388</u>	<u>\$250,390,173</u>	<u>\$262,887,645</u>	<u>\$307,975,402</u>
Total Financing of School Board Budget	\$1,027,316,315	\$1,027,316,315	\$1,038,133,353	\$1,103,028,409

* School Board budget is based on fiscal year ending June 30.

The Milwaukee Public Schools budget is not under the control of the Mayor or the Common Council. The Board of School Directors adopted a final 2020-2021 budget, including each fund levy amount, on October 27, 2020.

Milwaukee Public Schools' levy contains \$24,958,272 that is being levied for the Milwaukee Parental Choice Program.

SECTION II. SUMMARY OF BORROWING AUTHORIZATIONS (Including School Purposes)

	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Obligation Bonds or Short Term Notes			
New Borrowing			
General City Purposes	\$88,094,000	\$86,268,000	\$84,566,300
Schools	2,000,000	2,000,000	2,000,000
Subtotal	\$90,094,000	\$88,268,000	\$86,566,300
Special Assessment Borrowing			
New Borrowing	\$3,000,000	\$3,830,000	\$0
Subtotal	\$3,000,000	\$3,830,000	\$0
Contingency Borrowing			
New Borrowing	\$200,000,000	\$200,000,000	\$200,000,000
Subtotal	\$200,000,000	\$200,000,000	\$200,000,000
Tax Incremental District Borrowing			
New Borrowing	\$44,000,000	\$44,000,000	\$25,000,000
Subtotal	\$44,000,000	\$44,000,000	\$25,000,000
Delinquent Taxes Borrowing			
New Borrowing	\$37,000,000	\$37,000,000	\$37,000,000
Subtotal	\$37,000,000	\$37,000,000	\$37,000,000
Revenue Anticipation Borrowing			
New Borrowing	\$400,000,000	\$400,000,000	\$400,000,000
Subtotal	\$400,000,000	\$400,000,000	\$400,000,000
Water Works Borrowing			
New Borrowing	\$30,657,222	\$40,101,772	\$40,290,000
Subtotal	\$30,657,222	\$40,101,772	\$40,290,000
Sewer Maintenance Fund Borrowing			
New Borrowing	\$29,300,000	\$29,300,000	\$34,500,000
Subtotal	\$29,300,000	\$29,300,000	\$34,500,000
Total All Borrowing			
New Borrowing	\$834,051,222	\$842,499,772	\$823,356,300
Total	\$834,051,222	\$842,499,772	\$823,356,300

I. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

PROPERTY TAX SUPPLEMENTED FUNDS SUMMARY OF EXPENDITURES

<u>Expense Category</u>	<u>2019 Actual Expenditures</u>	<u>2020 Adopted Budget</u>	<u>2021 Adopted Budget</u>	<u>Change 2021 Adopted Budget Versus 2020 Adopted Budget</u>
A. General City Purposes	\$660,053,001	\$637,625,198	\$639,198,992	\$1,573,794
B. Employees' Retirement	105,604,119	120,023,177	120,223,657	200,480
C. Capital Improvements	123,046,541	155,624,000	138,481,415	-17,142,585
D. City Debt	375,241,678	267,569,200	258,812,500	-8,756,700
F. Contingent Fund	<u>[5,000,000]</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>0</u>
Total	\$1,263,945,339	\$1,185,841,575	\$1,161,716,564	\$-24,125,011

* Contingent Fund experience shown for informational purposes only. Expenditure experience represents transfers to other expense categories and is not included in the total to prevent double counting.

A. GENERAL CITY PURPOSES

1. BUDGET APPROPRIATIONS AND EXPENDITURES

DEPARTMENT OF ADMINISTRATION

EXECUTIVE SUMMARY

MISSION: To make Milwaukee one of the nation's most attractive cities in which to live, work, and do business.

OBJECTIVES: Improve equity and inclusion in City government and services and strengthen partnerships to improve equity in the community

Increase training and employment opportunities for Milwaukee residents.

Provide city services through annual budgets that limit tax levy and municipal service charge changes on the average value residential property to 3% or less.

Limit the proportion of the city tax levies allocated to debt service and employer pension contributions to 60% or lower in a fiscally responsible manner.

Provide reliable and quick access to City data for internal and external use.

Help Milwaukee become a world class eco-City by taking practical action to address climate change and restore the natural environment.

STRATEGIES: Create an equity and inclusion leadership team, establish equity training, implement a diversity recruitment plan, increase access to services through the Office of African American Affairs, and strengthen equity and inclusion partnerships with the community.

Implement budget stabilization actions that achieve ongoing structural budget balance.

Maintain a stable employer pension contribution policy that is consistent with actuarial principles.

Focus grant funding on economic development and employment generation.

Implement programs that increase the number of small business enterprise (SBE) firms located in Milwaukee.

Maintain and promote the City's Open Data Portal and collaborate with city departments to identify and provide commonly requested data sets.

Promote cost effective sustainability practices for residents, businesses, and city departments through citywide implementation of the *ReFresh Milwaukee* sustainability plan.

Reduce Milwaukee's reliance on fossil fuels through energy efficiency and renewable energy.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Personnel				
FTEs - Operations & Maintenance	91.21	96.30	103.64	7.34
FTEs - Other	25.23	37.55	32.16	-5.39
Total Positions Authorized	171	167	168	1.00
Expenditures				
Salaries and Wages	\$6,129,955	\$5,844,260	\$6,469,054	\$624,794
Fringe Benefits	2,376,126	2,337,705	2,975,765	638,060
Operating Expenditures	2,619,794	2,504,748	2,882,869	378,121
Equipment	14,149	25,300	25,000	-300
Special Funds	1,907,748	2,023,051	1,917,529	-105,522
Total	\$13,047,772	\$12,735,064	\$14,270,217	\$1,535,153
Revenues				
Charges for Services	\$94,623	\$75,000	\$75,000	\$0
Miscellaneous	85,522	265,000	182,000	-83,000
Total	\$180,145	\$340,000	\$257,000	-\$83,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

Goals

The Department of Administration supports the city’s mission delivery goals through policy, planning, financial management, procurement, sustainability, and information technology services. The city’s goals are:

1. Build safe and healthy neighborhoods.
2. Increase investment and economic vitality throughout the city.
3. Improve workforce development and connect more residents 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 and take action on climate change.
6. Promote racial, social, and economic equity for all residents.

Objectives

1. Improve equity and inclusion in City government and services and strengthen partnerships to improve equity in the community.
2. Increase training and employment opportunities for Milwaukee residents.
3. Provide 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.
4. Limit the proportion of the city tax levy allocated to debt service and employer pension contributions to 60% or lower in a fiscally responsible manner.
5. As a result of stagnant State Shared Revenue, seek additional revenue sources to support infrastructure needs and to maintain local services.
6. Improve transparency of City operations and performance.
7. Increase energy efficiency and renewable energy in municipal operations, homes and business firms.

The Department of Administration (DOA) provides planning, policy, and management functions that assist the

Mayor, Common Council, and city departments. Through these efforts, DOA supports the city’s community goals. Key functions include promoting equity and inclusion, providing analysis and recommendations on fiscal issues that affect the city, developing the annual city budget, influencing local, state and federal government policy actions, increasing grant funding, distributing grant funding to city agencies and neighborhood organizations, managing citywide procurement processes, supporting the growth of emerging and local businesses, developing policy and programs for environmental sustainability, and supporting the development of information technology and use of technology in delivering city services.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Combined percentage increase from prior year of changes to the property tax levy and municipal service charges on the average valued residential property.	3.5%	3.6%	5.2%
Percent of tax levy allocated to debt service and employer pension contribution.	49.2%	52.4%	54.3%
Combined number of jobs created and persons trained and placed in jobs through CDBG funded projects.	705	475	475
Number of firms receiving SBE certification.*	58	90	90
RPP hours worked as a percentage of total project hours.**	35%	40%	40%
Percentage of contracts awarded to SBE firms			
Construction	20%	25%	25%
Goods and Services	4%	25%	25%
Professional Services	15%	18%	18%
Procurement requests processed within 100 days.	60%	80%	80%
Average speed time for response at Unified Contact Center {minutes:seconds}.	:37	1:35	:35
Datasets available on the Open Data Portal.	79	85	95
Solar energy installed citywide (kW)	889	2,250	3,000
Green infrastructure, pocket parks, and beautification projects	8	5	8
PACE projects funded	3	5	3
Number of homes receiving energy efficiency or renewable energy upgrades via <i>Me2</i> and <i>Milwaukee Shines</i> .	6	20	80

* The number of certifications reported represents both new and renewal certifications. Only new certifications were reported in previous budgets.

** Refers to RPP participation on private development agreements. Participation on city let contracts is reported by the Department of Public Works Administrative Services Division.

STRATEGY IMPLEMENTATION

Fiscal Sustainability: The City faces challenges to structural balance as a result of changes in State Shared Revenue policy, limited revenue growth, and increasing costs for employee pensions, benefits and debt service.

DOA's annual budget objective is to provide 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. The 2021 budget includes a 4.4% increase to the four city municipal service charges and a new Street Lighting fee. Combined with the property tax levy charge, this equates to an increased city government cost of approximately \$89.32 or 5.2% to the owner of an average valued city home. The increase above target level reflects continued stagnation of state aid and increases in pension costs.

The city cannot maintain critical services within the 3% guideline unless it gains an additional revenue source. This requires the state government to take action to enable improvement to the city's fiscal capacity. The Mayor has proposed a state law change to allow the city to hold a referendum to approve a half cent sales tax to sustain core city services. If approved, the sales tax would generate \$38 million annually. Between 40% and 50% of the estimated sales tax revenue would be paid by non-residents.

Intergovernmental Relations Division (IRD): IRD seeks bipartisan opportunities, builds collaborative partnerships with other jurisdictions and the State, and works to maintain local control and flexibility. IRD provides strong representation at the local, state, and federal levels and supports the ability of local leaders to make decisions that address their constituents' needs. The division helps the City seek additional, diverse sources of revenue, which are needed to maintain the services provided to Milwaukee's residents and businesses.

IRD's lobbying efforts are defined through the city's state and federal legislative packages which contain hundreds of issue items. The items are chosen and prioritized by working with the Mayor and Common Council. IRD's efforts focus on furthering job creation and workforce development, securing funds for public works infrastructure such as local streets and water service lines, advocating for policies that prevent juvenile violence and improve the justice system, improving educational outcomes for the city's youth, and addressing residential property issues such as foreclosures and problem landlords.

Milwaukee is the heart of Wisconsin's economy and is a net contributor to the state's tax base. As the largest contributor to the state's economy, investment in Milwaukee reaps dividends for the rest of the state. Governor Evers recognizes Milwaukee as the hub of economic contribution to Wisconsin. IRD will continue to advance the message that Milwaukee's health is worthy of more investment by the state and federal governments.

Purchasing Division: The Purchasing Division is the city's centralized buying and supply management agency responsible for administering the procurement process for \$110 million in goods and services annually and administering guidelines for the disposal of surplus, obsolete, and confiscated goods. The division manages the procurement process in a transparent, socially conscious and ethical manner and focuses on negotiating cost savings and efficiencies for city departments.

In 2021, the division will continue to explore ways to be more efficient by leveraging existing technology to further digitize the evaluation process for the bids. Since 2015, the division has used BonFire, a web based software solution, to streamline the request for proposal (RFP) process. Purchasing is exploring the use of BonFire for more bids and as a more efficient method to tabulate bid responses. Based on BonFire and other efficiency measures, the division projects an average completion of informal bids within 60 days, formal bids within 90 days, and RFPs within 200 days.

The Purchasing Division also implements and supports best practices that foster inclusion in the city's procurement process and contribute to the well-being of the community. These efforts include administering the procurement process for the Disparity Study RFP, and supporting a variety of contracting goals, such as local businesses, Buy

American, minority and small businesses, and socially responsibly contractor (SRC) bid incentives. In 2021, the division will support the work of the selected Disparity Study consultant and explore expanding the SRC bid incentive program to include the LGBTQ community.

Promoting Equity and Inclusion: The Department of Administration (DOA) plays a critical role in promoting equity and inclusion. The 2021 budget elevates the City's commitment to equity and inclusion by creating a new Office of Equity and Inclusion (OEI) and restructuring the Office of African American Affairs (OAAA). OEI and OAAA will work in partnership with City departments, elected officials and other community stakeholders to identify and address opportunities to create and sustain a more equitable community.

The Administration Director will provide strategic direction to the OEI and OAAA while continuing to lead public-private initiatives designed to close educational achievement gaps and put low-income children on a path to higher education, including Fund My Future Milwaukee and I Have A Dream Milwaukee.

Office of Equity and Inclusion: OEI will focus on government compliance, accountability and equal rights, while the OAAA will focus on service delivery and community engagement and partnerships. OEI and OAAA support four equity and inclusion goals:

- Improve the racial equity practices of existing and new services
- End disparities in City government
- Strengthen outreach and community engagement with people of color
- Strengthen partnerships with community stakeholders

The existing Small Business Development Director position will be converted to a new position of Chief Equity Officer. The Chief Equity Officer will oversee the Office of Small Business Development (OSBD) and support the Equal Rights Commission (ERC). Under the leadership of the Chief Equity Officer, the OEI will administer the Government Alliance on Race and Equity (GARE) initiatives; equity and inclusion data analytics and performance measures; diversity and talent recruitment programs, and advance City equity and inclusion policies. The City joined GARE in July 2019 and renewed its membership in July 2020. GARE is a national network of government entities working to achieve racial equity. OEI will lead the City's GARE efforts and will address institutional and other forms of racism that impact the health and well-being of residents.

To support the OEI, the Community Analytics Analyst and the ADA Coordinator positions will transfer from the Budget and Management Division and an unfunded Administrative Specialist position will be funded.

In 2021, the OEI will work with a consultant to conduct a disparity study to determine if inequities exist in City government procurement and contracting. OEI will also strengthen the workforce development program that connects residents to employment opportunities on certain city-funded private development projects.

The Equal Rights Commission consists of eleven members appointed by the Mayor and the Common Council and is staffed by the Equal Rights Specialist. The ERC promotes and protects equality, equity, and human rights through education, enforcement, and community engagement. The Commission provides internal accountability and works with the business community, educational institutions, and other community based organizations to implement awareness, prevention, and education strategies to address equal rights challenges. The ERC will work with the OEI to take action on achieving racial equity, a commitment established in Council File 190098.

The ERC is organized into four committees - Compliance & Enforcement, Outreach & Education, Communications, and Governance - that carry out the ERC's strategic plan. Through regular full Commission and committee meetings, listening sessions, celebrations, and community outreach, the ERC builds partnerships with community members and stakeholders and creates a space for community voices to be heard.

Through the OEI, DOA will support the Commission's efforts to work with government, business, educational, community based organizations and others to promote equal rights. The OEI will collaborate with ERC in collecting data and reports from city departments, making recommendations to ensure that equity is a core element of department operations, and building community partnerships.

Office of African American Affairs: The Community Engagement and Achievement Collaborative Manager will oversee the OAAA in collaboration with MFI staff and the Mayor's Office. The OAAA is responsible for overseeing the administration of the Black Male Achievement Advisory Council (BMAAC), Milwaukee Fatherhood Initiative (MFI) and the My Brother's Keeper (MBK) Action Plan. The OAAA is located at 4830 N. Fond du Lac Avenue. The Mayor identified funding to renovate the facility, with total costs estimated to be approximately \$1.6 million. The 2021 budget adds a Program Manager position to support the OAAA.

The OAAA will provide African American residents with direct services and resources in areas including employment, job training, education, and health services. In 2021, the OAAA will guide efforts to improve black male achievement. Through the My Brother's Keeper (MBK) Action Plan, Black Male Achievement Advisory Council (BMAAC), and the Milwaukee Fatherhood Initiative (MFI), OAAA will work to increase awareness of resources and services that are available to improve life outcomes for males of color.

All of these efforts support the City's goal to promote racial, social and economic equity for all residents, a Milwaukee where opportunity is abundant and accessible to all. Several strategies will be implemented to support this goal, including:

- Create a Racial Equity and Inclusion Leadership Team comprised of two members from each City Department who are passionate about promoting equity and inclusion.
- Implement racial equity and anti-racism training for City employees, starting with frontline managers.
- Create and implement a plan to recruit diverse talent.
- Increase access to City and other community services through the Office of African American Affairs (OAAA) in collaboration with government agencies and nonprofits.
- Strengthen and expand racial equity and inclusion partnerships. The City will collaborate with the Milwaukee County OAAA, local foundations and others focused on racial equity to develop initiatives.

Environmental Collaboration Office: The Environmental Collaboration Office (ECO) strives to make Milwaukee a world class eco-city on America's Fresh Coast. ECO develops practical solutions that improve people's lives and the economy while working to protect and restore the natural ecosystems that are integral to long term prosperity. ECO collaborates with the community, develops global partnerships, implements award winning programs, and is responsible for the city's *Refresh Milwaukee* sustainability plan. *ReFresh Milwaukee* is the city's roadmap to a more sustainable future. The plan sets goals, targets, and strategies in the following areas:

- Buildings
- Energy
- Food systems
- Human capital
- Land and urban ecosystems
- Mobility
- Resource recovery
- Water

ECO operates several core programs including the *Better Buildings Challenge* for municipal and commercial buildings including property assessed clean energy (PACE) financing, *Me²* home energy efficiency program, *HOME GR/OWN* vacant lot revitalization program, and *Milwaukee Shines* solar program. In 2017, ECO launched the *Water Centric City* initiative to demonstrate the city's global leadership in sustainable management of water resources. In 2019, ECO served on the City-County Task Force on Climate and Economic Equity.

As an outgrowth of the City-County Task Force on Climate and Economic Equity, ECO is advancing a formal Climate Action Plan. ECO completed the City's Green House Gas inventory and is supporting a public process to develop proposals for achieving a 45% community wide carbon reduction by 2030. To advance equity, ECO and other city workforce development partners are participating in the United States Department of Energy's *Better Buildings Workforce Accelerator*. The goal is to help at least thirty people of color find work in the energy efficiency sector with family supporting wages while supporting on-going systemic change in the industry. ECO also advocates for clean energy policies at the State level. ECO has assembled a list of State-level actions that support the City's climate action goals and presented them to Governor Evers' Task Force on Climate Change. ECO also advocates for climate action and energy policy with the Wisconsin Public Service Commission.

ECO is heavily engaged with opening pathways for solar energy in Milwaukee, with an eye toward achieving the City's 25% by 2025 goal. ECO is pursuing an "All of the Above" strategy for solar energy that supports city investments in solar energy, a robust and competitive rooftop solar market, and potential partnerships with We Energies to support their transition to renewable energy. In 2019, ECO installed 209 kW of solar on three City libraries, a subset of what was intended to be a total of 1.1 MW on six city buildings using an innovative financing strategy. The City is seeking regulatory clarification on this financing strategy after the electric utility declined to approve the larger project. ECO also partnered with Milwaukee County, Milwaukee Metropolitan Sewerage District, Milwaukee Area Technical College, University of Wisconsin-Milwaukee, and Marquette University to support We Energies in the creation of new renewable energy offerings for large customers. In 2020, the City approved what will become the largest solar project in the City of Milwaukee. This 2.25 MW solar field on a city-owned landfill will be constructed by We Energies, which will pay \$96,000 per year to lease the land. This new revenue will support a new Climate Action Planning and Program special fund in ECO to support the Climate Action Planning process and ECO's programs.

ECO contributes to the city's beautification efforts through its *HOME GR/OWN* program. *HOME GR/OWN* empowers residents to transform neighborhoods by repurposing vacant lots into community assets that foster new economic opportunities around local, healthy food production, and distribution. The signature *HOME GR/OWN* project was the design and construction of Fondy Park next to the Fondy Farmers Market. This award-winning park helps the city manage over 70,000 gallons of stormwater per rain event, offers an ADA accessible stage for performances, beautiful plants and seating, and public Wi-Fi. In 2020, *HOME GR/OWN* is concentrating its vacant lot beautification efforts on commercial corridors, maintaining pocket parks that had been previously built, and completing major renovations at Victory over Violence Park on MLK Drive.

ECO collaborates with facility managers from City departments in the Energy Reduction Team. The Energy Reduction Team supports the City's energy efficiency and renewable energy goals as outlined in *ReFresh Milwaukee*. This includes improving efficiency in municipal buildings by 20% from the year 2009 and getting 25% of the City's electric power from renewable energy sources by 2025. In 2020, ECO worked with the Milwaukee Public Library to complete a multi-million dollar energy saving performance contract at Central Library. Coupled with the new solar installation, the Central Library is expected to achieve a 20% energy reduction from its 2009 baseline. In 2020, ECO completed an Energy Efficiency Plan for all city facilities and the municipal fleet. The 2021 budget includes \$100,000 in a *Better Buildings Challenge* capital account to implement projects identified in the Energy Reduction Plan. ECO is working with the Department of Public Works to use this funding to create job opportunities for electrical apprentices to install LED lights in city facilities. ECO will also recommend changes to the City's fleet management practices to support a transition to hybrid and electric vehicles.

ECO expanded the Better Buildings Challenge to include a comprehensive energy efficiency program for commercial building owners. Over 100 buildings have joined the Challenge. ECO's PACE financing program has been bundled under the Better Buildings Challenge with other services like free energy assessments, workforce development, technology transfer, and operations training. Since its inception, PACE has leveraged private capital to finance 14 building retrofits totaling over \$18.3 million in commercial energy efficiency and renewable energy projects since 2014. The U.S. Department of Energy has designated the city's PACE program as a national "implementation model".

The Water Centric City initiative demonstrates Milwaukee's leadership on water across seven principles:

- Water leadership
- Water technology
- Green infrastructure
- Applied water research and policy
- Fishable and swimmable rivers and water bodies
- Sustainable and Healthy water supply
- Arts, Talent, Culture, and Education

ECO completed a Comprehensive Green Infrastructure Plan for Milwaukee in 2019 to help the City adapt to climate change and meet the Water Centric City vision. Through this plan, the City is partnering with Milwaukee Public Schools and the Green Schools Consortium of Milwaukee to replace pavement with functional green space at schools and creating a new Sustainability Specialist position at MPS. The City now also requires green infrastructure on all large redevelopment projects and is supporting green infrastructure in commercial parking lots and on city street reconstruction projects. Also in support of the Water Centric City initiative, ECO is working with non-profit partners to identify strategies to reduce the amount of single-use plastics that become litter in our waterways and streets. ECO also supports public outreach efforts in preparation of major efforts to clean up the Milwaukee River Estuary through the federal Great Lakes Restoration Initiative.

Community Development Grants Administration: The Community Development Grants Administration (CDGA) applies for, recommends the allocation of, and oversees the effective use of local, state, and federal funds for programs in targeted neighborhoods throughout the city. Funding assists lower income families, removes blight, and increases access to job training and placement services. In 2019, the combined number of jobs created, persons trained, and placed in jobs through Community Development Block Grant (CDBG) funded projects was 705. Of those individuals, 58% obtained full time positions. A total of 155 low income city residents received specialized training in areas including manufacturing, construction, and food services. Of those residents, 55% obtained full time positions.

The City of Milwaukee's anticipated US Department of Housing and Urban Development (HUD) grant allocation for 2021 totals \$22.6 million, a reduction of approximately \$2 million from the actual 2020 funding award. CDBG funds account for the largest portion of those funds with \$15 million, a reduction of approximately \$1.3 million from the actual 2020 funding award.

In 2020, CDGA continued the process of developing the 5-year Consolidated Plan mandated by HUD. The plan outlines key community needs and drives funding priorities for subsequent years. In partnership with the Urban Economic Development Association, CDGA conducted extensive community outreach and engagement to develop the plan. Efforts included collection of survey data, convening of key community stakeholders, and focus groups. Residents identified priorities in the areas of housing, homelessness, youth services and economic development. The full plan will be completed in the Fall of 2020 and made available for public viewing and comment. Convening of key stakeholders will continue to assess changing priorities and ensure that community needs are adequately met with the resources provided.

Improving the Effectiveness and Transparency of Information Technology: The City of Milwaukee's operations and safety depend on an efficient and secure computer network. The Information Technology Management Division (ITMD) supports a highly available, highly functioning, actively monitored technology infrastructure that provides confidentiality, integrity and accessibility of the City's data and information systems. ITMD's responsibilities include managing technology projects and ensuring that the systems, applications, networks, end user devices, and communications systems, are continuously available and operating effectively. ITMD provides IT services, staffing, and the majority of purchasing for most cabinet level departments. The Library, Municipal Court, Water Works, Police and Fire departments continue to purchase and maintain their own IT assets.

The City's Open Data Portal provides a centralized location for access to City data in machine readable, searchable, and easy to use formats. The data portal features a user-friendly interface that allows for simplified navigation and search functions, as well as a modern design that is responsive to mobile devices. Overall, the Open Data Portal provides a more effective, usable and coherent user experience for citizens to easily access and leverage City data.

The Chief Information Officer (CIO) works with departments to develop a strategic plan for the development and implementation of information technology. The standardization of technology provides a more secure environment and reduces the City's dependence upon proprietary technology systems.

The Cybersecurity Program, initiated in 2019 with the addition of a Security and Compliance Analyst position, introduced information security policies and standards along with security awareness training in accordance with City goals, business objectives, risk tolerances, and regulatory compliance requirements. The program increases organizational awareness of informational security threats and employee responsibilities.

The 2021 capital budget provides \$2.1 million for ITMD projects. New projects planned for 2021 include a Cyber Security project (\$200,000) and a Corporate Server and Storage Upgrade project (\$650,000). The 2021 budget includes funding to continue the IT upgrades and replacements (\$300,000), FMIS and HRMS enterprise system upgrades (\$150,000) and public facilities communications (\$567,000) programs.

Unified Contact Center: The UCC provides residents with access to city information and non-emergency services through a single, multi-channel point of contact that includes the Call Center, online service request system, e-mail, and the *MKEmobile* application.

Since 2013, management initiatives and operational changes including multi-channel offerings have improved UCC's overall effectiveness. Multi-channel offerings allow residents to choose the option that best meets their needs while enabling staff to better prioritize more urgent requests which are more likely to be received via calls to 286-CITY.

The UCC handles more than 90% of parking information, permission, and complaint calls. The UCC has made progress with other departmental calls, including the creation of virtual call coordination with the city hall operator and continuing joint efforts with Transportation, Water Works, the Department of Neighborhood Services, the Department of City Development, and several special programs in the areas of energy efficiency, housing programs, and city grants. The section provides critical assistance to the Election Commission during local and national elections by receiving overflow calls and ensuring that voters are accurately informed and routed appropriately for further assistance.

RESIZE, RESTRUCTURE, AND REINVEST

Improving Accessibility: The city is committed to providing programs, services, and activities that are accessible to all residents and comply with the Americans with Disabilities Act (ADA). The 2021 budget does not include any additional funding for the ADA compliance special fund. Funding of \$388,263 was available in 2020 and most of this funding will be carried over into 2021 to cover planned expenditures in 2021. Funding supports an independent licensed architect (ILA) and training for employees that interact with individuals with disabilities. The department's

ADA Coordinator plans and manages compliance projects, completes Department of Justice mandated reporting, and coordinates employee training.

Since this effort began in 2016, significant progress has been made with inspections by the ILA and training for city employees. Almost 74% of the violations identified by U.S. Department of Justice (DOJ) have been remediated and nearly 4,000 employees have been trained in 19 city departments including the Police, Fire, and Health departments and the Milwaukee Public Library. The ILA has surveyed all city facilities not previously reviewed by the DOJ and provided facilities survey reports. The ILA reviews all remediation work for ADA-compliance and generates Certificates of Compliance for corrected items.

As the demand for direct access to services and information increases, it is important to ensure that the city’s websites are in compliance with ADA regulations. ITMD works with departments to maintain the website and public facing applications in accordance with the ADA. The website is continually improving to ensure that online services and applications are accessible and comply with ADA requirements.

Other Budget Changes: Funding for the Street Prostitution Partner Patrol Special Fund is eliminated and the Computer Maintenance/Upgrade Special Fund is reduced by \$130,000 to achieve budget savings. The Enterprise Resource Management Special Fund is increased by \$81,478 to ensure continuing support of the financial and human resources enterprise systems.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	0.80	0.20	Chief Equity Officer	Position to lead equity and inclusion efforts
-1	-0.80	-0.20	Small Business Development Director	
	1.00		Administrative Specialist	Fund vacant position to support OEI
1	1.00		Program Manager	New position to support OAAA
-1	-1.00		Graphic Designer II	Position reclassification in CCFN 191472
1	1.00		Creative Design and Brand Specialist	
-1			Graduate Intern	Position eliminated
1		0.75	Management Trainee	Grant funded position
-4	-4.00		Purchasing Agent - Senior	Position reclassification in CCFN 190919
4	4.00		Procurement Specialist	
1	1.00		IT Project Coordinator	Position reclassification in CCFN 191472
-1	-1.00		Program Manager	
1	1.00		IT Support Specialist-Lead	Operational change
-1	-1.00		Systems Analyst/Project Leader	
	5.34	-6.14	Various positions	Change in anticipated grant and capital funding
1	7.34	-5.39	Totals	

ASSESSOR'S OFFICE

EXECUTIVE SUMMARY

- MISSION:** Establish public confidence in the accuracy, efficiency, and fairness of the assessment process and ensure the equitable distribution of the city's property tax levy.
- OBJECTIVES:** Ensure and demonstrate consistency and transparency in assessment operations.
- Maximize assessment accuracy reducing the need for appeals and changes to final property tax revenues.
- STRATEGIES:** Actively monitor and record property sales and other housing market trends to assure ongoing assessment accuracy.
- Implement new technologies to increase the availability and accuracy of assessment related information, and increase ease of accessing and understanding real estate market information.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	50.60	48.00	47.00	-1.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	59	59	57	-2.00
<u>Expenditures</u>				
Salaries and Wages	\$2,922,011	\$2,801,638	\$2,851,270	\$49,632
Fringe Benefits	1,168,804	1,120,655	1,311,584	190,929
Operating Expenditures	297,272	309,337	219,337	-90,000
Equipment	0	0	0	0
Special Funds	60,330	70,000	70,000	0
Total	\$4,448,417	\$4,301,630	\$4,452,191	\$150,561
<u>Revenues</u>				
Charges for Services	\$1,101,974	\$843,000	\$859,000	\$16,000
Total	\$1,101,974	\$843,000	\$843,000	\$16,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increase investment and economic vitality throughout the city.
 - Generate accurate, consistent, and fair assessments of the city's taxable property.
 - Provide an open, transparent, and responsive assessment process.

The Assessor's Office uniformly and accurately assesses the value of taxable property in the City of Milwaukee. This includes tracking and recording all ownership and parcel changes, listing all taxable property as of January 1 of each

year, determining if properties are eligible for exemptions, reviewing permits, estimating the market value of all locally assessable property, defending assessments that are appealed, and producing an annual assessment roll. The city seeks to deliver services in a manner that achieves customer satisfaction and distributes the cost of service as equitably as possible. Accurate assessments ensure that all areas of the city and classes of property pay an equitable share of taxes based on their value. Annual revaluations ensure the highest level of fairness.

TECHNOLOGY CHANGES

The Assessor’s Office reviews additional technology-based improvements. Technology upgrades provide better information to the public, offer increased access to assessment information, and create operational efficiencies.

The internet has helped property owners, potential buyers, and sellers of properties access information and significantly reduced the number of telephone inquiries received by the department. An upgrade of the Assessor’s web site will occur in 2020.

The primary departmental computer system was replaced with a modern system that provides new efficiencies and will enable the office to leverage other systems that improve assessment accuracy.

The scanning of property sketches is in process in 2020. This is the first step toward the creation of geo-referenced digital sketches. If funded, geo-referenced sketches would improve the accuracy of building sizes and improve assessment accuracy.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Contacts with Property Owners during Open Book	1.96%	3.9%	2.0%
Objection Forms provided to Property Owners during Open Book	1.29%	4.18%	1.0%
Formal Objections as a percentage of taxable parcels.	.97%	3.39% as of 8/27/2020	1.0%
Appeals to the Board of Review as a percentage of taxable parcels.	.06%	NA	.05%
Assessment ratio (assessed value/sale price) for all properties sold during the year.	100.01%	99.49%	95%

STRATEGY IMPLEMENTATION

The Assessor’s Office performance in producing fair, accurate, and equitable assessments is measured through several statistics. One key statistic is the assessment ratio, which compares the assessed value of sold homes with their sale prices. The Assessor’s Office met the goal of residential assessments by being within 10% of sales prices in 2019. The assessment ratio of 99.49% for sales reflects continued assessment accuracy in a complicated housing market.

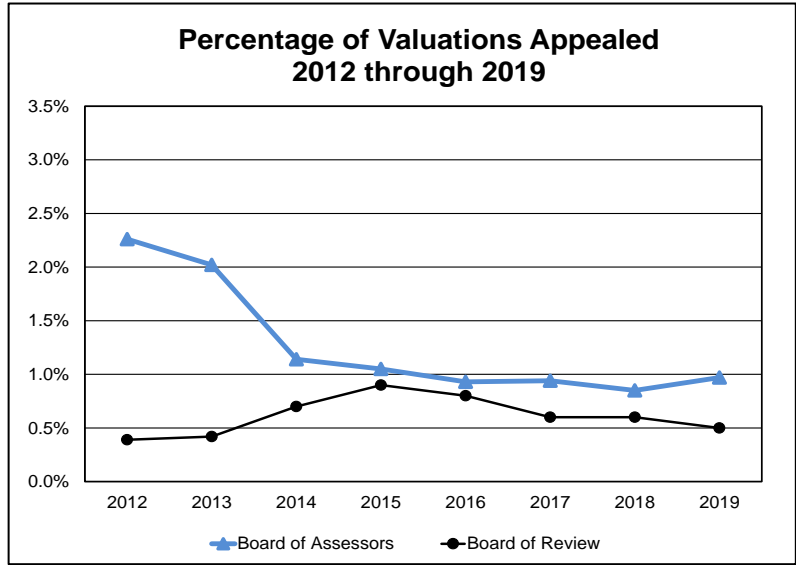
For several years, annual revaluations of property have occurred. Because of the disruption and economic impact caused by the COVID-19 pandemic, the Assessor’s Office will not conduct a revaluation in 2021. The assessment cycle will be reviewed in the summer of 2021 to determine how often future revaluations will occur. The safety of residents and staff members is a priority. Determining factors include the safety of field inspections and availability

of remote data gathering technology. During 2021, the Assessor's Office will focus on resolving appeals, processing permits from 2020, updating property records, and preparing for future revaluations.

Oversight by DOR: the Wisconsin Department of Revenue continually monitors the quality of assessments. The DOR creates minimum statistical standards for assessment offices. The DOR provides statistics in the spring of each year and final ratio reports in December. Regular revaluations enable the office to produce statistical results that comply with these requirements.

Appeals: The initial process of review occurs during the open book. The City of Milwaukee generally provides at least four weeks for property owners to discuss their assessments with the city appraisers. The Board of Assessors reviews assessments made by appraisers and the Board of Review hears assessment appeals from property owners. The multi-level review allows property owners to voice concerns and contest their assessments. The Assessor's Office strives to improve assessment accuracy, provide public information, and educate the public. Appeals increased in 2020 due to an extremely volatile market combined with the full implementation of the new computer assisted mass appraisal system (see Figure 1).

Figure 1



The Board of Assessors reviews assessments made by appraisers and the Board of Review hears assessment appeals from property owners. The multi-level review allows property owners to voice concerns and contest their assessments. The Assessor's Office strives to improve assessment accuracy, provide public information, and educate the public. Appeals increased in 2020 due to an extremely volatile market combined with the full implementation of the new computer assisted mass appraisal system (see Figure 1).

Exempt Properties: For 2020, the city has 9,844 tax-exempt properties with an estimated exempted value of more than \$4.6 billion. To protect the city's tax base, the department carefully reviews new exemption applications. Additionally, the office regularly reviews individual exempt properties to ensure they serve the public good, provide the services that justify tax exemption, and have provided the required information that ensures the organizations meet legal requirements.

Litigation: The Assessor's Office is involved in litigation with a small percentage of property owner's overvaluation disputes under s. 74.37, Wis. Stats. Property owners can appeal property assessments through both a Board of Review and state courts. While the department's valuations have substantially stood in decided cases, litigation requires considerable resources and labor hours.

PILOTS: Payment in Lieu of Taxes (PILOTS) agreements help the city's budget by increasing revenues. The Assessor's Office attempts to establish new agreements with non-profit organizations, colleges, and universities.

RESIZE, RESTRUCTURE, AND REINVEST

Staffing: As staff size continues to decrease, the department uses efficiency improvements to maintain productivity. For 2020, the number of assessed parcels per employee has risen to over 5,800. This compares to 5,471 just seven years ago. The Assessor's Office continues to meet customer service demands.

Retirements continue to impact staffing and training needs. The Assessor's Office experiences high turnover of property appraisers. To attract and retain candidates with the skills needed to maintain the standards of accuracy and efficiency, staff worked with the Department of Employee Relations to ensure the salary plan for property appraisers reflects the current market. The salary plan addresses pay progression by providing salary increases for property appraisers who meet pre-determined standards. The standards include earning or maintaining certifications, completing specific courses, and assuming additional responsibilities. The pay plan allows the

Assessor's Office to attract new candidates and make salary offers above the minimum of the pay range to qualified candidates. As more property appraisers become eligible for retirement, the salary plan is an important recruitment and retention tool. The Assessor's Office also reviews and reclassifies positions as needed to maximize city resources and accommodate the DOR mandates.

Investing in additional technologies: In 2012, the Wisconsin Department of Revenue changed the data management requirements for assessors. The WI DOR informed assessors that all data held by assessors should to be stored electronically by 1/1/2013. In 2014, the Milwaukee Assessor's Office created a multiyear plan for implementing the required changes. Funding these improvements has been a challenge and several of the requirements remain unmet.

New technologies and processes are implemented as the city budget permits. These initiatives include the creation and management of digital sketches, the geo-referencing of these sketches, new street-level imagery, full GIS integration, and implementing desktop review software.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Assessment Division Manager	Office reorganization
-1			College Intern	Budget reductions
-2	-1.00	0.00	Totals	

CITY ATTORNEY

EXECUTIVE SUMMARY

- MISSION:** Provide legal services and meet the City’s legal needs in accordance with the City Charter and statutory requirements.
- OBJECTIVES:** Protect the City’s interests in litigation.
- Provide legal opinions on matters of significance to municipal corporations.
- Manage risk so that liabilities do not disrupt finances.
- Provide day to day legal advice to City officials and departments.
- Reduce nuisances that detract from neighborhood quality of life.
- Prosecute municipal ordinance violations.
- STRATEGIES:** Maintain active partnerships with City departments so that legal strategies are consistent with operational needs and coordinated among the different departments.
- Maintain exceptional standards of integrity and legal expertise through continuing education, competitive recruitment, and professional opportunities.
- Continue to implement neighborhood revitalization legal services including housing crisis response, nuisance abatement, community prosecution, and strategic code enforcement.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	59.71	58.50	59.50	1.00
FTEs - Other	1.12	2.50	2.50	0.00
Total Positions Authorized	64	64	65	1
<u>Expenditures</u>				
Salaries and Wages	\$4,800,697	\$4,546,876	\$4,750,264	\$203,388
Fringe Benefits	2,160,314	2,046,094	2,185,121	139,027
Operating Expenditures	210,594	341,927	341,927	0
Equipment	47,426	36,000	36,000	0
Special Funds	0	0	0	0
Total	\$7,219,031	\$6,970,897	\$7,313,312	\$342,415
<u>Revenues</u>				
Charges for Services	\$791,973	\$947,000	\$956,000	\$9,000
Total	\$791,973	\$947,000	\$956,000	\$9,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Improve the City's fiscal capacity by protecting the City's interests in litigation and managing risk so that liabilities do not disrupt finances.
2. Support the City's interests and policy initiatives.
3. Develop and sustain legal strategies to promote respect for individual civil liberties and the rule of law.
4. Sustain safe and healthy neighborhoods by reducing nuisances that detract from quality of life and prosecuting ordinance violations.

The City Attorney's Office supports the City's goals of building safe and healthy neighborhoods and improving fiscal capacity. It supports these goals by effectively prosecuting ordinance violations, providing legal services related to housing and neighborhood issues, assisting with economic development and affordable housing efforts, abating nuisances through community prosecution and related efforts, and managing financial liabilities resulting from claims and lawsuits.

The City Attorney is a publicly elected official and conducts all legal business for the City and its departments, boards, commissions, and other City governmental agencies including the Housing and Redevelopment Authorities and Milwaukee Public Schools. The City Attorney's Office handles litigation and maintains a docket of cases to which the City may be a party, provides legal advice and opinions, and prepares and examines legislation for the Common Council. In addition, the City Attorney drafts all legal documents required for conducting the business of the City, collects claims and delinquencies, and prosecutes City ordinance violations.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Number of assessment appeals successfully defended.	Opened (during 2019)	19	23
	Dismissed (during 2019)	16	14
	Pending (as of 12/31/2019)	27	37

STRATEGY IMPLEMENTATION

The City Attorney's Office is divided into four sections, including Neighborhood Revitalization and Ordinance Enforcement; Real Estate/Education/Housing; Employment/Labor/Benefits/Contracting; and Litigation. Each section has six to ten attorneys and is managed by a Deputy City Attorney.

The Neighborhood Revitalization and Ordinance Enforcement section improves the quality of life in Milwaukee's neighborhoods by prosecuting ordinance violations and abating public nuisance conditions. It helps improve public safety through litigation, legal opinions, education and outreach. The community prosecution team collaborates with other city departments and governmental agencies, local businesses, community based organizations and residents to resolve chronic neighborhood and housing-related problems. This includes investigating landlords and seeking receiverships where appropriate, initiating and defending condemnation proceedings against blighted properties, investigating and prosecuting appropriate actions against municipal license holders, and developing legal strategies to target problem properties.

The Neighborhood Revitalization and Ordinance Enforcement section continues to litigate several large scale receivership actions and bankruptcy adversary proceedings against exploitative landlords and chronic debtors. It is currently litigating the appeal of the raze orders issued to abate the old Northridge Mall buildings, which were successfully upheld by the circuit court. The section objects to foreclosure sales where bidders are tax delinquent or have outstanding municipal court judgments, resulting in payments of thousands of dollars owed to the City. It assists in collecting debts owed to the City on applications to vacate in rem foreclosure judgments. The section conducts trainings for the Milwaukee Police Department, the Department of Neighborhood Services, the Health Department and the City Clerk Licenses Division. In 2019, the Ordinance Enforcement Division conducted approximately 10,340 pre-trial conferences and 1,349 trials in the Milwaukee Municipal Court, including the prosecution of 2,263 distinct building and zoning code cases. In addition, the section appears in circuit court for appeals of municipal court convictions and petitions for the return of seized property. The section works with the Municipal Court and the Milwaukee Area Technical College on numerous problem-oriented initiatives to reduce recidivism and promote public safety through remedial consequences such as traffic safety and addiction counseling to offenders. In 2020, the Neighborhood Revitalization and Ordinance Enforcement section also focused on the free speech, civil disturbance, licensing and permitting preparations associated with the Democratic National Convention.

The Real Estate/Education/Housing section manages the City's risk and liabilities through document drafting, works with City departments and elected officials to facilitate economic development and sales of City-owned property for development and housing, implements tax incremental and other financing necessary to assist in development, implements workforce development programs, addresses zoning and other land use issues, advises departments and City officials on the public records and open meetings laws and advises the City's Ethics Board, Board of Harbor Commissioners, Board of Zoning Appeals and Public Debt Commission. Services provided by this section include:

- Finalized preparations for the 2020 Democratic National Convention including procurement policies, intergovernmental agreements with outside law enforcement and fire agencies, handling records requests and 1st Amendment permitting matters.
- Provided legal assistance in the creation of nine new tax incremental financing districts (TIDs) and the amendment of four TIDs.
- Assisted on development projects including the Schuster Building redevelopment, Community in the Corridor project, the Couture Project, rehabilitating Zillman Park in Bay View and finishing the Good Hope Library project.
- Drafted the new DeLong and Michels leases for the Port of Milwaukee, involving millions of dollars of private investment to the Port.
- Assisted MPS with the application of various health orders related to COVID-19.
- Successfully defended the Board of Zoning Appeals in three appeals to Circuit Court and one appeal in the Wisconsin Court of Appeals.

The Employment/Labor/Benefits/Contracting section provides general legal services to City departments including drafting contracts; navigating purchasing requirements and providing training, legal counsel, and representation on state and federal employment law, including discrimination, civil service, the Fair Labor Standard Act, and the Family Medical Leave Act. In addition, the police and fire unions generate ongoing municipal labor relations work, including grievance arbitration and disciplinary matters before the Fire and Police Commission. The section also provides legal services to the Employees' Retirement System, the Deferred Compensation Plan, and medical, dental and other employment benefit plans the City sponsors. The COVID-19 pandemic created a significant increase in legal work for this section including COVID-19 related health mandates, policies, contracts, emergency government orders, and other legal questions. Services provided by this section include:

- Advised DER and Budget Office regarding COVID-19 and the CARES Act, including use of the CARES Act Relief Fund, FMLA, HIPAA, unemployment benefits and other issues
- Assisted MHD with several coronavirus relief grants
- Drafting emergency government orders for the Mayor and the MHD

- Reviewed State emergency orders, CDC guidelines and federal grant requirements concerning COVID-19
- Advised and assisted on enforcement of COVID-19 isolation, quarantine, and business closure orders with MHD
- Assisted with emergency procurement issues in response to COVID-19
- Assisted in drafting ordinances and health orders related to the COVID-19 pandemic and provided legal guidance to MHD
- Successfully litigated in both federal court and the state supreme court in cases challenging local health orders
- Updated Purchasing's standard form agreement and provided training and support to Purchasing in advance of the DNC
- Staffed and advised the new Board of Health
- Work on the April 2020 election including legal challenges and responses to COVID
- Recovered \$208,914 settlement payment in the Liquid Aluminum Sulfate Antitrust Litigation

The Litigation section handles litigation, property assessment challenges, licensing matters and bankruptcy cases in which the City is a debtor. The section aggressively defends the City's property assessments by actively litigating assessment cases in court and providing counsel to the Assessor's Office. Several court determinations within the last year provided rulings upholding the property valuations set by the Assessor or substantially compromising the refund amount sought by the taxpayer. This section tried and won five property tax assessment cases that totaled more than \$5.6 million in exposure saved for the City.

The Litigation section also defended a number of lawsuits in the past year, including allegations of police misconduct and general negligence by city employees. Seventeen cases have led to dismissal by summary judgment or other motions. Three cases have resulted in settlements: Rafael Rosales v. City of Milwaukee, et al (\$260,000), Deron Love v. Rodolfo Gomez Jr. (\$100,000) and Jimmy Harris v. Mark T. Kapulsta, et al (\$1,945,292).

The section represents the FPC and MPD regarding the City's obligations under the ACLU lawsuit relating to traffic and pedestrian stops and frisks conducted by police officers. Trial preparations and settlement negotiations continue for numerous civil rights cases commenced in earlier years and filed in 2020.

RESIZE, RESTRUCTURE, AND REINVEST

Staffing Issues: City Attorney Tearman Spencer was elected and took office in April 2020. The City Attorney converted a vacant Assistant City Attorney position to create a Chief of Staff position. Staffing needs are being assessed and may result in changes in management and assignments. The 2021 budget adds a Risk Manager position to the City Attorney's office. This position will examine the City's operations and policies to reduce potential legal liabilities.

The City Attorney plans to resume its merit pay plan in 2021. The City Attorney considers merit pay to be the most significant factor in his ability to attract and retain qualified assistant city attorneys. Salary adjustments for merit are based upon performance evaluations, are contingent upon available funds, and are capped at 4% of an eligible employee's salary.

In 2020, the department utilized the auxiliary resource program to temporarily appoint a part time Graduate Intern through the State Bar of Wisconsin Diversity Clerkship Program. This program provides first year Wisconsin law school students with diverse backgrounds a full time summer clerkship experience with legal organizations. The department hired a summer clerk for ten weeks during 2020. The clerk worked on real estate and development matters, and other general legal matters. This was the department's fourth year participating in the Diversity Clerkship Program.

Technology: In 2020, a major upgrade will take place to the most current version of the document management system to improve and streamline processes.

Special Purpose Accounts: The City Attorney’s Office uses various special purpose accounts to manage legal issues. These accounts pay expert witnesses, pay legal claims and settlements, and insure the City against loss. The 2021 budget provides \$1,225,000 for the damages and claims fund for anticipated liability exposure. The outside counsel and expert witness account is used to prepare for lawsuits and is funded at \$150,000. The insurance fund provides policy premiums for the local government insurance fund and is funded at \$922,000.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	1.00	1	Chief of Staff	Office reorganization
-1	-1.00	-1	Assistant City Attorney	Partially offset Chief of Staff costs
1	1.00		Risk Manager	Transferred from Fire and Police Commission
1	1.00	0.00	Totals	

CITY TREASURER

EXECUTIVE SUMMARY

- MISSION:** To fulfill the duties and responsibilities of the independently elected City Treasurer, who serves as the chief investment and revenue collection officer of the City of Milwaukee.
- OBJECTIVES:** Collect current and delinquent property taxes in a timely and cost effective manner.
- Earn more than the State’s Local Government Investment Pool through prudent investment of city funds.
- STRATEGIES:** Coordinate efforts with the city’s collection agency to collect delinquent property taxes.
- Maintain high quality standards for property tax collection services to city residents and accounting of city funds.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	25.09	31.52	29.41	-2.11
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	48	50	50	0
<u>Expenditures</u>				
Salaries and Wages	\$1,637,097	\$1,677,591	\$1,655,288	\$-22,303
Fringe Benefits	639,022	671,036	761,432	90,396
Operating Expenditures	577,910	734,968	666,030	-68,938
Equipment	0	0		0
Special Funds	639,066	734,000	701,270	-32,730
Total	\$3,493,095	\$3,817,595	\$3,784,020	\$-33,575
<u>Revenues</u>				
Charges for Services	\$177,328	\$117,000	\$126,000	\$9,000
Licenses and Permits	101,357	92,000	99,000	7,000
Miscellaneous	3,888,848	2,615,000	615,000	-2,000,000
Total	\$4,167,533	\$2,824,000	\$840,000	\$-1,984,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The City Treasurer, under authority provided by Wisconsin State Statutes, the Milwaukee City Charter, and code of ordinances, receives and accounts for all monies paid to the city, makes disbursements vouchered for payment by the Comptroller, invests city funds that are not needed to meet current expenditures, collects current property taxes and delinquencies for all five tax levies within the City of Milwaukee, settles property tax collections on a prorated basis, and remits to each taxing jurisdiction their share of the monies collected

The City Treasurer’s Office supports the city’s efforts to improve fiscal capacity through its investment of city funds that are not needed immediately to meet current expenditures, including property taxes and lump sum revenue

payments such as State Shared Revenue. In making investment decisions, the City Treasurer’s Office considers the safety, liquidity, and rate of return of various investment instruments. The City Treasurer’s Office also supports the city’s efforts to deliver services at a competitive cost by controlling tax collection costs.

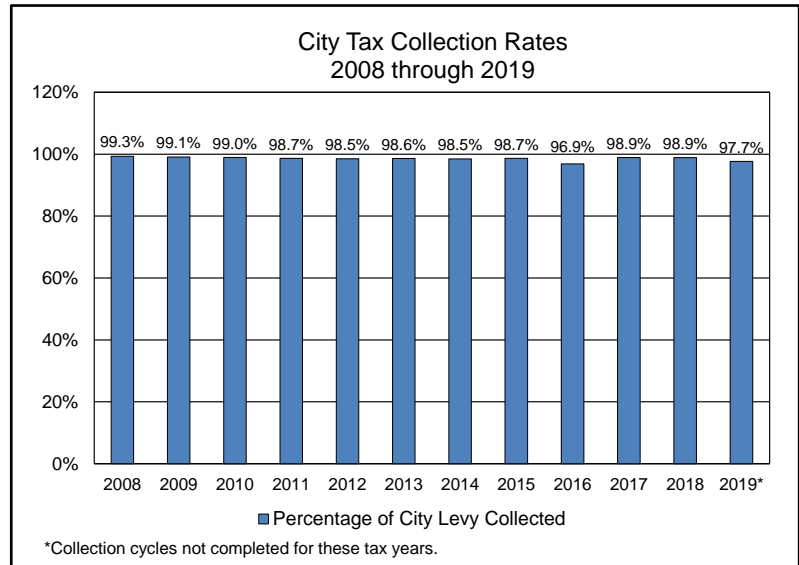
The department’s 2021 budget totals \$3.78 million, a decrease of 0.87% or \$33,575 from the 2020 budget. While salaries and wages, operating expenses, and special funds decreased by \$123,971, the budget for fringe benefits increased \$90,396.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Cost of property tax collection as a percentage of property taxes collected.	0.3537%	0.3486%	0.3815%
General fund investment revenue realized on short term pooled cash investments.	\$2,530,210	\$2,050,533	\$668,778
General fund investment revenue realized on long term pooled cash investments.	\$1,056,033	\$851,133	\$458,371

STRATEGY IMPLEMENTATION

The City Treasurer collects property taxes, including delinquent taxes, for all five levies within the city. As seen in Figure 1, the City Treasurer has successfully collected almost 100% of the total city levy, realizing an average levy collection rate of 98%. The City Treasurer’s Office strives to collect all delinquent property tax accounts. Collection efforts have been improved by allowing special assessments and charges to be placed on the city’s ten month, interest free installment payment plan. In addition the city’s collection agent attempts to collect delinquent real estate property taxes for a period of 12 months prior to the city pursuing a foreclosure action. This lowers taxpayers’ required monthly payments, which helps prevent *in rem* tax foreclosure.

Figure 1



In 2019, the city filed against 974 properties through *in rem* foreclosure and acquired 406 of those properties. As shown in Figure 2, the trend in delinquent tax parcel acquisition rates has been decreasing since 2015.

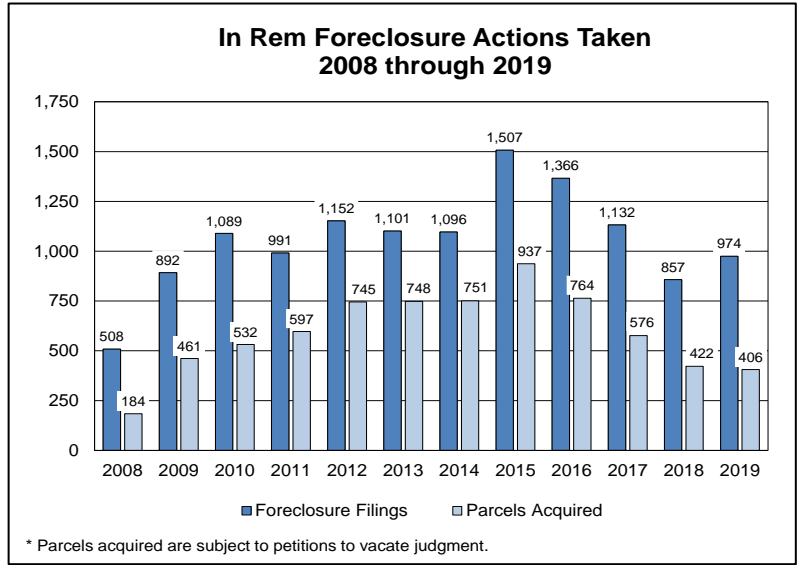
RESIZE, RESTRUCTURE, AND REINVEST

In Rem Tax Foreclosure Filings: The 2021 budget provides funding for three separate *in rem* tax foreclosure filings. Multiple filings help manage the large volume of properties eligible for tax foreclosure by reducing the number of delinquent tax parcels included in each foreclosure action.

The 2021 budget continues the accelerated *in rem* foreclosure program. Begun in 2015, the program acquires vacant and abandoned properties sooner to expedite sale to a new, private owner, while preventing the properties from being vandalized or becoming a nuisance property. Accelerating the foreclosure process helps stabilize neighborhoods.

The COVID-19 pandemic may result in future increases to property tax delinquency and *in rem* tax foreclosures. The City Treasurer is collaborating with the Department of City Development and Take Root Milwaukee to outreach to property owners and help prevent property tax delinquency.

Figure 2



DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
	-2.11		Temp Customer Service Rep I	Reduction in hours funded
0	-2.11	0.00	Totals	

COMMON COUNCIL-CITY CLERK

EXECUTIVE SUMMARY

- MISSION:** Establish city policy and law, oversee the administration of city government, adopt the annual budget, ensure the delivery of services to constituents, and provide the public with information about the duties and actions of city government.
- OBJECTIVES:** Efficiently deliver city government information in a user friendly, understandable manner.
- Manage an equitable and efficient licensing system that supports business operations while providing adequate protections for the public.
- STRATEGIES:** Use technology to reduce costs while increasing the productivity and efficiency of legislative constituent services and improving public access to government actions and meetings.
- Streamline licensing operations and improve customer service with the use of internet transactions.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	96.28	99.57	99.07	-0.50
FTEs - Other	0.87	1.40	1.40	0.00
Total Positions Authorized	127	125	125	0
<u>Expenditures</u>				
Salaries and Wages	\$5,846,834	\$5,746,868	\$5,889,030	\$142,162
Fringe Benefits	2,263,515	2,298,747	2,708,953	410,206
Operating Expenditures	1,017,546	854,618	1,003,043	148,425
Equipment	8,000	28,600	38,680	10,080
Special Funds	109,517	137,035	182,035	45,000
Total	\$9,245,412	\$9,065,868	\$9,821,741	\$755,873
<u>Revenues</u>				
Charges for Services	\$4,725,983	\$5,157,000	\$4,337,000	\$-820,000
Licenses and Permits	4,800,959	4,905,000	4,344,000	-561,000
Total	\$9,526,942	\$10,062,000	\$8,681,000	\$-1,381,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

The mission of city government is to enhance the safety, prosperity, and quality of life of Milwaukee's citizens. Departments support this mission through the legislation and regulations enacted by the Common Council and using the resources the Council provides through the annual budget.

The City Clerk's Office performs city government and licensing functions with efficiency and fairness. In addition, the department maintains accurate and up-to-date records of city government actions and ordinances and keeps

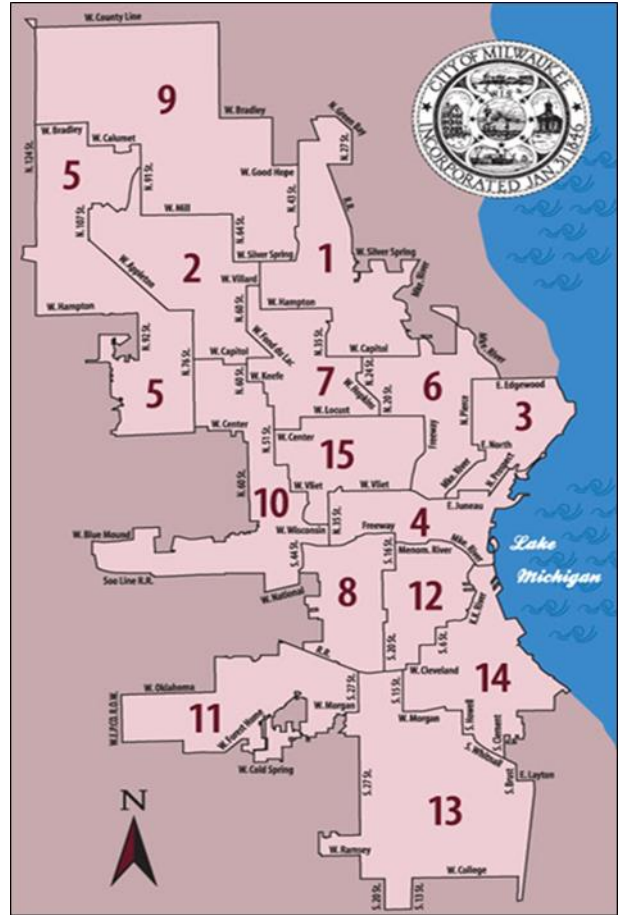
constituents informed of the actions of their council representatives. The City Clerk’s Office also administers and assists in investigating various license applications and collects license revenues.

The Common Council is the legislative branch of city government with 15 members representing geographically distinct districts (see Map 1). The City Clerk’s Office supports the Common Council and other general operations of city government through five areas:

- Central Administration Division
- Public Information Division
- Legislative Reference Bureau
- License Division
- Municipal Research Center

Central Administration provides administrative support functions for the department, staffs council and committee meetings, and assists council members in their work with constituents. The Public Information Division uses professional design, marketing, digital, social media and public relations expertise to help provide outreach communication and public information for the Common Council and the Office of the City Clerk, and also operates the City Channel (the city’s cable/online television channel). Legislative Reference Bureau staff author and analyze legislative initiatives, and review and make recommendations on fiscal matters.

Map 1



The License Division: The License Division registers lobbyists and administers various licenses including liquor, bartender, home improvement, and other occupational licenses.

Municipal Research Center: The MRC continues to improve public and City employee access to City records through a combination of access initiatives and development of new systems, despite the disruption caused by the COVID-19 pandemic. MRC staff continued to provide service and access to City Records Center (CRC) and Municipal Research Library (MRL) collections via a combination of virtual and socially-distanced in-person reference. CRC developed a protocol for remote viewing of microfilm records that will greatly reduce customer and staff exposure to potential COVID vectors.

The MRL continues to provide pre-pandemic levels of service, with approved public health measures in place for in-person patron access, in addition to remote access to library services. The MRL is working to make more archival content available on its website through its digital collections hosted in partnership with Recollection Wisconsin, and has increased its output on social media.

City Records completed a full overhaul of the CRC website, making information about document services, records management, and archival records more accessible to all target audiences.

In February, CRC migrated to and implemented their new physical records management system. In phase 1 of this rollout, CRC staff utilized the query, reporting, and workflow tools of the new software to more efficiently track and handle physical records, as well as to provide an improved response to records requests from City staff and the

public. Phase 2, which began in early August, introduced the public-facing interface to City employees, giving them additional control over and knowledge of their records being stored in CRC and facilitating easier requests and records transfers. Rollout is ongoing, with video training available on the CRC webpage and on request via teleconference and screen share.

RESIZE, RESTRUCTURE, AND REINVEST

The Common Council City Clerk's 2021 budget totals \$9.8 million. Changes from the 2020 budget include adjustments to reflect current salary rates of employees, a \$150,000 increase in operating funding, a \$10,000 increase in equipment funding, and a \$45,000 increase in special funds.

Legislative Reference Bureau (LRB): LRB drafted more than 300 pieces of legislation to date in 2020, including an ordinance prohibiting the sale of harmful products to minors, another mandating the use of face masks, and resolutions seeking changes to various MPD policies and DNC-related ordinances.

Working part-time due to the pandemic, LRB analysts successfully completed 170 pieces of legislation from March 2020; prepared more than 100 research projects to provide Council members with the information needed to make decisions affecting the City and its residents; and created over 20 detailed maps of the City including those needed to address property assessments, the pending census and low-income energy affordability.

In collaboration with Marquette University, the LRB will implement an on-going internship program for students interested in municipal government.

Licensing Division: The License Division receives and processes applications for 66 types of licenses and assists the Common Council in reviewing license applications. Staff process over 17,000 license applications and issue over 16,000 licenses annually.

In 2015, the city's Local Business Action Team (LBAT) provided recommendations to facilitate a more business friendly licensing approach. In 2016, the License Division began implementing the LBAT's recommendations, including simplifying and automating processes, addressing language barriers, and public education. The red tape rescue program was created to continue these efforts with the following goals:

- Make the city an easier, more welcoming place to do business through improvements to city rules and processes.
- Stimulate investment in the city, particularly through public private partnerships and interdepartmental collaboration.
- Create jobs and add to the tax base, with a particular emphasis on small and local businesses.

The program offers several unique tools:

- StartSmart Online Tool: Guides entrepreneurs to the proper city and state licenses and permits.
- Pivot Program Business Workshops: Provides prospective and existing entrepreneurs access to city and state departments in free, two-hour workshops to answer questions and provide guidance.
- Clerk Notes Instructional Videos: Videos covering a range of topics that provide direct access to the knowledge and expertise of License Division staff. All are easily accessed on the Common Council City Clerk's YouTube channel.

License Division staff continually work to make resources more user-friendly, including simpler applications and modernized web pages. In 2019, a project began to provide online application functionality through integration into the Land Management System. Resources are made available in multiple languages and a bilingual Customer Service Representative position increases bilingual services in the division. The License Division continues to evaluate opportunities to achieve greater efficiency, effectiveness, and sustained improvements that help businesses thrive in Milwaukee.

Workforce Development: The Council's Workforce Development Office has two functions:

1. Provide expertise to the Common Council on Workforce Development policies and systems.
2. Create awareness of hiring and job training opportunities and introducing innovative and collaborative strategies for the city's emerging neighborhoods.

Workforce development is guided by the Common Council's Seven Priority Goals for job creation and economic development:

Goal 1: Youth Employment & Violence Prevention

- Attended S.E. Wisconsin Virtual Job Fair coordinated by three workforce development boards attended by 2,116 job seekers and 159 recruiters
- Coordinated and led Drive-Thru Job Fairs attended by over 900 job seekers and 13 direct service agencies that reached a combined 600 job seekers.

Goal 2: Equitable Sourcing for Businesses of Color

- Partner with the Office of Small Business Development to promote business procurement enhancements recommended by the City Accelerator Program to improve economic opportunity for businesses of color
- Assist with implementing the Disparity Study.

Goal 3: Closing Informational Gaps in Employment

- Upgraded the DCMKE design including mobile web and app re-design based on feedback from anchor corporations.
- Promote DCMKE through E-notify application, Facebook, Instagram and Twitter.

Goal 4: Neighborhood Revitalization

- Partnered with neighborhood associations and NSP representatives to distribute and promote job placement opportunities.

Goal 5: My Brother's Keeper Initiative

- Partner with the Milwaukee Fatherhood Initiative and My Father's House in the Drive-Thru Job Fairs.

Goal 6: Linking Educational Achievement to Workforce Development

- Supported the creation of the Millennial Task Force.
- Added Marquette Outward Bound Program to the DCMKE network.

Goal 7: Create Transit Links to Jobs in Waukesha, Ozaukee and Washington counties

- Submitted public comments to Employ Milwaukee, Inc. to make transit links to jobs an integral component of the 2020-2024 Workforce Innovation and Opportunity Act (WIOA) Local Plan.

The Workforce Development Office enhances strategic and collaborative efforts with Milwaukee County's workforce board, Employ Milwaukee, State of Wisconsin Department of Workforce Development, Milwaukee Job Centers of Wisconsin, Direct Service Providers, and recruiters from Milwaukee's businesses.

Position Changes: The 2021 budget includes a 0.5 FTE reduction and maintains the same number of positions as the 2020 budget. A Management Trainee is included in the 2021 budget, while two Library Reference Assistant positions are reclassified to Municipal Research Library Services Assistants. Reductions include one Administrative Services Specialist and 0.5 FTE Community Outreach Coordinator (X).

Inspector General: The 2021 budget retains position authority and fully funds the Inspector General position. The Inspector General is tasked with promoting ethical, fiscal, and legal accountability by monitoring and reporting on the administration and operations of City Departments.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	1	0.00	Management Trainee	New Position
-1	-1	0.00	Administrative Services Specialist	Reduction
0	-0.5	0.00	Community Outreach Coordinator (X)	Reduction
-2	-2	0.00	Library Reference Assistant	Classification
2	2	0.00	Municipal Research Library Serv. Asst.	
0	-0.5	0.00	Totals	

COMPTROLLER

EXECUTIVE SUMMARY

- MISSION:** Fulfill the responsibilities of the independently elected Comptroller of the City of Milwaukee.
- OBJECTIVES:** Provide essential financial services, continuously improve business processes, and guide decisions to support the city's financial strengths.
- Maintain the city's high quality credit and manage debt in a manner that supports an improved fiscal environment.
- STRATEGIES:** Provide independent fiscal, financial and program analysis, revenue estimation, and auditing.
- Process, maintain, and report on financial position, operating results, and cash flow projections to ensure accurate, efficient, and reliable financial operations.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Personnel				
FTEs - Operations & Maintenance	44.47	48.40	47.10	-1.30
FTEs - Other	6.26	7.60	6.90	-0.70
Total Positions Authorized	59	59	59	0
Expenditures				
Salaries and Wages	\$3,081,407	\$3,132,645	\$3,053,980	\$-78,665
Fringe Benefits	1,232,563	1,253,058	1,404,831	151,773
Operating Expenditures	216,585	164,805	164,805	0
Equipment	3,044	5,000	5,000	0
Special Funds	0	0	0	0
Total	\$4,533,599	\$4,555,508	\$4,628,616	\$73,108
Revenues				
Charges for Services	\$560,676	\$580,000	\$550,000	\$-30,000
Total	\$560,676	\$580,000	\$550,000	\$-30,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

One of the city's goals is to deliver services at a competitive cost and improve its fiscal capacity. This requires that the city's financial operations are accurate, efficient, and reliable.

The City of Milwaukee Comptroller, an elected official, is responsible for managing the city's financial operations. The Comptroller's duties include general and grant accounting, payroll, debt issuance and management, and auditing. The Comptroller also provides general oversight of city activities to ensure compliance with Generally Accepted Accounting Principles (GAAP) and various other regulations imposed by city ordinance, state law, or grant contract.

The Comptroller advises city policymakers on financial matters and provides leadership and advice to city sponsored committees including the Common Council's Finance and Personnel Committee. The Comptroller also holds

positions on the Wisconsin Center District Board, Charter School Review Committee, Pension Board, Pabst Theater Board, City Information Management Committee, Milwaukee Economic Development Corporation, Neighborhood Improvement Development Corporation, Purchasing Appeals Board, and the Deferred Compensation Board.

The Public Debt Commission is the superintendent for city debt issuance. Responsibility includes determining the timing, structure, call provisions, and similar aspects of both city general obligation and revenue anticipation borrowings. The commission oversees the public debt amortization fund, which includes investment and the annual withdrawal to reduce the debt service tax levy. The commission is comprised of three city residents appointed by the Mayor and confirmed by the Common Council. The Comptroller serves as the ex-officio secretary and staff to the commission.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Percentage of actual revenues to revenue estimate.	101%	100%	100%
Internal audit work products.	8	10	11
Unqualified audit opinion by the city’s independent auditor.	Yes	Yes	Yes
Bond rating (S & P Global/Fitch).	AA-/AA-	A/AA-	A/AA-

STRATEGY IMPLEMENTATION

A core function of the Comptroller’s Office is to provide accurate budgeted revenue estimates. With a few exceptions, the Comptroller has estimated revenues within 2% of actual revenues.

If revenue estimates are too conservative, the Mayor and Common Council must make other fiscal changes to ensure a balanced budget. This may include reducing budget appropriations further than necessary, increasing the property tax levy higher than necessary, or making a larger withdrawal from the tax stabilization fund (TSF). If actual revenues are higher than revenue estimates, the surplus revenue is deposited in the TSF. The TSF withdrawal, in effect, recoups the unrecognized revenue from the prior budget. Use of the TSF is a prudent and responsible fiscal measure that minimizes property tax levy volatility.

Variances in TSF withdrawals are strongly affected by revenues that exceed estimates. The higher that actual revenue amounts exceed budget estimates, the larger the TSF balance that is available to withdraw.

Another core function of the Comptroller is conducting audits. Copies of major audit reports are provided on the Comptroller’s web page. The Comptroller’s Office performs four major types of audits, including:

- Financial audits to determine if financial records are accurate and proper controls are in place.
- Compliance audits to determine if departments comply with funding or regulatory guidelines.
- Program audits to determine if a program is operated in the most efficient and effective manner.
- Information technology audits to ensure that controls and security measures are in place to protect the city’s technology networks and systems.

City operations rely on official accounting records. Without accurate and reliable information on accounts payable, accounts receivable, and payroll the city could not meet its obligations, bills would go unpaid, city employees would not receive paychecks, and important services could not be provided. Reliable accounting records help the city determine its present financial position and guide its future direction. Timely, reliable, and accurate accounting records are essential to the delivery of important public services such as garbage collection and public health services.

Systematic audits of the accounting system protect against failures in important information by ensuring that accurate accounting records are kept.

The Comptroller also manages the city’s debt. The Comptroller’s goal is to retain the city’s high “investment grade” bond ratings and maintain low borrowing costs. Low borrowing costs produce direct benefits to the taxpayer. The City continues to maintain high quality investment grade ratings of AA- from Fitch and A from S&P Global.

These ratings have remained high despite decreased state aids. As the ratings indicate, the city’s capacity to meet its financial commitments on outstanding obligations is strong. The ratings reflect a combination of moderate overall debt burden, rapid debt repayment, and manageable capital needs. The city keeps the overall debt burden affordable by controlling the level of annual debt issued.

OTHER SERVICE AND BUDGET CHANGES

The Comptroller’s Office continues to experience increased workload due to new Governmental Accounting Standards Board accounting requirements, changes in auditing standards, increased grant financial administration, increased demand for both financial analysis and internal audits, and the growing complexity of the bond market.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&MFTEs	Position Title	Reason
	-1.00		Executive Administrative Assistant II	Budget reductions
	-1.00		Accounting Specialist	
	0.70	-0.70	Various salary changes	
0	-1.3	-0.7	Totals	

DEPARTMENT OF CITY DEVELOPMENT

EXECUTIVE SUMMARY

- MISSION:** Improve the quality of life in Milwaukee by guiding and promoting development that creates jobs, builds wealth, and strengthens the urban environment.
- OBJECTIVES:** Increase the annual amount of net new construction in the community by half of 1% or more.
- Increase total employment and develop quality employment in the city.
- Support stable and high quality housing and commercial developments throughout the city.
- Increase total sales, rehabilitation efforts, and redevelopment of city owned real estate.
- Increase commerce and neighborhood vitality in Milwaukee.
- Support and increase economic and racial equity in the city, expanded access to opportunity, and diminished displacement and gentrification.
- STRATEGIES:** Reduce the impact of residential foreclosures in Milwaukee neighborhoods.
- Support regional marketing of commercial real estate opportunities.
- Identify 20 acres each year for brownfield redevelopment.
- Improve neighborhood appearance, vitality and viability by continuing the targeted investment neighborhood programs, and collaborating with other city departments, governmental partners, the private sector, community organizations and residents.
- Support commercial revitalization efforts using grant and loan programs to catalyze small businesses and improve neighborhood commercial corridors.
- Continue the Earn & Learn summer youth employment program.
- Direct land use planning activities and implement plan recommendations.
- Prioritize resident access to information about housing and development resources.
- Promote the city as a place to do business, raise families, and enjoy a high quality of life.
-

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	58.98	50.50	49.40	-1.10
FTEs - Other	32.87	41.25	42.35	1.10
Total Positions Authorized	121	121	121	0
<u>Expenditures</u>				
Salaries and Wages	\$3,206,713	\$3,207,092	\$3,155,189	\$-51,903
Fringe Benefits	1,282,685	1,282,837	1,451,387	168,550
Operating Expenditures	135,682	154,242	154,000	-242
Equipment	0	0	0	0
Special Funds	152,185	172,000	350,000	178,000
Total	\$4,777,265	\$4,816,171	\$5,110,576	\$294,405
<u>Revenues</u>				
Taxes and PILOTS	\$967,959	\$870,000	\$900,000	\$30,000
Charges for Services	8,970	108,000	108,000	0
Licenses and Permits	58,695	55,000	55,000	0
Miscellaneous	57,215	22,000	27,000	5,000
Total	\$1,092,839	\$1,055,000	\$1,090,000	\$35,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Build safe, sustainable and healthy neighborhoods.
 - Reduce the impact of tax-foreclosed property.
 - Support neighborhood business through business improvements district programs.
 - Administer 4th of July festivities, Arts Board, and other cultural initiatives.
2. Increase investment and economic vitality throughout Milwaukee.
 - Invest strategically in housing and business development through targeted programs.
 - Leverage private and other investment to match city commitments.
 - Utilize tax increment financing as a development tool throughout Milwaukee.
 - Engage community stakeholders in land use planning activities.
3. Improve workforce development and connect more citizens to family supporting jobs.
 - Assist employers locating in Milwaukee and fund redevelopment of commercial and industrial sites.
 - Promote Milwaukee as a place to do business through the M7 and other strategic partnerships.
4. Help children succeed, prepare for post-secondary education, and meet their full potential.
 - Continue to place Milwaukee teens in the Earn & Learn Summer Youth Employment Program.

The Department of City Development (DCD) supports the city’s goals to increase investment and economic vitality throughout Milwaukee and to build safe, sustainable and healthy neighborhoods. DCD has a wide range of responsibilities in housing, planning, development, business assistance, real estate, and marketing. These responsibilities and the department’s corresponding goals are designed to meet the specific needs of various segments of the population, including entrepreneurs, job seekers, and city residents.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Net new construction (% of equalized value).	1.125%	1.125%	1.125%
Sales, transfers, and dispositions of tax foreclosed property.	258	250	25
Percentage increase in value of property for closing tax increment districts.	632,733%	0% (no TIDs are closing in 2020)	715%
Number of Strong Neighborhoods loans closed.	83	70 (due to COVID)	80

STRATEGY IMPLEMENTATION

DCD provides incentives for increased private sector employment and investment that grows the city’s tax base. The department utilizes four key approaches to accomplish its mission:

- Direct financial assistance to small businesses,
- Use of tax incremental financing,
- Partnerships with organizations that represent businesses and employers, and
- Redevelopment project management.

Support to potential businesses and developers resulted in many development projects throughout Milwaukee, including more than 16,000 citywide housing units since 2004. Milwaukee residents benefit from this growth as developers and business owners support the local economy. Development agreements for new projects often include residential employment requirements and Payments in Lieu of Taxes (PILOTs) agreements.

Mayor Barrett’s Strong Neighborhoods Plan: In 2014, the City of Milwaukee began a major citywide effort to reduce the number and mitigate the impacts of tax-foreclosed properties. In 2021, funding continues for Mayor Barrett’s Strong Neighborhoods Plan, a citywide effort to address the tax foreclosure issue. Programs managed by various city departments address the following goals:

- Preventing foreclosures,
- Mitigating the impacts of foreclosed and blighted property,
- Revitalizing properties and neighborhoods, and
- Renewing abandoned and vacant spaces.

Collaborative efforts in multiple city departments have placed foreclosed properties back in the hands of responsible owners. The city works on a concentrated basis to remove blighted properties, maintain city owned properties, and rehab and redevelop neighborhoods, maximizing the benefit to neighborhoods.

In 2018, Mayor Barrett announced the 10,000 Homes Initiative, which will improve the housing circumstances of 10,000 low and moderate- income Milwaukee households over the next decade. The Initiative uses three key strategies: Develop new and preserve existing affordable housing units in neighborhoods, including units for rental and owner-occupancy; retain and promote homeownership; and maintain and improve the City’s affordable housing stock. By the close of 2019, the Initiative created or improved more than 2,000 affordable units.

DCD administers programs that focus primarily on revitalization and renewal, including the sale of city owned properties to responsible private owner occupants and investors. In 2019, DCD sold 258 improved properties and 138 vacant lots. Forty-three percent of the sales were to individuals intending to live in the properties.

Rent-to-Own Program: Tenants of the previous owner occupy many properties acquired by the city through foreclosure. DCD operates a rent-to-own program that provides qualifying tenants the opportunity to purchase the property upon completion of home ownership and financial education. Through 2019, 68 tenants purchased their properties.

Strong Neighborhoods Loan Programs: DCD administers three Strong Neighborhoods loan programs. Strong Home loans preserve homeowner occupancy by assisting owners with essential home repair needs. The program provides low interest, deferred payment loans and technical assistance for emergency and critical home repairs to homeowners who are not able to access conventional financing. The typical strong homes loan borrower owns a house built before 1939 and has owned the house for more than 15 years. During 2019, 73 Strong Homes Loans were closed totaling \$1,200,000. DCD also operates the Homebuyer Assistance Program, which provides financial and technical help to prospective homeowners buying city-owned foreclosed houses for owner-occupancy. The Rental Rehabilitation Program provides forgivable loans to investors who buy city-owned foreclosed houses and renovate them for affordable rental. These two programs made 10 loans totaling approximately \$230,000 in 2019.

Real Estate Broker Partnership: Selling city owned properties to responsible owners and investors is an important part of neighborhood stabilization. DCD works with local real estate brokers specializing in foreclosed properties to list city owned properties for sale. In 2019, broker listed sales accounted for 39% of *in rem* property sales. This successful partnership will continue in 2021.

Milwaukee Employment/Renovation Initiative (“MERI”): In 2019, building on the successful MERI renovation program for City owned properties, DCD launched the MERI 2.0 program to provide properties and grants for the renovation of City owned properties and the employment of local residents. With a special emphasis on building the capacity of emerging developers, 11 developers were selected for the program, including two non-profit organizations and seven emerging developers. Over the next 24 months, an estimated 100 properties will be renovated under the program for homeownership and affordable rental opportunities.

Vacant Lot Loan Program: This program offers residents the opportunity to purchase city-owned vacant lots to build owner occupied single-family homes. Residents who purchase a lot for \$1 are eligible for a \$10,000 forgivable loan to assist with construction costs. Purchasers must live in the home for seven years. While all city owned vacant lots are eligible, sale efforts focus on central city development areas such as the Walnut Circle, Josey Heights, and Legacy subdivisions.

Opportunity Zone: The federal Opportunity Zone (OZ) program provides favorable capital gains tax credits for business and development investment in designated census tracts. During 2018, the US Treasury Department designated 34 Milwaukee census tracts as Opportunity Zone tracts, eligible for tax-advantaged investment by Qualified Opportunity Funds. Areas include the Menomonee Valley, Harbor District, Cesar Chavez Drive/National Avenue, Fond du Lac Avenue/North Avenue, Avenues West, and the sites of several surplus Milwaukee Public Schools buildings. DCD has established a web site to market OZ investment opportunities.

Anti-Displacement Plan: In February 2018, the Department of City Development released “*A Place in the Neighborhood: An Anti-Displacement Plan for Neighborhoods Surrounding Downtown Milwaukee.*” The Plan analyzes neighborhood market and demographic data to determine if displacement is occurring in Milwaukee neighborhoods. The Plan offers a series of recommendations to reduce potential displacement. In 2019, DCD worked with MKE United to implement the Milwaukee Anti-Displacement Fund, providing resources for homeowners to help pay increases in their property taxes, so they will not be displaced due to rising property values and real estate taxes. Another Plan recommendation, the Anti-Displacement Preference Program was adopted by Council in 2019 and requires City assisted affordable rental developments to provide a leasing preference for local neighborhood residents. The Fund made its first payments to assist eligible low-income homeowners with increasing property taxes in January of 2020. 111 homeowners are certified as eligible for ongoing assistance through the Fund, with additional applications anticipated this fall.

Riverwalk Expansion: The Milwaukee Riverwalk began in 1993 and concentrated on an 8-block area of the Milwaukee River. Generating an incremental increase in property values of over \$1 billion, the system now extends along 3 miles of the Milwaukee River, 1.5 miles along the Menomonee River and will continue along the shore of the harbor to the Kinnickinnic River. The Riverwalk has received several awards, including the Urban Institute's 2017-18 Global Award for Excellence.

Commercial Revitalization and Business Investment: DCD's commercial corridor staff serve as liaisons between the city and local business owners, connecting them to a variety of programs focused on commercial revitalization. During 2016, DCD entered into a cooperation agreement with the Milwaukee office of LISC to provide additional support to the city's commercial corridor activity. Through 2019, that partnership developed pop-up commercial spaces in five Business Improvement Districts: King Drive, Chavez Drive, Fond du Lac/North, Riverworks and Near West Side Partners. In late 2018, Brew City Match (BCM) launched. Over \$250,000 in Commercial Revitalization Funds have been expended since the first round of the BCM program.

Commercial grant programs help business and property owners improve the exterior appearance of commercial buildings, update outmoded interior space in order to attract tenants and purchase equipment that enables job expansion. In 2019, these programs made 112 grants totaling \$1.05 million. The city's grant investment leveraged commercial development projects involving total investment of more than \$4 million. Funds from the Zilber Family Foundation, US Bank, Old National Bank and several tax increment districts supplemented City commercial grant funds in selected neighborhoods. Commercial corridor staff also provide assistance and oversight to business improvement districts (BIDs) and neighborhood improvement districts (NIDs). These organizations work in partnership with the city to strengthen commercial corridors. In 2019, the inaugural BID/NID Week was held to assist the BIDs and NIDs showcase their work to the community, including investors and developers.

DCD uses its economic development "toolbox" to encourage private investment throughout Milwaukee, with an emphasis on the following commercial areas:

- King Drive/Bronzeville
- Reed Street Yards
- 30th Street Industrial Corridor
- 27th Street and Wisconsin Avenue
- Menomonee Valley
- Harbor District
- Central city residential neighborhoods and commercial corridors
- Underused industrial properties

In 2019, the city created six tax increment financing (TIF) districts. These new TIFs supported:

- Public access and a plaza as part of the redevelopment of the former Grand Avenue Mall;
- A loan to support the redevelopment of the former Sears property at North and Fond du Lac Avenues into a mix-use development that will include the IKON hotel;
- Public infrastructure to serve the new industrial development for the relocation of Western Building Products into the City at North 115th and Good Hope Road;
- Public improvements to Zillman Park in Bay View;
- A grant to fund 77 affordable apartments, façade restoration and extraordinary costs for the redevelopment of the former Schuster's and Gimbel's properties located in Bronzeville on Dr. Martin Luther King, Jr. Drive; and
- The redevelopment of the former Phillis Wheatley School and a new development at 20th and Meinecke with 83 apartment units (including 67 affordable units) in the Lindsey Heights Neighborhood.

Other major developments completed in 2019 include the BMO Office Tower, Hammes Headquarters, the office headquarters for GRAEF and HNTB in The Avenue, the Vigor at the Brewery with 164 units, the Easton Apartments on Arlington with 144 units and the Harbor View Plaza, a waterfront public park.

Earn & Learn Program: DCD works with Employ Milwaukee to administer the Earn & Learn program. The program assists young people in making a successful transition to adulthood by providing opportunities to develop work readiness skills while they earn wages working in government, community and faith based organizations, and private sector businesses. DCD also coordinates the City's participation as an employer in Earn & Learn. In 2019, the City's Summer Youth Internship Program placed 127 teens in City government departments. DCD also managed City participation in the Milwaukee Public Schools career exploration program for high school students. A variety of City departments hosted students from Vincent High School. In 2020, the City's Summer Youth Internship Program transitioned to a virtual format and employed 123 teens in an online career readiness program.

Healthy Neighborhoods Initiative - Community Improvement Project (CIP): DCD works with community groups, residents, leaders, and organizations to fund and support community projects that engage community members and make physical improvements in Milwaukee neighborhoods. The CIP grant matches applicant funds, other non-city grants, donations, or in-kind services up to \$4,000 to support community-led projects. In 2019, DCD funded 17 projects totaling approximately \$70,000 in neighborhoods throughout the city.

RESIZE, RESTRUCTURE, AND REINVEST

DCD continues to administer residential and commercial property programs as part of citywide efforts to reduce the impact of foreclosures. The department continually reviews performance of real estate programs in order to expand opportunities for owner occupants to purchase tax foreclosed properties and ensure that investor owners complete required repairs on properties to create safe housing for potential tenants.

The mission of the Redevelopment Authority of the City of Milwaukee (RACM) aligns with the department's efforts to eliminate blight and foster business and reinvestment throughout the city. In recent years, positions supported by RACM transferred to city employment. In 2018, all remaining RACM positions transferred to city employment. Through reimbursement, RACM funds the positions. This change places RACM positions under the rules of the City Service Commission.

CAPITAL PROJECTS

Advanced Planning Fund (\$150,000): This funding supports land use, engineering, marketing, and economic studies related to economic and real estate development activities.

Tax Increment Districts: The 2021 budget provides the following TID borrowing authority:

- **New Borrowing for Potential New TIDs (\$25 million):** Provides authority for potential new TIDs. The Joint Review Board, Mayor, and Common Council must approve the creation of TIDs.
- **Developer Revenues (\$9.0 million):** Provides authority to pay the increment on current developer financed TIDs. There are offsetting revenues for these payments.

Brownfield Program (\$500,000): This funding supports brownfield cleanup and provides funds to match federal grant funds for environmental remediation.

In Rem Property Maintenance (\$800,000): This funding supports code compliance, rehabilitation, and other work done on tax-foreclosed properties owned by the city in order to make them livable and marketable.

Commercial Investment Program (\$1,000,000): This program improves the viability of neighborhood commercial corridors. Funding supports façade improvement and white box grants to businesses throughout the city. City funding leverages investment from property and business owners.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Events and Outreach Coordinator	Budget reductions
1		1.00	Real Estate Compliance Liaison Officer	Enhance Real Estate development efforts
	-0.10	0.10	Changes to grant funding	
0	-1.10	1.10	Totals	

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

The Housing Authority of the City of Milwaukee (HACM) is a body politic and corporate of the State of Wisconsin and is responsible for construction, management, provision of safe, affordable, and quality housing with services that enhance residents' self-sufficiency. HACM is administered by a seven member Board of Commissioners. Members are appointed for staggered terms by the Mayor and confirmed by the Common Council.

HACM's principal funding source is the federal government through various programs administered by the U.S. Department of Housing and Urban Development (HUD). HUD provides an operating subsidy to help offset the difference between the expenses associated with managing public housing and the revenues received from 30% of residents' income (rental revenue). The Housing Authority anticipates additional reductions in future federal funding associated with the transition to asset-based management. The Housing Authority continues to look for additional opportunities to maximize its resources.

HACM activities include:

- Low rent public housing management;
- Rent Assistance Program (Section 8);
- Development and rehabilitation;
- Affordable housing; and
- Homeownership and self-sufficiency services.

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE

The Redevelopment Authority of the City of Milwaukee (RACM) is an independent corporation created by state statute in 1958 and derives its powers solely from state law. Details on RACM's relationship with the City of Milwaukee are provided in the audited financial statements of the Redevelopment Authority.

A board, whose members are appointed by the Mayor and confirmed by the Common Council, oversees the Redevelopment Authority. The Redevelopment Authority relies upon the Department of City Development for the professional, technical, and administrative support necessary to carry out its mission. This is accomplished through an annual cooperation agreement with the City of Milwaukee that specifies that DCD will provide the following services:

- Management of financial affairs;
- Land use planning and urban design guidance;
- Real estate acquisition and disposition;
- Relocation assistance for displaced families and businesses;
- Property management and environmental investigation; and
- Housing and economic development project management.

The mission of the Redevelopment Authority is to eliminate blighting conditions that inhibit neighborhood reinvestment; foster and promote business expansion and job creation; and facilitate new business and housing development. Toward that end, the Redevelopment Authority:

- Prepares and implements comprehensive redevelopment plans;
- Assembles real estate for redevelopment;
- Is empowered to borrow money, issue bonds, and make loans; and
- Can condemn property (eminent domain) in furtherance of redevelopment objectives.

MILWAUKEE ECONOMIC DEVELOPMENT CORPORATION

The Milwaukee Economic Development Corporation (MEDC) is a non-stock, non-profit organization formed in 1971 to promote economic development for the benefit of the citizens of the City of Milwaukee. The principal objective of the corporation is to benefit the community by fostering the increase of employment opportunities and expansion of business and industry within the metropolitan Milwaukee area. The corporation uses its own funds to finance projects to achieve that objective. The corporation is exempt from federal and state income taxes under a provision of Section 501(c) (3) of the Internal Revenue Code.

A 33 member Board of Directors oversee MEDC's activities. This includes the Mayor of Milwaukee and one City of Milwaukee council member, with the remaining individuals representing the business community. MEDC's board has delegated authority for policy actions to its 11 member Executive Committee that consists of the Mayor, one council member, and nine representatives of the business community.

MEDC uses its resources, as well as other funding sources, to make below market financing available to businesses seeking to create and retain job opportunities and new investment in Milwaukee and the Milwaukee 7 region. The programs available through MEDC include:

- Direct Loans
- Subordinate Loans in conjunction with a conventional lender
- Capital Access Program
- Milwaukee 7 Capital Catalyst Loan Program

NEIGHBORHOOD IMPROVEMENT DEVELOPMENT CORPORATION

The Neighborhood Improvement Development Corporation (NIDC) is a non-profit corporation established by the city in 1973 to promote reinvestment in housing and neighborhood development within the city. NIDC works with a broad range of partners to improve Milwaukee's neighborhoods and the quality of life for Milwaukee residents. Those partners include; various City departments, community-based agencies, financial institutions, residents, developers and the local philanthropic community.

A nine member Board of Directors that includes at least four city residents heads NIDC. NIDC's key neighborhood redevelopment strategy is its targeted investment neighborhood (TIN) program. The TIN program is a neighborhood revitalization strategy in which NIDC, working with neighborhood partners, focuses resources in a defined geographic area in an effort to stabilize and increase owner occupancy, strengthen property values, and assist property owners in improving the physical appearance and quality of life in their neighborhood. Additionally, NIDC supports and administers other city and departmental housing initiatives.

NIDC also operates the community improvement project (CIP). CIP compliments NIDC's housing activities by providing small matching grants to neighborhood block clubs and groups to undertake projects that encourage resident involvement, relationship building, and grassroots neighborhood improvements.

ELECTION COMMISSION

EXECUTIVE SUMMARY

MISSION: Ensure elections comply with applicable laws and are administered with the highest level of professional standards, accountability, security and integrity; encourage voter participation; build public confidence in the electoral process.

OBJECTIVES: Conduct fair, accessible, accurate, and transparent elections.

STRATEGIES: Administer two scheduled elections in 2021:

- Spring Primary
- Spring Election

Provide administrative oversight of the candidate filing and campaign finance reporting requirements for locally elected offices.

Follow all state and county protocols for ensuring the security of voter registration and election results data.

Ensure compliance with Wisconsin state law, with attention to Wisconsin's photo ID law.

Advocate for changes to election laws that encourage access to voting or eliminate barriers to voting.

Eliminate physical and language barriers at voting sites through compliance with Section 203 of the Voting Rights Act and meeting voting site accessibility requirements.

Provide trained and competent election workers at all voting sites.

Collaborate with community partners to promote the public's understanding of and participation in the electoral process.

Publish timely and accurate election results.

Maintain the highest level of public transparency for all election processes.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	28.00	50.00	29.63	-20.37
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	1,517	2,531	1,532	-999
<u>Expenditures</u>				
Salaries and Wages	\$734,200	\$2,422,755	\$1,050,903	\$-1,371,852
Fringe Benefits	214,936	175,227	159,091	-16,136
Operating Expenditures	212,088	564,055	356,000	-208,055
Equipment	0	0	0	0
Total	\$1,161,224	\$3,162,037	\$1,565,994	\$-1,596,043

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Conduct fair, accessible, accurate, and transparent elections.
 - Support the pre-election voter registration of all eligible voters by disseminating voter registration information and promoting MyVote, the state’s online voter registration system.
 - Maintain an accurate database of registered voters by promptly removing ineligible voters and maintaining accurate records for eligible voters.
 - Promptly respond to requests for absentee ballots and efficiently administer in-person “early” absentee voting.
 - Provide ADA accessible, neighborhood based voting sites.
 - Maintain trained election workers, including bilingual election workers, to reduce language barriers at voting sites.
 - Effectively address voter’s concerns.
 - Maintain voting equipment that is properly and accurately programmed, reliable, and user friendly to voters.
 - Process timely and accurate election results to the public.

The Election Commission manages all aspects of public elections in the City of Milwaukee. The commission maintains a voter registration database of approximately 310,000 registered voters and operates approximately 180 polling locations which are staffed by approximately 1,200 to 2,500 election workers; provides the necessary documents, supplies, and ballots to each voting site on election days; oversees all aspects of absentee voting, including in-person absentee, absentee by mail, military, and overseas absentee voters; administers the statutory obligations for elected officials and potential candidates for municipal offices including the nomination process and campaign finance reporting; and collaborates with non-partisan voting rights groups to encourage voter education and participation. The Election Commission operates a comprehensive website where residents can locate their polling place and elected representatives, instructions for registration and absentee voting, and requirements for voter eligibility.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Enter 100% of voter registrations in a prompt and timely manner.	100%	100%	100%
Number of disenfranchised and provisional ballot voters.	16	250	16
Mail all absentee ballots within 24 hours of request receipt.	100%	90%	100%
Maintain an average wait time at voting sites of less than 15 minutes.	90%	75%**	100%
Election results are published within 60 minutes of the closing of polls and reviewed with 100% accuracy prior to the state’s official canvass.	95%	75%	95%

** Due to covid-19, only 5 polling sites for voting created a longer than usual wait time.

STRATEGY IMPLEMENTATION

The Election Commission continues to eliminate language and accessibility barriers and improve voting access. The department recruits and retains a pool of poll workers to assist with elections. Milwaukee’s 180 polling locations require sufficient staffing on Election Day to check-in registered voters, conduct registration, monitor activity at the

voting machines, and fulfill other duties. Chief inspectors manage polling site activities and ensure compliance with election law. The City of Milwaukee is subject to the Section 203 Bilingual Election Worker and Materials requirements of the Voting Rights Act. These requirements have been met successfully since implementation in 2012. The commission is increasing recruitment and retention efforts for bilingual election workers.

In 2021 the two scheduled elections are:

- Spring Primary - February 16
- Spring Election - April 6

Milwaukee uses neighborhood based voting to encourage accessible elections for city residents. The commission uses data gathered from voters and community members to make adjustments to the location and appropriateness of voting sites.

RESIZE, RESTRUCTURE, AND REINVEST

In recent years, numerous changes were made to the Wisconsin State Statutes that govern election administration. These changes disproportionately impact communities of color, particularly African American, Hispanic and Latino residents that live at or below the poverty rate.

The most significant changes relate to the elimination of “open registration”, Special Registration Deputies and a photo ID requirement. These changes place hardships on persons in poverty to meet requirements to register to vote and receive a ballot. The changes significantly impact voter registration efforts in large urban areas such as Milwaukee. Despite these changes, the Election Commission works diligently with community groups to promote new online voter registration opportunities as well as other mechanisms to assist the public with the voter registration process.

Since the onset of COVID-19, the City of Milwaukee has seen over an 800% increase in absentee voting by-mail. The Election Commission anticipates that many voters will prefer voting by-mail. Under current laws, these ballots cannot be processed until the polls open on Election Day. The volume of ballots for processing on Election Day has grown at a substantial and nearly unmanageable rate. The Election Commission continues to seek legislation that allows the City to begin processing ballots the day prior to the each election.

The Election Commission will conduct department-wide strategic planning in 2021 to ensure processes and procedures are documented and that contingency and succession planning is in place.

Given the high volume of absentee ballot requests and corresponding processing tasks, the Election Commission automated the assembly and mailing of requested absentee ballots prior to the November 2020 election. Grant funds financed the purchase of specialized equipment to eliminate the use of absentee labels, enable the direct printing of inner and outer envelopes, and ensure the outer envelope is for the same voter. This automation increases quality control, better manages the high volume of absentee ballots, and allows redeployment of staff to early voting sites. Grant funds also purchased 24 hour ballot drop boxes, which were placed at public libraries to provide an alternative to mailing ballots.

The 2021 budget includes additional funding for one SafeVote post card mailing to Milwaukee households prior to the Spring Election, and additional staffing funds as needed to cover two weeks of voter assistance at libraries prior to the primary and the election.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	1.00		Election Commission - Deputy Exec. Dir. (Y)	Position Reclassification
-1	-1.00		Election Services Manager (Y)	
1	1.00		Business Systems Coordinator	New Position added
1	1.00		Election Administrative Services Coordinator	Position Reclassification
-1	-1.00		Election Services Office Administrator	
0	-4.60		Temporary Election Laborer (0.73 FTE)	Decrease in number of scheduled elections.
-1,000	-15.00		Election Inspector (0.26 FTE)	
0	-1.77		Temporary Office Assistant II (0.39 FTE)	
-999	-20.37	0.00	Totals	

DEPARTMENT OF EMPLOYEE RELATIONS

EXECUTIVE SUMMARY

MISSION: Recruit, develop, and retain a high performing and diverse workforce while delivering quality customer service to City departments.

OBJECTIVES: Ensure all recruitment and testing activities comply with applicable regulations and work with city departments to refer a diverse and qualified pool of candidates to fill vacancies in a timely manner.

Provide guidance and direction to departments in creating workforce and succession plans designed to address and respond to current and future staffing needs.

Design and implement pay administration practices that attract and retain employees while ensuring internal equity and external competitiveness.

Establish a framework and accountability structure for employment practices that advance racial equity goals.

Control the growth rate in health care costs and encourage employee accountability and responsibility for care while providing incentives and options that support employee's wellbeing.

Design and administer benefits, programs and services that foster safe, productive and healthy workplaces and effectively address the needs of a multigenerational workforce.

STRATEGIES: Establish and administer organizational frameworks to effectively recruit, select, classify, compensate, develop, and reward employees in compliance with applicable employment laws and regulations.

Oversee, support, and promote harmonious and cooperative working relationships between departments, their employees, and employee representatives.

Establish and implement strategies to support the City's racial equity priorities.

Monitor the effectiveness of the City's comprehensive health and wellness program and explore cost reduction opportunities through health care benefits, health care delivery systems and wellness initiatives and programming.

Enhance risk management and safety programs to ensure that departmental policies, practices, and decisions support the goal of minimizing workplace injuries, increasing management's accountability for employee safety, and controlling costs.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	45.69	44.83	41.69	-3.14
FTEs - Other	5.01	16.67	16.67	0.00
Total Positions Authorized	79	81	81	0
<u>Expenditures</u>				
Salaries and Wages	\$2,587,605	\$2,588,700	\$2,712,942	\$124,242
Fringe Benefits	1,035,042	1,035,479	1,247,953	212,474
Operating Expenditures	361,534	328,935	377,375	48,440
Equipment	2,000	2,000	2,000	0
Special Funds	142,816	140,000	135,000	-5,000
Total	\$4,128,997	\$4,095,114	\$4,475,270	\$380,156
<u>Revenues</u>				
Charges for Services	\$225,832	\$213,000	\$230,000	\$17,000
Miscellaneous	51,982	10,000	10,000	0
Total	\$277,814	\$223,000	\$240,000	\$17,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Develop and deliver innovative human resource policies, programs, and services that support the city’s mission by recruiting, developing, and retaining a high performing and diverse workforce while delivering quality customer service.
 - Establish and administer organizational frameworks to effectively recruit, select, classify, compensate, develop, and reward employees in compliance with applicable employment laws and regulations.
 - Develop and implement recruitment and examination practices that produce a qualified and diverse candidate pool to fill departmental vacancies.
 - Establish programs and services to maintain and improve employee health and wellbeing while minimizing growth in health care costs.
 - Establish and monitor risk management and safety programs to ensure safe and productive workplaces while controlling costs.

The Department of Employee Relations (DER) provides human resources support services to city agencies to attract, retain, and motivate a competent and diverse workforce. DER also ensures compliance with state and federal employment laws and civil service rules. It does this through four primary service areas:

- Employee and Labor Relations;
- Compensation and Employee Benefits;
- Recruitment and Selection; and
- Worker’s Compensation and Safety.

DER staffs the City Service Commission, a civilian body that ensures compliance with civil service rules and applicable Wisconsin State Statutes.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Turnaround time between notification of position vacancy and establishment of eligible list.	97 days	104 days	95 days
Percentage of candidates referred who are people of color.	57%	50%	50%
Percentage of candidates referred who are women.	54%	50%	50%

STRATEGY IMPLEMENTATION

Recruitment, Staffing, and Selection: DER recruits and tests candidates for employment based on the rules of the City Service Commission (CSC) and the Fire and Police Commission. In 2019, DER processed 8,911 applications, an increase of 17% when compared to the number of applications processed in 2018. In 2019, the Staffing Division managed a 36% increase in selection processes with no increase in staff capacity. Specifically the staff handled 114 open and competitive exams (an increase of 15% over 2018), 67 continuous exams (an increase of 161%), 40 transfer and promotional opportunities (an increase of 25%), and 22 exempt advisory processes (an increase of 29%), in addition to other staffing requests.

DER works with City departments to address high rates of separations in the form of resignations and service retirements. In 2019 there were 200 general city resignations, an increase of 24% from 2018. Given the large number of employees who are eligible for retirement, reducing resignations is important to stabilize turnover rates. By 2024 over 960 individuals or 25% of the general city workforce will be eligible to retire.

To better respond to turnover rates, DER works with departments on workplace planning. This coordinated effort to anticipate and respond to vacancies reduced the selection process timeframe from 112 days in 2017, to 97 in 2019, a 13% reduction. In 2020 this reduction is approaching 17% with an average of 93 days.

In 2019 DER joined the Harbor Institute, an organization that provides programming and mentorship for students of color, focusing on Historical Black Colleges and Universities (HBCUs). DER also invested in sponsoring Prospanica, an organization that provides programming and mentorship for LatinX college students in the Milwaukee area. A social media campaign was implemented that features “Where are We Wednesdays”, “Superhero Saturdays”, and “Friday Feature” in addition to posting job opportunities. DER also visited HBCUs to recruit for positions including civil engineers, ACAs, librarians, and IT professionals. Internal and external partnerships were also created with MATC, DCMKE, and Compete Milwaukee to help candidates navigate the City’s selection processes and identify driver’s license recovery and CDL permit financial resources for applicants.

Compensation and Salary Administration Practices: Since implementing the 2019 residency incentive pay in 2019, the only salary adjustments approved by the Common Council relate to reclassifications and labor market adjustments considered necessary to attract and retain talent. No pay progression has occurred other than increases negotiated with certified labor groups.

Additional pay progression must be fiscally sustainable and reconciled with the fiscal challenges the City faces. DER will work with the Budget Office to assess the viability of some form of pay progression in 2021. DER is committed to the principles of recognizing and rewarding employee contributions measured by the acquisition and application of knowledge, skills, and abilities as well as meeting or exceeding performance management standards. DER is also committed to assessing the extent to which compensation practices contribute to turnover rates by assessing labor market factors for positions that are difficult to recruit for and those with high rates of separations.

To this end, in 2019 the Compensation division produced job study recommendations for 167 titles and implemented recommendations for 391 affected positions within 19 city departments. At present there are 60 job study requests from city departments that include new position classifications, reclassifications due to changes in responsibilities and requirements, reorganizations of work units, and cost of labor studies in response to difficulty recruiting and/or retaining employees.

Pandemic Response - Policies, Procedures, and Administrative Considerations: DER's invested significant time and resources to respond to COVID-19. Keeping employee safety a priority, DER developed, implemented and managed the following:

- COVID-19 Employment Policy and Guidelines
- Protocols for Responding to Confirmed Cases or Symptomatic Individuals
- Establishment or expansion of leave policies and vacation accrual benefits for certain employees promulgated by the City via Mayoral Proclamation and Common Council approval
- Expansion of overtime accrual benefits for certain Health department employees working on the COVID-19 response
- Timely and thorough implementation of provisions of the Families First Coronavirus Response Act
- Development and implementation of a Hazard Pay provision for applicable classifications
- Implementation of an on-site testing protocol for symptomatic employees and household members
- Development of a placed-based testing strategy in conjunction with the MHD and the Milwaukee Fire Department
- Development and distribution of the City's Face Covering Policy
- Development and implementation of Protocol for Resuming In Person Operations
- Development and implementation of Furlough/Work Share Program across departmental units to address budget challenges
- Redesigned, transitioned and expanded all comprehensive health and wellness programs and services to virtual platforms including onsite clinic services
- Implemented multiple changes to benefit plans based on federal guideline modifications.
- Redeployment of certain department personnel to the Health Department for COVID-19 support hotline and contact tracing roles
- Worked with ITMD to ensure a smooth transition to telework for many City employees

Employee Relations and Employee Resource Groups: Consistent with the City's commitment to strong labor management practices and equitable treatment of employees, a new Dispute Resolution Procedure (DRP) was established in 2019. This DRP allows an employee or employee representative to express a concern regarding a term or condition of employment. The procedure attempts to resolve disputes about City or departmental policies and procedures before a conflict arises or discipline is considered.

DER works with the Employee Resource Groups, including working with the ERG leadership team, to develop a Strategic Plan for 2020-2023. The mission statement is: Create and cultivate a mechanism to build community, foster awareness, respect, and inclusion in the workplace that influences employee development and engagement, recruitment, and retention. The goals that support this mission include:

- **BUILD COMMUNITY:** Foster a safe space for members to share experiences, build relationships, and learn from others.
- **BE A RESOURCE:** Support the employee experience throughout recruitment, retention, and development within the workplace.
- **HAVE AN IMPACT:** Establish ERGs as agents of positive change to influence and enhance quality outcomes in the City of Milwaukee.

Advancing and Achieving Racial Equity: Advancing racial equity within the City's workforce is paramount to the City's equity, inclusion, and social justice goals. Racial equity includes ensuring equal access to job opportunities

and fair and consistent application of terms and conditions of employment, as well as promotion of an environment where every employee can work to his or her potential and interests, free of harassment or discrimination. Civil service practices and processes that support workforce equity include: the use of job analysis, valid and defensible assessments, testing processes that are consistently fair, broad recruitment strategies, structured interviews, blind oral boards and structured interview processes, diverse interview panels, certification and referral rules, ban the box and practices on conviction record reviews, the review of applicant flow data and adverse impact analysis. These practices and processes contributed to a 20% increase in the representation of people of color in the City's workforce from 40% in 2015 to 48% in 2020.

Employee Wellbeing, Benefits, Worker's Compensation and Safety: A comprehensive benefits program is essential to attract and retain a talented workforce and demonstrates the City's commitment to support a diverse workforce through a wide array of services. Benefit alignment with a diverse and inclusive culture exemplifies the City's commitment to provide the best environment for employees to professionally grow, thrive and develop. A multi-faceted benefits program that incorporates employee feedback and includes best practices ensures that employees will be cared for and supported.

The City of Milwaukee currently provides a comprehensive and competitive benefits package to employees with a wide variety of choices. The City continues to evolve and find innovative ways to expand programs and services. In addition, the City is committed to supporting the wellbeing of its employees and has worked to combine health, wellness, and safety programming efforts into an integrated model of total worker health. DER works with many partners to create a workplace culture that enhances employee's lives and offers tools for employees to improve their health and wellbeing. For information on health and safety, refer to the *Employee Health Care Benefits* and *Worker's Compensation* sections of the *2021 Plan and Budget Summary*.

RESIZE, RESTRUCTURE, AND REINVEST

DER works to improve practices and processes with more effective and efficient systems to meet departmental needs and ensure the timely and quality delivery of services. Specific goals and initiatives for 2021 include:

- Continue the workforce planning initiative and the analysis of exit interview and stay interview data to understand turnover rates and align strategic and operational needs with viable and efficient staffing and retention options.
- Identify and implement strategies and programs to better align workforce needs and interests based on findings of the workforce evaluation report conducted by the benefits consultant.
- Develop and implement a framework to advance racial equity in hiring and promotion practices, on-boarding, and training and development.
- Expand and enhance the social media strategy by creating stronger collaboration opportunities with departments.
- Implement the findings and recommendations of the Region of Choice for Talent in the Public Sector Initiative. This initiative conducted a study to better understand the issues and challenges that minority employees face when working in the public sector. This effort is aligned with the Metropolitan Milwaukee Association of Commerce's "Making Milwaukee a Region of Choice" initiative, committed to increasing the number of African American and Hispanic/Latino managers and employees in Metro Milwaukee.
- Assist in developing racial equity competencies and guiding principles for job descriptions, job announcement sheets, probationary reports, and performance management tools.
- Finalize and implement the Employee Resource Group Strategic Plan and identify opportunities for ERG leaders and members to have a voice on issues of priority for the City.
- Execute an employee engagement survey to measure employee engagement and key factors in the workplace that promote, enhance and sustain engagement.

- Execute an employee wellbeing audit to develop integrated strategies that identify wellbeing initiatives of interest to employees and uncover barriers to participation to ensure employees thrive at work, at home and in their community.
- Expand benefit offerings through voluntary benefit programs that supports the unique needs of a diverse workforce through greater flexibility in benefit choices.
- Continue targeted expansion of wellness programs and services based on ongoing needs and feedback from employees and spouses
- Evaluate and modify City clinic services to further support employees and their families
- Examine potential barriers to benefit communication, comprehension and access and develop strategies to address obstacles. Offer additional communication tools to improve employee reach and understanding.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
	-3.25		Management Trainee Program	Budget reductions
	0.11		Various salary changes	
0	-3.14	0.00	Totals	

FIRE AND POLICE COMMISSION

EXECUTIVE SUMMARY

- MISSION:** To ensure that the Fire and Police departments are prepared to protect the lives and property of Milwaukee citizens.
- OBJECTIVES:** Ensure the quality and effectiveness of Fire and Police department policies, practices, and outcomes.
- Ensure that complainants are heard and complaints are resolved within 90 days of filing.
- Improve community relations and enhance public confidence.
- Improve the diversity of the Fire and Police departments.
- Prevent, respond to, and recover from major disruptive events.
- Facilitate resilient, secure, and interoperable emergency communications.
- STRATEGIES:** Perform policy review and analysis concerning police and fire services including crime reduction strategies, fire prevention and suppression, and citizen complaints.
- Conduct a citizen complaint process and address allegations of employee misconduct.
- Monitor and audit complaints and investigations conducted by the Fire and Police departments.
- Improve communications with the public and promote opportunities for citizen interaction with the Fire and Police Commission.
- Promote diverse public service departments.
- Increase community awareness of the mission of the Office of Emergency Management and Communications.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	20.82	22.40	27.00	4.60
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	30	34	37	3
<u>Expenditures</u>				
Salaries and Wages	\$1,043,188	\$1,408,800	\$1,452,069	\$43,269
Fringe Benefits	391,671	563,520	667,953	104,433
Operating Expenditures	425,034	441,364	2,751,172	2,309,808
Equipment	4,999	5,249	2,200	-3,049
Special Funds	230,745	309,066	200,000	-109,066
Total	\$2,095,637	\$2,727,999	\$5,073,394	\$2,345,395

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS
Community Goals and Department Objectives:

1. Build safe and healthy neighborhoods.
 - Ensure quality and effectiveness of Fire and Police department policies, practices, and outcomes.
 - Ensure that complainants are heard and complaints are resolved within 90 days of filing.
 - Improve community relations and enhance public confidence.
 - Improve the diversity of the Fire and Police departments.
 - Prevent, respond to, and recover from major disruptive events.

One of the city’s goals is to build safe and healthy neighborhoods. The Fire and Police departments are key to supporting this goal. The Fire and Police Commission provides oversight of these departments and supports their operations. This ensures that these departments are effective in protecting the lives and property of Milwaukee’s residents and businesses.

The Fire and Police Commission is comprised of a board of seven part time citizen Commissioners and a full time professional staff led by an Executive Director. The Commissioners and the Executive Director are appointed by the Mayor and approved by the Common Council. The commission’s authority and responsibility, including policy oversight, citizen complaints, disciplinary appeals, and recruitment and testing are specified in section 62.50 of the Wisconsin Statutes and the Milwaukee City Charter. Commissioners participate in extensive training, as required by city ordinances.

The commission conducts policy reviews of Fire and Police department operations, appoints and promotes department personnel, and prescribes general policies and standards. The commission’s judicial function includes hearing appeals from departmental discipline actions, investigating citizen complaints filed against department members, and conducting citizen complaint hearings.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Average time (days) to resolve formal complaints.	40	40	60
Average time (days) to resolve disciplinary appeals.	60-120	60-120	60-120
Number of outreach events (COE) and community office hours (COH).	5 (COH)	6 (COH)/5 (COE)	12 (COH)/ 6 (COE)

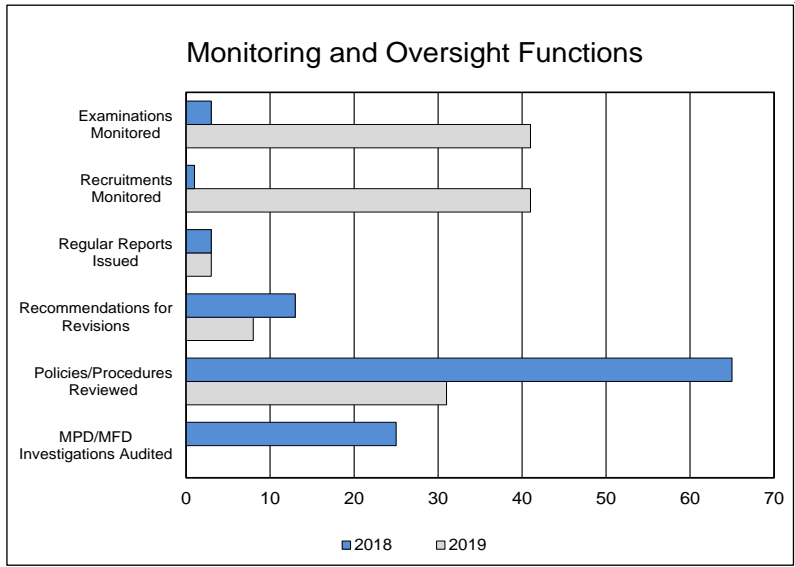
STRATEGY IMPLEMENTATION

Policy Oversight: The Fire and Police Commission’s primary responsibility is policy oversight. The commission’s statutory responsibility is to oversee and prescribe the policies and standards of both the Fire and Police departments. This oversight authority is exercised by board action and regular monitoring and research of Fire and Police department operational initiatives and disciplinary actions (see Figure 1).

The commission partners with a professional consultant to conduct ongoing analysis of the Milwaukee Police Department’s (MPD) use of force incidents. This analysis serves as a foundation for policy and training improvement. The commission also issues an annual report on the use of force incidents involving firearm discharges and vehicle pursuits. Data from the annual reports is used to analyze MPD policies, procedures, and training. The commission provides periodic summaries of officer involved shootings and an evaluation of taser deployment and usage. The commission provides additional reports and issue papers to inform the public.

Citizen Complaints: The commission provides a citizen complaint process and has authority to independently investigate and recommend that chiefs consider discipline for misconduct by department employees. Complaints may be filed directly with the commission in writing, in person, by telephone, fax, e-mail, the commission’s website, and recognized community referral organizations. Complaint forms are available in English, Spanish and Hmong, and a fillable form is now available on the FPC’s website. Increased accessibility results in improved community confidence in the complaint process. The commission can refer complaints to the citizen board or Police Department for disciplinary action when rule violations are identified.

Figure 1



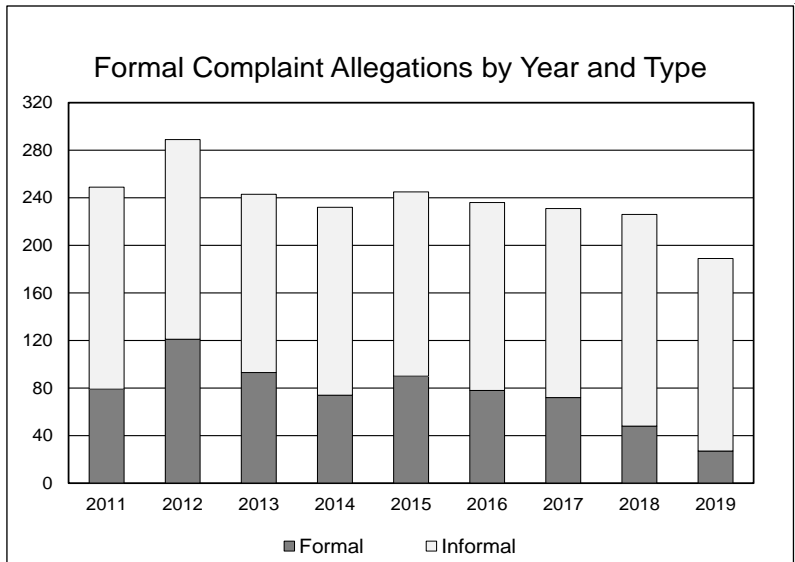
The citizen complaint process has five goals:

- Increase transparency and community confidence in the complaint process.
- Provide an independent system to receive, investigate, and discipline members for misconduct.
- Provide answers and resolutions to complainants about public safety concerns.
- Analyze complaints to identify both individual and systemic trends and patterns within the Fire and Police departments.
- Monitor and audit complaints and discipline investigations conducted by the Fire and Police departments to ensure a fair and thorough process.

The current complaint process has significantly shortened the time needed to resolve a complaint from an average of 270 days in 2008 to 40 days in 2019. The complaint process includes an initial review and conversation with the complainant and an evaluation to determine a course of action.

Cases may be resolved through alternatives to the traditional complaint process when appropriate. Alternatives include rapid resolution and mediation. Both processes provide citizens the opportunity to address and resolve questions and concerns directly with the employee and contribute to better community relations. Rapid resolution involves investigation of questionable conduct that does not appear to be a rule violation and can result in disciplinary action. If the citizen and employee agree to mediation, there is no citizen board trial or disciplinary action taken against the employee.

Figure 2



If a complaint does not qualify for mediation or rapid resolution and the commission’s investigation determines that enough evidence exists to find that an employee violated a department rule, absent conciliation, the complaint is referred to a citizen board trial. The citizen board trial is a quasi-judicial process in which witnesses are sworn, testimony is taken, and evidence is presented. Each party may question the other, call witnesses, present exhibits, and testify. The citizen board, composed of Fire and Police Commissioners, reviews the evidence and makes its findings and a final decision.

The commission monitors and audits all complaint investigations including those filed with the Fire and Police departments. The ability to capture trends and patterns and identify critical elements of a particular investigation is an important function of the commission’s oversight (see Figure 2 and Figure 3). Trends are examined from investigations that result in discipline and those that are dismissed. The monitoring function uses data collected from the intake investigation screening process to evaluate the quality of investigations and recommend improvements to existing procedures. The commission uses monitoring and disciplinary action as tools to provide a transparent and effective citizen complaint investigation process.

Disciplinary Appeals: Members of the Fire and Police departments may appeal to the commission if they believe they have been unfairly dismissed, demoted, or suspended for more than five days by their department chief.

Disciplinary appeals are decided by the board, which may sustain, modify, or deny the chiefs’ action. The commission tracks and monitors disciplinary actions that have been filed and resolved (see Figure 4). With statutory changes and new internal procedures in place to make the appeals process more efficient, the commission has eliminated a backlog and strives to resolve current appeals within 60 to 120 days.

Community Relations: A critical strategy is expanding community outreach and education. The commission’s outreach plan focuses on coordinating efforts with other city departments and building public private partnerships. The commission engages in regular interaction with the public by hosting and attending meetings held in community locations. The commission organizes and sponsors events, with the goal of educating and engaging the public on the work of the FPC. In addition, commission staff attend events including district meetings, community brainstorming, walking and outdoor events, and vigils. The commission also works on matters related to the Department of Justice Collaborative Reform Report and is an active participant in the City’s compliance with settlements of lawsuits regarding alleged police misconduct.

Figure 3

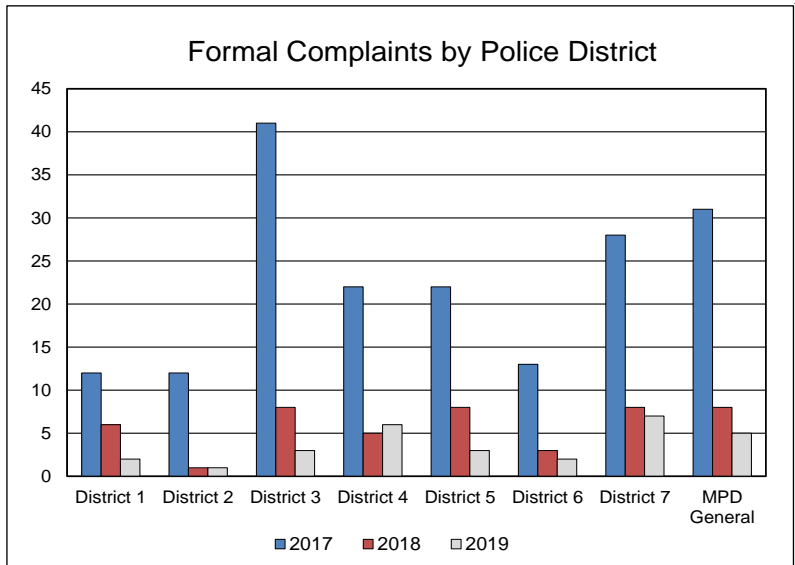
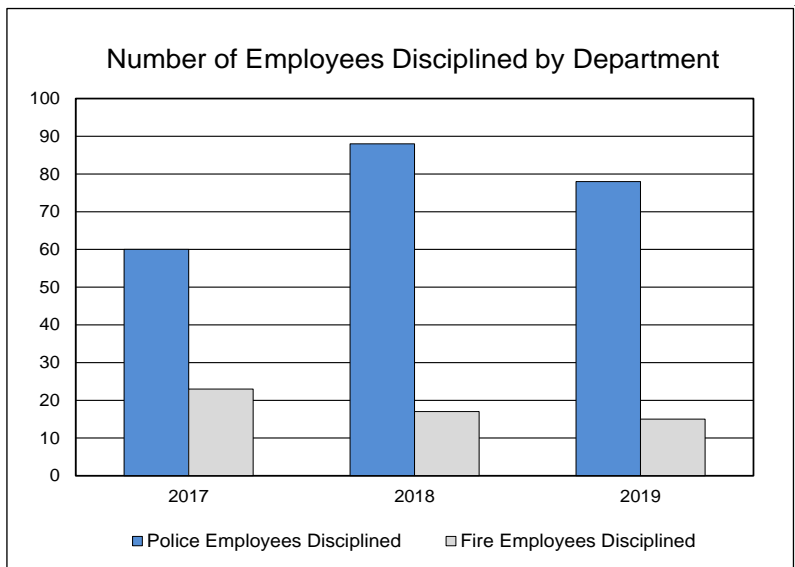


Figure 4



The commission hosts community meetings, rapid response meetings for current events, youth recruiting events, and listening sessions. In 2020, the FPC began holding roundtable discussions on recruiting to inform the community on current strategies and to include community input into the Commission's recruiting plan. The FPC has also organized listening sessions in response to the ongoing protests and demands for systematic change of law enforcement. In addition, the FPC committed to continued collaboration with key stakeholders, including the Community Collaborative Commission, Office of Violence Prevention, Milwaukee LGBT Community Center, and the Milwaukee Police Department, to adopt a comprehensive Community Oriented Policing plan. The FPC's recruitment efforts, which expose thousands of citizens to prospective careers within the protective services, are also a community relations tool.

Diversity: The commission is committed to making the public safety workforce representative of the Milwaukee community. Hiring and recruitment practices are reviewed to ensure that they are fair and inclusive. The fire cadet and police aide programs diversify the candidate pools for future fire fighter and police officer classes.

Office of Emergency Management (OEM): OEM focuses on the City's emergency communications infrastructure and policies which impact both the police and fire departments. This aligns the city with other statewide organizational structures and provides a mechanism to coordinate first responders during an incident. OEM coordinates emergency planning, disaster preparedness, and response training for the City. This involves interdepartmental coordination, across all levels of government, public and private partnerships, as well as applying for and managing grants that provide assistance for disaster preparedness.

RESIZE, RESTRUCTURE, AND REINVEST

Office of Emergency Communication (OEC): Beginning in 2021 a new Office of Emergency Communication is being created to enhance public safety. The new office will begin the process to consolidate the Police and Fire Dispatch centers into one unified Public Safety Answering Point (PSAP). It is anticipated that the consolidation will begin in the fourth quarter of 2021. The consolidated PSAP will provide the following benefits:

- Improve the safety of citizens and public safety personnel
- Improve Police and Fire response times to life critical incidents
- Enhance the effective allocation and deployment of Police and Fire personnel
- Streamline Police and Fire workflows and business processes
- Provide a common operating picture for Police and Fire to ensure real-time situational awareness and information sharing

During 2021, this office will work on implementing a new Computer Aided Dispatch solution. In 2022, the Office of Emergency Communications will become its own City Department and likely include additional functions, such as oversight of Police and Fire information technology.

Recruitment, Testing, and Hiring: The commission is required by State statute to recruit and secure the most qualified personnel for each department. The commission approves all appointments made on the police force and in the Fire Department. The 2020 budget added funds for an additional Recruiter and a Testing Coordinator to assist in this effort. The Recruiter position was re-classified to a Community Outreach Coordinator position given that a more visible role of the FPC within the community was needed.

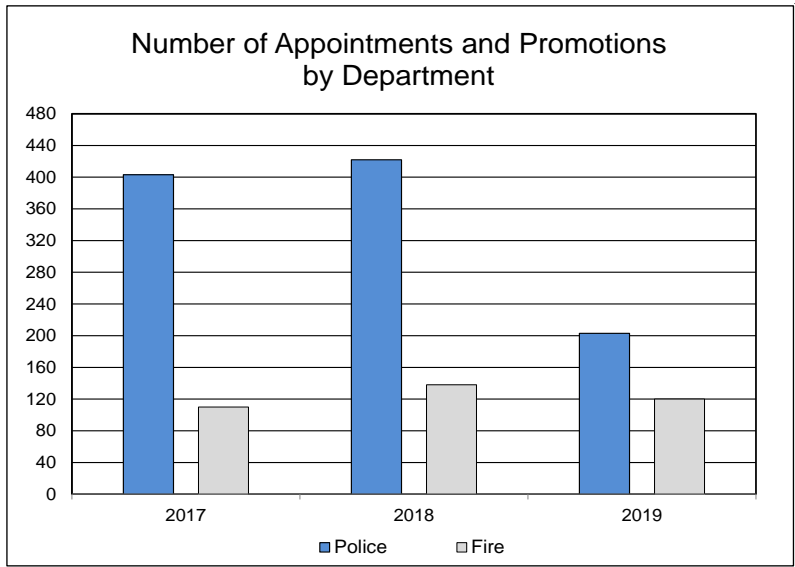
The commission develops and administers a variety of validated examinations, including written, physical ability and oral tests, background investigations, medical and psychological examinations, and drug screening. Applicants who pass all components are placed on an eligible list and hired according to their total score. Fire fighters and police officers are hired at intervals for training classes while other entry level positions are filled as vacancies occur (see Figure 5). When either chief position becomes vacant, the commission determines qualifications, solicits applications, and appoints a new chief. Department chiefs are hired for four year terms, renewable at the commission's discretion.

Annually, the department completes new exams for positions as needed. Funding covers costs for professional exam development and scoring, testing materials, and temporary staff to assist in exam administration. The 2021 budget includes \$200,000 in a special fund for costs related to pre-employment drug testing, medical screening, and psychological evaluations.

Auditing Unit: In 2020, various positions were reclassified after FPC did a staffing analysis by an independent consultant. It was recommended that the FPC create a specialized Audit unit to assist in monitoring and compliance for the ACLU Settlement Agreement and to provide on-going auditing of both the MPD and the MFD. Audit staff will work with the Crime and Justice Institute (CJI) on the ACLU Settlement Agreement and conduct research on Standard Operating Procedures, case law and other items. Staff are also responsible for periodic postings of Citizen Complaint data, Stop Data, and Consultant created reports.

Collaborative Reform: The FPC assists in implementing recommendations in the US Department of Justice draft collaborative review report. The FPC leads collaborative efforts with community organizations, residents, and other key stakeholders to determine which recommendations are most beneficial and how they should be implemented.

Figure 5



DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Fire & Police Comm. Oper. Mgr. (X)(Y)	Position reclassified
1	1.00		Fire & Police Comm. Chief of Staff (X)(Y)	
-3	-3.00		Fire & Police Comm. Investigator/Auditor	Positions retitled and reclassified
1	1.00		Fire & Police Commission Investigator	
1	1.00		Fire & Police Comm. Compliance Auditor	
1	1.00		Fire & Police Commission Audit Manager	
-1	-1.00		Office Assistant II	Position reclassified
1	1.00		Office Assistant I	
-1	-1.00		Testing Coordinator	Positions retitled and reclassified
1	1.00		Test Administration Coordinator	
-1	-1.00		Office Assistant II - Bilingual	Positions retitled and reclassified
1	1.00		Fire & Police Commission Auditor	
-1	-0.40		Auxiliary Personnel/Graduate Intern	Position eliminated
-1	-1.00		Fire & Police Comm. Invest./Auditor-Bilingual	Positions retitled and reclassified
1	1.00		Fire & Police Comm. Investigator (Bilingual)	
1	1.00		Community Outreach Coordinator	Positions retitled and reclassified
-1	-1.00		Recruiter (X)	
-1	-1.00		Fire & Police Commission Risk Auditor	Positions retitled and reclassified
1	1.00		Fire & Police Commission Auditor	
1	0.50		Director of Emergency Communication	New Position
1	0.50		Asst. Director of Emergency Communication	New Position
2	2.00		CAD Administrator	New Position
1	1.00		GIS Systems Administrator	New Position
-1	-1.00		Fire & Police Commission Risk Mgr.	Position transferred to City Attorney
	2.00		Various positions	Technical correction
3	4.60	0.00	Totals	

FIRE DEPARTMENT

EXECUTIVE SUMMARY

- MISSION:** Prevent loss of life, limit fire related property damage, and improve the chances of survival from life threatening medical circumstances.
- OBJECTIVES:** Limit fire related deaths to less than ten per year.
- Maintain a 95% recovery rate from penetrating trauma.
- STRATEGIES:** Conduct 25,000 community risk reduction visits annually in residential properties.
- Provide public education and community fire prevention programs to reduce the risk of fire deaths, fire injuries, and to reduce property loss and damage.
- Achieve average response times to fire suppression and advanced life support calls that are better than national standards.
- Manage staffing in a manner that limits the impact of resource constraints on the number of companies that can operate on a daily basis.
- Manage staffing and apparatus placement to reduce the high call volume for our busiest medical units and companies.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	1,095.05	875.90	865.25	-10.65
FTEs - Other	0.06	11.10	7.75	-3.35
Total Positions Authorized	871	874	860	-14
<u>Expenditures</u>				
Salaries and Wages	\$75,564,278	\$74,886,036	\$74,487,959	\$-398,077
Fringe Benefits	33,890,314	32,200,995	38,733,739	6,532,744
Operating Expenditures	6,021,135	6,388,601	6,743,535	354,934
Equipment	330,635	416,377	1,045,625	629,248
Special Funds	527,028	604,075	613,500	9,425
Total	\$116,333,390	\$114,496,084	\$121,624,358	\$7,128,274
<u>Revenues</u>				
Charges for Services	\$6,466,051	\$6,552,000	\$6,046,000	\$-506,000
Total	\$6,466,051	\$6,552,000	\$6,046,000	\$-506,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Prevent loss of life, limit fire related property damage, and improve the chances of survival from life threatening medical circumstances.
 - Limit fire related deaths to less than ten per year.
 - Maintain a 95% recovery rate from penetrating trauma.

The Milwaukee Fire Department (MFD) contributes to safe and healthy neighborhoods through fire prevention and fire safety programs, and timely and effective response to calls for service. These three functions reduce the number of fires, remove people safely from fires and other hazards, protect property, and provide for appropriate medical care.

The Fire Department serves the residents of Milwaukee and West Milwaukee through 30 firehouses. The department has three organizational divisions:

- **Operations Division (Fire Suppression):** Responsible for all 24 hour shift personnel and their activities; the division includes the Marine Teams (Dive Rescue and Boat Team), Hazardous Materials (HazMat), Incident Command Post (ICP), Tactical Emergency Medicine Paramedics (TEMP) and the Heavy Urban Rescue Team (Hurt) Special Teams.
- **Emergency Medical Services (EMS) and Training Division:** Oversees the training academy and the EMS Bureau.
- **Administration:** Includes the Construction and Maintenance Bureau, 9-1-1 Dispatch Center and IT Bureau and oversees the civilian staff.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Limit fire related deaths to less than ten per year.	7	0	0
Maintain a 95% recovery rate from penetrating trauma.			
Gunshot victims:	81.5%	95%	95%
Stabbing victims:	98.7%	95%	95%
Make 25,000 community risk reduction visits to single family homes.	14,868	30,000	25,000

STRATEGY IMPLEMENTATION

The Fire Department contributes to the Mayor’s goal of providing safe and healthy neighborhoods through the provision of effective fire prevention and education, fire suppression, emergency medical services, and specialized rescue programs. The Fire Department deploys resources sufficient to achieve fire suppression and emergency medical responses that are superior to national standards.

Response Time: MFD uses response time and geographical coverage data to locate and operate fire suppression and medical services units. As Figure 1 indicates, the department has impressive rates for the most critical types of fire and EMS calls. These are the calls where quick response is most critical to saving lives. Average response time to fires in 2019 was 3 minutes 6 seconds and 3 minutes 10 seconds through July of 2020.

Indicators tracked by MFD show that its advanced life support responses have a positive impact on survival rates for penetrating trauma incidents. In 2019, incidents treated by responders for stabbing victims had a recovery rate of 98.7% and 81.5% of gunshot victims survived.

Fire Prevention and Safety: The department’s community risk reduction program emphasizes fire prevention because fewer fires decrease injuries and deaths from fires. A main emphasis of the community risk reduction program is the Fire Fighters Out Creating Urban Safety (FOCUS) program. FOCUS involves fire fighters going door-to-door to install smoke detectors in one and two family dwellings and distributing fire prevention and medical services information in areas of the city with the greatest incidence of fire. Data indicates a relationship between operational smoke detectors and lower fire deaths. In 2019, the department distributed 1,938 smoke detectors throughout the city.

RESIZE, RESTRUCTURE, AND REINVEST

The 2021 budget maintains funding for all med units and eliminates one heavy apparatus. Response times to fire and emergency medical service calls are expected to be slightly higher but remain superior to national standards.

The department is restructuring and reinvesting in the community risk reduction program. The program, which began in 2016, is a proactive and community oriented approach to fire education and fire safety, building and enhancing community relationships throughout Milwaukee. The program visits each home and business every five to seven years with the following goals:

- Install ten year lithium ion battery powered smoke detectors as a tool for fire risk reduction.
- Build relationships in fire companies’ first in response areas and neighborhoods through public education.
- Familiarize visits and establish pre-fire and pre-emergency plans for businesses, apartments, and condominium buildings.

The Fire Department continues building its Mobile Integrated Health (MIH) Program. The Mobile Integrated Healthcare program provides a proactive model of patient care that focuses on achieving the International Health Institute’s “Triple Aim” goals of better health, better care, and lower costs. The overall goal of the Mobile Integrated Health program is to ensure that the 9-1-1 system is utilized appropriately and to provide Milwaukee’s citizens with appropriate health care service. In 2019, the MIH program reduced 9-1-1 calls from enrolled clients by an average of

Figure 1

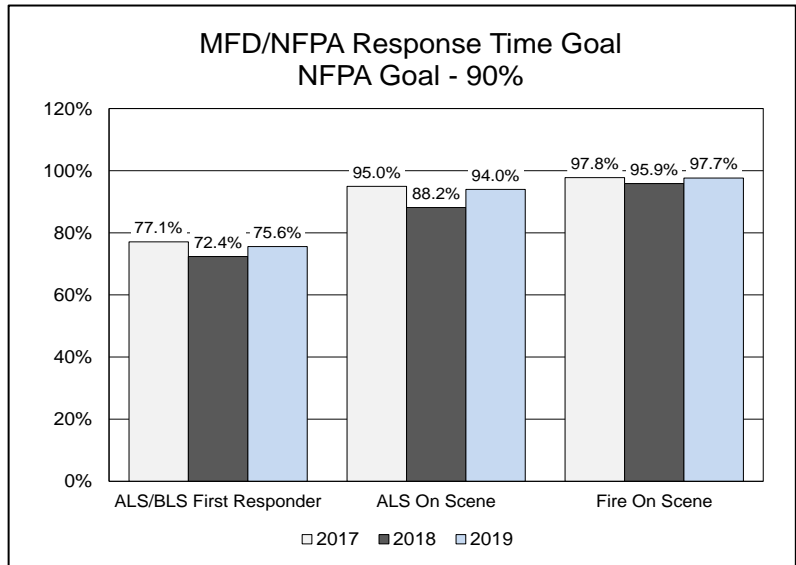
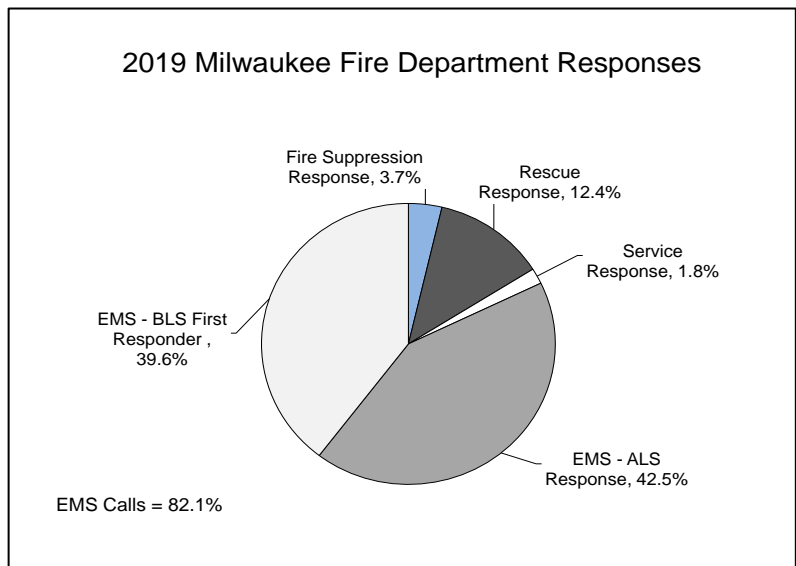


Figure 2



70%, with reductions as high as 85% in some months. Reducing 9-1-1 calls and assisting citizens through the health care system provides several benefits:

- Resources are available for the core mission of responding to emergencies;
- Citizens are navigated to the correct health care resources; and
- Citizens become less dependent on using 9-1-1 and better manage their health.

The Fire Department has signed four memorandums of understandings with regional health care providers to identify additional high volume users of 9-1-1 and to enroll them in the program. These memorandums are expected to generate \$150,000 in additional revenue.

In 2019 the Mobile Integrated Healthcare (MIH) program developed the Milwaukee Overdose Response Initiative (MORI) to address the opioid addiction crisis. MORI utilizes current collaborative partners and develops new relationships. Partners include the Milwaukee Health Department, Medical Examiner, and local treatment centers; among others. The MORI program deploys two community paramedics and a peer support specialist to engage the patient and their family. When the patient is ready to “take the next step”, staff are prepared to get them the necessary care. Staff connect and follow-up with patients, using the trust earned by MFD through service to the community. Metrics, demographics, and outcome measures are used to address and understand the epidemic. The 2021 budget adds a grant funded Captain position to lead this initiative.

The Milwaukee County fire departments’ Shared Service initiative continues to move forward. Additional work is underway to improve inclusive mutual aid agreements with municipalities in the county. These agreements provide better service throughout the community through lower response times. In 2019, the department went on 456 Shared Service calls and through July of 2020 has gone on 380 Shared Service calls. MFD’s Shared Service partners responded into the City of Milwaukee 544 times in 2019 and 385 times through July of 2020.

In 2018 the shared service departments entered into an Intergovernmental Cooperation Agreement for sharing and operating of fire, rescue and emergency medical equipment and materials. The agreement allows firefighters to operate apparatus from other municipalities in emergency situations and will allow the participating departments to become more efficient by taking advantage of existing fire and emergency medical resources in the community. In 2019, phase I of the CAD interconnection project was completed and phase II has begun. The connection increases the speed of mutual aid dispatches.

The Fire Department continues reinvesting through the fire cadet program. The 2021 budget includes funding for 52 cadets. The expanded program increases diversity and creates career opportunities for Milwaukee’s youth.

The Milwaukee Fire Department (MFD) began the Health and Wellness Initiative (WFI) in 2009 to address the mental health and injury prevention challenges affecting some firefighters. The wellness program includes annual physicals in accordance with National Fire Protection Association standards, physical fitness and annual injury prevention screening programs driven by the Athletic Trainer and Peer Fitness team, Behavioral Health/Critical Incident Stress Management Program driven by the Health and Safety Manager and Peer Support team as well as the City’s Employee Assistance Program, firefighter specific injury rehabilitation program, and healthy eating and living education programs. The WFI benefits department staff by reducing the likelihood of on-the-job injuries and providing resources to manage job related stress. Since the program began in 2009, injury claims have decreased by 69% and lost time injuries decreased by 74%. Total lost time hours have dropped from 86,693 hours in 2010 to 14,100 hours in 2019.

Office of Emergency Communication (OEC): Beginning in 2021, a new Office of Emergency Communication is being created to enhance public safety. The new office will begin the process to consolidate the Police and Fire Dispatch centers into one unified Public Safety Answering Point (PSAP). The consolidated PSAP will provide the following benefits:

- Improve the safety of citizens and public safety personnel
- Improve Police and Fire response times to life critical incidents
- Enhance the effective allocation and deployment of Police and Fire personnel
- Streamline Police and Fire workflows and business processes
- Provide a common operating picture for Police and Fire to ensure real-time situational awareness and information sharing

During the fourth quarter of 2021, the dispatch section of MFD will officially transfer to the OEC. This transfer will include 29 positions and 6.75 FTEs.

CAPITAL PROJECTS

The 2021 capital budget supports the major equipment and facilities maintenance needs of the Fire Department. The capital budget includes \$1.35 million for major equipment replacement and \$450,000 for the MFD Facilities Maintenance program.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
			<u>Operations Bureau Decision Unit</u>	
-1	-1.00	0.00	Fire Captain	Apparatus Eliminated
-2	-2.00	0.00	Fire Lieutenant	
-9	-9.00	0.00	Firefighter/Paramedic (H)	
-3	-3.00	0.00	Heavy Equipment Operator	
			<u>Support Services Bureau Decision Unit</u>	
	9.60	-9.60	Various Positions	DNC Grant Funds
-1		-1.00	Deputy Chief	DNC Operations
1	1.00		Business Finance Manager	Dual Positions for training
	0.50	-0.50	FAP Grant	Funding Change
			<u>EMS/Training/Education</u>	
1		1.00	Fire Captain	MORI Grant
			<u>Dispatch Section to OEC</u>	
	-0.25	0.25	Fire Dispatch Manager	Dispatch Section Moved OEC Reimbursable
	-0.50	0.50	Fire Dispatch Assistant Manager	
	-1.50	1.50	Fire Dispatcher- Sr.	
	-4.50	4.50	Fire Dispatcher	
-14	-10.65	-3.35	Totals	

HEALTH DEPARTMENT

EXECUTIVE SUMMARY

MISSION: Advance the health and equity of Milwaukeeans through science, innovation, and leadership.

OBJECTIVES: **Community Health:** Improve the lives of Milwaukeeans by implementing community-based programs that improve health and increase quality of life.

Environmental Health: Prevent disease associated with unsafe and unhealthy environments, housing, childcare centers, schools, and establishments.

Clinical Services: Provide direct services, refer to partnering agencies with complimentary services as needed, and increase access to health insurance to prevent disease.

Policy, Innovation, and Engagement: Translate data to action by working collaboratively with internal and external partners to strengthen policies, systems, and community environments that influence health.

STRATEGIES: **Community Health:**

- Cultivate relationships within the community, public, and private sectors.
- Be intentional about equity, including management and staff, the Board of Health, health policies and procedures, and community services.
- Increase investment and engagement in addressing violence by implementing the Blueprint for Peace.
- Reduce infant and maternal morbidity and mortality by addressing structural barriers, increasing access to socio-economic opportunities, increasing access to culturally appropriate care, holistic stress management, and health education.

Environmental Health:

- Enforce rules and regulations in a high-quality and timely fashion.
- Disrupt all sources of lead poisoning by employing best practices and addressing new and ongoing elevated blood level cases.
- Maintain existing relationships with public and private partners by actively participating in regular meetings, exercises, and responses.

Clinical Services:

- Reduce the incidence of acute and chronic disease through prevention screenings, evidence based testing and treatment, epidemiology and data analysis, and administration of vaccines.
- Contribute to health knowledge locally, statewide, regionally, nationally, and internationally.
- Engage in partnerships for collective impact and to leverage resources.

Policy, Innovation, and Engagement:

- Develop and/or inform policy change at the local level.
 - Analyze and advocate for meaningful use of data to inform health services.
 - Maintain MHD's reputation as a source of trust and reliability by increasing MHD's presence in the community, health care arena, and media.
 - Transform MHD by investing in workforce development plans.
-

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Personnel				
FTEs - Operations & Maintenance	146.70	164.26	162.12	-2.14
FTEs - Other	124.45	120.71	441.85	321.14
Total Positions Authorized	280	285	637	352
Expenditures				
Salaries and Wages	\$7,697,099	\$8,640,823	\$6,261,642	\$-2,379,181
Fringe Benefits	2,971,275	3,456,329	2,880,356	-575,973
Operating Expenditures	2,857,499	1,699,169	2,449,750	750,581
Equipment	5,410	0	0	0
Special Funds	811,196	947,000	1,347,000	400,000
Total	\$14,342,479	\$14,743,321	\$12,938,748	\$-1,804,573
Revenues				
Charges for Services	\$1,991,941	\$1,253,000	\$1,271,000	\$18,000
Licenses and Permits	261,572	185,000	170,000	-15,000
Total	\$2,253,513	\$1,438,000	\$1,441,000	\$3,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Build safe and healthy neighborhoods.
 - Control the spread of communicable disease.
 - Reduce injuries, disabilities, and deaths due to violence.
 - Prevent the spread of food borne disease.
2. Help children succeed, prepare for post-secondary education, and meet their full potential.
 - Reduce the infant mortality rate.
 - Improve immunization rates.
 - Reduce the number of children with lead poisoning.

The Milwaukee Health Department (MHD) improves public health by implementing health promotion programs, developing policies, administering services, and conducting research. The department promotes health care equity, quality, and accessibility and operates from three health centers - Keenan, South Side, and Northwest- and the Zeidler Municipal Building.

In 2019, the Health Department began an expedited reorganization process to better align programs and services based on its Community Health Improvement Plan, *MKE Elevate*. *MKE Elevate* identified the programs and services that are consistent with community needs and established key performance measures.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Number of immunizations administered for the city and Milwaukee Public Schools (MPS).	5,922	6,000	6,000
Number of clients seen at Sexual/Reproductive Health Clinics.	5,064	5,000	5,000
Average number of CDC Critical Risk Factor violations per routine inspection.	1.29	1.43	1.41
Number of Children < 6 Yrs Old With a Blood Lead Test Result Greater Than or Equal to 5 µg/dL	2,212	2,300	2,300
Infant mortality rate per 1,000 births. ^A	10.9	9.4	9.4

^A Note: Data is based on three year rolling averages.

STRATEGY IMPLEMENTATION

Governance and Accountability: The Board of Health is comprised of nine community and clinical representatives. Board of Health members completed health equity training to support the Board's mission to ensure equitable services and opportunities to promote health equity. The Board relies on support from the Mayor and the Common Council to help MHD better serve the community.

The Health Commissioner is supported by Deputy Commissioners and a Chief of Staff. Each deputy represents a specific subject matter area and provides rotation for emergency coverage during an outbreak or all-hazards event. The deputies are: Clinical Services which includes all clinical care and the MHD Lab; Environmental Health which includes the Lead Program, Consumer Environmental Health, and Emergency Preparedness; Community Health which includes Maternal and Child Health, fatherhood initiatives, and the Office of Violence Prevention; and Policy, Innovation, and Engagement (PIE), which includes epidemiology, data and evaluation, vital statistics, policy, quality improvement and accreditation, and communications. The Chief of Staff is responsible for leadership and oversight of operational activities as well as program development and execution, change management and strategic communication for the department

Public Health Workforce Development: The MHD workforce requires assessment and training, promotion of professional development opportunities and certification for clinical, administrative, and public health staff. MHD will recruit and hire diverse and qualified candidates, coach and mentor staff, establish a culture of continuous feedback and improvement including regular supervisory meetings and cross training.

Data and Reporting: MHD provides open data and regular reporting on program progress. MHD uses research, surveillance, and collaboration with community partners to eliminate gaps in care. Reporting and metrics will be reported in a MHD Data Dashboard. The dashboard will support accountability by providing monthly updates on services. MHD has been examining various dashboard tools and preparing staff to develop meaningful measures to be shared on a monthly basis. A dashboard was established for MHD's COVID pandemic response. Continued investments in technology are necessary to share data in meaningful ways. These efforts will ensure effective service delivery and enable the department to obtain Public Health Accreditation Board (PHAB) accreditation.

Sexual and Reproductive Health: Milwaukee faces challenges in preventing sexually transmitted infections (STIs). The Sexual and Reproductive Health program located at the Keenan Health Center provides client and partner services, and screening, and referral services. In addition, the center offers clinical examination and treatment

services for approximately 5,000 clients each year (see Figure 1). MHD collaborates with other community organizations and clinics to enhance capacity to screen and test residents at risk for STIs. Educational outreach is conducted through various community events.

The department works closely with the State of Wisconsin Division of Public Health (DPH) on targeted initiatives involving high-risk groups. Analysis provided by DPH allows for strategic, targeted risk reduction interventions for high-risk community members. The program partners with Planned Parenthood of Wisconsin, Vivent Health, formerly known as the AIDS Resource Center of Wisconsin (ARCW) and Diverse & Resilient (D&R). The department also partners with Planned Parenthood of Wisconsin to provide services to clients that are turned away from the Keenan Sexual Health Clinic because of overcapacity.

The department participates in the CDC Strengthening the U.S. Response to Resistant Gonorrhea (SURRG) project. The purpose is to enhance domestic gonorrhea surveillance, build capacity for rapid detection and response to antibiotic resistant (AR) gonorrhea (GC), and rapid field investigation to stop resistant infections. The grant funds two Disease Intervention Specialist (DIS) positions, a laboratory microbiologist, a data analyst, and supports program infrastructure.

The department is engaged in a strategic planning process focused on decreasing sexually transmitted infections in Milwaukee and the surrounding areas. The plan focuses on several strategies, including access to care, data, funding, education and coordination.

Consumer Environmental Health: The Consumer Environmental Health (CEH) division prevents foodborne illness and assures the safety of food sold in food establishments, including grocery stores, convenience stores, restaurants, food trucks, temporary events and taverns. In 2019, 2,633 routine inspections were performed. Priority violations that may result in foodborne illness were identified at 42% of these inspections (see Figure 2).

If a priority violation is found, repeat inspections are performed to ensure the potential hazard is mitigated. In 2019, the department performed a total 9,540 food inspections, identifying and mitigating 19,678 violations. In 2020, it is anticipated that 3,700 food inspections will be completed to address an estimated 8,300 violations. 2020 estimates are lower as a result of the COVID-19 pandemic response and impact.

Inspectors investigate consumer complaints and provide training in safe food handling practices. Training includes compliance

Figure 1

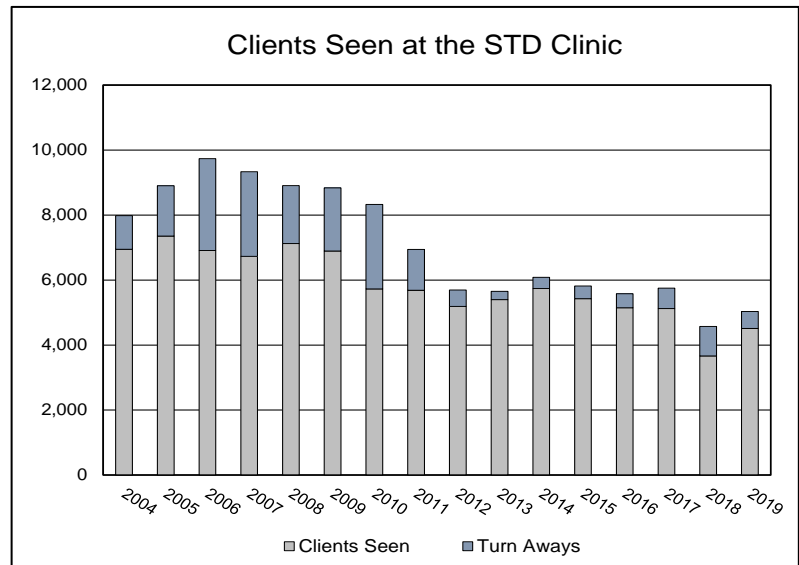
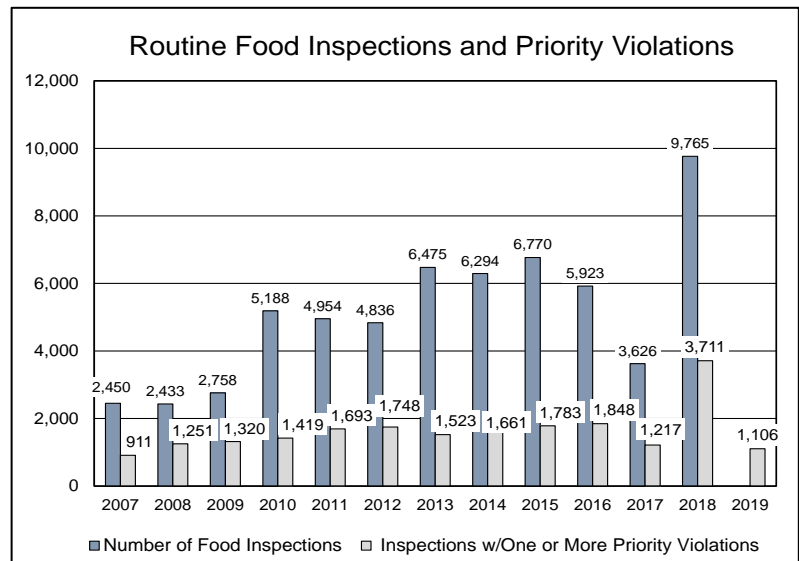


Figure 2



conferences to support operators with greater compliance needs and Food Truck Summits to proactively support operators and compliance. The Food Grading Sanitation System has reduced CDC risk factor violations by 5% since 2017.

Inspectors also decrease the risk of blood borne diseases such as Hepatitis B, Hepatitis C, and HIV from tattoo or body art practices by conducting inspections to assure that tattoo, permanent makeup, and body piercings are done in a sanitary and sterile manner. CEH will collaborate with the Wisconsin Department of Safety and Professional Services to modify temporary licensing into a tiered system to adequately fund the efforts of regulating.

CEH includes the weights and measures program, which protects consumers from fraudulent practices in all commercial transactions involving determinations of quantity. Devices, such as scales and meters, used in commercial transactions are tested for both accuracy and conformity with federal tolerances and construction standards. Price verifications are conducted to assure the price the consumer is charged is the price marked on the shelf.

Childhood Lead Poisoning Prevention: The Childhood Lead Poisoning Prevention Program (CLPPP) is a coordinated approach to reduce lead poisoning in children. CLPPP leverages CDBG funds in combination with HUD grants to support targeted lead abatement in the highest risk homes. Lead abatement efforts have contributed to fewer children tested with high blood lead levels (see Figure 3.)

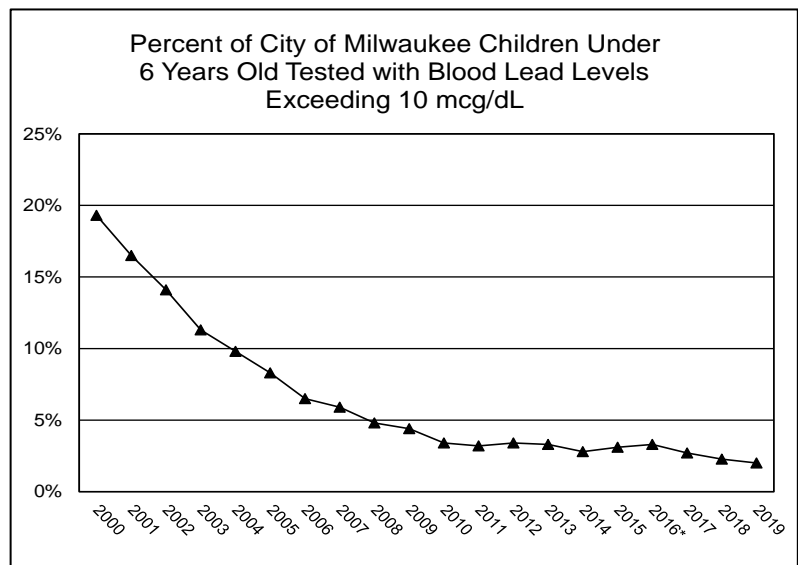
CLPPP includes:

- Housing Based Primary Prevention, to make homes lead safe before children are poisoned by encouraging owner participation and investment in communities and properties.
- Comprehensive Secondary Interventions, to provide lead poisoned children and their families with nursing case management, medical management, and lead hazard control to ensure their housing is made lead safe.
- Compliance Assurance for Ongoing Residential Rehabilitation Programs, to monitor and supervise programs under HUD’s Lead Safe Housing Rule.

The Health Department’s drinking water filter distribution program uses community partner agencies to provide free drinking water filters to those most at risk. Since 2016, MHD has distributed over 5,000 point-of-use drinking water filters certified to remove lead. In 2020 MHD purchased 8,000 filter units and 8,000 replacement cartridges, which are distributed through the CLPPP other city departments and community partners.

In partnership with the Social Development Commission and Sixteenth Street Community Health Center, the department conducts door-to-door community outreach to families most at risk for lead poisoning. This increases awareness of how to prevent lead exposure and the importance of testing children for exposure.

Figure 3



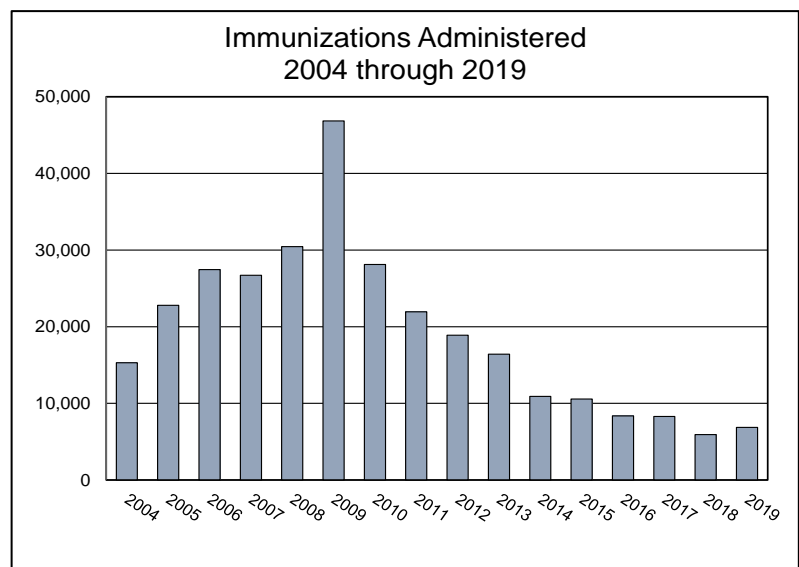
MHD works diligently to improve the CLPPP, including creating new policies and procedures. In 2020, all policies and procedures required by the Department of Health Services (DHS) were implemented and adopted. MHD management is ensuring that case management continues, work orders are written, and additional contractors are secured to abate properties.

Emergency Preparedness and Environmental Health: The Emergency Response Preparedness Program builds departmental and community resilience to a range of hazards. Staff develops emergency response plans and protocols, identifies internal and external resources, and coordinates deployment and management of assets during public health emergencies, including hazardous material release, communicable disease outbreaks, and extreme weather events. MHD works with other public, private and non-profit agencies to improve public health emergency planning and response and provides technical and operational support for emergency event responses. The COVID-19 Pandemic response and 2020 Democratic National Convention preparation demonstrated MHD's ability to protect the health and safety of our community.

The Environmental Health Program conducts investigations and surveillance, and provides public education on environmental health issues such as recreational and drinking water quality, indoor/outdoor air quality, potential chemical exposure hazards, extreme weather, and animal bites. Educational efforts range from phone consultation to community group presentations and include department website postings, brochure publication, and press releases. The program actively participates in and coordinates seminars and inter-organizational meetings to enhance coordination and professional expertise.

Childhood Immunizations: The Health Department works to sustain high childhood immunization rates through immunization clinics at health centers and provides immunization clinic and educational opportunities in the community. In 2019, the department provided 6,859 immunizations to 2,479 clients. Immunizations suppress outbreaks of various vaccine preventable diseases, including measles, mumps, pertussis, and ensures community health during seasonal influenza epidemics. In addition, adolescent vaccinations for pertussis, meningococcal disease, and HPV support disease prevention.

Figure 4



The department collaborates with organizations including childcare facilities and schools to promote vaccination and reduce racial

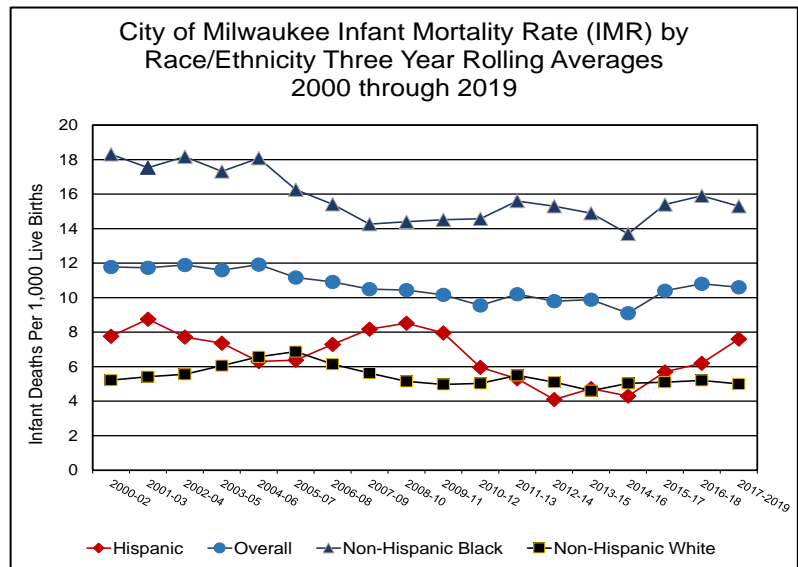
disparities. The department works to improve primary immunization rates in toddlers and pre-kindergarten age children through immunization clinics and outreach events. In 2019, 62% of children residing in Milwaukee completed the primary vaccine series by their second birthday. In coordination with the Milwaukee County District Attorney's Office, the department conducts educational symposiums and events directed toward schools and daycares to increase compliance with Wisconsin immunization laws. In addition, the department is working towards an agreement with Milwaukee Public Schools that will facilitate rapid reconciliation of student immunization records and improve overall student immunization compliance rates. In the 2019-2020 school year, 91% of students were in compliance with the state immunization standards.

Infant Mortality Rate: The Infant Mortality Rate (IMR), the number of babies who die before their first birthday per 1,000 live births, is an important indicator of a community's overall social and economic well-being. Milwaukee's overall IMR for 2017-2019 is 10.6. This means that during this time period, 10.6 infants died for every 1,000

livebirths. There are significant racial and ethnic IMR disparities. Non-Hispanic Black infants have an IMR of 15.3, compared to 4.2 for non-Hispanic White infants, 7.6 for Hispanic/Latinx infants and 5.4 for Asian infants. This disparity indicates that Black infants die at a rate that is more than three and one half times higher than White infants. To reduce infant mortality, the department manages several programs that emphasize healthy birth outcomes and improving parenting skills, including:

- Empowering Families of Milwaukee
- Strong Babies
- Parents Nurturing and Caring for their Children
- The Direct Assistance for Dads Project
- Birth Outcomes Made Better (BOMB) Doula Program
- Fetal Infant Mortality Review

Figure 5



Empowering Families of Milwaukee: The Empowering Families of Milwaukee (EFM) program targets women at risk for negative birth outcomes. The program uses a multi-disciplinary approach with a team of practitioners, including nurses and social workers, to provide long term, intensive home visitation services. Visits begin in early pregnancy and continue through the child's third birthday. The program improves birth outcomes, supports child health, safety and development, prevents child abuse and neglect, improves school readiness, and enhances family functioning. Since inception, the program has enrolled over 1,000 new clients and seen 864 infants. In 2017-2018, 27 babies were born into the program and 93% of mothers gave birth to full term babies. For the 2018-2019 cycle, those numbers are projected to increase, and to date, the program had 46 births with 87% of babies born at term. In 2019-2020, EFM expects to serve 130 or more families, with a goal of 95% of babies born at term.

Parents Nurturing and Caring for their Children: The Parents Nurturing and Caring for their Children (PNCC) program provides prenatal care coordination to pregnant mothers and their families during pregnancy and until infants reach two months of age. In 2019, PNCC achieved healthy birth outcomes, with more than 85% of babies born full-term and 85% of mothers initiating breastfeeding after delivery. To date, in 2020, 85% of babies born into the program have been born at term, and 67% of mothers have initiated breastfeeding. For 2021, the projection is 85% for full-term births and healthy birth weights with the aspiration of achieving higher but keeping the reality of any extraneous impacts from COVID.

Direct Assistance for Dads Project: The Direct Assistance for Dads (DAD) project provides intensive, evidence based, participant driven fatherhood focused home visitation services to expectant and parenting fathers. The DAD project addresses the need for high quality, father focused services in Milwaukee. Meaningful father involvement correlates with children's secure attachment and optimal development, and reduces stress and depression in mothers. The program has served 150 fathers since inception in 2014. In 2019, the DAD project was consolidated under Empowering Families of Milwaukee to provide a more stable programmatic infrastructure around quality assurance and improvement while maintaining MHD's ability to serve men with a range of health services.

Birth Outcomes Made Better (BOMB) Doula Program: The community-based Doulas program provides culturally sensitive pregnancy and childbirth education, early linkage to health care and other services; labor coaching, breastfeeding promotion and counseling, and parenting education, while encouraging parental attachment. The peer-to-peer relationship and the continuity of care for the family has a significant impact on outcomes. This program

has two components: providing funding to existing Doulas in the community serving families in the 53206 zip code and MHD providing Doula care through its home visiting models.

Fetal Infant Mortality Review (FIMR): MHD coordinates the FIMR project, which brings an interdisciplinary body of professionals together to review cases of infant deaths and stillbirths in Milwaukee County. Based upon case review, FIMR annually makes recommendations on interventions to improve birth outcomes. Recommendations from 2019 include:

1. Improve individual behaviors, such as smoking cessation and safe sleep promotion
2. Improve access to quality medical care, especially for women with infections, chronic medical conditions, or prior preterm birth
3. Reduce life stressors that affect prematurity, from safe neighborhoods and fatherhood involvement to early childhood education and job preparation programs

Strong Baby Initiatives: The department annually co-hosts the *Strong Baby Sabbath Luncheon*. This event garners the support of more than 100 clergy to inform their congregations about infant mortality statistics in Milwaukee and to share critical information on reducing premature births and promoting safe sleep practices for infants. The department continues its *Strong Baby* media campaign to support positive birth outcomes and child development. The campaign features images of local strong babies on buses, bus shelters, and billboards.

In 2018, the *Cribs for Kids* program distributed 651 cribs to families who were unable to purchase one, providing support to approximately 7% of the babies born in 2018. In 2019 Graco Pack N Plays were provided as a safe alternative to actual cribs. Additional information about safe sleep is provided with other supplies and materials deemed appropriate to provide the safest environment for sleep.

Strong Babies Program: This program offers specialized and strategic training and education to community groups around maternal health objectives. Objectives include working toward improving outcomes around safe sleep, perinatal depression, adolescent suicide, breastfeeding, developmental screening, and health equity.

The Best Babies Zone: BBZ is a national program that uses a place-based, multi-sector, community-driven approach to reducing racial inequities in birth outcomes. It mobilizes community residents and organizational partners to address the social, structural and economic determinants of health and promote health equity. BBZ Milwaukee focuses on the Choice Neighborhood Initiative's Westlawn Neighborhood. Partners for BBZ Milwaukee include Silver Spring Neighborhood Center, the Housing Authority of the City of Milwaukee's Choice Neighborhood Initiative, United Way of Greater Milwaukee, and Lifecourse Initiative on Health Families.

Health Care Access: The department works to improve health care access for city residents. The Community Health Care Access Program (CHAP) uses targeted marketing and outreach to enroll the uninsured in BadgerCare Plus and the Affordable Care Act (ACA) marketplace. CHAP assists clients in choosing, applying, and navigating the health insurance application and enrollment process. In 2019, CHAP completed 1,638 full applications for BadgerCare Plus, reaching 562 new applicants. In addition, staff provided trouble shooting or technical assistance to 3,173 clients and supported 77 in accessing family planning insurance and 42 to health insurance via the marketplace. CHAP also connected with families in 172 community outreach events throughout the city of Milwaukee.

WIC (Women, Infant and Children): This is a supplemental nutrition program for eligible women, infants, and children. The WIC Program's primary goal is to promote and maintain the health and wellbeing of nutritionally at risk pregnant, breastfeeding and postpartum women, infants, and children. The program provides Health screenings, nutrition education, breastfeeding education and support and benefits/vouchers for healthy foods and formula.

Milwaukee Health Department Laboratory (MHDL): The MHD public health lab annually processes over 60,000 specimens for a variety of clients and agencies. The lab provides clinical diagnostic and disease surveillance

capabilities for communicable and emerging infectious diseases and supports emergency preparedness and bio-threat responses at the local, state, and national levels. MHDL's environmental health programs include testing to support Childhood Lead Poisoning and Prevention and lead in water programs, drinking and beach water safety, gastrointestinal and respiratory disease surveillance, and outbreak investigations. MHDL also serves as a public health reference lab and provides testing services to local and regional clients in healthcare agencies. In 2019-20, the laboratory generated nearly \$330,000 in revenue through fee-for-service testing and more than \$420,000 for reimbursement of laboratory testing services performed in support of the STD Clinic.

Initiatives for 2021 include:

- Enhance and expand local laboratory capacity to detect and respond to COVID-19.
- Participate in preparedness planning and support activities related to special events, federal programs, and law enforcement, and engage public health laboratory system partners. This ensures critical support for responses to emerging and high-risk pathogens.
- Improve detection and response to antibiotic resistant gonorrhea.
- Invest in advanced molecular and other analytical technology that improves testing capability and turnaround times.
- Expand community soil screening program for lead and nutrient analysis.
- Integrate Hepatitis C testing in STI/HIV clinics and partner with agencies for treatment.

In 2020, the lab will receive more than \$7.1 million in funding under the Centers for Disease Control and Prevention's Epidemiology and Laboratory Capacity (ELC) grant to target enhanced detection, response, surveillance and prevention of COVID-19. The Lab also received fifth year CDC ELC grant funding of \$327,392 to continue focusing on improving timely detection and response to antibiotic resistant gonorrhea.

Policy, Innovation, and Engagement Branch: The Policy, Innovation, and Engagement (PIE) branch works collaboratively with internal and external partners to strengthen policies, systems, and community environments that influence population health and well-being. The branch provides mission-focused leadership and management expertise, consultation and technical support.

PIE engaged partners to develop strategies in areas such as Food Access, Substance Abuse, Criminal Justice System, Sexually Transmitted Infections, Housing, Lead, Transportation, and Mental Health. Policy and strategy activities included publishing and implementing City-level strategic plans (*MKE Elevate* and the City-County Heroin, Opiates and Cocaine Task Force Initial Plan), facilitating department-wide planning, as well as participating in policy committees. PIE advocates for health legislation and works with elected officials on policy issues, including lead, tobacco, and food grading systems. During the COVID-19 pandemic response, PIE created a data dashboard to provide weekly progress updates on new hotline calls, case counts, positivity rate, mortality counts, contact tracing, and case coordination and established outreach efforts targeting hard to reach populations. PIE is also modernizing the department's website to include real-time text and e-notifications

In 2021, PIE will lead the department's effort to seek accreditation by the Public Health Accreditation Board. This involves aligning administrative and programmatic activities with National Public Health Accreditation Standards, including:

- A comprehensive community engagement process for MKE Elevate, the Community Health Improvement Plan
- Quality improvement projects that support the department's Quality Improvement Plan
- A performance management system for the department
- Implementing the department's 5 Year Strategic Plan

- Modernize the department's analytic capacity through the development, implementation, and maintenance of an integrated electronic health record system
- Open records requests, intergovernmental policy analysis, and HIPAA privacy policy, enforcement, investigations, and reporting.

Office of Violence Prevention: Violence, both interpersonal and structural, poses a serious threat to the health, safety, and wellbeing of Milwaukee residents. Consistent exposure to violence and trauma increases stress and anxiety, contributing to poor health outcomes including premature death. Guided by the goals and strategies within the Blueprint for Peace, the City of Milwaukee is committed to advancing a public health approach to preventing and reducing violence. The Office of Violence Prevention (OVP) works to prevent violence through partnerships that strengthen youth, families, and neighborhoods.

Commission on Domestic Violence and Sexual Assault: The Commission provides an inclusive space for survivors, system partners and program leaders to improve coordination and impact. In 2020 the Commission launched several efforts to raise awareness and response to the increased number of non-fatal shootings and homicides related to family violence in 2020. The COVID-19 pandemic has had a traumatic impact on families struggling with food, housing, and employment insecurity. The commission continues to advance its strategic priorities in the areas of policy advocacy, community engagement, and raising awareness about family and gender based violence. Despite the pandemic, the Commission hosted a successful virtual Denim Day MKE, an annual sexual assault awareness campaign highlighting the tragic impact of sexual assault and the resilience of survivors. In 2020, the Denim Day theme was increasing awareness and advocacy regarding sexual assault prevention in the LGBTQ community. Planning for the 2021 campaign is underway with partners, including United Way, Sojourner Family Peace Center, Advocate Aurora, Pathfinders, The Asha Project, MPS, and others.

Domestic Violence Safe Exchange and Visitation Center: After separation from an abusive situation, batterers often use visitation and exchange of children as an opportunity to inflict additional physical and psychological abuse on victims and their children. OVP coordinates a partnership with Children's Hospital, Sojourner Family Peace Center, and Legal Action of Wisconsin to provide a safe and secure site for custody exchanges and visitation for families with a history of domestic violence. This center helps victims of domestic violence, sexual assault, stalking, and non-offending parents achieve safety and independence from abuse with free civil legal assistance through a partnership with Legal Action of Wisconsin. It provides onsite visitation and exchange for 20 hours per week, offers onsite domestic abuse advocacy, and connects families to community resources for children and families impacted by abuse and assault. Over 600 visitations and exchanges occur annually. While the COVID-19 pandemic created operational challenges and required a temporary shut-down, in-person services have resumed for families referred to the center.

ReCast Milwaukee: Recast Milwaukee is a five-year initiative funded by the United States Substance Abuse and Mental Health Services Administration (SAMHSA) to identify and address the mental and behavioral health needs of youth and families exposed to high rates of systemic and community trauma. Over the last four years, ReCast programs served over 5,000 youth and families while training over 1,500 community members in Mental Health First Aid, suicide prevention and crisis response. Over \$4 million has been awarded to partner agencies to implement programs and services in priority neighborhoods identified by the Blueprint for Peace. Through partnerships with community organizations, ReCast helps break the cycle of violence and supports healing for individuals and neighborhoods impacted by trauma.

Blueprint for Peace: Public safety directly supports a city's quality of life, economic health, and potential growth. Employing a public health approach, the Blueprint focuses on addressing the root causes of violence and protective actions to reduce violence.

The Blueprint was rolled out in 2018 and has been adopted as the official violence prevention strategy for the City of Milwaukee, Milwaukee County, United Way, Greater Milwaukee Foundation, Safe and Sound, Community Justice Council, and the Milwaukee Healthcare Partnership. OVP has also supported implementation of several strategies

in the Blueprint, including 414LIFE, Community Crisis Response, Trauma Informed Care training for city staff and the ongoing trauma response partnership with Milwaukee County. In 2020, Milwaukee was one of 19 cities awarded a BUILD Health Challenge grant to support implementation of the Blueprint for Peace in the Sherman Park neighborhood.

414 LIFE: This program uses the Cure Violence model to train and engage local residents as violence interrupters in priority neighborhoods outlined in the Blueprint for Peace. Since its launch in November 2018, the program has mediated over 100 credible conflicts with a high likelihood of gun violence or other serious injury. In May 2019, OVP facilitated a partnership between 414 LIFE, Froedtert and The Medical College of Wisconsin and Ascension Health. Through this partnership, the 414 LIFE team responds to emergency departments in local hospitals to support survivors of gun violence and assist with their recovery while addressing concerns related to re-injury and potential retaliation. Since May 2019, over 300 patients have been referred to the 414 LIFE program. The program uses proactive street outreach, targeted case management, and conflict mediation. The program identifies and engages individuals at highest risk of becoming victims or perpetrators of gun violence. This program has coincided with a steady reduction of non-fatal shootings and homicides across the city.

Trauma Response: The Milwaukee Trauma Response Team (TRT) prevents the long term effects of trauma on youth. TRT connects and offers services to youth and families exposed to potentially traumatic events. The goal is to contact youth and their families within 72 hours of the traumatic event in order to break the cycle of long term damage resulting from untreated trauma. The majority of referrals involve children as witnesses or direct victims of violence from battery and aggravated assault or domestic violence. TRT is coordinated by OVP in collaboration with the Milwaukee Police Department, Milwaukee Fire Department, and the Behavioral Health Division of Milwaukee County. As of August 2020, TRT has received over 1,500 referrals for services since the program launched in 2015.

RESTRUCTURE, RESIZE, AND REINVEST

Lead Program: In 2021, MHD will continue to improve the Lead Program. It is critical to ensure that Milwaukee has a strong and effective lead poisoning prevention and remediation program. Procedures and management are in place to ensure the program is effective. Several new positions were added in 2020 and 2021 to improve intake of new cases, assist families if they must temporarily or permanently vacate a property, and comply with program requirements.

The City of Milwaukee, along with Milwaukee County, other Milwaukee County municipalities and the Milwaukee Metropolitan Association of Commerce, is proposing a 1% County sales tax increase. If a sales tax increase is adopted, it can provide additional funding for lead testing and abatement.

Water Filters and Outreach: In 2021, \$150,000 is provided for the continuation of the water filter program. The program conducts community outreach and education events to help residents reduce lead hazards inside and outside of homes. These events promote simple and affordable ways families can protect themselves from lead poisoning. New educational materials and new ways of distributing certified drinking water filters to at risk populations will be created. MHD works with the Sixteenth Street Community Health Center and the Social Development Commission to provide strategic outreach to residents.

Electronic Health Record System: The Health Department worked with the DOA-Information and Technology Management Division (ITMD) to select a medical records management system. A full time project manager and supporting staff need to be hired to facilitate transition to the new system. Implementation is anticipated to be completed in September 2021. Implementation includes testing, quality improvement, training, programming interface connections with other systems, billing and reimbursement, and case management components of the system. Additionally, business practices may need to be revised while ensuring HIPAA privacy and security measures are provided.

Opioids Addiction Prevention and Treatment: The 2021 budget includes \$25,000 to continue the opioids addiction prevention and treatment initiative, a collaborative effort with the Medical College of Wisconsin to reduce opioid overdose.

Birthing Mom Pilot Projects: The 2021 budget includes \$240,000 for the Birthing Moms Pilot Project. This program distributes free water filters and education kits on lead-poisoning hazards to birthing moms who live in areas of the city where Lead Laterals service connections are common, and have high concentration of reported elevated blood-lead levels in children under 6.

414 LIFE initiative: The 2021 budget includes \$700,000 for the Office of Violence Prevention, a \$200,000 increase from the 2020 budget, for the 414 LIFE initiative to continue violence interrupter training and implementation. The increase is funded using CDBG grant funds to create a new site on the Southside of Milwaukee.

COVID-19 Initiative: The 2021 budget includes \$4,000,000 in CDBG funding to continue the City’s efforts in preventing and containing the spread of COVID-19. Funding will support positions that perform testing and contact tracing, including the addition of 325 auxiliary positions.

Mental Health Awareness and Outreach Initiative: The 2021 Budget includes \$250,000 for a pilot outreach initiative to make residents aware of access to mental health services. This initiative is in collaboration with Milwaukee County with the goal of ensuring that residents in need of mental health treatment know where they can receive treatment.

SafeHomes Lead Abatement Initiative: The 2021 budget includes \$500,000 in capital funding to expand the Lead Abatement efforts and to further reduce the EBL levels in children.

CAPITAL PROJECTS

The 2021 budget provides \$1,050,000,000 in capital funding for the following projects:

- Health facilities projects (\$250,000)
- Replacement of lab equipment (\$800,000)
- SafeHomes Lead Abatement (\$500,000)

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-2	-2.00		Administrative Specialist - Senior (X)(Y)	Reclassification
2	2.00		Accounting Program Assistant III (X)	
-1	-1.00		Accounting Assistant II	
1	1.00		Accountant II (X)(Y)	
-2		-2.00	Public Health Nurse 3 (0.5 FTE) (G)(J)(X)	
-2		-2.00	Lactation Counselor (0.5 FTE)	
1	1.00		Community Outreach Liaison	
-1	-1.00		Compliance Analyst (X)(Y)	
1	1.00		Data and Evaluation Coordinator (X)(Y)	
-1			Health Communications Officer (X)(Y)	
1			Marketing and Communications Officer (X)(Y)	

HEALTH DEPARTMENT

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
1		1.00	Consumer Environ Health Div. Dir. (X)(Y)(SS)	Reclassification
-1		-1.00	Consumer Environ Health Div. Dir. (X)(Y)	
1		1.00	Nurse Practitioner (U)(X)	
-1	-1.00		Nurse Training Coordinator (U)(X)	Positions eliminated
-1	-1.00		Medical Assistant-Bilingual (C)(X)	
-1	-1.00		Dietetic Technician-Bilingual (C)(M)(Q)(X)	
		-4.86	Correction to NON O&M FTE's	Adjustment to FTE's
	-3.14		Correction to O&M FTE's	
-1	-1.00		Personnel Payroll Assistant III	Adjust Pay range code
1	1.00		Personnel Payroll Assistant II	
1		1.00	Program Assistant I (C)(X)	
1	1.00		Microbiologist	New Position
1	1.00		Budget and management Analyst (X)(Y)	
1	1.00		Community Outreach Specialist - Doula	
1		1.00	Environ. Health Services Manager (X)(Y)(RR)	
2		2.00	Environmental Health Coordinator (X)(TT)	
1		1.00	Lead Risk Assessor II (X)(TT)	Shift in Position funding
4		4.00	Lead Risk Assessor II (X)(QQ)	
-2		-2.00	Lead Risk Assessor II (X)(RR)	
-3		-3.00	Lead Risk Assessors II (TT)	
15		15.00	Temporary Disease Intervention Specialist Supv.	Covid -19 - Auxiliary Positions
200		200.00	Temporary Disease Intervention Specialist Coord.	
75		75.00	RN Supervisor and Case Investigator	
3		3.00	Temporary Data and Evaluation Coordinator	
10		10.00	Temporary Administrative Assistant II	
20		20.00	Temporary Customer Service Representative II	
2		2.00	Temporary Epidemiologist	Positions Added by Council Amendment
1			Assistant Lab Director	
1			Chemist Supervisor	
1			Quality Assurance Specialist	
3			Chemist (TT)	
2			Medical Laboratory Technician	
2			Environ. Hlth Services Mgr (X)(Y)(RR)	
2			Environmental Health Coordinator (X)(TT)	
9			Lead Risk Assessor II (X)(TT)	
4			Public Health Nurse 3 (X)(TT)	
352	-2.14	321.14	Totals	

LIBRARY

EXECUTIVE SUMMARY

MISSION: Inspiration starts here; we help people read, learn, and connect. MPL is an anchor institution that helps build healthy families and vibrant neighborhoods, the foundation of a strong Milwaukee.

OBJECTIVES: Create a city of readers and lifelong learners through increased participation in reading and literacy programs.

Anchor healthy and vibrant neighborhoods through increased use of library facilities, services, and programs.

Reduce the digital divide through access to technology and electronic resources.

STRATEGIES: Reading and Research Services

- Provide information and literary resources in formats in demand by residents
- Collect, digitize, and archive collections of local and statewide interest.
- Support research and reference.

21st Century Literacies

- Continue early literacy initiatives.
- Minimize the summer slide for children through the summer reading initiative.
- Increase access to library cards for city students.

Technology and Digital Inclusion

- Maintain a robust connection to the internet and computer access.
- Develop relevant learning opportunities.
- Develop partnerships to offer technology training and job searches.
- Expand hotspot lending.

Workforce Development and Business Growth

- Offer job seeking preparation opportunities.
- Seek partnerships for computer training classes.
- Provide career online high school scholarships.

Community Engagement and Leadership

- Increase the Library volunteer corps
- Develop new customers through partnerships
- Increase understanding of community needs and increase library awareness

Out-of-School Learning for Teens

- Enhance literacy and educational opportunities for youth.
- Engage partners to help achieve shared goals

Community Third Place

- Complete the branch building program
- Continue Sunday hours as a means of supporting a family orientation towards literacy and learning

Resource Alignment and Organizational Development

- Expand programs and services through use of volunteers.
- Use RFID, technology and facilities improvements to reduce costs and improve efficiency in library operations
- Adapt services and programs to virtual formats

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	274.04	298.28	293.28	-5.00
FTEs - Other	20.73	20.43	20.43	0.00
Total Positions Authorized	377	364	359	-5
<u>Expenditures</u>				
Salaries and Wages	\$12,886,823	\$13,019,079	\$13,001,478	\$-17,601
Fringe Benefits	5,076,095	5,207,632	5,980,680	773,048
Operating Expenditures	3,102,846	3,106,429	3,355,571	249,142
Equipment	1,893,991	1,968,665	1,944,606	-24,059
Special Funds	194,000	258,000	252,800	-5,200
Total	\$23,153,755	\$23,559,805	\$24,535,135	\$975,330
<u>Revenues</u>				
Charges for Services	\$988,518	\$1,007,000	\$979,000	\$-28,000
Total	\$988,518	\$1,007,000	\$979,000	\$-28,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Help children succeed, prepare for post-secondary education, and meet their full potential.
 - Encourage reading and improve the literacy rate.
 - Support digital inclusion through access to technology, electronic resources, and related programs and services.
2. Improve workforce development and connect more citizens to family supporting jobs.
 - Provide training and resources for persons seeking employment opportunities and business development.

The Milwaukee Public Library (MPL) plays a critical role in providing free access to knowledge, information, diversity of ideas, and the democratic process. MPL contributes to school readiness, academic success, literacy, economic development and increased quality of life. Library collections and programming serve Milwaukee's informational, cultural, and recreational needs. MPL provides materials, services, and facilities for residents of Milwaukee and Milwaukee County. Nearly 2.5 million physical items and multiple electronic resources are available through the internet and at the Central Library, 12 branch libraries and one 24 hour fully automated vending library.

In 2013, the library board approved a strategic plan, *MPL 2020: Our Plan for the Future*. The plan prioritizes services to three broad groups of residents with the greatest potential to benefit from library services. These groups represent families with limited resources and various barriers to literacy and economic opportunities. Eight strategies for providing services were developed for these residents and others.

MPL continues to expand services to youth to help children succeed and prepare for post-secondary education, the Library emphasizes early literacy development, expansion of the LibraryNOW library card school partnerships and out-of-school learning for teens with skills and interested-based programming at new branch makerspaces. MPL collaborates with the Milwaukee Public Library Foundation and donors to offer system wide programs and services including *Ready to Read* and *Books2Go*, which develop pre-reading skills in children ages 0-5. Literacy and learning programs keep children and teens reading and learning during non-school hours with such programs as the summer reading program, outreach to youth serving agencies, and the teen advisory board. Librarians select and recommend appropriate print and online materials for young children and provide guidance to parents and caregivers.

Developing workforce skills and helping adults find jobs continues to be a priority. Helping candidates earn a high school diploma via the library's Career Online High School program is one of many strategies being employed. MPL's walk-in job labs offer assistance in completing résumés, online job applications, and developing skills to perform online job searches. MPL is seeking partners to help provide these services, either in the library or through a referral process.

These partnerships increase the library's capacity to offer programs, including business planning assistance aimed at developing entrepreneurship and economic self-sufficiency among Milwaukee residents. Examples include Employ Milwaukee, Wisconsin Department of Workforce Development, Goodwill Industries, the University of Wisconsin Milwaukee's Small Business Development Center, and Wisconsin Women's Business Initiative Corporation.

A key objective is creating a city of readers, which is accomplished through a wide range of services. The needs and interests of residents are met through a curated collection of reading materials and other information resources in a variety of formats. Print and e-books are available for leisure reading by individuals and book club groups. Non-fiction print and e-books are available for information inquiry and research, classic and contemporary music is accessible on CDs and downloadable online files, all film genres are available on DVDs and streaming services, and newspapers and magazines are provided in print and through online subscription. Subscription databases support residents with interests and needs in education, medicine, arts, literature, STEAM-related topics, business, history and genealogy.

The Library helps develop adult literacy skills to improve employability, job retention, and basic literacy. The Library provides drop-in tutoring programs and special materials to develop basic reading skills. Every library offers public computer workstations and laptops, and high speed wireless internet.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Adult Program Attendance	22,309	5,000	17,500
Early Literacy Program Attendance*	23,608	15,000	20,000
School Age Program Attendance*	77,277	9,000	70,000
Summer Reading Program Participants	26,236	8,000	25,000
eCirculation	473,237	515,000	557,000
Traditional Circulation	2,280,723	600,000	1,500,000
Public Service Hours	31,546	15,000	31,500
Public Computer Use Hours	283,227	75,000	200,000
Wi-Fi Connectivity Sessions	1,156,122	580,000	1,000,000

*Attendance includes the parents, caregivers, and teachers that accompany youth to library programs.

STRATEGY IMPLEMENTATION

Reading and Research Services

The role of public libraries continues to evolve as information delivery systems expand through electronic and digital methods. MPL is adapting and continues to serve the needs of all people, providing resources in many formats, and personalized guidance in their search for information. MPL supports families, individuals, and local organizations by providing relevant resources, professional staff, research and reference services, extensive collections, and meaningful programming.

Books and Materials: Approximately \$2.87 per capita or \$1.7 million is allocated to fund materials purchased for Central Library, the 12 Branch Libraries, and one Express Library. This funding is a slight increase from the 2020 budget. Materials include books, media, electronic databases, serials, e-books, audiobooks and other resources. The Library has prioritized increases for books and materials to provide needed and in-demand resources. The use of e-books has increased 22% and downloadable audio books have increased by 26% in the first six months of 2020 compared to 2019. While demand for digital formats is growing rapidly, print materials comprise the majority of total circulation.

Research and Reference: All libraries offer one-on-one reference and research guidance and referral. Librarians and paraprofessionals curate and make available unique research collections and assist in matching resources to individual information needs. The Central Library serves as the resource library to the Milwaukee County Federated Library System and provides special collections, reference, research, and library services to all county residents as well as support and consultation services to MCFLS member libraries.

21st Century Literacy Services

Literacy is the ability to find, read, interpret, and apply information in both print and electronic formats to meet an expressed need. This strategy includes offering services to people of all ages, including the very young.

Ready to Read: The *Ready to Read* program supports school readiness and strengthens the early literacy skills of Milwaukee children ages birth to five. The program focuses on child care providers and families located in areas with the highest concentration of poverty. As of July 2020, total attendance for *Ready to Read* was 539 children and 126 adults. Beginning in March, Ready to Read coaches made necessary changes to the service model staying in regular contact with their sites through phone calls and emails rather than in-person visits. Coaches responded to the needs of educators especially in working with teachers on supporting the social-emotional needs of their classrooms during the pandemic. The Ready to Read team also identified services that can be adapted to the virtual environment and currently presents biweekly Play & Learn/Juega y aprenda early literacy programming and is developing virtual early childhood educator workshops in alignment with new Department of Children and Families continuing education policies.

The program incorporates weekly visits to child care centers to offer one-on-one coaching and to teach child care providers methods for developing a child's early literacy skills. In addition, free continuing education child care provider workshops are offered at the library throughout the year. The program provides book delivery service and encourages use of the library's programs such as free continuing education workshops and the Books2Go library card program. Established in 1999, the Books2Go library card program was designed specifically for child care providers offering special privileges for cardholders such as multiple users on one account and free educational resources. There are currently more than 500 child care Books2Go cardholders. The program includes outreach to families and teaches parents about early literacy skills through Play & Learn programming at the library. This initiative is funded primarily by private donations to the Milwaukee Public Library Foundation.

Summer Reading Program: The *Super Reader Squad* and *Teen Summer Challenge* programs promote reading and learning over the summer to maintain or increase academic skills while youth are out of school and to develop

lifelong reading habits. In 2020, the program moved to a virtual model and served approximately 7,367 youth and 450 adults.

In 2021, the Library will bring the *Super Reader Squad* program to approximately 12,000 children ages birth to 12 at outreach sites, which includes child care classrooms and community based organizations. Outreach educators visit each site weekly and actively engage the children in the *Super Reader Squad* program and literacy activities. This effort encourages parents and other providers to help their children develop reading skills. The *Teen Summer Challenge* engages teens in literacy and technology skill building projects. The *Super Reader Squad* and *Teen Summer Challenge* programs, summer outreach, and the year round coordinator who supports outreach to youth serving agencies and schools throughout the year, costs approximately \$275,000 and is primarily funded through the Milwaukee Public Library Foundation.

Library Card Campaign: Milwaukee residents receive the greatest benefit from their library when they have a library card. Since 2009, the Library has conducted a first grade library card campaign, issuing 700 to 1,000 cards annually. In 2019-2020, MPL staff presented to 2,751 students at 54 schools. 358 new library cards were issued to first graders and 2,064 first graders completed the 2019-2020 school year with a current library card. The library works closely with all Milwaukee-area schools and volunteers to increase the number of cards issued to first graders as part of the LibraryNOW campaign.

LibraryNOW: This program serves the first through twelfth grades of Milwaukee Public Schools (MPS), as well as new partners including Seton Catholic Schools, St. Joseph Academy and Veritas H.S. Total 2018-2019 participation from Milwaukee school systems pre-pandemic was 68,911. Further expansion will occur with additional partners. The library’s education and outreach staff visit and train teachers and school support staff to expand the library’s capacity to reach students and encourage use of library resources. Students are encouraged to upgrade from virtual accounts to full service, now totaling more than 9,085 of all participants. The program also supports teachers and more than 3,000 have chosen to opt-in and obtain a virtual account. This number will grow as awareness increases and the program expands. The library is studying the program’s impacts with the help of a consulting firm that specializes in planning, evaluation and research.

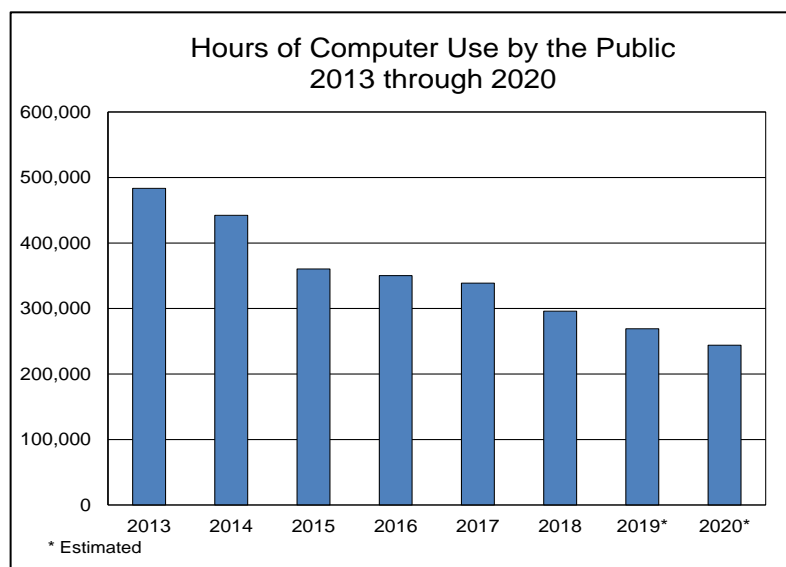
Technology and Digital Inclusion

MPL provides a range of technology related services, from access to computer skills education to digitizing local history collections. An increasingly digitized world requires new knowledge, practice, and access to technology.

Digital Inclusion: Each library location includes high speed broadband access to the internet, Wi-Fi, and computer devices. The Library has been able to maintain a robust technology infrastructure with the financial support of the Federal E-Rate program. In 2021, the Library expects to receive \$129,079 in discounts, which will support and maintain Spectrum’s internet service and the Wide Area Network provided by AT&T.

Computer and Internet Access: MPL provides city residents with access to high speed broadband internet, PCs, and laptops.

Figure 1



In the first half of 2020, compared to the same period in 2019, computer use decreased 63% and laptop checkout decreased 69%. However, in 2020 through June, patron personal devices connected to the public wireless network 666,931 times. The Library continues to expand technology offerings for the public, including online tools such as internet based databases, virtual reference, real time study help and online classes, digital downloads, e-books, audiobooks and other online services offered through the Library's website at mpl.org.

MPL Express at Silver Spring: In 2014, the first express library with a vending library machine was installed at Westlawn Gardens. The machine provides materials 24 hours per day through self-service technology. The vending library holds 400 items, including requested holds, a link to the online catalog, digital signage, and accepts returns. Items returned to the machine are checked-in and automatically presorted for pickup, delivery, and restocking. The express library has improved access to materials for both residents of Westlawn Gardens and the surrounding neighborhood.

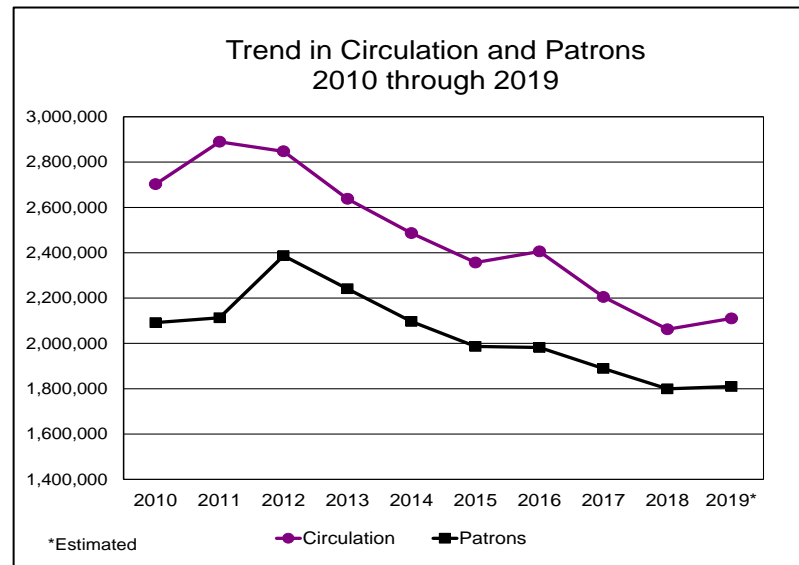
Workforce Development and Business Growth: MPL locations are resource hubs for the community. By hosting librarian-led programming, and providing premium database content, the Library contributes to economic and employment growth in Milwaukee. In 2019, MPL engaged 237 attendees at 28 business, patent, and finance programs and engaged 452 attendees through 14 local business and job-related outreach events. To date in 2020, there have been 76 attendees at 13 programs and MPL has engaged 53 new community members through two local business-related outreach events. The 3rd Annual Job Expo at Central Library connected 201 participants with 58 employment organizations and 12 community job resources. In 2021 the Library will engage new users through a collaborative business commons space for remote workers, entrepreneurs, and small business owners while continuing to offer on-site recruitment through community partners, financial literacy education, new business programming and patent programs.

Community Engagement and Leadership: One of MPL's strategic goals is increasing the Library's impact on the community through partnerships. Partnerships are instrumental to successful initiatives. Each staff member is responsible for engaging the community and improving the public's awareness and use of library services.

Volunteer Program: The volunteer coordinator position identifies volunteer opportunities within the library system, develops job descriptions, recruits, hires, trains, deploys, evaluates, and manages a volunteer corps to expand the library's service capacity. Volunteers assist the public and staff by greeting library users, answering basic questions, assisting with frequently asked computer questions, registering children for the summer reading program, distributing literature, and assisting patrons with photocopying, scanning, and self-checkout. In 2019, 275 volunteers donated a total of 7,821 hours valued at \$188,581.

Out of School Learning for Teens: The Library serves teens with innovative, high quality, technology rich, out-of-school programming. These services help teens build digital literacies, develop social and emotional maturity, and become college and career ready. Three 'Makerspaces' have been added to the Good Hope, Mitchell Street, and Washington Park branches. Each space has its own specific in-demand industry focus. Good Hope's focuses on engineering and industrial design, Mitchell Street's on arts, media and design, and Washington Park's on information technology. Teen interns program and curate the space and engage their peers by hosting interest-based, tech-

Figure 2



oriented programs. “Near peer” college mentors provide expert coaching and support for the teen interns. Production centered events and challenges that empower teens to build skills and create content are offered system-wide. The program is funded primarily by grants through the Milwaukee Public Library Foundation. All three Makerspaces will be open for daily Open Maker Time as soon as it is safe to conduct public programming.

Community Third Place: Third places are anchors of community life that facilitate and foster broader and more creative interaction. They are the places we go when we are not at home (first place) or at work or school (second place). The Library is an anchor in communities throughout Milwaukee and renews the sense of place through services, programs, and facilities. Continued investment in Central library and branch libraries creates and maintains facilities as places of inspiration.

RESIZE, RESTRUCTURE, AND REINVEST

Resource Alignment and Organizational Development: The Library continually aligns resources to meet its objectives. Resource alignment is ongoing and the Library seeks additional opportunities to add value to direct public services by streamlining operations.

Virtual Programming: Library staff pivoted from in-person services to all virtual programming in response to the pandemic. On a weekly basis, a combination of live virtual and recorded programs are offered to a growing audience of youth, adults and families. Staff were provided the necessary technology equipment to support production and use of virtual platforms, as well as remote work during the stay-at-home orders. To maintain flexibility going forward, the library plans to continue supporting virtual programming as an integral part of its public services.

Library Hours: In 2020, hours open have decreased significantly due to the COVID-19 pandemic. MPL closed its doors on March 16th in response to the State’s Safer at Home Order, began introducing curbside checkouts and returns via the Central Drive-Up on May 5th, and started offering limited public access to coincide with the grand opening of our new Good Hope branch on July 29th.

In 2019, visits to the library totaled 1,676,108 and are expected to reach approximately 500,000 in 2020. In 2019, circulation of physical collections totaled 1,941,268 and is expected to reach approximately 600,000 in 2020. Growth in digital and non-traditional media is expected to continue to increase.

Branch Library - New Construction: The 2021 capital budget does not include additional funding for branch library new construction. Construction of the Martin Luther King branch is expected to begin in fall of 2021 and will utilize existing capital balances. Branch libraries anchor neighborhoods and with the city’s investment improve the economic conditions of the surrounding neighborhoods and business districts. High quality facilities provide needed resources and encourage frequent use by neighborhood residents.

Central Library Improvements: The capital budget includes \$1.3 million for Central library improvements. This includes funding for a central library roof project, sump pump system upgrades, and one new fleet vehicle.

Neighborhood Library Improvements: The capital budget includes \$205,000 for the replacement of the Zablocki Library’s windows and \$225,000 for information technology and security upgrades.

Contingent Energy Financing: The 2021 budget continues the contingent energy financing special fund, with funding of \$128,300. These funds were reallocated from the Library’s energy account in order to fund energy efficiency and renewable energy projects. These projects will be funded over time on a contingent basis once energy savings are verified. The Library, in partnership with the Environmental Collaboration Office, will use this approach to finance energy improvements at library facilities.

Office of Early Childhood Initiatives: In 2017, the City created an Early Education Task Force which held several meetings and issued recommendations for improving access to quality early childhood education. One

recommendation was to create an Office on Early Childhood Initiatives to advance and coordinate evidence-based childhood efforts and align existing services in collaboration with other organizations that provide these services. The goal is to help parents of children aged 0-3 living increase their awareness of and access to programs and services that help their children be better prepared to enter school. The 2018 budget created an Office on Early Childhood Initiatives, housed within the Milwaukee Public Library. The Office of Early Childhood Initiatives and the Early Childhood director have been moved to the Mayor's Office in 2021.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00	0.00	IT Support Specialist - Lead	Position Change
1	1.00	0.00	IT Support Specialist	
-1	-1.00	0.00	Librarian V	Foot Note Added
1	1.00	0.00	Librarian V (X)	
-1	-1.00	0.00	Librarian V	
1	1.00	0.00	Librarian V (X)	
-1	-1.00	0.00	Librarian V	
1	1.00	0.00	Librarian V (X)	
-4	-4.00	0.00	Librarian II (F)	Reduction
-1	-1.00	0.00	Early Childhood Program Director (X)(Y)	Reduction - Moved to Mayor's Office
-5.00	-5.00	0.00	Totals	

MAYOR'S OFFICE

EXECUTIVE SUMMARY

- MISSION:** Enhance the safety, prosperity, and quality of life for all Milwaukee residents.
- OBJECTIVES:** Provide safety and stability for all Milwaukee neighborhoods.
- Increase economic opportunity and family supporting employment for all Milwaukeeans.
- Protect children's health and help them achieve educational success.
- Grow the city's environmental and physical assets.
- Ensure city services are delivered efficiently, effectively, and equitably.
- STRATEGIES:** Manage city finances and long term fiscal obligations responsibly.
- Work with local and regional partners to create and retain jobs.
- Invest in neighborhood development and stabilization.
- Staff and fund responsive and effective police and fire services.
- Continue increased investment in city infrastructure.
- Continue to secure federal and state funds to improve Milwaukee.
- Promote energy efficiency and renewable energy on a regional basis.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	11.80	13.75	12.75	-1.00
FTEs - Other	0.00	0.00	1.00	1.00
Total Positions Authorized	16	16	16	0
<u>Expenditures</u>				
Salaries and Wages	\$914,200	\$938,979	\$912,271	\$-26,708
Fringe Benefits	365,680	375,592	419,645	44,053
Operating Expenditures	37,391	49,916	46,500	-3,416
Equipment	0	0	0	0
Total	\$1,317,271	\$1,364,487	\$1,378,416	\$13,929

The Mayor's Office provides executive direction and management for City government, including appointments to dozens of boards and commissions, lobbying and coordination with other levels of government, and policy direction for City departments. The Mayor's Office also leads implementation of the Mayor's signature initiatives; Earn &

Learn summer youth employment, the Strong Neighborhoods Plan and 10,000 Homes pledge, and the Walk 100 Miles campaign.

The Mayor represents the City of Milwaukee on numerous local boards and commissions, including the Criminal Justice Coordinating Committee, Milwaukee Succeeds, Employ Milwaukee, and the Milwaukee County Intergovernmental Coordinating Council. The Mayor appoints hundreds of members to City Boards and Commissions, including the Fire & Police Commission, Board of Review, and other bodies charged with carrying out the business of City government.

The Mayor's Office handles over 10,000 constituent contacts each year, as well as the Mayor's official communications and correspondence with residents, media, and other levels of government. The Mayor reviews and signs over 1,000 pieces of Council legislation each year, and the office responds to hundreds of open records requests in compliance with Wisconsin's Open Records laws. The Office also generates proclamations, hosts visiting foreign delegations, and coordinates dozens of annual events from holiday drives for local veterans to the Mayor's State of the City address.

The Mayor sets management and policy direction for the Administration and Cabinet officials appointed by the Mayor. Under State law and the City Charter, the Mayor proposes the annual City budget, including the property tax levy and spending for all City departments. The Mayor's Office works closely with Cabinet departments and other local elected officials to effectively advocate the City's interests in Washington, DC and Madison.

Since his first election as Mayor in 2004, Mayor Tom Barrett has steered Milwaukee on a positive course. Mayor Barrett's budgets have invested hundreds of millions of dollars in public safety, neighborhood stability, affordable housing, employment opportunity, and the health and well-being of Milwaukee's children. The Mayor has consistently allocated funding to get results for Milwaukee residents:

- Reduction in children with elevated blood lead levels
- Over 9,000 new affordable housing units since 2009
- Billions in new development, reducing the tax burden on neighborhoods
- New highs for employment of Milwaukee residents
- Improved neighborhoods and housing
- Environmental sustainability

Mayor Barrett's priorities for the City of Milwaukee and his appointed Administration are managed and carried out by the Mayor's Office. The Mayor's top priorities are:

Violence Prevention: Mayor Barrett established the Office of Violence Prevention in 2008. The Office is housed in the Milwaukee Health Department, with a Director who is part of the Mayor's Cabinet. The Office applies a public health approach to violence, working "upstream" of interpersonal and domestic violence, as well as on healing and organizing activities to keep Milwaukee resilient in the face of violence.

The Mayor is committed to full implementation of the Blueprint for Peace, the Office's community-developed plan to address violence before it happens. The Blueprint seeks to build communities in Milwaukee that are empowered to intervene before violence erupts and promote healing and justice to make sure violence is not cyclical.

Connecting Residents and Youth with Employment: A quality workforce is a crucial component of investment and industrial location decisions. Mayor Barrett is the Chief Elected Official for Employ Milwaukee, the local workforce board for Milwaukee County. Employ Milwaukee provides State and Federal funding for workforce development as well as training and skill-building opportunities for job-seekers and displaced workers.

Mayor Barrett's Earn & Learn program is a summer jobs program for Milwaukee teens to learn meaningful skills and enhance their résumés. Through clerical, recreation, food service, and other work the youth in this program develop beneficial work habits and confidence. Between 2005 and 2020, tens of thousands of Milwaukee youth gained critical employment experience through the Earn & Learn program.

Strong and Growing Neighborhoods: Mayor Barrett believes neighborhoods are Milwaukee's lifeblood, and since 2014, has dedicated nearly \$100 million to the STRONG Neighborhoods Plan to prevent foreclosures, fight blight and vacancy, and revitalize neighborhoods from the impacts left by the foreclosure crisis. Since 2014, over \$140 million in taxable value has been recovered from the sale of more than 3,000 City-owned properties, re-occupying formerly vacant properties and providing opportunities for families to keep stable housing and build wealth.

Building on the successful STRONG neighborhoods partnerships and programs, in early 2018 Mayor Barrett announced a goal of creating or preserving 10,000 more affordable housing units by 2028. Through June 2020, the City provided funding and support for over 2,500 affordable housing units.

Infrastructure: Quality, reliable infrastructure is critical to keep Milwaukee growing and safe. The 2021 budget invests \$71.2 million in core infrastructure programs including streets, bridges, street lighting, and sewers. Since Mayor Barrett took office in 2004, annual funding for core infrastructure has increased by \$28.3 million, nearly 66%. In that time, \$204.7 million has been invested in city streets through the local street and high impact street programs.

The high impact streets program developed under the Mayor's leadership uses a curb-to-curb asphalt resurfacing approach to extend street life and increase pavement quality. The Mayor's proposed 2021 budget upgrades 21 miles of neighborhood and commercial district streets through the local street and high impact street programs.

Early Childhood Initiatives: The 2021 budget moves the Early Childhood Director position, from the Milwaukee Public Library to the Mayor's Office. This move will position the City to better address issues that working families face with childcare. The move will also allow the City to take full advantage of government and philanthropic resources available for preschool education.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00	0.00	Community Outreach Liaison	Budget Reductions
1		1.00	Early Childhood Program Director (X)(Y)	Moved from Library
0	-1.00	1.00	Totals	

MUNICIPAL COURT

EXECUTIVE SUMMARY

- MISSION:** Safeguard the legal rights of individuals, protect the public interest, and enhance public safety.
- OBJECTIVES:** Provide timely adjudication of cases.
- STRATEGIES:** Implement technology to streamline operations and reduce operating costs, particularly in the area of case management.
- Use efficient case management and technology to make court services accessible to the public.
- Continue effective enforcement of court judgments through various collection methods.
- Use alternative sentencing to enable defendants to satisfy legal judgments.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Personnel				
FTEs - Operations & Maintenance	26.91	32.00	32.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	40	39	36	-3
Expenditures				
Salaries and Wages	\$1,644,648	\$1,735,875	\$1,755,698	\$19,823
Fringe Benefits	633,122	694,350	807,621	113,271
Operating Expenditures	314,324	437,966	381,966	-56,000
Equipment	5,933	6,000	6,000	0
Special Funds	26,280	30,000	15,000	-15,000
Total	\$2,624,307	\$2,904,191	\$2,966,285	\$62,094
Revenues				
Charges for Services	\$1,236,325	\$1,361,000	\$1,231,000	\$-130,000
Forfeitures	2,622,131	3,276,000	2,500,000	-776,000
Total	\$3,858,456	\$4,637,000	\$3,731,000	\$-906,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

- Build safe and healthy neighborhoods.
 - Adjudicate ordinance violations in a timely and equitable manner.
 - Effectively enforce judgments.
 - Use alternative sentencing for defendants when appropriate.
- Remove barriers to employment.
 - Assist residents to restore suspended or revoked drivers licenses.

The Municipal Court adjudicates city ordinance violations including traffic and building code cases. The Municipal Court has three elected Judges who preside over the court’s three branches. The presiding Judge appoints the Chief Court Administrator who oversees the department’s administrative functions.

Court staff prepare cases for hearings, provide clerk services to the Judges, receive and account for defendant payments, and perform other administrative functions. The staff is responsible for processing between 60,000 and 180,000 cases per year and accounting for approximately \$4 to \$6 million in revenues, largely from fines and forfeitures.

The court provides its services through regular daily court sessions, evening court sessions, and a variety of community based options. Evening court meets the needs of people that are busy during the day. Judges also meet with defendants in a variety of locations, including at community organizations, which have programs specifically aimed at children, veterans, and young adults. These sessions have good turnout and provide more time for the Judges to communicate with and counsel defendants.

The court refers certain first time juvenile and adult offenders who appear for arraignment in retail theft cases to classes conducted by the Institute for Criminal Justice at the University of Wisconsin Milwaukee. The Court partnered with MATC to create a Drug and Alcohol Awareness Program (DAAP). DAAP is a referral program for those with certain drug or alcohol offenses. The program provides educational information on the use of drugs and alcohol and also provides career services support and advice to those who want to explore further educational opportunities. The court also makes community service referrals to non-profit community organizations, including Youth Services at the Social Development Commission.

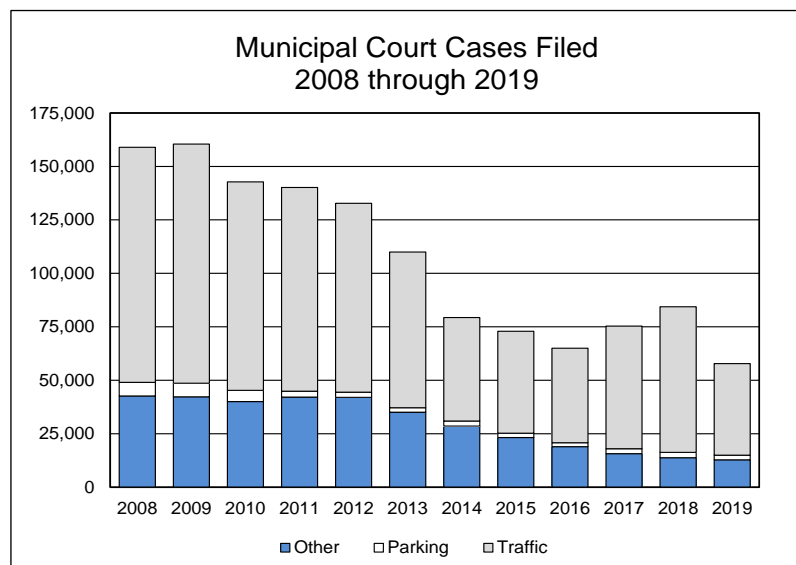
Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Average days from filing to judgment.	30	30	30
Number of enforced driver license suspensions lifted.	15,913	13,000	15,700

STRATEGY IMPLEMENTATION

The Municipal Court’s 2021 budget is based on an estimated 60,000 cases. Case volume had decreased significantly since 2008. In 2020, Court filings are 18% higher than the first half of 2019. The majority of cases in Municipal Court are related to traffic violations. (See Figure 1).

Evening court sessions were offered on eleven dates in 2019. Evening court is more convenient for some people and results in a higher percentage of scheduled defendants appearing for hearings. This can shorten the time to resolve the case for the defendants who choose a night court session. In 2019, a total of 25 sessions were scheduled for 402 defendants on 699 cases.

Figure 1



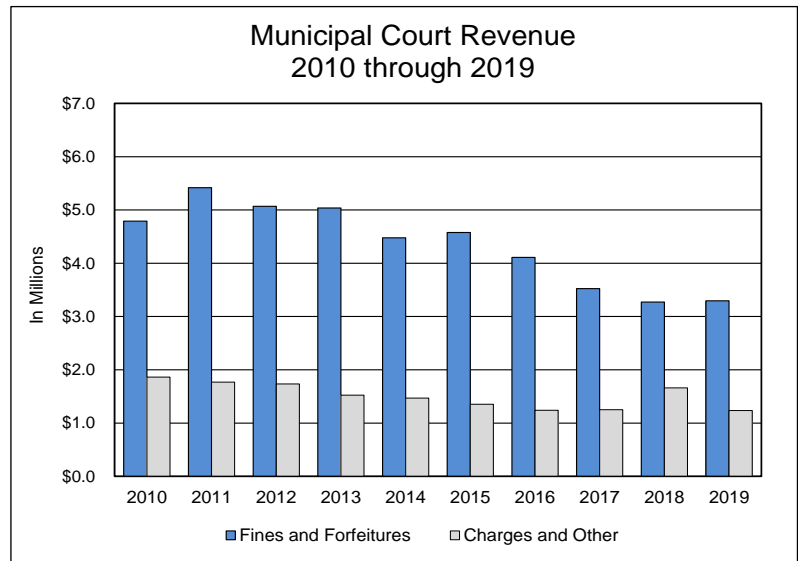
Community Impact of Court Procedures: The court serves an important function by establishing accountability from those that violate municipal ordinances. This maintains safe neighborhoods, protects the public interest, and contributes to the overall quality of life in Milwaukee.

The court’s elected Judges understand the struggles in the community. This understanding has led the court to establish reasonable court procedures:

- **Allow walk-in hearings.** Few courts in the nation hear unscheduled cases. Walk-ins allow people the opportunity to appear before a judge without having to schedule a court date ahead of time, which means not having to wait until a court date is available. The COVID pandemic forced the Court to cease offering walk-in hearings. All hearings must currently be scheduled in advance.
- **Utilize conditional sentences of community service.** When appropriate, those who cannot pay can choose to perform community service as an alternative to payment. The COVID pandemic curtailed many community service options. The Court works with JusticePoint personnel to identify available options.
- **Provide time-to-pay extensions.** If the due date has not yet passed, the court will grant an additional 60 to 90 days to pay in full if a partial payment of \$20 is made, depending on the total balance due. Moreover, this payment is waived for the first extension.
- **Require \$20 to file a motion to reopen judgment.** At a municipal court’s discretion, this fee can be as high as \$300 per s. 814.07, Wis. Stats. Milwaukee has one of the lowest fees statewide.
- **30% down payment.** Require a payment of just 30% of fines due that are related to driver’s license suspensions or vehicle registration denials in order to lift the suspension or denial. Most municipal courts in Wisconsin require full payment of these judgments before lifting a license suspension.
- **Installment plan.** Installment plans, which usually last two years, may be extended for as long as the person continues to make monthly payments on time.

The Judges use these procedures to routinely assist citizens in the recovery of their driver’s license. In 2019, the court lifted 15,913 driver’s license suspensions for 7,302 individuals.

Figure 2



The court continues to seek community partners to provide opportunities for conditional sentencing or employment, both of which uphold the court’s mission.

Court Revenues: In 2019, total court revenue decreased by about \$1,051,000; an approximate 21% decrease from 2018, consistent with the downward trend since 2011 (see Figure 2). This results from a reduced number of citations and cases. It is also affected by defendants’ ability to pay, changes in forfeiture and fine amounts, and the effectiveness of collection efforts.

Court Alternatives Program: The court’s alternative services program started in 1983 in response to a report that revealed a substantial number of mentally ill individuals were incarcerated at the Milwaukee County House of Correction because they were unable to pay fines for violating city ordinances. The program was expanded in 1985 to provide Municipal Court judges with financial evaluations and alternatives to jail and forfeiture payments for indigent and

disabled citizens. The National Pre-Trial Services Board in Washington, D.C. has recognized the Municipal Court intervention program as an enhanced program.

The program provides alternatives to jail or forfeiture payments for municipal ordinance violators who are unable to pay fines due to indigence or are in need of special services, particularly related to mental health and alcohol and other drug abuse (AODA) issues. These alternatives reduce Milwaukee County Criminal Justice Facility and House of Correction populations and the city's cost for housing these offenders.

In 2019, 515 persons were admitted to case management. Individuals that successfully complete the case management programs are relieved of the burden of incarceration or forfeiture payments. The participant completion rates for the various case management programs are as follows:

- Community Service: 54%
- AODA program: 77%
- Mental Health Services: 91%
- Mental Health and AODA: 83%

The 2021 Special Purpose Account budget provides \$487,000 for this program.

RESIZE, RESTRUCTURE, AND REINVEST

Improving Case Management: The electronic case file project, which went live January of 2011, provides electronic storage of all case documents, improving customer service while providing additional functionality on the court's website. By 2020, an annual recurring savings of more than \$700,000 is being realized from the project. Incremental annual savings, based on case filings, are realized as the purchase of case folders is no longer necessary.

On July 6, 2020, the Court began offering hearings via videoconferencing technology for arraignments and pre-trial sessions. Videoconferencing provides the greatest opportunity for proceeding safely during the COVID pandemic. This new format has been successful. The Court plans to offer trials by videoconferencing by the end of August 2020.

CATS Upgrade / On-going Support of Technology: Upgrade of the court automated tracking system (CATS) was completed in 2019. The shift to offering hearings by videoconference means the Court is more reliant on technology to carry out its mission. At this time, current equipment should support the Court over the next several years.

Operating Changes: The 2021 budget includes minor increases to the Court's operating budget for increased mailing costs and information technology licensing.

MPS Driver's Education: The 2021 budget eliminate the \$50,000 Special Purpose Account for the MPS Driver's Education special purpose account. MPS will fund the program through other funding sources.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-2			Municipal Court Clerks	Eliminated unfunded positions
-1			Assistant Court Administrator	Position Reclassified
1			Deputy Court Administrator	Position Reclassified
-1			IT Support Services Supervisor	Position Reclassified
1			Court IT Manager	Position Reclassified
-1			Court Services Assistant	Eliminated unfunded positions
-3			Totals	

NEIGHBORHOOD SERVICES

EXECUTIVE SUMMARY

- MISSION:** Protect the value of property investments throughout the city and strengthen the redevelopment capacity of neighborhoods.
- OBJECTIVES:** Improve neighborhood and property conditions.
- Reduce blight inducing conditions.
- Increase investment in Milwaukee.
- Improve the safety of buildings.
- STRATEGIES:** Implement proactive code enforcement strategies.
- Provide a timely, well understood, and consistent development process that integrates inspection with permit approvals.
- Assure construction of safe buildings through effective enforcement of the building code.
- Reduce the impact of blighted and neglected properties in the community.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	194.52	192.02	185.88	-6.14
FTEs - Other	34.96	56.48	58.30	1.82
Total Positions Authorized	292	289	285	-4
<u>Expenditures</u>				
Salaries and Wages	\$11,402,104	\$11,044,320	\$10,639,952	\$-404,368
Fringe Benefits	4,357,208	4,417,728	4,894,378	476,650
Operating Expenditures	1,708,911	1,533,430	1,508,060	-25,370
Equipment	0	0	0	0
Special Funds	2,029,438	2,050,000	2,075,000	25,000
Total	\$19,497,661	\$19,045,478	\$19,117,390	\$71,912
<u>Revenues</u>				
Charges for Services	\$11,025,133	\$13,228,400	\$13,304,000	\$75,600
Licenses and Permits	10,251,123	8,916,450	9,518,000	601,550
Intergovernmental Aids	1,298,147	1,300,000	1,300,000	0
Total	\$22,574,403	\$23,444,850	\$24,122,000	\$677,150

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Build safe and healthy neighborhoods.
 - Improve neighborhood conditions.
 - Reduce blight inducing conditions.
 - Improve the safety of buildings.
2. Increase investment and economic vitality throughout the city.
 - Increase investment in Milwaukee.

The Department of Neighborhood Services (DNS) enhances neighborhood appearance by improving city cleanliness, abating nuisance properties, and leveraging private investment in neighborhoods. DNS supports neighborhood improvements by enforcing standards for buildings, property, and land use. The department uses its enforcement, financial, and educational resources to encourage investment in housing and other buildings in neighborhoods. Various inspection and enforcement activities ensure compliance with building and property codes, which helps maintain an attractive investment environment and fosters reinvestment into neighborhoods. The department also supports a reduction in property loss and fire deaths by conducting fire prevention inspections of residential and commercial properties and enforcing related building codes.

Housing conditions and trends affect the department’s role in supporting and enhancing Milwaukee’s neighborhoods. The city has approximately 250,000 housing units, the majority of which are single-family homes, duplexes, and condominiums. Housing conditions and trends vary considerably throughout the city. While some areas, such as downtown, have seen a recent increase in housing units from new construction, other areas have experienced a decrease in housing units, due in part to deteriorating housing stock. In addition, housing values in some neighborhoods have recovered considerably since the recession, while housing values in other neighborhoods have recovered little or not all over the same period.

Factors that affect the stability and quality of housing in the city’s neighborhoods include housing age, ownership, and market conditions, among others. Like other cities, much of Milwaukee’s housing stock is aging. Nearly half of the city’s housing units were built before 1950 and many homes that are approaching 75 to 100 years old require significant maintenance and rehabilitation. In addition, renters occupy a majority, 64%, of the city’s housing units while owner occupancy rates have decreased. Many renters, (50%), have a high housing cost burden spending 30% or more of their income on housing costs.

Foreclosures and related impacts, including boarded-up, vacant, and blighted properties, continue to impact neighborhoods. While mortgage foreclosures have declined since their peak in 2009, the city continues to acquire hundreds of properties each year through tax foreclosure. There are approximately 3,153 known vacant properties in the city, many of which resulted from bank or tax foreclosures. These properties contribute to neighborhood blight and negatively affect public health, safety, and welfare.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Average days to respond to complaints.	11	9	9
Orders issued.	34,950	41,000	34,000
Number of vacant buildings.	2,998	3,153	3,000
Number of properties that received compliance loans.	54	54	54

ENHANCING DEVELOPMENT

DNS uses several code enforcement services to improve the appearance of neighborhoods by quickly abating problems such as building code violations, graffiti, peeling paint, litter and garbage nuisances, and structural building problems. Timely abatement minimizes further deterioration while supporting reinvestment into properties and improved neighborhood cleanliness and appearance. One measure of this service is the timeliness of resolving complaints, as measured by the average time to close out complaints. In 2019, DNS received 41,699 complaints of building code violations and nuisance activity. The Residential division responded to 31,564 (76%) of the complaints received (see Figure 1). Verified complaints result in orders to correct conditions that violate city ordinances. DNS issued 36,825 orders in 2019.

Vacant Building Registration Program: The Vacant Building Registration program helps stabilize and improve neighborhood conditions. Vacant properties that are abandoned or not maintained create neighborhood blight, require expenditure of additional city resources, and threaten public health, safety, and welfare. This program requires specific buildings that are vacant for more than 30 days to register with DNS. As long as the building remains vacant, the registration must be renewed every six months. The first registration period is exempt from fees. A \$250 renewal fee is charged and the fee increases if uncorrected code violations exist.

Development Center: The Development Center issues more than 30,000 permits each year. The Development Center plays a vital role in helping the City to grow, while ensuring that projects are managed safely.

The Development Center has made significant adjustments in its processes and procedures to adapt and maintain service to customers during the COVID-19 pandemic. Even with the office closed to walk in traffic, the Development Center remains extremely busy reviewing plan submittals, processing applications, and providing information to the public at volumes comparable to pre-pandemic levels. The Development Center has made significant technological advancements over the past few years. This includes the upgrade of customer sign in software and the refinement of the DNS records processes.

Figure 1

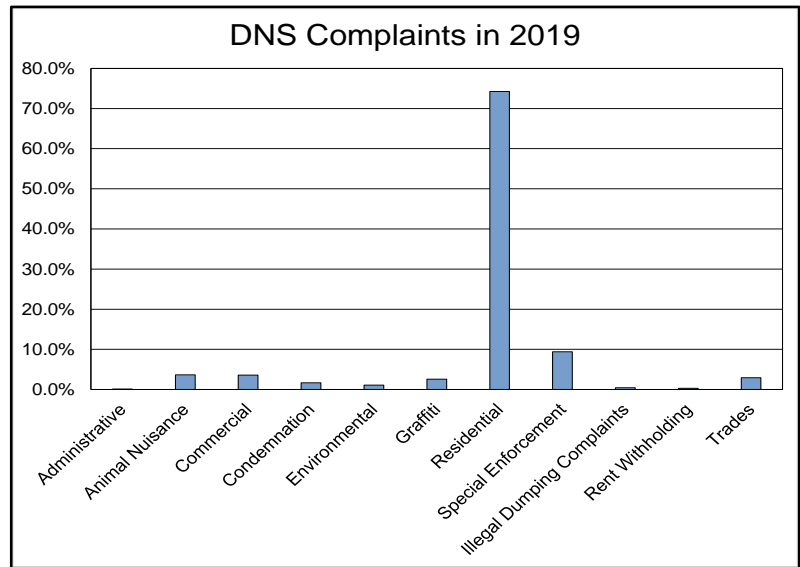
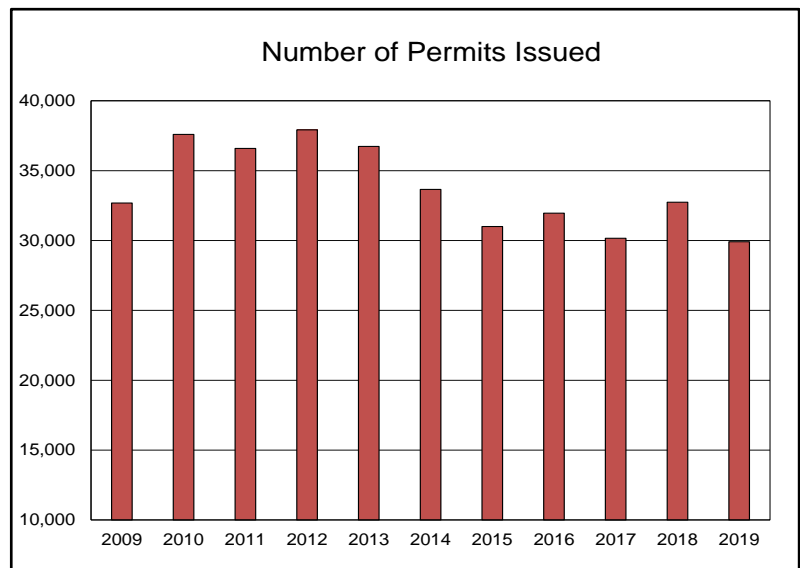


Figure 2



In 2021, DNS plans to take these efforts a step further with the integration of electronic plan review. This advancement will be extremely beneficial to the public as well as DNS staff. All drawings can be submitted and

reviewed digitally through a customer service portal. DNS anticipates this will increase efficiency by eliminating non-value-added time from the handling and management of paper plans.

ENGAGING NEIGHBORHOODS, ENSURING SAFETY

Code Enforcement Internship Program: Started in 1995, the Intern Program trains individuals from the community to become full-time Code Enforcement Inspectors. The interns conduct pre-foreclosure and graffiti inspections. Interns receive formalized classroom training at MATC and in-house field training provided by DNS.

Since 2011, 40 interns have successfully completed the internship program and are currently employed by the City. Approximately 40% of the interns are African American and 8% are Hispanic.

Downspout Disconnection Program: The 2021 budget includes staff for a downspout disconnection program. The Milwaukee Metropolitan Sewerage District (MMSD) revised its rules and regulations to require residential properties with four or fewer dwelling units to disconnect their downspouts from the combined sewer system. Disconnection must occur by January 1, 2025. The City of Milwaukee Sewer Maintenance Fund (SMF) is implementing a six-year program to ensure all disconnections occur by the required date. Approximately 53,000 properties will be surveyed. SMF will use DNS staff to inspect properties and ensure compliance with the disconnection requirement. The Sewer Maintenance Fund funds program staff and related costs.

Lead Abatement Inspections: DNS assists the Milwaukee Health Department Lead Program in conducting property surveys, preparing scopes of work and cost estimates for rehabilitation work. MHD Lead Risk Assessors conduct a lead risk assessment. The MHD risk assessment in combination with DNS scopes and cost estimates ensures comprehensive evaluations of each property are conducted. In 2019, 227 scopes and estimates were prepared.

Demolition and Deconstruction Funding: The 2021 budget includes \$2,200,000 in capital funding for demolition activity. In 2018, the Common Council suspended legislation that required deconstruction, rather than demolition, for residential properties. The deconstruction ordinance will take effect again on March 1, 2021.

Compliance Loan Program: The Compliance Loan Program assists homeowners by replacing the traditional court enforcement process resulting in fines and fees, with a case management and resource-based program that keeps owners in their homes.

The 2021 budget funds the Compliance Loan Program (CLP) at \$800,000, the same level of funding as provided in 2020. Hundreds of low-income Milwaukee homeowners struggle each year to address building code violations and defer much needed maintenance. Many are long-time homeowners, multi-generation households living in aging housing stock, anchors of neighborhoods hit hardest from the foreclosure crisis. Repair programs often do not cover all work or are exhausted early in the year. Traditional home improvement loans may not be accessible due to income, lack of credit and little to no equity.

CLP staff refer properties for loans, process and fund applications, develop the scope of work, solicit bids from a pool of licensed contractors and ensure projects meet rigorous standards of quality. Fifty-two loans, totaling \$646,000, have been approved in 2020. DNS plans to award another 54 loans in 2021.

City Cleanliness Improvements: In 2018, DNS began implementing improvements to the nuisance garbage clean-up program in order to facilitate more timely abatement of ordinance violations. Improved technology has enabled faster intake and routing of garbage complaints.

Illegal Dumping Prevention: In 2018, DNS investigated the scope of illegal dumping in Milwaukee and, working with agencies including ITMD, the Call Center, Public Works-Sanitation and the Milwaukee Police Department, developed a new strategy to address the problem. DNS has created a website (www.Milwaukee.gov/dumping) for

citizens to report and provide timely, actionable information. This enables DNS to respond to citizen concerns and act accordingly.

The new reporting tool has generated several hundred tips, resulting in investigation and issuance of citations by DNS. DNS has received 618 complaints and issued 40 citations. DNS uses each case to educate citizens about their ability to report illegal dumping and to deter potential illegal dumpers by highlighting the consequences imposed on violators.

DNS also received authority to create a Reward Program as an incentive to citizens who provide information leading to the issuance of illegal dumping citations. Citizens can receive up to \$1,000 for their information. Twenty-one rewards have been issued since the start of the program in 2018.

DNS provides information and suggestions to property owners to discourage potential violators from illegally dumping on their properties. Suggestions include purchase of inexpensive property surveillance equipment, establishing Neighborhood Watch groups and communicating with neighbors to discourage dumping.

Position Changes: The 2021 budget eliminates seven positions and nine funded FTEs. The reductions include: Commercial Code Enforcement Inspector, Building Construction Inspector, Building Construction Division Manager, Office Assistant III, Customer Service Rep II, Boiler Inspector, Plumbing Inspectors and Special Enforcement Inspectors. This decrease in the number of funded positions within the department will likely result in longer complaint response times, delays or reductions in services and other impacts to departmental operations.

Special Funds: The 2021 budget funds the Community Sanitation Fund at \$55,000, the member contribution to the Milwaukee Area Domestic Animal Control Commission at \$1,855,000, and the Anderson Lake Tower at \$140,000. The funding for these accounts are unchanged from the 2020 adopted budget. The 2021 budget adds \$25,000 for a new Illegal Dumping Prevention Fund special fund. This fund will support efforts to prevent and prosecute illegal dumping in target areas of the city with the greatest level of habitual illegal dumping.

Special Purpose Accounts (SPAs): The Department of Neighborhood Services has access to two Special Purpose Accounts with funding totaling \$120,000. The Graffiti Abatement Fund assists in the removal of graffiti in neighborhoods, while the Essential Services account ensures that residents have basic services available in residential properties.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
	-1.00		Commercial Code Enforcement Inspector (X)	Funding eliminated
	-1.00		Building Construction Division Manager (X) (Y)	
	-1.00		Building Construction Inspector (X) (C)	Position eliminated
-1	-1.00		Office Assistant III	
-1	-1.00		Customer Service Rep II	
-1	-1.00		Boiler Inspector (X)	
-1	-1.00		Plumbing Inspector (X)	
-2	-2.00		Special Enforcement Inspectors (A) (X)	
-2	-2.00		Residential Code Enforcement Insp. (X)	
1	1.00		Program Assistant III (X)	New Position
3			Neighborhood Improvement Proj. Inspector	New Positions
	-1.82	1.82	Neighborhood Improvement Proj. Inspector	Grant Funding
	5.68		Miscellaneous Adjustments	
-4	-6.14	1.82	TOTALS	

POLICE DEPARTMENT

EXECUTIVE SUMMARY

- MISSION:** Create and maintain neighborhoods capable of sustaining civic life and safe public spaces.
- OBJECTIVES:** Reduce levels of crime, fear, and disorder through community based, problem oriented and data driven policing.
- Actively engage in thorough investigation and clearance of crimes to promote successful prosecution within the criminal justice system.
- Further community support by enhancing partnerships with stakeholders while actively promoting trust and achieving legitimacy through constitutional policing practices.
- Provide department wide investment in personnel through quality training that enhances effectiveness and prepares staff for leadership opportunities.
- Build usage of field technology and provide metrics for evaluating usage and maintaining accountability.
- STRATEGIES:**
- Community Partnership:** Develop and maintain partnerships with citizens and community organizations to foster sustainable public safety, rebuild community-police relations and work proactively to address quality of life issues.
- Law Enforcement System Partners:** Leverage the unique assets, skills and jurisdictional boundaries of local, state and federal law enforcement partners to address public safety threats.
- Intergovernmental Relations:** Work with local and state legislators to create laws that positively impact public safety and create additional sources of funding for public safety resources.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Personnel				
FTEs - Operations & Maintenance	2,717.60	2,627.00	2,493.95	-133.05
FTEs - Other	37.50	40.60	85.50	44.90
Total Positions Authorized	2,828	2,828	2,732	-96
Expenditures				
Salaries and Wages	\$202,475,231	\$198,174,115	\$188,813,539	\$-9,360,576
Fringe Benefits	83,078,685	83,233,129	90,630,499	7,397,370
Operating Expenditures	16,882,356	15,359,027	15,006,587	-352,440
Equipment	-30,360	140,200	296,000	155,800
Special Funds	629,277	459,948	559,360	99,412
Total	\$303,035,189	\$297,366,419	\$295,305,985	\$-2,060,434
Revenues				
Intergovernmental	\$1,168,823	\$1,125,000	\$866,000	\$-259,000
Charges for Services	4,407,036	5,057,000	3,148,000	-1,909,000
Total	\$5,575,859	\$6,182,000	\$4,014,000	\$-2,168,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Create and maintain neighborhoods capable of sustaining civic life.

- Reduce levels of crime, fear, and disorder through community based, problem oriented, and data driven policing.
- Actively engage in thorough investigation and clearance of crimes to promote successful prosecution within the criminal justice system.
- Further community support by enhancing partnerships with stakeholders while actively promoting trust and achieving legitimacy through constitutional policing practices.
- Provide department wide investment in personnel through quality training that enhances effectiveness and prepares staff for leadership opportunities.
- Build usage of field technology and provide metrics for evaluating usage and maintaining accountability.

A set of core values guide MPD's mission:

- **Transparency:** MPD understands that its credibility is largely predicated on the community's belief that its members' actions or inaction are publicly available for review. The department prioritizes timely communication to the public, the media and those affected by crime.
- **Competence:** MPD members are prudent stewards of the public's grant of authority and resources. The department holds itself accountable for the quality of its performance and the standards of its conduct and strives to be exemplary leaders and followers.
- **Courage:** MPD places safety of others before its own and accepts the moral responsibility to take action against injustice and wrongdoing. MPD members are expected to take prudent risks on behalf of the public.
- **Integrity:** MPD recognizes the complexity of police work and exercises discretion in ways that are beyond reproach to be worthy of public trust. Honesty and truthfulness are fundamental elements of integrity. MPD's duty is to earn public trust through consistent words and actions, to be honest in word and deed.
- **Leadership:** MPD influences human behavior to achieve organizational goals that serve the public by developing individuals, teams, and the organization for service. The department accepts the responsibility to be a leader, both within the community and among its peers, and for the actions of colleagues and itself. All MPD members are responsible for the performance, reputation, and morale of the department.
- **Respect:** All MPD members hold life in the highest regard. They must treat all citizens and colleagues with dignity and respect, and be fair and impartial as they perform their duties.
- **Restraint:** MPD will use the minimum force and authority necessary to accomplish a proper police purpose. Members must demonstrate self-discipline, even when no one is listening or watching.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Decrease part one crime by 10% annually.	-11%	4%	-10%
Achieve a 70% homicide clearance rate.	77%	70%	70%
Guns seized.	2,569	2,650	2,600

STRATEGY IMPLEMENTATION

The department uses strategic staffing practices to optimize patrol capacity. The 2021 budget includes funding for an average of 1,682 sworn officers; a decrease of one hundred and twenty, or 6.7%, from the average funded strength in 2020. The budget includes COPS grant funding to hire 30 new police officer recruits in early 2021. However, if a

local sales tax referendum is approved the city will be able to hire additional officers in 2021 and 2022 to increase strength back to the 2020 level.

The department will continue to optimize its resources through a variety of means, including:

- Partnering with local, state and federal partners to address violent crime, drug trafficking, the illegal use of firearms and reckless driving.
- Improving upon innovative programs like deferred prosecution agreements and diversion programs with prosecution partners, which reduce recidivism and improve quality of life issues.
- Using data to identify crime trends, coordinate efforts among system partners and allocate staff to maximize efficiencies.

The Fusion Division is the basis for the Police Department’s intelligence led policing efforts. Starting in 2018, the Fusion Division began to incorporate a shoot review. The shoot review model is a data-driven violence reduction strategy that focuses on coordinating law enforcement, social services and the community in order to reduce homicides and shootings. The shoot review model seeks to combine the best of community energies, social services, and strategic law enforcement to reduce gun violence far more effectively than these entities operating alone. The Fusion Division collects, analyzes and disseminates intelligence regarding crime, criminals and emerging criminal trends. The intelligence is shared on a daily basis throughout the department through a fully integrated briefing for each shift. This allows the department to utilize its resources in a more effective, efficient and preventive fashion. The continuity provided by the Fusion Division provides officers on all shifts with real time crime information. This has led to positive outcomes, including the capture of fugitives, recovery of stolen vehicles, the arrest of criminals, and the prevention of criminal and disorderly behavior.

WI Department of Justice UCR Summary Crime Reporting (SRS) 2015 to 2019						
Offense	2015	2016	2017	2018	2019	18-19 Change
Murder	146	141	119	100	97	-3%
Rape - prior to 2017	249	285	N/A	N/A	N/A	N/A
Rape - 2017	N/A	N/A	435	528	427	-19%
Robbery	3,752	3,285	2,920	2,289	1,911	-17%
Aggravated Assault	5,254	5,306	6,041	5,582	5,439	-3%
Simple Assault	6,646	6,255	8,067	7,580	7,212	-5%
Burglary	5,487	5,863	5,522	4,296	3,594	-16%
Larceny Theft	12,766	12,358	11,553	9,012	8,053	-11%
Motor Vehicle Theft	7,386	6,179	5,504	4,625	3,450	-25%
Arson	224	311	313	252	198	-21%

* The data was obtained from the WI Department of Justice (DOJ) and reflects preliminary UCR Summary Statistics for the time period of January 1 - December 31, 2015 - 2019. UCR statistics are based on the reporting agency. The data here is only from the Milwaukee Police Department and does not include crime data that may have occurred in Milwaukee but was reported by another agency. Due to a change in the definition of rape by the FBI that occurred in the beginning of 2017, the rape data is defined by two different time periods. Those sets should not be combined for comparison purposes.

RESIZE, RESTRUCTURE, AND REINVEST

Funded Strength and Recruit Classes: The 2021 budget funds an average annual sworn strength of 1,682. The budget includes funding for one recruit class of 30 recruits in the beginning of 2021. These recruits will be funded with federal grant funds. Without grant funding, these recruits would not be hired. The City continues to work with

the state to allow a local sales tax referendum. If a local sales tax referendum is approved the city will be able to hire additional officers in 2021 and 2022 to increase strength back to the 2020 level.

Technical Communications Division: In 2021 the City will begin the process to consolidate the Police and Fire Dispatch centers into one unified Public Safety Answering Point (PSAP) under the Fire and Police Commission. It is anticipated that the consolidation will start in the fourth quarter of 2021. The consolidated PSAP will provide the following benefits:

- Improve the safety of citizens and public safety personnel
- Improve Police and Fire response times to life critical incidents
- Enhance the effective allocation and deployment of Police and Fire personnel
- Streamline Police and Fire workflows and business processes
- Provide a common operating picture for Police and Fire to ensure real-time situational awareness and information sharing

Publicly Accessible Data: In October 2019, the department furthered its mission to promote accountability through transparency by launching an online portal to publicly access crime data. The portal provides daily updated data on eight major crime categories: homicide, rape, robbery, aggravated assault, burglary, theft-larceny, motor vehicle theft and arson (known as “Part 1 Crimes”). Users may filter crime data based on location (police district, aldermanic district and neighborhood), time period and type of crime.

Newsletter: In 2020, the department launched a quarterly online newsletter, The Guardians. The Guardians is an interactive online newsletter that features crime statistics, exclusive stories and some of the great work done by the members of the department and the community.

MKE Urban Stables: In 2020, the MKE Urban Stables opened, which support the department’s Mounted Patrol. The Mounted Patrol provides a highly visible police presence at large crowd events. They provide crowd management, or crowd control when required, at outdoor festivities, concerts, gatherings, sporting, and special events. The Mounted Patrol also provides public education and community service programs for schools and community groups.

Democratic National Convention: Since the announcement in March 2019 that Milwaukee was awarded the Democratic National Convention, the department worked actively with the United States Secret Service and other law enforcement partners to prepare for the National Special Security Event (NSSE). Although the DNC ultimately was largely virtual, the department maintained its responsibilities to ensure that it was a safe and successful event.

Reckless Driving Initiatives: The department continued its partnerships with area law enforcement agencies through its Reckless Driving Reduction Initiative. It also deployed directed patrol missions aimed at targeting cruising and illegal street racing. In addition, its Public Information Office continued to message the dangers of reckless driving and the consequences of failing to abide by the law.

Sensitive Crimes Division: The department’s Sensitive Crimes Division (SCD) trains district officers on human trafficking and anti-prostitution operations, resulting in additional enforcement in areas with significant complaints. SCD conducts home visits with Sojourner Family Peace Center advocates to victims identified as being high risk for violence. In advance of the Democratic National Convention, SCD offered human trafficking awareness training to hotel and motel employees. SCD also trains department officers and recruits on elder abuse investigations. In addition, SCD collaborates with federal partners on a task force committed to human trafficking investigations.

Community Engagement: The department expanded its community partnerships through new initiatives, including a homeless outreach initiative, a domestic violence partnership, beat patrols in high crime neighborhoods, numerous COVID-19 public service announcements and the ReWaukee Project.

Fusion Division: The department's Fusion Division expanded its technological footprint. The Virtual Investigations/Video Analytics Units added over 100 new cameras to the downtown camera network integrating private business security cameras into one video management system. The Fusion Division also received a large donation of doorbell cameras to be given to homeowners in high crime neighborhoods to increase personal sense of security and improve police-community relations. The Fusion Division does ask the doorbell camera owners for assistance in identifying criminal offenders.

Crime Stoppers: In October 2019, the department began its partnership with Milwaukee Crime Stoppers, a non-profit organization of citizens and local media to assist in fighting crime. This partnership is vital to the success of this program, as the anonymous tips reported will play a key role in the department's ability to arrest offenders who have victimized members of our community. As of July 2020, Milwaukee Crime Stoppers has received over 560 tips, resulting in 8 arrests.

CAPITAL BUDGET

The 2021 capital budget includes \$6.3 million for reinvestment in key areas of the department.

Police Vehicles: The 2021 capital budget includes \$3.15 million for police vehicle replacement, including 35 fully equipped squad car replacements.

Automated Fingerprint ID system: The 2021 capital budget includes \$1.7 million to upgrade the current automated fingerprint ID system. The current system has been in place since 2011 and is no longer supported.

Uninterrupted Power Supply Replacement: The 2021 capital budget includes \$697,500 to replace the data center uninterrupted power supply (UPS) system. The UPS provides power and protection to critical data center equipment and systems, including the 911 system, CAD and RMS databases. The current UPS system is almost 20 years old and has reached its end of life.

District Station Repairs: The 2021 capital budget includes \$400,000 to make various upgrades and repairs at the department's district stations.

SONET Ring Replacement: The 2021 capital budget includes \$390,000 to replace the existing SONET ring. The SONET ring is the infrastructure that provides communications between sites for both the radio system and the police and fire department phone system. These systems are critical to the operations of both departments. The existing system is no longer supported.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
4	4.00	0.00	Police Sergeants	Accurately reflect positions ordinance
1	1.00	0.00	Administrative Assistant III	Reclassification.
-1	-1.00	0.00	Administrative Assistant I	
1	1.00	0.00	Crime & Intelligence Manager	
-1	-1.00	0.00	Crime Analyst	
1	0.00	0.00	Intelligence Analyst	New position.
-6	-6.00	0.00	Maintenance Technician II	Reclassification.
6	6.00	0.00	HVAC Maintenance Technician	
-6	-6.00	0.00	Building Maintenance Mechanic II	
7	7.00	0.00	Facilities Maintenance Mechanic	
-1	-1.00	0.00	Printer	Position eliminated
-1	-1.00	0.00	Microfilm Technician	Reclassification.
1	1.00	0.00	Document Technician	
-1	-1.00	0.00	Emergency Communications Manager	Position transferred and retitled in Fire & Police Commission.
-2	-2.00	0.00	Police Alarm Operator (G)	Reclassification.
2	2.00	0.00	Emergency Communications Oper. (G)	
0	0.00	28.85	Police Officer	Reflect COPS grant funding.
0	21.10	-21.10	Various Positions	Reduce DOJ funding for DNC.
-100	-120.00		Police Officer	Reduction in budgeted sworn strength.
0	-37.15	37.15	Various Positions in Technical Communications	Transitions positions funding source to new oversight in the fourth quarter of 2021.
-96	-133.05	44.90	Totals	

PORT MILWAUKEE

EXECUTIVE SUMMARY

- MISSION:** To enhance the economic environment of the Milwaukee region by stimulating domestic and international trade, business development, and employment for the Port's tenants, their customers and the citizens of Milwaukee.
- OBJECTIVES:** Increase private investment.
- Enhance intermodal options and transportation infrastructure on Jones Island.
- Foster development of agricultural and alternative markets.
- Position Milwaukee as a Great Lakes turnaround cruise ship destination.
- STRATEGIES:** Administer 467 acres of land at or near the lakefront.
- Identify possible tenants not currently at the Port but with strong growth potential.
- Increase marketing of the Port and its tenants.
- Export Milwaukee agricultural and manufacturing products to U.S. and overseas markets.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Personnel				
FTEs - Operations & Maintenance	18.11	19.00	19.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	35	35	35	0
Expenditures				
Salaries and Wages	\$1,157,299	\$1,152,848	\$1,213,049	\$60,201
Fringe Benefits	412,954	461,139	558,003	96,864
Operating Expenditures	1,232,564	1,269,913	1,208,125	-61,788
Special Funds	2,130,692	3,600,000	2,719,243	-880,757
Total	\$4,933,509	\$6,483,900	\$5,698,420	\$-785,480
Revenues				
Charges for Services	\$6,186,404	\$6,483,900	\$5,698,420	\$-785,480
Total	\$6,186,404	\$6,483,900	\$5,698,420	\$-785,480

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

- Increase investment and economic vitality throughout the city.
 - Provide land for businesses.
 - Stimulate trade and business.

Port Milwaukee has a major role in the local economy by providing land for businesses that need to be near Lake Michigan and Milwaukee’s inland river system. Through this work, Port Milwaukee contributes to the citywide goal of increasing investment and economic vitality throughout the City. The businesses that work at and through the Port generate approximately \$100 million in annual business revenue and directly employ approximately 630 people. In addition to those employed by Port tenants, Port operations directly create over 460 family supporting jobs and indirectly support nearly 220 additional jobs in the Milwaukee area.

The Port nurtures investment in Milwaukee by stimulating trade and business and by serving as a regional transportation and distribution hub for Southeastern Wisconsin. The Port links waterborne, rail, and ground transportation on Jones Island in an accessible location close to downtown. As a result, the Port’s tenants and customers are able to ship and receive products to and from all parts of the world.

The Port’s major commodities are cement, steel, salt, and grain. The Port diversifies its activities by promoting recreational businesses and passenger related travel services. Port Milwaukee is home to the Lake Express high-speed ferry and welcomes passengers from around the world at its two passenger cruise docks.

The Port administers 467 dry acres of city owned property at or near the lakefront. Milwaukee World Festivals, Inc. currently leases approximately two-thirds of the Port’s north harbor land for the Maier Festival Grounds, home of Summerfest, various ethnic festivals, and the American Family Insurance Amphitheater. Smaller leaseholders and city owned facilities account for most of the remaining acreage.

The Board of Harbor Commissioners governs Port Milwaukee and is responsible for developing its strategic plan and governing its operations.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Tonnage growth.	11.58%	0%	0%
Percentage of total expenses covered by revenues.	119%	100%	100%
Port related job growth.	630 (direct) 679 (indirect)	630 (direct) 679 (indirect)	630 (direct) 679 (indirect)
Cruise ship visits	10	0	11

STRATEGY IMPLEMENTATION

In 2019, the Port generated operating revenue of approximately \$4.6 million, a 3% decrease from 2018. Approximately 63% of the Port’s total revenues result from facility rentals. The Port also receives revenue from the lease of the 75-acre Maier Festival Park to Milwaukee World Festivals, Inc. Revenue generated by Port Milwaukee covers all its operating costs and reduces the financial impact for City services on taxpayers.

In addition to property leases, tonnage totals also affect Port revenues. In 2019, total tonnage increased by 276,966 metric tons (11.6%) to 2.67 million metric tons. International trade patterns and tariffs on commodities affect Port tonnage. Nonetheless, Port Milwaukee increased its overall tonnage in 2019 by nearly 25% from 2018.

The Port’s land use strategy is to maximize productive use of its properties and services by replacing less productive activities with more economically advantageous initiatives. In 2020, Port Milwaukee successfully applied for a \$15.9 million grant through the U.S. Department of Transportation Maritime Administration’s (MARAD) Port

Infrastructure Development Program. The MARAD grant will supplement additional public and private investment to construct a new \$31.4 million agricultural maritime export facility on Jones Island. This project is in partnership with The DeLong Company, Inc. who will operate the facility, becoming a new tenant of Port Milwaukee.

RESIZE, RESTRUCTURE, AND REINVEST

Position Changes and Consolidation: In late 2019, Port Milwaukee reclassified its marketing staff positions. Of the two positions, one Trade Development Representative title was retained and one position was retitled as Market Development Manager. Pay ranges for both positions were increased to more accurately reflect market rates. In late 2020, Port Milwaukee reclassified its Port Finance Officer and it was retitled as the Port Finance and Administration Manager.

Foreign Trade Zone No. 41: In 2011, Port Milwaukee took over as the grantee of Foreign Trade Zone (FTZ) No. 41. As the grantee, the Port’s role is to promote the FTZ to businesses in Milwaukee and throughout the State of Wisconsin. Companies that participate can retain and create jobs, while remaining competitive in international markets.

Designated foreign trade zones realize the following benefits:

- Deferral or elimination of customs duties;
- Leaner supply chains;
- Reduction in merchandise processing fees; and
- Reduction in broker fees.

Table 1

Foreign Trade Zone No. 41					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Merchandise Value (In Millions)	\$1,645.3	\$1,778.7	\$2,143.6	\$2,249.1	\$2,106.6
Employees	3,473	4,204	4,137	5,137	4,770
Approved Zones	7	7	10	12	13

The Port has been successful as the grantee of the FTZ No. 41. There are currently 13 approved operating sites. In 2019, the value of merchandise brought through FTZ No. 41 exceeded \$2.1 billion. This is an increase of nearly \$1.3 billion when compared to 2012. The value of goods moving through FTZ No. 41 exceeded \$1 billion for the seventh consecutive year. Table 1 summarizes the success of FTZ No. 41.

Marketing Milwaukee: The Board of Harbor Commissioners and Port Milwaukee worked with various stakeholders to develop a comprehensive Port marketing plan to attract more cruise ships, developing the Milwaukee Cruise Collaborative. Partners include VISIT Milwaukee, the Milwaukee Downtown BID, the U.S. Department of Transportation, General Mitchell International Airport, and others. These efforts have proven successful as 2019 saw a 175% increase in cruise visits over 2018. Collaborative efforts on the regional and international levels continue in 2020. However, international response to the COVID-19 pandemic resulted in the cancellation of all scheduled cruise visits for health and safety reasons. The 2021 schedule includes 11 cruise visits, docking for a total of 17 days.

Port Facilities: Maintaining high quality facilities attracts tenants, increases revenues, and improves the local economy. The 2021 budget includes approximately \$1 million for the maintenance and improvement of Port facilities, including:

- **Leasehold Demolition/Facilities Upgrade (\$180,000):** Port Milwaukee is responsible for maintaining and preparing buildings and land for lease to tenants. Funding supports such efforts, ensuring that facility work is done in a safe and timely manner.
- **Dockwall & Breakwater Rehabilitation (\$270,000):** Port Milwaukee maintains an extensive ten-mile dockwall system. An ongoing rehabilitation and maintenance program is necessary to minimize emergency repairs and ensure that the dockwall supports safe cargo operations.

- **Major Rehab and Upgrades – Equipment (\$90,000):** The Port Operations Division provides services to tenants and customers by assisting in the loading and unloading of vessels that dock at the Port. These services are a source of revenue for the Port and this work requires machinery and equipment capable of handling large jobs being in good working condition.
- **Major Maintenance –Terminals & Piers (\$500,000):** Maintaining terminals and piers at the Port is necessary to ensure vessels can safely dock and to handle the cargo that must be loaded and unloaded. The safety of employees and customers is a high priority, and terminal and pier maintenance is an ongoing program.

Revenues and Tonnage: The Port continues efforts to generate new revenues and increase tonnage. Sources of potential revenue growth include:

- Innovative fuels and alternative fuels exports;
- Agriculture products;
- Marketing available properties;
- Foreign trade zone activation; and
- Expanding export and import container yard activity thru intermodal facilities.

CAPITAL BUDGET

Roadway Paving: The Harbor’s subsurface, severity of winter weather and the large volume of heavy trucks doing business with Port tenants all contribute to the need for regular paving work on Jones Island. The 2021 capital budget includes \$200,000 for this work.

Pier, Berth, and Channel Improvements: This program provides ongoing maintenance and improvements to the Port’s heavy lift dock, mooring basin, and the outer harbor. The State Department of Transportation provides 80% of the program’s cost. The 2021 capital budget includes \$800,000 for this work.

Rail Track & Service Upgrades: The Port continues its rail track and replacement program to address safety and service load requirements. The 2021 capital budget includes \$275,000 for additional improvements to the rail system. These improvements, in conjunction with other facility improvements, make the Port more attractive to potential tenants and enhance its competitive advantages.

Terminal & Facility Maintenance: The Port will continue Terminal and Facility Maintenance in 2021. The 2021 capital budget includes \$200,000 for the work.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	1.00		Port Finance and Administration Manager	Classifications
-1	-1.00		Port Finance Officer (Y)	
0	0.00	0.00	Totals	

DEPARTMENT OF PUBLIC WORKS ADMINISTRATIVE SERVICES DIVISION

EXECUTIVE SUMMARY

- MISSION:** Provide business operations and administrative support for DPW.
- OBJECTIVES:** Ensure that DPW personnel, financial, and budget transactions comply with city ordinances and established procedures.
- Provide for safe and OSHA compliant working conditions throughout DPW.
- Ensure opportunities for businesses and residents to participate in DPW contracts and projects.
- STRATEGIES:** Investigate, review, and solve problems regarding the planning and implementation of major projects and events as they relate to public right of ways and infrastructure.
- Implement a risk management model to reduce workplace injuries and control worker's compensation costs.
- Administer the small business enterprise and residents preference program.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	35.27	35.90	34.25	-1.65
FTEs - Other	6.59	9.10	8.75	-0.35
Total Positions Authorized	45	45	43	-2
<u>Expenditures</u>				
Salaries and Wages	\$2,099,691	\$1,961,342	\$1,837,438	\$-123,904
Fringe Benefits	821,670	784,537	845,221	60,684
Operating Expenditures	297,870	216,637	278,000	61,363
Equipment	0	0		0
Special Funds	0	0		0
Total	<u>\$3,219,231</u>	<u>\$2,962,516</u>	<u>\$2,960,659</u>	<u>\$-1,857</u>
<u>Revenues</u>				
Charges for Services	\$4,782,894	\$1,831,000	\$1,826,000	\$-5,000
Licenses and Permits	2,832,173	2,534,900	2,903,000	368,100
Total	<u>\$7,615,067</u>	<u>\$4,365,900</u>	<u>\$4,729,000</u>	<u>\$363,100</u>

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increase investment and economic vitality throughout the city.
 - Provide courteous and professional assistance to developers and residents in the project development process, including technical utility reviews and permit issuance.

- Administer and coordinate services between the city and developers for out-of-program sewer, water, and paving improvements.
 - Work closely with business organizations in the planning and implementation of streetscape improvements through commercial districts.
2. Improve workforce development and connect more citizens to family supporting jobs.
- Provide employment opportunities to Milwaukee businesses and residents through the small business enterprise (SBE) and the residents preference program (RPP).

The Administrative Services Division provides planning and support to the Department of Public Works (DPW) in several areas. Administrative functions include budget preparation and control, accounting, payroll, human resources, employee safety, contract administration, purchasing and inventory, and special event permitting.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
SBE participation as a percent of total annual contract payments.	26%	25%	25%
RPP hours worked as a percentage of total contract hours.	46%	40%	40%
Employee work days lost due to injury.*	10,338	9,500	9,500

* OSHA recording regulations require that weekend days, holidays, vacation or other days off be included in the total number of days recorded if the employee would not have been able to work on those days because of a work related injury or illness regardless of whether or not the employee was scheduled to work on those days.

STRATEGY IMPLEMENTATION

Improving Safety: DPW’s Safety Section minimizes workplace injuries and supports a safe and productive work environment. The section implements programs and procedures and acquires new safety devices that contribute to safer work practices. By minimizing injuries, DPW reduces both work days lost due to injury and costs associated with injury pay.

With the advent of the Milwaukee Streetcar, there exists the exposure to new potential hazards in the work place. In order to stay in compliance with Federal guidelines, training for DPW employees was held in the following areas: awareness training for employees who may be working in the guideway; familiarization training of the systems, facilities, and vehicles for first responders; and tabletop and field exercises to test capabilities of incident command structure when responding to transit emergencies.

RESIZE, RESTRUCTURE, AND REINVEST

Residents Preference Program: The Administrative Services Division is responsible for administering the city’s residents preference program (RPP) for public works contracts. This program leverages employment and training opportunities for unemployed and underemployed city residents through requirements applicable to capital improvement projects, including road repair, building repair, retrofitting and rehabilitation, water main repair, and playfield reconstruction. Contracts awarded for capital projects create employment opportunities for city residents to build work experience and skills development in the construction trades.

For contracts closed in 2019, the RPP provided 49,357 hours of work, or 46% of total contract hours and \$2.5 million in wages on public works contracts.

Compete Milwaukee: Since 2014, the City of Milwaukee and Department of Public Works has provided unemployed residents facing multiple barriers to employment but that meet specific State transitional jobs requirements with up to six months of meaningful subsidized work experiences, accompanied with professional development career pathways trainings and services, through the Compete Milwaukee program. The majority of participating residents subsequently gain unsubsidized employment, including City employment. Compete Milwaukee meets participants where they are at and assists them in reaching their career goals. In addition to providing work experiences at various City work site locations, local private sector companies and contractors provide career exposure opportunities for young adults interested in becoming the next generation of construction workers. The City continues to deliver innovative workforce development programming to residents, including individuals who are low-income or have criminal conviction records, to support pathways towards family supporting employment. In 2020, approximately 50 qualifying residents will participate in Compete Milwaukee programs.

Position Changes: The 2021 budget eliminates one Business Services Specialist. The duties of this position will be absorbed by several other positions within DPW Administrative Services. The Finance and Administration Manager position is moved to DPW Operations. The primary duties of this position are related to DPW Operations functions.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-0.65	-0.35	Finance and Administration Manager	Moved to DPW Operations
-1	-1.00		Business Services Specialist	Incumbent retired
-2	-1.65	-0.35	Total	

DEPARTMENT OF PUBLIC WORKS INFRASTRUCTURE SERVICES DIVISION

EXECUTIVE SUMMARY

- MISSION:** Enable the secure and efficient movement of vehicles, bicycles, pedestrians, and data throughout the city.
- OBJECTIVES:** Improve the condition and performance of the city’s transportation, communication, and related infrastructure systems.
- STRATEGIES:** Use the high impact street program to increase performance and useful life of segments with moderate deterioration, good curb and gutter and drainage characteristics.
- Extend useful life of 21 miles of streets in 2021.
- Improve bicycle and pedestrian access and safety.
- Prioritize replacement of series circuitry for street lighting based on reducing area outages.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	356.89	355.39	352.41	-2.98
FTEs - Other	315.54	320.04	318.02	-2.02
Total Positions Authorized	822	820	824	4
<u>Expenditures</u>				
Salaries and Wages	\$17,176,456	\$16,477,221	\$18,017,869	\$1,540,648
Fringe Benefits	6,870,582	6,590,888	8,288,220	1,697,332
Operating Expenditures	13,915,204	14,402,218	14,106,000	-296,218
Equipment	191,416	608,000	1,093,000	485,000
Special Funds	0	120,245	300,000	179,755
Total	\$38,153,658	\$38,198,572	\$41,805,089	\$3,606,517
<u>Revenues</u>				
Charges for Services	\$4,014,030	\$4,333,250	\$13,306,670	\$8,973,420
Miscellaneous	481,379	922,000	716,000	-206,000
Total	\$4,495,409	\$5,255,250	\$14,022,670	\$8,767,420

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increasing investment and economic vitality throughout the city.
 - Improve infrastructure condition.

The Infrastructures Service Division’s (ISD) primary mission is to provide safe, attractive, and efficient public ways and infrastructure systems. These systems contribute to the city’s goal of strengthening the local economy by

increasing investment and economic vitality throughout the city.

ISD is responsible for design, construction, and maintenance of the city’s infrastructure systems including streets and alleys, bridges, sewers, sidewalks, traffic control devices, street lights, and underground conduits. In addition, the division performs transportation planning, coordinates transportation improvements with other governmental agencies and railroad companies, undertakes engineering studies, and investigates various permits, plans, and easements. The division also manages the city’s building facility assets by improving the functionality of existing facilities. The division provides building services such as design, construction, and maintenance for city facilities excluding the Library and Port.

In 2021, ISD will use approximately \$125 million to support its objectives including \$41.8 million in operating funds, \$61.6 million in capital funds, and \$21.6 million in state and federal aid. Grant and aid funds are used primarily for two capital programs:

- Major bridge program
- Major street improvements program

In 2021, grant funds constitute 79% of the major bridge program and 70% of the major street improvements program. Grant funds help the city preserve and maintain its street and bridge systems, which are critical components of the overall transportation system. The major street improvements program also includes grant funding for traffic control, bicycle, and pedestrian improvements.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Percentage of bridges with sufficiency rating greater than 50.	98.9%	98.9%	98.9%
Miles of bicycle lanes or trails added.	9 miles	22 miles	20 miles
Miles of streets with useful life improved through local street, major street and high impact street programs.	26.5 miles	25 miles	21 miles
Street lights converted from series to multiple circuitries.	237	650	600

STRATEGY IMPLEMENTATION

ISD improves the condition of the city’s surface public ways, primarily streets, sidewalks, and alleys. Activities include resurfacing or reconstructing existing pavement, curb and gutter, and constructing new streets as part of residential, commercial, and industrial development. Maintaining streets, alleys, and sidewalks promotes economic development by providing the infrastructure necessary to move people, goods, and services efficiently throughout the city. Currently over 5.4 million trips occur each day on city streets. This includes rides to work, school, church, and other activities.

The city’s street network includes approximately 1,273 miles of highways, arterials, collectors, and local roads. Government agencies and the city are responsible for repaving approximately 286 of these miles as part of the Federal Aid Transportation System and are eligible for federal, state, and county funding that varies from a 50% to a 100% match. Approximately 987 miles of streets are repaved under the local street program, which includes collectors. In addition to the local street program, state funds are allocated on a 50% match every even numbered year within the major street program to be used for local streets.

A key transportation concern is limiting the number of street segments falling into poor condition. Once a street

segment falls into poor condition, improvement costs increase. State funding allocations and local fiscal constraints do not allow for a conventional reconstruction only approach. Therefore, the city supplements conventional reconstruction with a preservation strategy. This cost effective approach focuses attention on extending useful life and improving pavement condition on street segments that have high traffic counts.

Major Streets: The city's 286 miles of major and minor arterials are resurfaced and maintained as part of the major street program. Arterials are part of the Federal Aid Transportation System and are eligible for county, state, and federal funding. Over the past three years, an average of \$40.9 million per year has been dedicated to the preservation and reconstruction of these streets. The 2021 budget includes \$20.4 million for the major street program, of which \$6.1 million is city funding. In the 2021 Budget, grant funding was obtained for four major street reconstruction projects on City bridges. The city also receives funding for preliminary engineering for an additional five paving projects in the 2021 budget, and several additional grants for major intersection improvements and to implement traffic calming measures across the City.

Local Streets: Approximately 987 miles of city streets are not eligible for state and federal funding, except for the State's Local Road Improvement Program (LRIP) which in even numbered years matches \$1 million of City funding with \$1 million of State funding to be used on local streets. Local streets are typically reconstructed and resurfaced with city funds through the resurfacing and reconstruction program.

In 2021, \$6.75 million is included in the budget for the resurfacing and reconstruction of local streets. \$6 million is from levy-supported borrowing and \$750,000 is from special assessments of property owners. The funding will improve approximately 4 miles of local streets. The \$6.75 million also includes \$1 million for capital maintenance. Capital maintenance includes activities such as crackfilling, sealing, and joint repair.

Capital maintenance activities extend pavement life and help prevent problems such as potholes. The department quickly repairs potholes reported by both citizens and city crews. Through the end of October 2020, there were 8,206 potholes reported, compared to an average of 11,488 over the last six years. DPW utilizes street maintenance techniques to improve the driving surface for residents. Expanding the high impact streets program has improved pavement condition and helps reduce maintenance costs. Pothole patching and other street maintenance activities are funded through the department's operating budget. In 2021, \$2.6 million is included in the operating budget for patching and other related street maintenance activities.

In 2014, DPW restructured street maintenance crews in order to make quality, long lasting repairs to highly trafficked streets in the city. The department has traditionally used two person crews to repair individual pothole reports called in by residents. In 2014, the department began supplementing two person crews with eight person "super crews". These crews use an assembly line approach on a long stretch of pavement to make longer lasting repairs to potholes and deteriorated pavement joints. Deploying street maintenance personnel in "super crews" instead of two person crews can lead to longer response times for individual pothole reports, but the more thorough repairs made by "super crews" improves the overall long-term street condition.

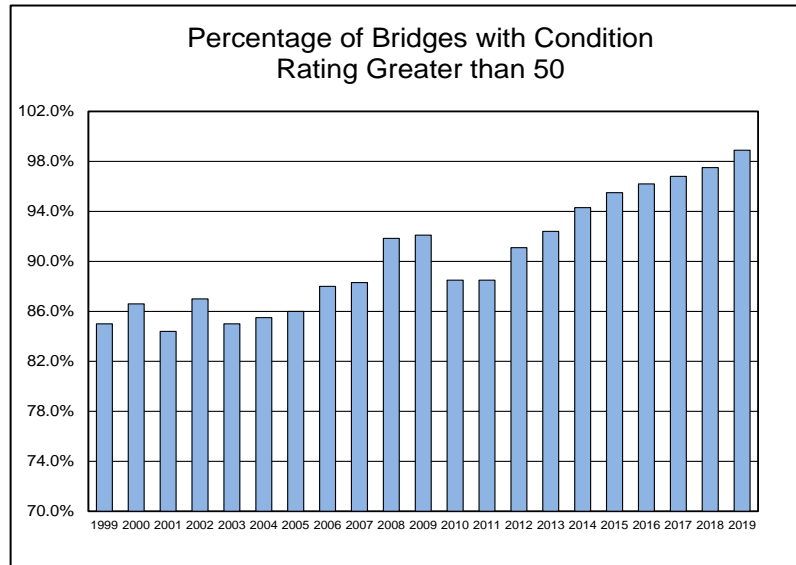
High Impact Streets: The high impact street program uses a curb-to-curb asphalt resurfacing approach that improves two and a half miles of roadway for the same cost as one mile of traditional reconstruction. This program focuses on high traffic streets typically serving commercial districts, but this approach is also applied to local streets when the right conditions are met. Focusing on high traffic streets has improved the condition of streets used by the greatest number of drivers. The 2021 capital budget includes \$8 million for the high impact street program.

DPW incorporates curb ramp repair into the high impact street program. Whenever a street is resurfaced or reconstructed, any curb ramp at adjacent intersections that does not meet current applicable standards will be replaced. This improves the accessibility and usability of the pedestrian walkway system for persons with disabilities. Curb ramp repairs increase the cost of high impact projects, but enhance the accessibility of intersections and pedestrian ramps.

Major Bridges: The major bridge program preserves and maintains a bridge system that ensures the safe and efficient movement of vehicles, people, and commodities. In the 2021 budget, the major bridge program is funded at \$9.3 million including \$1.9 million in local funding and \$7.4 million in grant and aid funds.

The 2021 budget includes funding for the second phase of a multi-year project by MMSD and the city to address flooding issues along the Kinnickinnic River. Several vehicular and pedestrian bridges must be replaced to accommodate the wider riverbed. Design funding in 2020 and 2021 will begin the project’s first phase. The cost of replacing the city-owned bridges is shared with MMSD, with the City’s cost funded through the stormwater fee.

Figure 1



Bridge conditions are measured using a sufficiency rating ranging from 0 to 100. Ratings are conducted every two years through physical bridge safety inspections. Bridges classified as structurally deficient are inspected annually. Structurally deficient means the deck, superstructure, or substructure is in poor condition. In 2019, 98.9% of rated bridges had a sufficiency rating above 50 (see Figure 1).

Local Bridges: The local bridge program ensures that bridges are maintained, renovated, and reconstructed when state and federal aid is not available or bridges are not eligible for such aid. Between 2010 and 2020, the City has invested nearly \$78 million into both the Local and Major Bridge programs. Beginning in 2016, budgets for the local bridge program have decreased as the overall condition of the bridge system improved in order to address growing needs in other programs. The 2021 budget provides \$4.1 million in capital funding for local bridge projects. Investment in bridge rehabilitation and replacement has resulted in the highest percentage of bridges with a condition rating greater than 50 since such records were kept. In 2021, funding is provided for rehabilitation of the Cameron Avenue Bridge over Lincoln Creek, the future rehabilitation of the Cherry Street bascule bridge over the Milwaukee River, as well as design work for future repairs. The city owns 21 moveable bridges and keeping these bridges in good operating condition is a priority. Moveable bridges provide commercial and leisure craft access to the city’s navigable waterways. In 2019, the city conducted 20,247 bridge raisings to accommodate water traffic; a slight decrease from the 20,302 bridge raisings in 2018. Increased water traffic and higher water levels drive the increased number of bridge openings in recent years.

Alley Reconstruction: The alley reconstruction program replaces aging alleys. The 2021 capital budget includes \$600,000 of new borrowing and \$550,000 of special assessment authority for the alley reconstruction program. This amount will fund 10 to 12 alley reconstruction projects.

Street Lighting: The city owns and operates nearly 77,000 street lights. The 2021 street lighting program includes \$9.3 million in capital funding, a \$1 million decrease from the 2020 budget. The 2021 street lighting program includes \$3.2 million for paving related improvements, mainly in conjunction with state and federal aided paving projects on major thoroughfares. Infrastructure Services installs temporary overhead lighting to maintain service during road reconstruction projects. Once paving projects are completed, temporary overhead lighting is removed and replaced with permanent lighting. DPW uses paving projects as an opportunity to replace outdated circuitry and lamps with more resilient circuitry and more efficient LED lamps.

The 2021 budget includes \$1 million for proactive replacement of series circuits with modern multiple circuits. Approximately 65% of the street lighting system uses multiple circuitries. In 2021, DPW estimates 600 street lights will be converted from series to multiple circuitry through both paving projects and proactive series circuit conversions. There is also \$2.2 million in the 2021 budget for the first year of a multi-year effort to convert City street lights from inefficient lamps to modern LED lamps. Approximately 11,000 lamps are expected to be converted to LED in 2021, and DPW anticipates converting all City street lights to LED by 2026. Lamps with LED bulbs typically use at least 50% less electricity than standard high pressure sodium bulbs, reducing street lighting energy costs.

Traffic Control: The traffic control program designs and operates transportation systems that support the safe and efficient movement of people and goods. The program prevents traffic crashes, improves traffic flow, and reduces pollution.

In 2021, \$2.3 million in capital funds support the traffic control program, a decrease of \$645,000 from the 2020 budget. In 2021, the department will continue replacing LED traffic signals that were installed beginning in 2005. Converting traffic signals to LED lights has reduced energy consumption for traffic lights by approximately 75%. Replacement of LED traffic signals will occur over five years at an estimated cost of \$1.25 million.

Multimodal Transportation: The 2021 budget is the second year of a new multimodal transportation capital program. This program funds projects to develop and enhance bicycle and pedestrian infrastructure in the city and implements recommendations of the Milwaukee Pedestrian Plan. The program is funded with \$1.2 million of new borrowing. This includes \$725,000 for infrastructure improvements such as road diet projects, and Safe Routes to School implementation, \$445,000 for planning and studies, and \$55,000 for bicycle and shared mobility parking.

Sidewalks: In 2021, \$1.5 million of funding is allocated to replace or repair defective or unsafe sidewalks. Property owners will contribute approximately \$500,000 in special assessments, and \$1 million is new borrowing. Approximately \$500,000 is allocated to the scattered site sidewalk program, which replaces sidewalk sections that are upheaved by the roots of trees owned by the city. \$1 million is allocated to the traditional quarter section program. The quarter section program replaces any sidewalks needing repair within the boundaries of a particular section of the city. This program works on a rotating basis to ensure that each section of the city sees a substantial effort to improve sidewalks every 40 years.

Underground Conduit: The underground conduit program provides internal communication services. The system provides a secure and weatherproof means of connecting communication cables among various city departments, including the Fire, Police, and Health departments, Milwaukee Public Library, Water Works, and the Department of Public Works. The conduit system also provides a secure and reliable route for traffic signals and street lighting cable circuits and systems. The 2021 budget provides \$800,000 for this program, a \$200,000 reduction from 2020.

Electrical Manholes: The electrical manholes program is closely related to the underground conduit program, as these manholes provide access to the city's conduit system for maintenance and installation of new communications cable. Deteriorated or collapsed manholes present a public safety threat to vehicles and can damage communications cables that link various public facilities. The 2021 capital budget includes \$500,000 for this program. In 2013, the department initiated a five year inspection program to survey all 7,559 of the city's electrical manholes. Inspections conducted through 2017 found that approximately 23% of electrical manholes surveyed are deficient and require repairs or replacement. Manholes are typically replaced in conjunction with paving projects, but DPW prioritizes repair or replacement of manholes that present a hazard to drivers.

FACILITIES CAPITAL PROJECTS

Aging city facilities present multiple challenges and are prioritized based on the probability and consequences of asset failure and the operational benefits and cost associated with each project. The 2021 budget for traditional facilities projects is \$3,565,000, a \$485,000 decrease from the 2020 budget. Since 2016, budgets for traditional facilities projects were decreased due to the need to include substantial amounts of funding for two non-traditional projects;

the city hall foundation restoration project and the expanded ADA compliance program. The city hall foundation project will require additional funding through 2023. After the foundation project no longer requires new funding, beginning with the 2023 capital budget, the city will have greater capacity to address other critical infrastructure needs.

City Hall Foundation Restoration: The 2021 budget includes \$8.4 million to continue the fourth phase of the restoration of the city hall foundation. This project will ensure the foundation's continued functionality by installing steel micro-pilings to support the building. These steel micro-pilings will shift the weight of city hall off of the original timber pilings, which have deteriorated. Deterioration of the timber pilings caused the building to settle unevenly, putting stress on walls which can lead to serious structural problems. This stress has so far resulted in only minor cracking on interior walls, but the risk of a major structural failure increases with each year. The foundation restoration project is a long term, 100 year design solution.

In 2016 and 2017, pilings were replaced in the northwest corner of the building. In addition, the area of the basement housing the building's mechanical equipment was affected by the repairs and the mechanical equipment needed to be temporarily relocated and replaced. New mechanical systems will require significantly less maintenance. In 2018, work shifted to the northeast and east portions of the building, including the section containing the tunnel connecting city hall to the Zeidler Municipal Building and the 809 Building. Current efforts are focused on the center of the building and a small section of the west portion of the building near the northernmost bank of elevators. Work shifted towards the south bank of elevators and into the southern end of the building in 2020, and will continue towards the southern end of the building in 2021.

Environmental Remediation Program: Funding of \$165,000 is provided for the environmental remediation program. This program funds lead and asbestos abatement in city facilities, soil and groundwater remediation, and fuel dispenser replacements.

ADA Compliance Program: The 2021 budget includes \$700,000 for the ADA compliance program, a \$200,000 increase from the 2020 budget. This program improves accessibility in various city facilities as part of a settlement agreement with the United States Department of Justice (USDOJ) in 2016. The ADA compliance program will address improvements related to the settlement agreement in all city facilities and make improvements designed to improve accessibility of City programs for residents.

Facilities Exterior Program: The 2021 budget includes \$1.1 million for projects to maintain watertight integrity, improve energy efficiency and provide for safe conditions in city facilities. The 2021 facilities exterior program includes \$300,000 for roof repairs at the Police & Fire Safety Academy, \$250,000 to continue a window replacement project at the Municipal Services Building on 15th and Canal Street, \$300,000 for repairs to a deteriorated driveway at the Lincoln Garage, which is used daily by garbage packers, sweepers and dump trucks, \$50,000 to replace overhead garage doors at the Municipal Services Building, and \$200,000 for emergency repairs.

Facilities Systems Program: The 2021 budget includes \$1.1 million for facility systems improvements. The largest single project is \$500,000 to replace the HVAC system at Northwest Garage, to address failing boiler, ventilation and heating components. Funding will also provide emergency mechanical and electrical repairs, fire life safety improvements, and security and access control updates at various facilities.

MKE Plays Initiative: The 2021 budget includes \$300,000 for the *MKE Plays* initiative. Led by Alderman Michael Murphy, this program leverages private dollars to replace the city's aging recreational facilities with modern, innovative play spaces for Milwaukee's youth.

Space Planning, Alterations, and Engineering: The 2021 budget includes \$200,000 for space planning, alterations, and engineering. This includes \$50,000 for the facilities condition assessment program, which surveys city buildings and develops long term maintenance plans for each building.

RESIZE, RESTRUCTURE, AND REINVEST

The Department of Public Works-Infrastructure Services Division maintains and operates over 77,000 street lights in Milwaukee. Street lighting improves residents' perception of safety. Motorists, pedestrians, and bicyclists are safer from traffic accidents and reckless driving in well-lit areas than in areas with poor or no street lights. The City's street light network also extends the hours during which outdoor activities can take place, enhancing safety and quality of life in the neighborhoods.

Milwaukee residents value quality street lighting service, as demonstrated by the volume of street lighting complaints at the City's Unified Call Center. In 2017, 7,479 street lighting complaints were logged by the UCC. This increased to 10,129 in 2018 and climbed to 12,052 street lighting complaints in 2019. In addition, the Mayor's Office and Council members report frequent street lighting complaints from constituents.

The Street Lighting Program faces a number of challenges that limit DPW's ability to provide the quality service that residents expect. Much of the street lighting infrastructure is outdated, with circuitry that is prone to failure. Nearly 40% of the City's street lights still use antiquated series circuitry. Series circuits are more prone to failure than modern multiple circuitry. This leads to street lighting outages spanning multiple blocks, which negatively impacts residents' perception of safety.

Repairing circuit outages is a priority for DPW Electrical Services staff. Repairing circuit outages is labor-intensive and each service crew is required to include a certified Electrician to perform most street lighting repair work. A full complement of Electricians is required to provide a high level of street lighting service. The City's overall budget challenges have made it difficult for DPW to continue to provide high quality street lighting services.

Over the last three years, it has become increasingly difficult for DPW to recruit and retain Electricians. As of August 2020, 18 of DPW's 83 Electrician positions are vacant, a vacancy rate over 21%. Of the 65 filled Electrician positions, 10 are filled by Electrician Apprentices. Until the apprentices become certified Electricians, they cannot perform circuit outage repairs without the oversight of a certified Electrician. In terms of "effective strength", after removing Electrician Apprentices, only 55 out of 83 or just 66% of DPW's Electrician positions are able to perform all of the job duties of a City Electrician. Of the 55 certified Electricians currently in DPW, 17 will be eligible to retire by August 2021.

From 2013 through 2019, an average of 3,065 circuit outages were repaired each year. The City's goal is to repair circuit outages (multi-block outages) within 24 hours of their being reported. From 2013 through 2017, when DPW had fewer Electrician vacancies, over 98% of circuit outages were restored in less than 24 hours. As the number of Electrician vacancies increased in recent years, DPW has not been able to achieve the goal of restoring circuit outages within 24 hours. In 2018, 91% of circuit outages were restored within 24 hours. This decreased to 82% in 2019, and only 70% of circuit outages have been restored within 24 hours in 2020 through the month of October. The high level of vacant Electrician positions hinders DPW's ability to repair circuit outages in a timely manner.

The primary reason for the recruitment and retention issues with Electricians is the City's low rate of pay for Electricians relative to other employers in the area. Hourly rates of pay for City Electricians in 2020 are less than 85% of comparable union wages (Local 494) with comparable benefits. The recent construction boom resulted in high demand for experienced electricians. Electrician wages outside of Milwaukee rose to meet the increased demand, but State restrictions on the City's ability to raise revenue have made it difficult for the City Electrician wages to keep pace with other area employers.

DPW and DER have undertaken market wage evaluations and made preparations to increase Electrician wages to make them more competitive with other area employers. However, revenue limitations imposed by the State and increasing pension and debt obligations have made it difficult to fund these plans. The City's two primary general fund revenue sources, the Property Tax Levy and State Shared Revenue, are either exclusively controlled or severely

restricted by the State. Please refer to the *2021 Budget Introduction* section of the *2021 Budget Summary* for more detail on the City's ongoing revenue challenges.

The fiscal challenges the City faces in 2021 will continue into future budgets, forcing difficult decisions on the level of service the City can afford to provide. Service levels in the street lighting program have been affected by the inability to make Electrician pay competitive. Without a dedicated funding source, DPW's street lighting program will be subject to both unplanned service level reductions through attrition of Electricians and planned service level reductions through necessary budget cuts.

One option to improve funding for street lighting is a Street Lighting fee. A Street Lighting Fee, designed to recover the annual operating cost of the street lighting program, provides a dedicated funding source to preserve the City's ability to provide quality street lighting services. The Street Lighting Fee will ensure that this critical service is adequately funded.

A fee dedicated to funding street lighting operations provides the financial flexibility necessary to reverse the recent deterioration in the level of street lighting service. This financial flexibility allows DPW to offer more competitive wages for Electricians. The hourly wage targeted by DER in the classification report is 90% of the hourly rate currently offered by Local 494. This amounts to an 11% increase to the current hourly wage for City Electricians. DPW and DER are optimistic that this wage increase will significantly improve the City's ability to recruit and retain certified Electricians. Moving closer to a full complement of certified Electricians on staff will ensure that DPW is able to repair street lighting circuit outages and address other resident complaints about street lighting in a timely manner.

The Street Lighting Fee also provides the financial flexibility to make proactive improvements to street lighting in commercial corridors and residential areas where enhanced street lighting could potentially have an impact on public safety. The 2021 budget includes a \$300,000 Public Safety Street Lighting Improvements special fund. DPW will use this special fund to improve street lighting on business corridors, intersections, alleys, pedestrian crossings, and other locations where additional lighting improvements may improve public safety. DPW is developing criteria that will be used to evaluate locations where enhanced street lighting can have a positive impact on public safety

In the 2021 budget, the Street Lighting Fee generates \$9.7 million in revenue to offset the cost of operating and maintaining the City's street lights. Costs that will be recovered through the fee include electricity, equipment, labor, and other operating expenses like parts and materials. Costs associated with the salary, benefits, and indirect cost of Electrical Services Electricians and other staff make up the largest share of the costs, at \$4 million. The cost of electricity to power the City's street lighting system is projected to be \$3.5 million. Operating expenses such as parts and materials and administrative costs associated with billing totals \$1.2 million. The remaining costs include \$750,000 for additional equipment including electrician trucks and boring machines and the \$300,000 Public Safety Lighting Improvements special fund.

Properties will be assessed the Street Lighting Fee based on the frontage that the property has on City streets that are served by City street lights. The allocation of costs to property owners uses a method similar to that used for the Snow and Ice Removal Fee. Residential properties located on the corner of a block are charged only for the amount of frontage on the shorter side of the property, while all other property classes are charged for the entire frontage. The 2021 Street Lighting Fee rate is \$1.00 per linear foot. A typical residential property with 40 feet of frontage will be charged \$10.00 quarterly, or \$40.00 annually.

DPW's response to street lighting service complaints will significantly improve as a result of a Street Lighting Fee. However, it may take as long as two years before service levels and response times reach the City's goals. The recruitment and onboarding of Electricians to fill vacant positions will take several months. Improvement in response time to circuit outages take time. However, implementing the Street Lighting Fee in the 2021 budget is the first step towards preserving this critical City service.

Other 2021 budget initiatives to restructure and resize the Infrastructure Services Division's operations include:

- Initiated in 2014, the expanded high impact street program has significantly increased the miles of streets that are improved each year. The high impact street program allows the city to improve approximately 2.5 miles per \$1 million, instead of one mile per \$1 million of traditional reconstruction. By targeting resurfacing on high traffic streets with high levels of pothole activity, street maintenance crews can be diverted from pothole patching to longer lasting preventative maintenance activities.
- The 2020 budget shifted responsibility for managing the Milwaukee Health Department's facility maintenance from the Health Department to the Infrastructure Services Division. This allows the Health Department to focus more on its core mission, and moves responsibility for facility maintenance to the experienced and capable DPW staff. Future savings are expected as Health Department facilities continue to become fully integrated with DPW's systems and contracts in 2020 and 2021.
- The 2021 budget for the Infrastructure Services Division implements several measures to limit expenditure growth, including eliminating funding for seven engineering positions. The department is experiencing challenges with recruitment and retention for certain types of positions, resulting in long-term vacant positions. The 2021 budget removes funding for seven engineering positions, as they are unlikely to be filled in 2021.
- The Motor Vehicle Registration Fee was established in 2008 through Common Council File Number 080034. This legislation enabled the city to eliminate special assessments for paving improvements and increase budgets for paving city streets. Prior to the implementation of the fee, the 2008 budget included \$5.5 million of city funding for the local street paving program. Local street program budgets increased to \$14.3 million by 2011. The 2021 budget includes \$14.8 million for the local and high impact paving programs. The Motor Vehicle Registration Fee annually generates \$6.3 million of revenue. The 2021 budget includes a \$10 increase to the fee, bringing the total fee to \$30. This increase is expected to generate approximately \$3.1 million in additional revenue. The fee directly funds services such as maintenance of streets, street lighting and traffic signs and signals, which allows the city to fund debt service for the increased borrowing for paving projects. Before the fee was adopted, property owners were assessed as much as \$2,000 when the street contiguous to their property was reconstructed. Since the special assessment for paving improvements was eliminated, the percent of street projects approved by property owners increased from less than 50% to over 90%. This streamlines the approval process and allows DPW to avoid spending engineering and design efforts on projects that are rejected by property owners.
- The City of Milwaukee, along with Milwaukee County, other Milwaukee County municipalities and the Milwaukee Metropolitan Association of Commerce, is proposing a 1% County sales tax increase. If a sales tax increase is adopted, additional revenue would be allocated to DPW Infrastructure Services Division to make repairs to City Streets.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
	-1.00	1.00	Civil Engineer III	Streetcar extension work performed by this position would be funded through the capital budget, not the operating budget
	-0.33	-0.67	Engineering Drafting Technician II	Reductions to meet budget target
	-0.66	-1.34	Engineering Technician II	
	-0.99	-2.01	Engineering Technician IV	
4		1.00	Engineering Intern	To assist with engineering/drafting and workforce planning
-5	-5.00		Communications Assistant IV	Reclassification
5	5.00		Communications Assistant III	
4	-2.98	-2.02	Totals	

DEPARTMENT OF PUBLIC WORKS OPERATIONS DIVISION

EXECUTIVE SUMMARY

- MISSION:** Provide essential services that maintain the cleanliness, availability, safety and attractiveness of Milwaukee to enhance the quality of life for citizens, businesses, and visitors.
- OBJECTIVES:** Improve neighborhood appearance by achieving 99% or better garbage collections as scheduled.
Reduce solid waste to landfill and increase recovery of resources.
Reduce the cost of fuels as a proportion of the division's total operating cost.
Maintain a healthy urban forest.
Remove snow and ice from streets and bridges in a timely manner to restore safe motorist and pedestrian travel and minimize economic losses.
Maintain compliance with State of Wisconsin storm water permit requirements.
- STRATEGIES:** Timely collection of solid waste and recycling, robust drop off services for self-haul customers, and vigorous abatement of code violations.
Use the solid waste fee to generate incentives for increased recycling participation and reductions to the amounts set out for garbage collection.
Maintain an availability rate of at least 90% for a wide range of multi-use equipment.
Perform street sweeping and leaf collection consistent with sound pollution management practices.
Deploy a multi-skilled workforce for effective and timely snow and ice removal.
Protect the urban forest from the Emerald Ash Borer, remove and replace dead and diseased trees, prune hazardous and encroaching branches from mature trees, and structurally prune younger trees.
-

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Personnel				
FTEs - Operations & Maintenance	732.23	603.74	689.58	85.84
FTEs - Other	50.08	61.26	61.26	0.00
Total Positions Authorized	1,435	1,396	815	-581
Expenditures				
Salaries and Wages	\$37,477,102	\$32,708,773	\$35,642,153	\$2,933,380
Fringe Benefits	14,544,666	13,083,509	16,395,391	\$3,311,882
Operating Expenditures	31,983,650	28,450,755	29,865,616	\$1,414,861
Equipment	1,576,285	3,262,102	2,501,400	-\$760,702
Special Funds	2,402,912	2,360,000	2,050,000	-\$310,000
Total	\$87,984,615	\$79,865,139	\$86,454,560	\$6,589,421
Revenues				
Charges for Services	\$83,044,185	\$85,875,600	\$89,181,000	\$3,305,400
Miscellaneous	1,118,918	1,225,000	923,000	-302,000
Total	\$84,163,103	\$87,100,600	\$90,104,000	\$3,003,400

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Build safe and healthy neighborhoods.
 - Collect solid waste in a timely scheduled manner.
 - Vigorously abate Sanitation and Forestry code violations.
 - Effectively maintain vacant lots to minimize blight on neighborhoods.
2. Increase investment and economic vitality throughout the city.
 - Remove snow and ice quickly and economically to restore safe motorist and pedestrian travel and minimize economic losses.
3. Sustain, enhance, and promote Milwaukee’s natural environmental assets.
 - Reduce solid waste sent to landfills and increase household recycling.
 - Maintain a fully stocked tree canopy that maximizes community and environmental benefits and is safe for public use and enjoyment.
 - Maintain a landscaped boulevard system that is visually attractive, adds value to neighborhoods, and reduces storm water runoff.
 - Expand use of compressed natural gas vehicles and equipment in the city fleet, reducing fuel costs and dependence on petroleum based fuels.
 - Manage public risk associated with the emerald ash borer.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Fleet availability	Police 95% Light 95% Heavy 90%	Police 90% Light 90% Heavy 90%	Police 95% Light 95% Heavy 90%

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Reduce tons of residential solid waste sent to landfill by 2%.	-2%	-7%	-2%
Reduce tons of all solid waste sent to landfill by 2%.	-1.1%	-3.3%	-2%
Increase household recycling by 2%.	4.4%	4.8%	2%
Tons of rock salt used.	41,634	46,150	45,000
Number of trees pruned.	14,532	19,500	19,500
Trees planted.	3,474	4,874	4,251

STRATEGY IMPLEMENTATION

The Department of Public Works Operations Division is comprised of Sanitation, Forestry, and Fleet Operations. The division supports the city’s goals of building safe and healthy neighborhoods, increasing investment and economic vitality throughout the city and sustaining, enhancing, and promoting Milwaukee’s natural environmental assets.

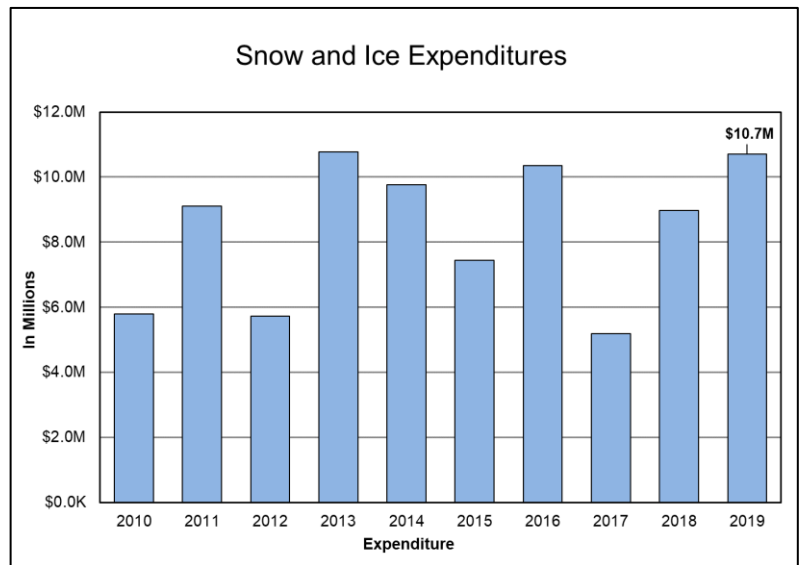
The 2021 budget provides \$86 million in operating funds, \$2.3 million of grant and aid funding, and \$9.8 million of capital funds for the Operations Division.

Snow and Ice Control Operations: The snow and ice control program’s goal is to remove snow and ice as quickly and economically as possible to restore safe travel and to minimize economic losses. A well run snow and ice removal program adds value by supporting year round operation of the regional economy.

DPW has improved the efficiency of its snow and ice control operations by utilizing a variety of chemicals to combat ice and using multi-purpose vehicles for plowing operations. Multi-purpose vehicles allow staff to respond more quickly to rapid accumulations of snow on the roadway. Expansion of the snow driver pool and overtime allows for a more sustained snow removal operation using only city forces.

Weather conditions largely determine the extent to which snow and ice control operations are performed. Snowfall, which fluctuates tremendously, is the primary cost driver. The 2021 budget includes \$9.6 million for snow and ice control operations. This amount represents approximately 90% of snow and ice control expenditures in 2019 (see Figure 1). This level of funding supports on average 24 general ice control operations and 3 full plowings. In 2019, the snow and ice costs were approximately \$10.7 million.

Figure 1



Sanitation Operations: Sanitation is responsible for solid waste collection, recycling, street sweeping, brush collection, code enforcement, vacant lot maintenance, and snow and ice control. These services sustain neighborhoods, protect the environment from harmful chemicals, and protect city residents from infectious disease and injury.

Sanitation operates an effective recycling program. The program uses recycling, brush collection, and public education to reduce the amount of material sent to landfills. A high performance recycling program generates revenue and reduces garbage tipping fees. This is especially important because the State of Wisconsin imposes the highest state collected fees on landfill disposal in the country. The 2021 budget includes \$10.9 million for landfill tipping fees, and \$1.6 million is included for recycling processing.

Milwaukee has a robust recycling program. Approximately 27% of solid waste is currently diverted from landfills via recycling, composting or reusing discarded items. This level of waste diversion is possible as a result of program changes implemented by DPW. The Sanitation Section will continue efforts to promote waste reduction, reuse, recycling and composting.

Food waste and other organics are estimated to contribute more than 20% of the municipal solid waste stream going to landfills. Sanitation’s efforts to address this portion of the waste stream shows the potential for large gains in landfill diversion. In November 2016, a pilot program was implemented to determine the feasibility of citywide household collection of separated compostable material. Five hundred “early adopter” households subscribed to participate in the fee based program. The program allowed kitchen food scraps, yard clippings, and other compostable items to be placed curbside in a separate cart for collection and composting. In 2019, the third full calendar year of the program, the average weight of organics collected rose to 785 pounds per household.

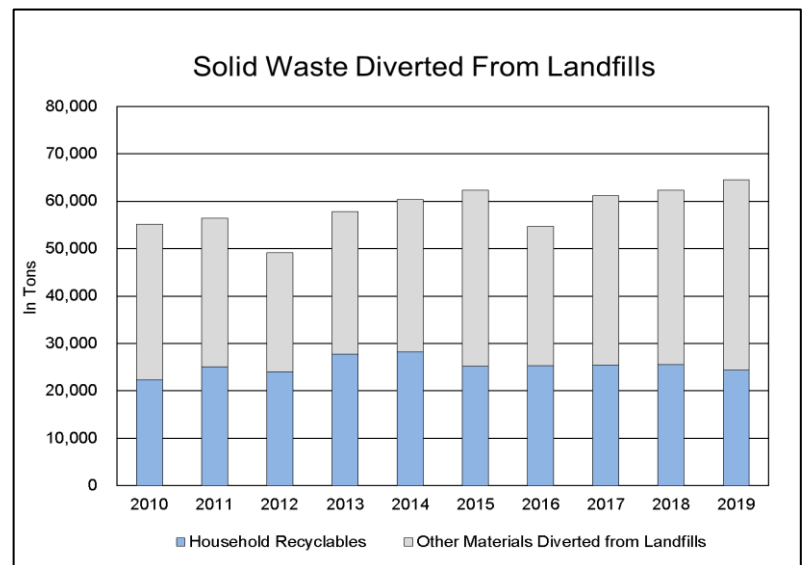
Sanitation is working to overcome processing capacity limitations in the region in order to build on the pilot program’s success and offer the service to more households. As the four-year pilot comes to a close in the fall of 2020, participating households have diverted 1.4 million pounds of organic waste through July 2020. Sanitation put out a request for proposals (RFP) seeking a source separated organics collection and processing service to provide access to all residents within five years. No contract was awarded through this RFP process. Sanitation is researching best-in-class infrastructure models that can create a strong foundation for City programs that provide all residents with the greatest opportunity for organics diversion.

The primary benefits of the City’s waste diversion and recycling program are reduced tipping costs, increased recycling revenues, enhanced services, a more sustainable city, and long term cost containment. In 2019, the recycling program generated approximately \$1 million in revenue. In 2021, recycling materials are expected to generate \$738,200.

In 2021, the recycling program is fully funded with \$4.3 million in operating funds and \$2.3 million in grant funds. The program’s mission is to divert an increasing amount of recyclables from the waste stream. The department continually explores a variety of methods to increase diversion from landfills.

DPW collects waste weekly from approximately 181,000 households. In 2019, approximately 178,600 tons of residential solid waste was collected. In addition, 24,343 tons of

Figure 2



recyclables, 40,158 tons of compost and other materials of residential waste was diverted from landfills (see Figure 2). The 2021 budget also includes \$240,000 for the disposal of electronic waste (e-waste). Sanitation has implemented a lower cost collection system at its drop off centers to counter the high costs of managing the growing residential waste stream in landfills.

Forestry Operations: Forestry is responsible for tree and landscape management. Forestry maintains 200,000 trees and 120 miles of boulevards that provide Milwaukee with a natural beauty both residents and visitors enjoy. The urban tree canopy and boulevard system contribute to the city’s environmental sustainability by managing storm water runoff. Forestry is responsible for the maintenance of approximately 4,600 vacant lots and foreclosed properties.

The emerald ash borer (EAB) is a threat to the state’s ash tree population. The city has approximately 28,396 ash street trees under treatment for Emerald Ash Borer. Pesticide treatments in advance of EAB attack have proven highly effective in protecting ash trees. A comprehensive cost-benefit study completed in 2015 estimates a \$3 benefit return for every \$1 invested to protect Milwaukee's ash street tree canopy from Emerald Ash Borer.

Fleet Operations: Fleet Operations maintains and operates the departments’ centralized fleet of more than 4,000 motor vehicles and related equipment. The division provides equipment and vehicles for other DPW divisions and various city departments, and repair services for vehicles owned by the Library, Health Department, Police Department, Water Works, Sewer Maintenance, and Transportation.

The division has used Congestion Mitigation and Air Quality (CMAQ) grant funding to cover the marginal cost of purchasing compressed natural gas (CNG) packers. Adding CNG packers to the fleet reduces fuel costs. Currently the cost per mile for a diesel powered packer is more than two times the cost of a CNG packer. There are currently 68 CNG refuse packers; purchase of an additional 18 is planned. The current fleet of CNG packers will generate fuel savings of approximately \$114,000 in 2021.

RESIZE, RESTRUCTURE, AND REINVEST

The 2021 budget continues programs that increase efficiency and streamline property management, waste collection, and recycling programs. These operations improve the services provided to city residents.

Strong Neighborhoods Plan: The Operations Division operates programs related to Mayor Barrett’s Strong Neighborhoods Plan which improve the overall condition of Milwaukee’s neighborhoods. The 2021 budget includes \$2 million for maintenance of city owned properties including debris removal, grass mowing, and snow removal. The program maintains over 3,300 city owned vacant lots and nearly 1,300 improved properties.

Transitional Jobs Program: In 2021, the city continues its collaboration with UMOS and Employ Milwaukee on the transitional jobs program. Participants that complete the six-month program develop useful skills in the Forestry and Sanitation Services sections and are equipped with new skills that help them compete for family supporting jobs.

Self Help Sites: In 2021, changes at the Self Help sites will allow more residents to use the centers. These changes will assist DPW in controlling illegal dumping on city-owned properties and vacant lots. In the fall of 2019 a new fee schedule was implemented to allow a wider variety of customers to use the disposal sites. The new fee schedule continues in 2021 and will pay for a wider variety of disposed material and an increase in the volume of debris collected at the sites.

Residential Disposal Costs: In 2021, funding for landfill waste is \$10.8 million. Landfill tonnage costs are budgeted for 240,000 tons. In 2020, landfill costs will increase to \$45.31 per ton.

Automated Collection Routes: The use of automated collection vehicles improves productivity and reduces worker compensation costs, increases operational efficiency, and provides greater flexibility in assigning staff. Routes converted to a one person operation instead of a two person operation save approximately \$80,000 annually. In 2021 there will be a total of 19 automated collection vehicles.

Replacement Equipment: The 2021 budget provides \$2.5 million in replacement equipment funding, including \$1.3 million for additional refuse packers, \$495,000 for fleet vehicle purchases, and \$11,000 for replacement diagnostic equipment.

FEES

Solid Waste Fee: The 2021 solid waste fee per quarter will increase 4.9% from \$57.57 to \$60.39 per residential unit. The annual impact on households with one garbage cart is an increase of \$11.28 from \$230.28 to \$241.56. The 4.9% increase is necessary to recover the cost of wage increases, increased tipping fees, and fleet vehicles. The fee will generate approximately \$45 million or 88% of garbage and recycling collection costs. Future increases in the solid waste fee may be necessary as tipping fees and other costs increases occur.

Snow and Ice Control Fee: The snow and ice control fee will increase by 3.9% to \$1.07 per front footage. The annual cost for a homeowner with a typical property with 40 feet of street frontage is \$42.80. The fee will generate approximately \$10.3 million or 85% of the estimated cost of the city's snow and ice control operation.

Cart Fee: Approximately 14% of city residents have two or more garbage carts. In 2021 city residents with two or more garbage carts will be assessed \$18.04 quarterly for each garbage cart after the first cart. This policy encourages residents to throw away less and recycle more. The fee applies only to garbage carts. Residents can request additional recycling carts and service upon request at no extra charge.

CAPITAL PROJECTS

Tree Planting and Production: The 2021 capital budget provides \$1.25 million for the tree planting and production program. This funding will replace approximately 3,600 street trees as part of the city's commitment to improve the environment. Since 2012 the annual tree mortality rates are higher than average at 2.3%. This is due to an aging Norway maple population and an increase in street tree removals accompanying major street reconstruction projects. In 2019, 4,260 street trees were removed as a result of disease or decline.

Stump Removal: The 2021 capital budget provides \$360,000 to support the City's in-house stump removal program. Funding will facilitate removing 1,400 stumps in 2021.

Concealed Irrigation and Landscaping: The 2021 capital budget provides \$200,000 for boulevard irrigation system replacements. The 2021 funds will replace approximately 100 deep water taps. The replaced systems provide water for plant beds only boulevards.

Emerald Ash Borer: The 2021 capital budget includes \$950,000 for treatment of ash trees. Treatable ash trees are injected with a pesticide to protect against the emerald ash borer beetle. The program's goal is to treat one-third of the city's 28,396 ash trees each year.

Major Capital Equipment: The 2021 capital budget includes \$6.7 million for major capital equipment that costs more than \$50,000 per unit and has a life cycle of approximately ten years. This funding replaces garbage and recycling packers and equipment for the Operations and Infrastructure Services divisions.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason	
1	1.00	0.00	Finance and Administration Manager	Move from Administration	
1	1.00	0.00	Fleet Acquisition Manager (X)(Y)	Classification Change	
-1	-1.00	0.00	Fleet Repair Supervisor - Senior		
1	1.00	0.00	Fleet Repair Supervisor	Classification Change	
2	2.00	0.00	Vehicle Services Technician II		
17	17.00	0.00	Fleet Maintenance Technician		
-1	-1.00	0.00	Automotive Electrician	Classification Change	
-5	-5.00	0.00	Heavy Equipment Lubricator (B)		
-1	-1.00	0.00	Special Fleet Services Laborer		
-2	-2.00	0.00	Fleet Equipment Service Writer		
-1	-1.00	0.00	Machine Repairperson		
-2	-2.00	0.00	Fleet Training Supervisor		
1	1.00	0.00	Fleet Training Manager		
-3	-3.00	0.00	Garage Custodian		
-3	-3.00	0.00	Tire Repair Worker I		
-2	-2.00	0.00	Tire Repair Worker II		
-1	-1.00	0.00	Tire Repair Worker III		
-1	0.00	0.00	Fleet Training Supervisor		Unfunded Auxiliary Positions Removed
-4	0.00	0.00	Fleet Operations Supervisor		
-25	0.00	0.00	City Laborer (Regular)		
-3	0.00	0.00	Garage Custodian		
-2	0.00	0.00	Communications Assistant III		
-180	0.00	0.00	Snow Driver		
-40	0.00	0.00	Snow Operator Light		
-30	0.00	0.00	Snow Operator Heavy		
-102	0.00	0.00	Operations Driver/Worker		
-26	0.00	0.00	Special Equipment Operator III		
-1	0.00	0.00	Fleet Services Welder		
-16	0.00	0.00	Vehicle Services Technician II		
-3	0.00	0.00	Fleet Repair Supervisor		
-1	0.00	0.00	Fleet Repair Supervisor - Senior		
-1	0.00	0.00	Special Fleet Services Laborer		
-1	0.00	0.00	Tire Repair Worker I		
-1	0.00	0.00	Automotive Machinist		

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
20	20.00	0.00	Operations Driver Worker (D)	Increase
60	60.00	0.00	Sanitation Laborer Pool	Laborer Pool
30	9.30	0.00	Winter Laborer Pool (0.31 FTE)	
34	10.54	0.00	Summer Laborer Pool (0.31 FTE)	
0	-1.00	0.00	Sanitation Area Manager (X)	Unfunded Auxiliary Positons Removed
-3	-2.00	0.00	Sanitation Supervisor	
0	0.00	0.00	Sanitation District Manager	
-188	-20.00	0.00	Operations Driver Worker (C)	
-1	0.00	0.00	Field Headquarters Coordinator	
-3	-2.00	0.00	Office Assistant IV	
-12	0.00	0.00	Sanitation Inspector	
-2	0.00	0.00	Self Help Yard Attendant	
-21	-21.00	0.00	City Laborer	Title Changes
24	24.00	0.00	Urban Forestry Laborer	
-7	-7.00	0.00	Landscape Laborer	
0	0.00	0.00	Urban Forestry District Manager (X)	Unfunded Auxiliary Positons Removed
0	0.00	0.00	Urban Forestry Manager	
-20	0.00	0.00	Urban Forestry Specialist	
-3	0.00	0.00	Urban Forestry Crew Leader	
-4	0.00	0.00	Urban Forestry Laborer	
-30	3.00	0.00	Urban Forestry Laborer (Seasonal)	
-4	0.00	0.00	Urban Forestry Technician	
-15	0.00	0.00	City Laborer	FTE Correction
0	11.00		FTE Correction	
-581	85.84	0.00	Totals	

SPECIAL PURPOSE ACCOUNTS

EXECUTIVE SUMMARY

OBJECTIVES: Special Purpose Accounts appropriate funds for purposes not included in departmental budgets. These accounts may include funding for short term programs, programs that affect multiple departments, or programs that warrant distinction from departmental budgets. Every year the Common Council adopts a resolution that authorizes expenditure of funds from the various Special Purpose Accounts by specific departments or by Common Council resolution.

The 2021 budget provides funding of \$19.8 million for miscellaneous special purpose accounts and total funding of \$149.3 million for all special purpose accounts. Highlights of the 2021 miscellaneous special purpose accounts (SPAs) include:

New Accounts

Crisis Assessment and Response Team: The 2021 budget creates a Crisis Assessment and Response Team (CART) special purpose account with funding of \$300,000. The intent is to fund the cost of three licensed mental health clinicians that will each be teamed with a law enforcement officer, allowing the creation of three new CART teams. CART teams have existed since 2013, through a partnership between the Milwaukee County Behavioral Health Division and the Milwaukee Police Department. CART teams respond to situations when individuals call 911 and request mental health services or indicate that mental health symptoms may be present. CART teams can also take referrals from the Milwaukee County Behavioral Health Division Crisis Mobile Team and can respond to requests from emergency room staff to evaluate a patient for emergency detention. Adding three CART teams will increase the capacity to respond to mental health calls for service.

Discontinued Accounts

MKE Community Excellence Fund: The 2019 budget created a MKE Community Excellence Fund special purpose account with funding of \$50,000. This account was intended to use city funding to leverage matching funds to organize events that promote peace and violence prevention. The account is eliminated in the 2021 budget.

MPS Driver's Education: The 2016 budget created a MPS Driver's Education special purpose account funded at \$50,000. This provided support to the Milwaukee Public School district's driver's education program. The account is eliminated in the 2021 budget.

Other Changes

Audit Fund: This account pays for the cost of contracting for a private audit of the city's Comprehensive Annual Financial Report, among other activities. The 2021 budget decreases funding by \$25,000 to \$255,000.

E-Government Payment Systems: This account supports software costs for operating the City's website and open data portal, development of applications that allow citizens and business to make online payments, and the cost of bank-related transaction fees for departments using the online payment system. In 2021, the account is increased by \$122,800 to \$187,800. The increase is for annual support costs for the OpenGov data portal.

Group Life Insurance Premium: This account funds the city's obligations with respect to life insurance benefits for its employees. In 2021, the account is increased by \$60,000 to \$4.56 million. This funding amount reflects anticipated payments in 2021.

Long Term Disability Insurance: This account funds a negotiated benefit that provides income continuation to employees who are unable to work because of a disabling injury or illness. The account is increased by \$120,000 to \$770,000, reflecting anticipated long term disability rates in 2021.

Milwaukee Fourth of July Commission: This account partially supports Fourth of July activities that take place in neighborhood parks throughout the city. The account is not funded in the 2021 budget. As a result of the COVID-19 pandemic, there were no Fourth of July activities in 2020. The unspent funds from 2020, approximately \$124,000, will be carried over into 2021.

Outside Counsel/Expert Witness Fund: This account funds the legal expenses incurred by the city for the retention of outside counsel and experts necessary for litigation and related legal efforts. The account is decreased by \$300,000 to \$150,000 in 2021.

Remission of Taxes Fund: This account funds the refunding of incorrect *ad valorem* taxes and interest on the same to property owners who successfully appeal their property assessments. Funding is increased by \$395,800 to \$1.12 million in the 2021 budget, based on anticipated needs.

Tuition Reimbursement Fund: The city provides a Tuition Benefit Program to eligible employees to help them further develop skills related to their current job or a reasonable promotional opportunity within city government. The amount of tuition benefits available to each employee depends upon the particular employee group to which they belong. The account is decreased by \$100,000 to \$700,000 in 2021.

Unemployment Compensation: This account funds the city's portion of unemployment compensation benefit payments to city employees who are laid off or otherwise separated from service. Eligibility for this benefit is determined by the State of Wisconsin upon review of the employee's level of earnings and the circumstances surrounding the separation from employment. Funding is increased by \$80,000 to \$375,000 in the 2021 budget, based on anticipated expenses.

Wages Supplement Fund: This account funds anticipated wage and fringe benefit increases for city employees, including increases resulting from collective bargaining agreements and changes to non-union compensation. Funding of \$562,500 is provided in 2021.

SPECIAL PURPOSE ACCOUNTS SUMMARY

	2019 Actual <u>Expenditures</u>	2020 Adopted <u>Budget</u>	2021 Adopted <u>Budget</u>	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Special Purpose Accounts Miscellaneous</u>				
Alternative Transportation for City Employees	\$115,000	\$118,000	\$118,000	\$0
Annual Payment to Department of Natural Resources	7,034	7,100	7,100	0
Audit Fund	229,500	280,000	255,000	-25,000
Boards and Commissions Reimbursement Expense	12,023	16,000	16,000	0
Care of Prisoners Fund	3,997	7,500	5,000	-2,500
Children's Savings Accounts	25,000	25,000	25,000	0
City Collection Contract	1,187,278	1,250,000	1,250,000	0
City Memberships	84,327	88,000	88,000	0
Contribution Fund General	0	3,200,000	3,200,000	0
Crisis Assessment and Response Team	0	0	300,000	300,000
Crisis Response-Trauma Informed Care Counseling	251,775	180,000	180,000	0
Damages and Claims Fund	13,581,774	1,225,000	1,225,000	0
eCivis Grants Locator	0	15,000	21,250	6,250
Economic Development Committee Fund	3,567	20,000	20,000	0
E-Government Payment Systems	53,379	65,000	187,800	122,800
Employee Training and Safety Fund	20,000	70,000	70,000	0
Firemen's Relief Fund	162,268	160,000	165,000	5,000
Flexible Spending Account	115,000	115,000	115,000	0
FMLA Fund	100,000	0	0	0
Graffiti Abatement Fund	64,890	65,000	65,000	0
Group Life Insurance Premium	3,064,904	4,500,000	4,560,000	60,000
Insurance Fund	733,892	922,000	922,000	0
Land Management	658,267	676,000	676,000	0
Long Term Disability Insurance	650,000	650,000	770,000	120,000
Maintenance of Essential Utility Services	48,813	55,000	55,000	0
Milwaukee Arts Board Projects	185,816	250,000	250,000	0
Milwaukee Fourth of July Commission	83,461	125,000	0	-125,000
Milwaukee Health Initiative	121,098	0	0	0
MKE Community Excellence Fund	50,000	50,000	0	-50,000
MPS Driver's Education	50,000	50,000	0	-50,000
MMSD User Charge	0	55,771,852	55,771,852	0
Less Recover MMSD User Charge	0	-55,771,851	-55,771,851	0
Municipal Court Intervention Program	487,000	487,000	487,000	0
Outside Counsel/Expert Witness Fund	110,378	450,000	150,000	-300,000
Reimbursable Services Advance Fund	0	50,000,001	50,000,001	0
Less Recover Reimbursable Services Advance Fund	0	-50,000,000	-50,000,000	0
Remission of Taxes Fund	1,082,713	729,000	1,124,800	395,800
Reserve for 27th Payroll	0	1,500,000	1,500,000	0
Retirees Benefit Adjustment Fund	40,541	42,000	41,000	-1,000

SPECIAL PURPOSE ACCOUNTS

	2019 Actual	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Special Purpose Accounts Miscellaneous</u>	<u>Expenditures</u>			
Tuition Reimbursement Fund	797,736	800,000	700,000	-100,000
Unemployment Compensation Fund	398,258	295,000	375,000	80,000
Violence Interruption	0	300,000	300,000	0
Wages Supplement Fund	0	0	562,500	562,500
Total Miscellaneous SPAs	\$24,579,689	\$18,787,602	\$19,786,452	\$998,850
Board of Zoning Appeals	\$178,677	\$324,002	\$336,604	\$12,602
Workers' Compensation Fund	\$12,722,989	\$12,500,000	\$13,000,000	\$500,000
<u>Employee Health Care Benefits</u>				
Administration Expenses	\$6,050,000	\$6,400,000	\$6,400,000	\$0
UHC Choice Plus (formerly Claims)	4,874,129	5,800,000	5,000,000	-800,000
Wellness Program	2,895,030	2,900,000	2,900,000	0
Dental Insurance	1,800,000	1,800,000	1,800,000	0
UHC Choice "EPO" (formerly HMOs)	103,977,385	95,150,000	100,000,000	4,850,000
High Deductible Health Plan	66,336	100,000	100,000	0
Total Employee Health Care Benefits	\$119,662,880	\$112,150,000	\$116,200,000	\$4,050,000
Grand Total Special Purpose Accounts	\$157,144,235	\$143,761,604	\$149,323,056	\$5,561,452

SPECIAL PURPOSE ACCOUNT BOARD OF ZONING APPEALS

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	4.33	4.33	4.33	0.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	11	11	11	0
<u>Expenditures</u>				
Salaries and Wages	\$124,548	\$210,037	\$210,037	\$0
Fringe Benefits	49,819	84,015	96,617	12,602
Operating Expenditures	4,310	29,950	29,950	0
Equipment	0	0	0	0
Total	\$178,677	\$324,002	\$336,604	\$12,602
<u>Revenues</u>				
Licenses and Permits	\$271,742	\$225,000	\$224,000	\$-1,000
Total	\$271,742	\$225,000	\$224,000	\$-1,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increase investment and economic vitality throughout the city.
 - Hear special use and variance requests and conduct building code and plan reviews to support ongoing development to its maximum potential.

The Board of Zoning Appeals (BOZA) supports the city's goal of increasing investment and economic vitality in Milwaukee. The board is composed of seven members appointed by the Mayor and confirmed by the Common Council. BOZA hears and decides on appeals of rulings on city zoning ordinances.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Number of appeals filed.	607	650	650
Number of appeals resolved in one hearing.	449	520	520
Percentage of appeals resolved in one hearing.	74%	75%	75%
Number of days from appeal filing to hearing.	48 days	40 days	40 days

STRATEGY IMPLEMENTATION

The Board of Zoning Appeals plays an important role in Milwaukee’s economic development. The city encourages developers to invest in Milwaukee by making the zoning appeals process simple and consistent. BOZA hears approximately 650 cases per year and works with numerous city departments in evaluating and processing zoning appeals. The board ensures that development proposals do not harm the urban setting, while allowing variances and other exceptions to zoning codes to facilitate development and redevelopment of properties and buildings. Information regarding BOZA hearings is sent to community groups and leaders via the city’s E-notify system.

In recent years, BOZA has reduced waiting times for hearings and expedited the appeal process. In 2015, the Local Business Action Team evaluated city processes and procedures that impact how businesses and local government interact. BOZA was actively engaged in the discussions as part of its continuous work to improve communication with customers and citizens. In 2021, BOZA will continue to work with city departments to create efficiencies that support business development while maintaining the quality of the city’s urban setting.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES - None

SPECIAL PURPOSE ACCOUNT EMPLOYEE HEALTH CARE BENEFITS

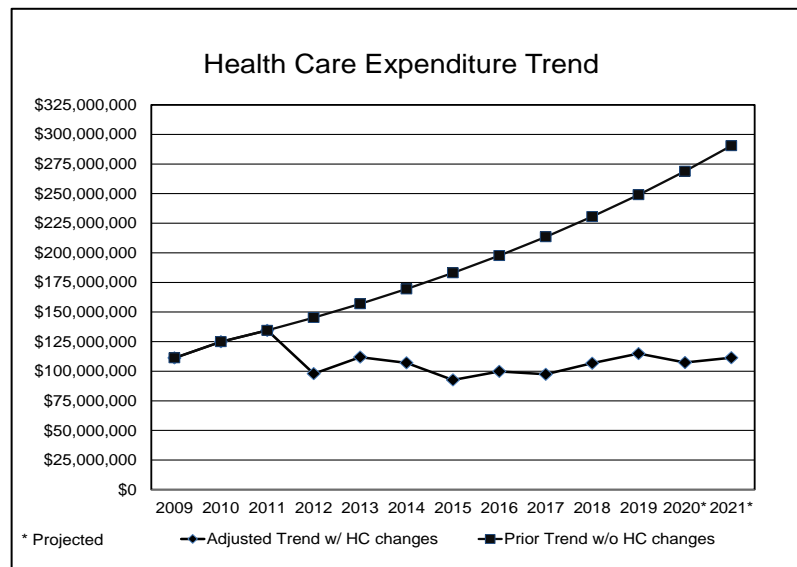
SUMMARY OF EXPENDITURES

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
UHC Choice Plus PPO	\$4,874,129	\$5,800,000	\$5,000,000	\$-800,000
UHC Choice EPO	103,977,385	95,150,000	100,000,000	4,850,000
HDHP	66,336	100,000	100,000	0
Dental Insurance	1,800,000	1,800,000	1,800,000	0
Wellness Program	2,895,030	2,900,000	2,900,000	0
Administrative Expense	6,050,000	6,400,000	6,400,000	0
Total	<u>\$119,662,880</u>	<u>\$112,150,000</u>	<u>\$116,200,000</u>	<u>\$4,050,000</u>

This special purpose account covers employee health care costs for three separate self-funded plans, the Choice Plus PPO, the Choice EPO, and a High Deductible Health Plan along with dental insurance, administrative expense, and the city’s comprehensive wellness program. The Department of Employee Relations (DER) manages the account and all related benefits, programs, and services.

Prior to 2012, total health care expenditures were increasing at a rate of 8% to 9% annually, reaching almost \$139 million in 2011 and were projected to reach \$187 million by 2015 (see Figure 1). In light of this unsustainable trend, the city with the support of policy makers, elected officials, employees, and vendor partners took steps to control the rising costs of health care, encourage better utilization by members, increase employee engagement through a formalized wellness program, and minimize and prevent workplace injuries.

Figure 1



Initiatives were launched to address the increased cost and utilization trends in health care and worker’s compensation. The city began examining changes to encourage more appropriate utilization of health care benefits, initiated a wellness program to help with those efforts, and launched a risk management program to better understand the factors driving workplace injury trends and increasing worker’s compensation expenditures. Recognizing the importance of these ongoing efforts as well as the link between employee health care, wellness and safety, the department has been working to better integrate these areas into a model of total worker health and employee wellbeing.

Health Care: Since 2012, the city has experienced positive health care expenditure trends. City employees have continued to pay a 12% premium that has increased only 11% despite the cost of medical care increasing an average of 6% every year during that same time period. Nationally, employee premiums have increased over 30% and

average 24% to 32% for large employers with similar plans and are at least 63% higher than City employee rates. The City's experience is possible because of the culture shift that occurred with employees and their high engagement in the City's comprehensive health and wellness program and onsite clinic services which improve health awareness and encourage smarter healthcare utilization choices. Employees' intentional actions to improve or maintain their health make a significant difference in healthcare trends, limiting premium increases over the past nine years and allowing the City to maintain generous health benefits for employees.

Wellness Program: The City's wellness program started in 2009 as a single participation based program, the Health Appraisal, and has since grown significantly. The program includes an outcomes based component, Healthy Rewards, and a wide range of programs, services and resources, such as a wellness center, traveling wellness center sites, year round coaching and access to registered dietitians, ongoing educational sessions, multiple onsite weight management programs, chronic condition prevention and management programs, flu clinics, group fitness classes, mental health and financial wellness initiatives, an onsite nurse liaison, department specific initiatives as well as the City's onsite clinics and Froedtert FastCare Clinic services.

The comprehensive wellness program and onsite clinic services play a critical role in the City's efforts to control healthcare costs while providing a substantial benefit to employees and contributing to an integrated model for total worker health, safety and wellbeing. Highlights from the annual Wellness Executive Summary, which provides an update on the City's health and wellness efforts, are as follows:

- 84% participation rate in the Health Appraisal
- 37% of participants engaged in 3 or more coaching sessions
- 68% of participants improved one or more biometric risks over the last 3 years
- 19% increase in Healthy Rewards Program participation
- Increase in the City's Population Health Risk Score (a gauge of employee optimal health)
- 3,541 visits to the City's onsite clinics (expanded to include dependent care in 2020)
- 2,844 visits to Froedtert FastCare Clinics (expanded to include dependent care coverage in 2020)
- 1,717 individual sessions with the City's Onsite Nurse Liaison
- Newly launched programs like Psst Your Stress Is Showing, Road to Resiliency, Mental Health in the Workplace, the Miracle of Sleep and Health Living with Diabetes 2
- 3,600 touchpoints with the City's onsite Employee Assistance Program Coordinator
- 69 Financial Wellness Group Presentations and 913 personal consultations
- Wellness programming offered at 16 offsite City locations
- 50+ Wellness Champions implementing programs at the department level

DER uses a multi-pronged approach to inform decision making and provide critical feedback on current and new programs. The Wellness and Prevention Labor Management Committee reviews all benefit and wellness related programming including trends and issues impacting programs and employees. DER meets regularly with 50 employee wellness champions through the Wellness Promotion Committee which serves as a sounding board on programs and services. DER also holds quarterly health and wellness vendor partner meetings to share best practices, discuss barriers to access and participation in programs, and ensure benefit programming at many different levels is promoted among all partners. DER will also include City Employee Resource Groups in the decision making to further strengthen the process. Utilizing a transparent approach with inclusive practices builds trust and ensures the City's benefits and wellness program continues to be designed by employees for employees. This model has enabled DER to increase health and wellness programming by 300% over the last few years.

Services provided to employees and spouses through the City's health and wellness program are free and are considered best in class. The City strives to meet the high demand for programs and services. The partnerships developed with employees and vendors allow DER to quickly respond to employee needs.

This was exemplified most recently during the COVID-19 pandemic when all onsite and in-person health and wellness programming stopped in March. DER worked with its partners and employees to transform every program and service to virtual, online or telephonic formats, including the onsite clinics, which not only expanded the reach of benefits and wellness programs but also made them more accessible to a wider audience. DER was able to do this because of the trusted relationships with employees and partners, providing the ability to transform a complex program in a few short months.

Employee Safety and Worker’s Compensation: Froedtert Occupational Health provides occupational health services for the City of Milwaukee. Froedtert Workforce Health provides comprehensive health and wellness services to employees and their families and supports the City’s goal of an integrated model for total work health, safety and wellbeing. Utilizing Froedtert Occupational Health for pre-employment services allows the City to capitalize on existing synergies with health and wellness efforts, employee safety, and risk management initiatives and the need to assess employment suitability at time of hire.

DER continues to assess current practices and implement new initiatives to address field worker safety and to ensure the safest possible work environment for all employees. DER’s Risk Management and Safety Officer works with departments and safety personnel to implement practices for injury prevention and mitigation as well as ongoing training efforts to promote employee safety. The Risk Management and Safety Officer also works with departments to update the City’s Risk Management Program including department safety plans and annual safety reporting.

2021 Highlights

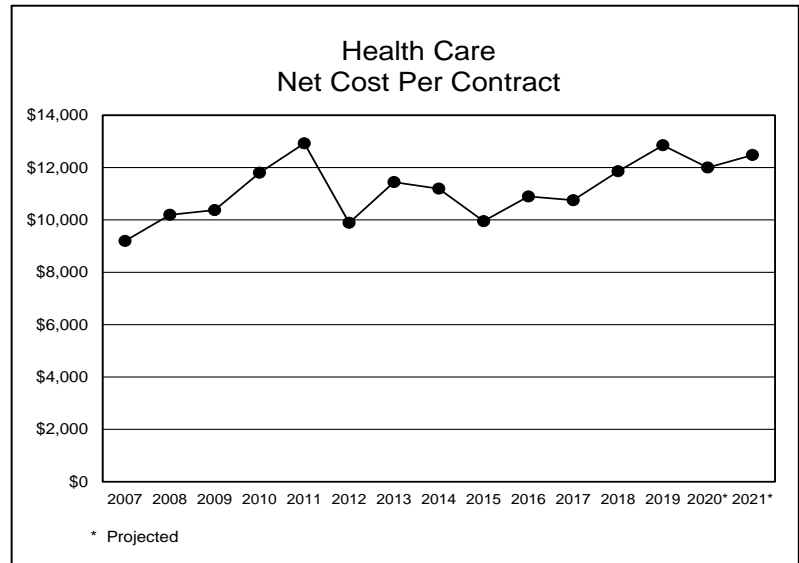
The 2021 cost per health care contract is expected to increase at the rate of medical inflation to \$12,500. In 2012, the revised health care benefit structure combined with other wellness changes substantially decreased the overall cost per contract (see Figure 2).

The cost per contract has historically increased by approximately \$2,000 every three years and prior to 2012 that increase had become more dramatic. On a percentage basis, costs from 2006 to 2008 increased 24% while costs from 2009 to 2011 grew over 28%. In 2020, the projected cost per contract will be approximately 7% lower than 2011 levels.

The City’s annual health care expenditures are significant and affect funding available for City services. The cost of medical care continues to increase and DER is working on both short and long term strategies to control healthcare costs while ensuring employees have affordable access to health care. For the first time in six years, additional benefit design changes will be implemented for employees to help control increasing expenditures. To help balance those changes, additional care options are being explored or have been implemented through the City’s onsite clinic services including the Workplace Clinic, the Injury Prevention Clinic and FastCare Clinics. DER recently expanded Workplace Clinic services to include chronic condition management and dependent care options. DER is also exploring the feasibility of adding primary care options to onsite clinic services.

The City continues to self-insure the health plans provided to employees and retirees and established a reserve fund in 2012 to address the risk associated with self-insurance. The City has not purchased stop loss insurance to date because its health plan experience did not warrant that type of coverage. However, due to the depletion of the City’s health care reserve fund and the increase in high cost claims, the City is exploring stop loss coverage to provide an

Figure 2



additional layer of protection by covering costs for catastrophic claims exceeding predetermined levels. While this does not replace the reserve fund and normal levels of expenditure variation, it prevents the City from assuming total liability for expenditures arising from extremely high medical and pharmacy claims.

DER will begin piloting voluntary benefits to provide additional solutions to address the changing needs of employees and their families and give employees the opportunity to tailor a benefit package that meets their specific circumstances. DER is placing extra emphasis on educating employees about current benefit programs and services. Employees who have a better understanding of their benefits enroll in and utilize benefits more appropriately, are more engaged with their workplace and have higher retention rates.

SPECIAL PURPOSE ACCOUNT WORKER'S COMPENSATION

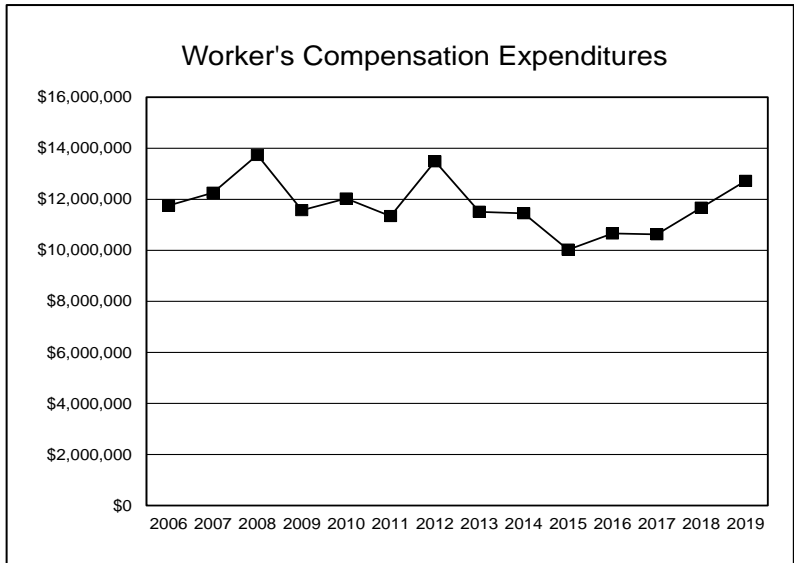
SUMMARY OF EXPENDITURES

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Worker's Compensation	\$12,722,989	\$12,500,000	\$13,000,000	\$500,000
TOTAL	\$12,722,989	\$12,500,000	\$13,000,000	\$500,000

The Worker's Compensation Special Purpose Account, managed by the Department of Employee Relations (DER), funds the city's financial obligations under the State's Worker's Compensation Act. The number and severity of claims as well as medical inflation drives the cost.

The 2021 budget for the worker's compensation account totals \$13 million. Expenditures in 2020 are projected to be between \$11 and \$12 million. Since 2011, worker's compensation expenditure trends have remained relatively flat and are not expected to increase unless unforeseen events occur that lead to more severe injuries and higher injury rates (see Figure 1).

Figure 1



The worker's compensation program is self-funded and administered by CorVel Corporation. CorVel has a long-standing relationship with the City of Milwaukee and is a valuable partner providing bill review and PPO network services when the City self-administered worker's compensation benefits. CorVel has a proactive healthcare approach that puts the injured worker first and makes proper medical care for employees the priority. DER works closely with CorVel in a collaborative approach to claims administration that focuses on helping employees recover from injuries and return to full health.

DER continues to assess current practices and implement new initiatives to address field worker safety, fulfilling the City's responsibility to provide the safest possible work environment for employees. DER's Risk Management and Safety Officer works with departments and safety personnel to implement practices for injury prevention and mitigation as well as ongoing training efforts to promote employee safety. The Risk Management and Safety Officer also works with departments to update the City's Risk Management Program including department safety plans and annual safety reporting.

Froedtert Occupational Health provides occupational health services for the City of Milwaukee. Froedtert Workforce Health provides comprehensive health and wellness services to employees and their families and supports the City's

goal of an integrated model for total work health, safety and wellbeing. Using Froedtert Occupational Health for pre-employment services allows the City to capitalize on existing synergies with health and wellness efforts, employee safety, and risk management initiatives and the need to assess employment suitability at time of hire. Pre-employment medical exams use screening mechanisms at the time of hire and help identify interventions to prevent and reduce workplace injuries. Froedtert also conducts job analysis to align pre-placement evaluations with physical job demands and cost effective management of work related injury treatment and rehabilitation services.

Froedtert Occupational Health also works with the City's existing wellness programs to implement targeted programs to increase worker safety, identifies unsafe work conditions and practices, implements programs to improve job readiness, and educates and trains employees to reduce future injuries.

DER's invested significant time and resources to develop an effective response to COVID-19 in 2020. Keeping employee safety as the top priority, DER developed and implements numerous policies and guidelines responding to COVID-19 including:

- Protocols for Responding to Confirmed Cases or Symptomatic Individuals
- Implementation of an on-site testing protocol for symptomatic employees and household members
- Development and distribution of the City's Face Covering Policy
- Development and implementation of Protocol for Resuming In Person Operations safely
- Development of a Teleworking Policy template that could be used by other City departments
- Transitioned safety training services to virtual platforms

In addition, DER's Risk Management and Safety Officer collaborated with the Health Department to conduct Hazard Assessments at various City department work locations where employees were coming back to work to support essential work functions. The Workplace Hazard Assessments identified specific administrative and engineering controls needed to return employees to the workplace in a safe manner. Hazard Assessment recommendations are provided to department leadership, employees and supervisors, and DER to ensure compliance and enforcement. As part of the Hazard Assessment, DER worked with departments to order and supply appropriate signage to promote important safety practices for employees returning to the workplace.

FRINGE BENEFIT OFFSET

BUDGET SUMMARY

	2019 Actual <u>Expenditure</u>	2020 Adopted <u>Budget</u>	2021 Adopted <u>Budget</u>	Change 2021 Adopted Budget Versus <u>2020 Adopted Budget</u>
Fringe Benefit Offset	\$-165,836,748	\$-163,374,201	\$-185,404,440	\$-22,030,239
Total	\$-165,836,748	\$-163,374,201	\$-185,404,440	\$-22,030,239

Employee fringe benefit costs are appropriated in various special purpose accounts. In addition, department operating budgets include an estimated employee fringe benefit factor in order to reflect the total cost of department operations. The 2021 budget offsets this “double” budget with a budget offset, to avoid levying twice for employee benefits. This approach avoids overstating the total city budget by the fringe benefit factor, which in 2021 amounts to approximately \$185.4 million.

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

Each year, the Comptroller’s Office develops revenue estimates for the upcoming budget year. When finalized, these estimates determine the property tax levy and reserve fund withdrawals needed to offset budgeted expenditures. In 2021, the city anticipates generating approximately \$639.2 million in revenue for general city purposes. Figure 1 provides a breakdown of these revenues by major category.

Revenue diversification and enhancement provides the city with the means to retain existing service levels. Property tax increases have been limited by state legislation and state aid decreases, placing pressure on other revenue sources or requiring service reductions. State restrictions on the type of fees that are available to municipalities further erode the city’s ability to diversify its revenues.

The overall general city purposes revenues have grown less than the rate of inflation (see Figure 2). Revenues in 1997 equaled \$426 million which is \$32 million higher than the inflation adjusted revenue for 2021 of \$394 million.

There are a variety of sources of funds for the general city purposes budget. Figure 3 illustrates the distribution of the different revenue categories in the 1995 budget and the 2021 budget. A noticeable shift in intergovernmental, property taxes, and charges for service is evident over the time period. The city received proportionately more intergovernmental aid in 1995 when it accounted for 63.7% of total revenues versus 42.7% in 2021.

Over the same time period, the city’s reliance on property taxes increased from 10.6% to 17.6%. The city has increased its efforts to diversify revenues by increasing charges for service as a percentage of revenue from 4.3% to 22.4%.

From 2010 to 2021, intergovernmental revenues increased by \$2.1 million from \$270.9 million to \$273.0 million. This is shown in Figure 4 along with the inflation adjusted amounts.

The following discussion provides more specific detail on the different categories of general purpose revenues.

Figure 1

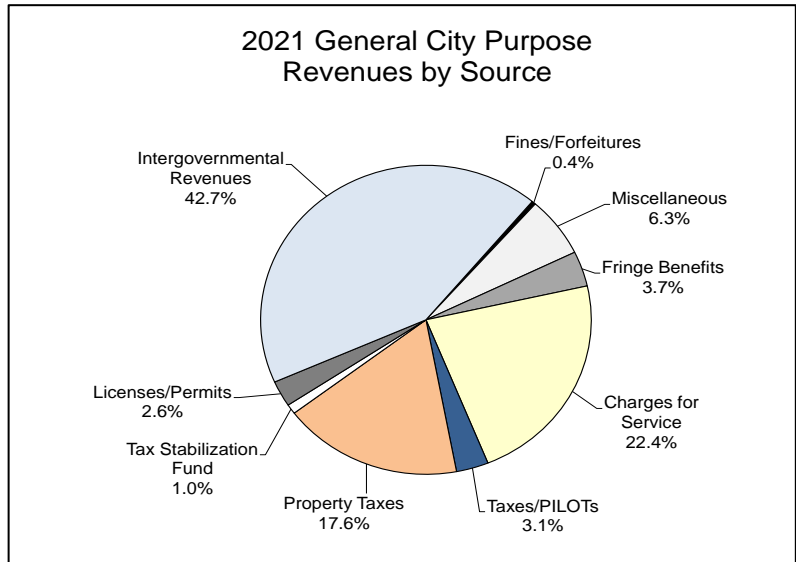
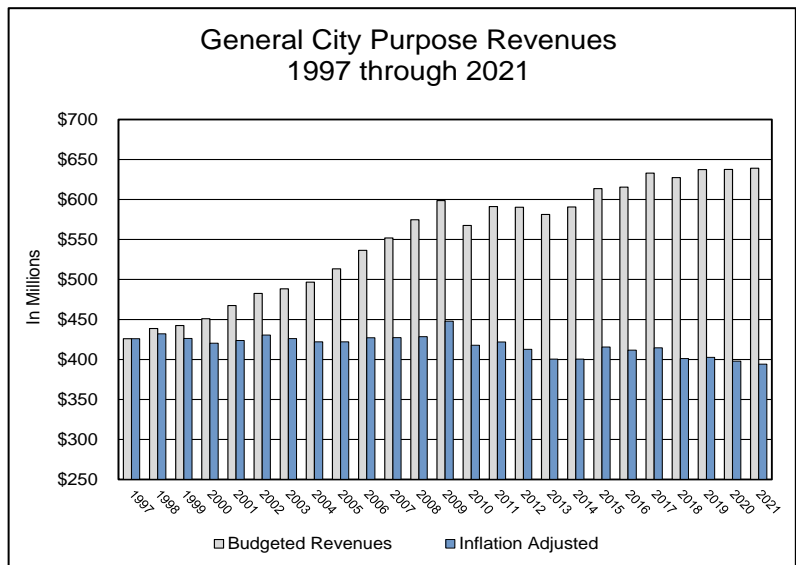


Figure 2



Intergovernmental Revenue: These revenues include funding received from other governmental jurisdictions, state and federal aid formulas, grants, and other program specific government aids. In the 2021 budget, intergovernmental revenues total \$273.0 million, a decrease of \$532,000 from 2020.

The largest amount of state aids received by the city comes in the form of state shared revenue. In 2021, the city expects to receive \$219.1 million of shared revenue; \$36,000 higher than 2020.

Since the state fixed the allocation for shared revenue in 1995 and later fixed the amount municipalities received, the city was unable to rely on shared revenue to address its structural budget issues. The city has turned to other sources of funds or service cuts to offset this lack of growth. The city will experience over a \$106 million decrease in real intergovernmental aids since 1995 (see Figure 4).

The state transportation aids are determined by the amount that is spent on transportation related accounts and the funds made available in the state budget for this purpose. In 2021, these aids total \$30.3 million, \$1.1 million less than 2020.

Another state aid is the expenditure restraint payment. The program provides payments to communities that control their general fund expenditures. General fund expenses are allowed to increase by the CPI and 60% of the net new construction. The other qualifying

factor is an equalized property tax rate above \$5 per \$1,000 of equalized value. Funds are distributed by the percentage of excess property tax levy which means the higher you tax the more money you receive. Milwaukee has done an excellent job of controlling its property tax levy, causing the expenditure restraint aids to remain relatively flat. The estimate for 2021 is \$10.3 million, \$168,000 higher than 2020.

Property Taxes: The property tax levy will provide \$112.8 million in revenue for the general city purposes budget in 2021. In 2021, the total city tax levy will be \$299.2 million; an \$8.2 million increase in the tax levy from the 2020 budget.

Taxes and Payments in Lieu of Taxes: The 2021 budget includes an estimated \$20.1 million in revenue attributable to taxes and payments in lieu of taxes (PILOTs), an increase of \$2.1 million from 2020. These funds include:

- Revenues raised by non-property tax levies;
- Occupational taxes;

Figure 3

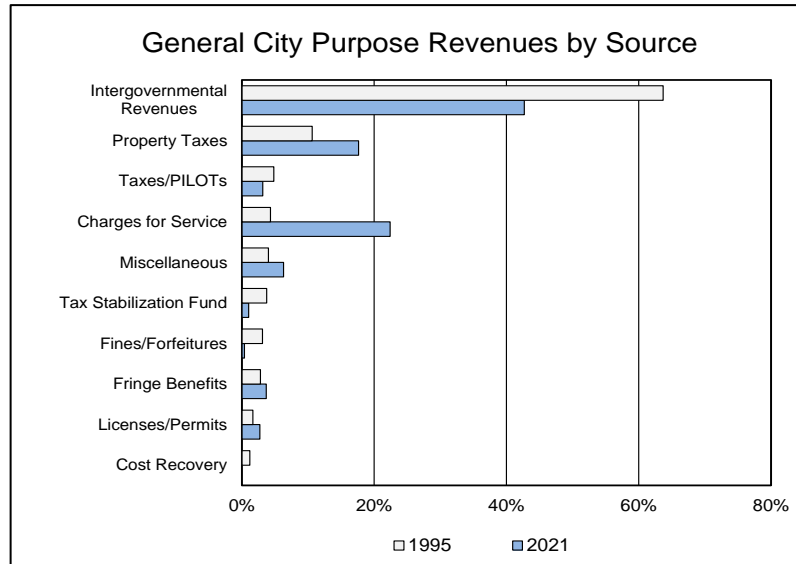
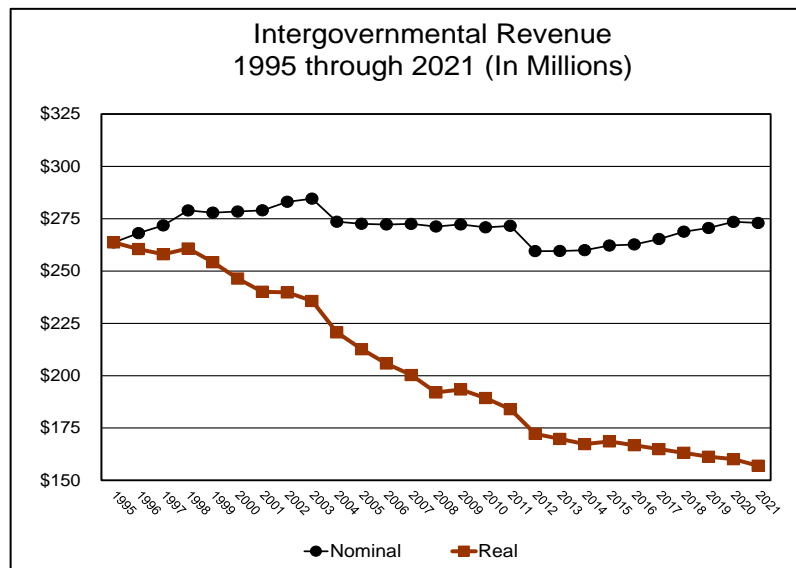


Figure 4

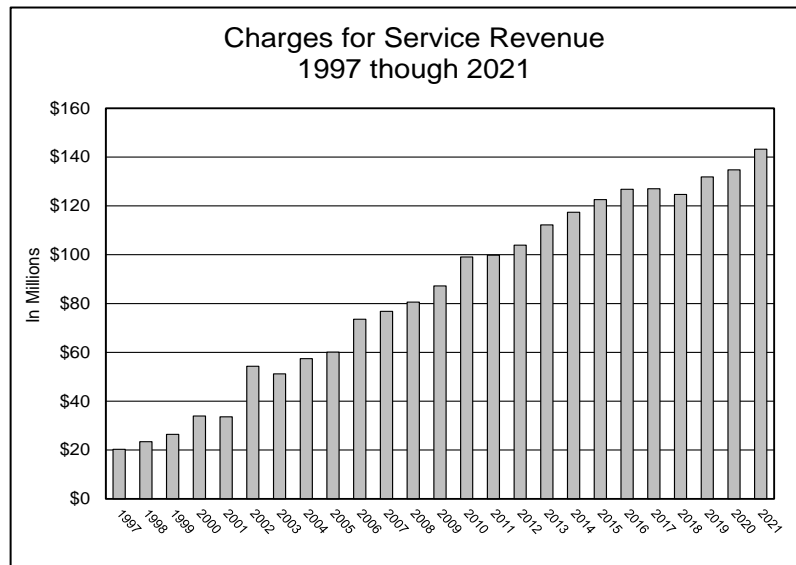


- Trailer park taxes;
- Principal, interest, and penalties on delinquent taxes;
- Property tax adjustments;
- TID excess revenue; and
- Payments from property tax exempt governmental entities.

Charges for Services: The 2021 budget includes \$143.2 million in revenue from charges for services, an increase of \$8.5 million from 2020. This category of funding encompasses revenue received for services provided by city operating departments.

Figure 5 illustrates the increased city reliance on user based fees. Charges for service revenues increased from \$20.3 million in 1997 to \$143.2 million in 2021. This trend is also evident in Figure 3, where charges for service revenues increased from 4.3% of revenues to 22.4%. Fees for solid waste, snow and ice, street lighting, and sewer maintenance are charged to city property owners according to usage, instead of through the tax levy.

Figure 5



The solid waste fee is a charge that recovers approximately 90% of the cost of weekly garbage collection. Service costs for related solid waste services like recycling, and special collections are also recovered through the fee. An additional charge is made to residences that have more than one garbage cart per household.

The annual extra garbage cart fee increases to \$72.16 per cart above one cart per household, an increase from \$70.04 in 2020. There is no charge for additional recycling carts. The solid waste fee increases from \$230.28 per year for residential units to \$241.56 per year, a 4.9% increase and will generate \$46.7 million when combined with the extra garbage cart fee.

The snow and ice fee increases from an annual rate of \$1.03 to \$1.07 per foot of property frontage, a 3.9% increase. In 2021, the fee will generate a total of \$10.3 million.

Forestry stormwater management costs will continue to be recovered through the sewer maintenance fee. The budget reflects tree pruning costs which are charged to the sewer maintenance fee. This is done in the form of a \$24.4 million transfer from the sewer maintenance fund to the general fund.

Street lighting fee: The 2021 budget includes a new street lighting fee estimated to generate \$9.7 million. The fee offsets the cost of operating and maintaining the City’s street lights. Costs that will be recovered through the fee include the cost of electricity, equipment, labor, and other operating expenses like parts and materials. Properties will be assessed the Street Lighting fee based on a rate of \$1.00 per foot of frontage that the property has on City streets that are served by City of Milwaukee street lights. For further information, please see the Department of Public Works – Infrastructure Division summary.

Miscellaneous Revenues: Miscellaneous revenues include the transfer from the transportation fund, interest on investments, funds from the sale of surplus property, real estate property sales, several spending offset accounts, and other revenues not included in any other category. In 2021, these revenues are expected to total \$40.3 million, a decrease of \$1.4 million from 2020. Changes include a \$3.1 million increase in vehicle registration fee by increasing the fee from \$20 to \$30 annually, a \$2 million decrease in interest income, an \$841,000 decrease from the Harbor

Commission, a \$530,000 decrease in the Potawatomi payment, an increase of \$363,500 in other miscellaneous revenue, and a \$302,000 decrease in the sale of recycled materials.

Fines and Forfeitures: Revenue of \$2.5 million related to fines and forfeitures is included in the 2021 budget. Fines and forfeitures include payments received from individuals as penalties for violating municipal laws. The revenue in this account reflects collections made by the Municipal Court.

Licenses and Permits: In 2021, revenue from licenses and permits is estimated at \$17.3 million, an increase of \$148,000 from 2020. These funds include charges administered by various departments for legal permission to engage in a business, occupation, or other regulated activity.

Fringe Benefit Offset: The fringe benefit costs associated with reimbursable, grant, enterprise fund, and capital activity are gross budgeted in the general fund. These other funds make a payroll payment to the general fund to offset the cost of their general fund budgeted fringe benefit, which is anticipated to be \$23.5 million in 2021.

Tax Stabilization Fund (TSF): The tax stabilization fund is used to accumulate unexpended appropriations and revenue surpluses. It assists in stabilizing the city's tax rate and protects citizens from tax rate fluctuations that can result from erratic variations in non-property tax revenues. The estimated balance of the fund as of January 1, 2020 was \$13.8 million. The 2021 withdrawal will be \$6.5 million which is 46.9% of the fund balance.

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	2018 Actual Expenditures	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Taxes and Payments in Lieu of Taxes</u>					
Housing Authority	\$871,131	\$967,959	\$870,000	\$900,000	\$30,000
Parking	1,413,735	1,409,000	1,357,000	1,444,000	87,000
Water Works	13,090,014	13,300,000	13,500,000	13,459,000	-41,000
Trailer Park Taxes	69,263	65,084	70,000	70,000	0
Payment in Lieu of Taxes Other	460,283	387,080	300,000	380,000	80,000
Interest/Penalties on Taxes	1,528,733	1,681,375	1,529,000	1,486,000	-43,000
TID Excess Revenue	199,432	8,452	33,000	1,795,000	1,762,000
Other Taxes	498,925	719,511	372,200	589,000	216,800
Total Taxes	\$18,131,516	\$18,538,461	\$18,031,200	\$20,123,000	\$2,091,800
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Dog and Cat	\$96,733	\$101,357	\$92,000	\$99,000	\$7,000
Food City Clerk	2,250,078	2,110,475	2,250,000	1,912,000	-338,000
Food Health Dept.	165,889	244,295	170,000	155,000	-15,000
Health Dept. Non-Food	6,074	17,277	15,000	15,000	0
Liquor and Malt	1,610	0	0	0	0
Scales	444,773	337,452	440,000	337,000	-103,000
Miscellaneous City Clerk	2,489,905	2,278,056	2,467,000	2,095,000	-372,000
Miscellaneous Neighborhood Services	221,395	224,251	229,000	219,000	-10,000
Miscellaneous Dept. Public Works Administration	11,583	11,988	12,000	12,000	\$0
<u>Permits</u>					
Board of Zoning Appeals	\$234,491	\$271,742	\$225,000	\$224,000	\$-1,000
Zoning Change Fees	48,600	58,695	55,000	55,000	0
Building	4,852,809	5,676,284	4,896,000	5,119,000	223,000
Electrical	1,662,677	1,723,452	1,587,450	1,728,800	141,350
Elevator	444,723	568,575	388,000	513,000	125,000
Occupancy	373,413	396,626	375,000	436,000	61,000
Plumbing	739,884	906,077	790,000	823,000	33,000
Miscellaneous Neighborhood Services	101,877	113,631	92,000	97,000	5,000
Sign and Billboard	61,356	58,164	76,000	81,000	5,000
Special Events	243,745	234,950	245,000	230,000	-15,000
Miscellaneous Dept. of Public Works	250,317	197,508	274,700	227,000	-47,700
Special Privilege Misc. Neighborhood Services	72,703	379,991	300,000	313,000	13,000
Sprinkler Inspection	183,591	204,072	183,000	189,000	6,000
Use of Streets Excavating	2,274,197	2,387,727	2,003,200	2,434,000	430,800
Total Licenses and Permits	\$17,232,423	\$18,502,645	\$17,165,350	\$17,313,800	\$148,450
<u>Intergovernmental Revenue</u>					
Fire Insurance Premium	\$1,164,544	\$1,298,147	\$1,300,000	\$1,300,000	\$0
Local Street Aids	29,224,963	28,650,953	31,330,000	30,275,000	-1,055,000
Payment for Municipal Services	2,432,487	2,564,117	2,450,000	2,150,000	-300,000
State Payments Police	1,267,560	1,168,823	1,125,000	866,000	-259,000
State Shared Revenue (General)	219,108,067	219,148,115	219,096,000	219,132,000	36,000
Other State Payments	7,034	7,034	7,000	7,000	0
Expenditure Restraint Aid	9,133,636	9,768,840	10,100,000	10,268,000	168,000
Computer Exemption Aid	6,453,610	6,610,439	6,738,000	6,610,000	-128,000
Personal Property Exempt Aid	0	1,358,717	1,359,000	1,454,000	95,000
Video Service Provider Aid	0	0	0	920,000	920,000
Total Intergovernmental Revenue	\$268,791,901	\$270,575,185	\$273,505,000	\$272,982,000	\$-523,000
<u>Charges for Services - General Government</u>					
City Attorney	\$1,055,446	\$791,973	\$947,000	\$956,000	\$9,000
Dept. of Employee Relations	189,246	225,832	213,000	230,000	17,000
City Treasurer	164,486	177,328	117,000	126,000	9,000
Common Council City Clerk	196,674	199,823	205,000	197,000	-8,000
Cable Franchise Fee	4,723,339	4,601,136	4,700,000	4,140,000	-560,000
Comptroller	654,160	560,676	580,000	550,000	-30,000

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	2018 Actual Expenditures	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Municipal Court	1,660,179	1,236,325	1,361,000	1,231,000	-130,000
Assessor	882,540	1,101,974	843,000	859,000	16,000
Dept. of City Development	8,280	8,970	108,000	108,000	0
Dept. of Administration	9,987	94,623	75,000	75,000	0
Fire Dept.	5,953,768	6,466,051	6,552,000	6,046,000	-506,000
Police Dept.	4,895,188	4,407,036	5,057,000	3,148,000	-1,909,000
Dept. of Neighborhood Services	6,099,362	8,207,151	9,664,500	9,980,000	315,500
Building Razing	677,227	487,120	700,000	487,000	-213,000
Fire Prevention Inspections	1,849,607	1,992,689	2,510,900	2,500,000	-10,900
Essential Services	75,244	43,313	40,000	40,000	0
Placard Fee	12,126	8,704	13,000	11,000	-2,000
IT/Training Surcharge Dept. of Neighborhood Services	298,830	286,156	300,000	286,000	-14,000
Dept. of Public Works Operations Buildings and Fleet	3,988,065	3,829,499	3,905,000	3,500,000	-405,000
Dept. of Public Works Infrastructure Division	4,596,262	4,014,030	4,333,250	3,598,000	-735,250
Dept. of Public Works Operations Division Forestry	133,465	182,087	135,000	139,000	4,000
Harbor Commission	5,131,693	6,186,404	6,483,900	5,698,420	-785,480
Dept. of Public Works Administrative Services	2,727,113	4,782,894	1,831,000	1,826,000	-5,000
Dept. of Public Works Operations Div. Sanitation	3,794,445	4,339,764	3,950,000	4,158,000	208,000
Solid Waste Fee	38,886,329	39,988,540	42,901,000	44,930,000	2,029,000
Extra Garbage Cart Fee	1,484,800	1,668,000	1,663,000	1,786,000	123,000
Snow and Ice Control Fee	9,315,029	9,623,546	9,888,000	10,297,000	409,000
Forestry Stormwater Management	21,682,000	22,332,000	23,433,600	24,371,000	937,400
Apartment Garbage Pickup	1,198,856	1,080,749	0	0	0
Health Dept.	1,331,794	1,991,941	1,253,000	1,271,000	18,000
Public Library	274,887	222,768	258,000	228,000	-30,000
County Federated System	747,810	765,750	749,000	751,000	2,000
Street Lighting Fee	0	0	0	9,708,670	9,708,670
Total Charges for Services	\$124,698,237	\$131,904,852	\$134,770,150	\$143,232,090	\$8,461,940
<u>Fines and Forfeitures</u>					
Municipal Court	\$3,295,757	\$2,622,131	\$3,276,000	\$2,500,000	-\$776,000
Total Fines and Forfeitures	\$3,295,757	\$2,622,131	\$3,276,000	\$2,500,000	-\$776,000
<u>Miscellaneous Revenue</u>					
Transfer from Other Funds	\$17,123,005	\$16,000,000	\$16,110,000	\$16,000,000	-\$110,000
Interest on Overdue Invoices	92,161	74,971	60,000	60,000	0
Interest on Investment	3,012,902	3,888,848	2,615,000	615,000	-2,000,000
Contributions	3,190,275	2,719,392	3,200,000	3,200,000	0
Dept. of Administration Property Sales	271,700	81,421	265,000	82,000	-183,000
Dept. of City Development Property Sales	175,425	206	10,000	0	-10,000
Dept. of Public Works Infrastructure Division Rent	342,549	481,379	922,000	716,000	-206,000
Comptroller Rent	90,668	84,598	85,000	80,000	-5,000
Dept. of City Development Rent	12,509	57,009	12,000	27,000	15,000
DOA Rent/Leases	0	4,101	0	100,000	100,000
Sale of Recyclable Materials	1,627,815	1,118,918	1,225,000	923,000	-302,000
Other Miscellaneous	1,656,663	2,266,874	1,933,500	1,570,000	-363,500
Insurance Recovery	11,822	51,982	10,000	10,000	0
Potawatomi	5,781,447	6,097,136	6,280,000	5,750,000	-530,000
Harbor Commission Transfer	1,533,127	1,549,442	2,520,000	1,679,000	-841,000
Vehicle Registration Fee	6,470,778	6,279,214	6,400,000	9,450,000	3,050,000
Total Miscellaneous Revenue	\$41,392,846	\$40,755,491	\$41,647,500	\$40,262,000	-\$1,385,500
<u>Fringe Benefits</u>					
Fringe Benefit Offset	\$22,643,333	\$18,788,809	\$24,000,000	\$23,500,000	-\$500,000
Total Fringe Benefits	\$22,643,333	\$18,788,809	\$24,000,000	\$23,500,000	-\$500,000
<u>Total General Fund Revenue</u>	\$496,186,013	\$501,687,574	\$512,395,200	\$519,912,890	\$7,517,690
Amount to be Raised Pursuant to 18-02-6	\$131,235,239	\$135,746,830	\$125,229,998	\$119,286,102	-\$5,943,896
Less:					

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	2018	2019	2020	2021	Change
	Actual	Actual	Adopted	Adopted	2021 Adopted Budget
	<u>Expenditures</u>	<u>Expenditures</u>	<u>Budget</u>	<u>Budget</u>	<u>Versus</u>
					<u>2020 Adopted Budget</u>
Tax Stabilization Fund Withdrawal (Sustainable)	\$19,000,000	\$16,000,000	\$10,000,000	\$6,500,000	\$-3,500,000
Tax Stabilization Fund Withdrawal (Revenue Anticipation)	\$0	\$0	\$0	\$0	\$0
Property Tax Levy	\$112,235,239	\$119,746,830	\$115,229,998	\$112,786,102	\$-2,443,896
Total Sources of Fund for General City Purposes	\$627,421,252	\$637,434,404	\$637,625,198	\$639,198,992	\$1,573,794

B. PROVISION FOR EMPLOYEES' RETIREMENT FUND

EXECUTIVE SUMMARY

- MISSION:** Provide for the secure payment of retirement benefit obligations in a manner that avoids destabilizing city operations and that limits the transfer of financial responsibility to future generations.
- OBJECTIVES:** Remain in the top five of the annual RV Kuhns Public Fund Universe Analysis for net assets as a percentage of pension benefit obligations.
- STRATEGIES:** Use the Employer's Reserve Fund to stabilize future city pension contributions.
- Continue to pre-pay the employer's pension contribution.

SUMMARY OF EXPENDITURES

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Firemen's Pension Fund</u>				
Lump Sum Supplement Contribution	\$25,000	\$18,000	\$18,000	\$0
Subtotal	\$25,000	\$18,000	\$18,000	\$0
<u>Policemen's Pension Fund</u>				
PABF Payroll	\$104,197	\$98,400	\$83,250	\$-15,150
Lump Sum Supplement Contribution	10,000	10,000	10,000	0
Subtotal	\$114,197	\$108,400	\$93,250	\$-15,150
<u>Employees' Retirement Fund</u>				
Employer's Pension Contribution	\$55,731,560	\$71,000,000	\$71,000,000	\$0
Employer's Pension Contribution - Employers' Reserve Fund	13,400,000	8,000,000	8,000,000	0
Administration	16,587,079	20,923,077	20,664,825	-258,252
Subtotal	\$85,718,639	\$99,923,077	\$99,664,825	\$-258,252
Social Security Tax	\$19,437,299	\$19,500,000	\$20,000,000	\$500,000
Deferred Compensation Plan	\$308,984	\$473,700	\$447,582	\$-26,118
Total	\$105,604,119	\$120,023,177	\$120,223,657	\$200,480
<u>Revenues</u>				
Fringe Benefits Pensions	\$1,175,127	\$1,344,308	\$1,642,397	\$298,089
Charges for Service ERS	16,274,379	20,485,826	20,664,825	178,999
Charges to Other Funds	0	900,000	0	-900,000
Charges for Service Deferred Compensation	308,984	473,700	447,582	-26,118
Property Tax Levy	86,619,281	96,710,343	97,347,853	637,510
Employer's Reserve Fund	0	0	0	0
Miscellaneous Employees' Retirement System	100,300	109,000	121,000	12,000
Total	\$104,478,071	\$120,023,177	\$120,223,657	\$200,480

The Employees' Retirement Fund includes provisions for employee pensions, the Policemen's Annuity and Benefit Fund, the Firemen's Pension Fund, social security contributions, and the city's deferred compensation plan.

The Employees' Retirement System (ERS) is responsible for administering the city's defined benefit pension plan for city employees and city agency members of the system. The system operates under the direction of the Annuity and Pension Board. Retirement contributions for employees of the Milwaukee Metropolitan Sewerage District, the Wisconsin Center District, the Water Works, Milwaukee Public School Board (excluding teachers), and the Milwaukee Area Technical College are borne by those respective governmental units and are not included in these appropriations. There were 29,085 members in the system as of January 1, 2020, including 10,974 active members and 13,543 retirees.

The Policemen's Annuity and Benefit Fund (PABF) administers pensions for city police officers employed prior to 1947. There were 12 members as of January 1, 2020.

Funds in the Firemen's Pension Fund are provided for retired fire fighters who were employed prior to 1947. This fund had 10 members as of January 1, 2020.

The Comptroller oversees the city's contribution for payment of the employer's share of social security tax. The Deferred Compensation Board is responsible for administration of the city's deferred compensation plan.

STRATEGY IMPLEMENTATION

The City uses a stable contribution policy that was adopted in 2013. The stable contribution policy is based on a blended rate representing the total employer contribution rate which results from adding the proportionately weighted rates of the three employee groups. The blended rate is applied to covered compensation to determine the City's contribution. The blended rate is updated every five years.

The stable contribution policy addresses the following objectives:

- Budget annually for the normal cost;
- Reduce unfunded liability;
- Maintain asset coverage equal or greater than retired lives' liabilities;
- Achieve stable and predictable contribution levels over five year periods; and
- Review adequacy of contributions as part of a five-year cycle.

The stable contribution policy stabilizes the property tax levy for a five-year period. Actuarial analysis has concluded that the total contribution made during the first five years since the policy change are slightly higher than would have been made under prior policy. The policy allows the city to retain vital services while responsibly financing pensions.

SERVICES

Employer's Pension Contribution: Every five years the blended rate is modified to reflect the current condition of the fund. The stable contribution policy began in 2013, and the contribution was modified at the five-year update for the 2018 pension contribution. The next update will occur in 2023. The current blended rates are 7.48% for general city, 25.22% for police and 26.83% for fire. These rates are based on various factors that determine estimated pension fund needs, including the assumed rate of return on investments, the ages of retirements by employee groups, and mortality rates. The 2021 pension contribution is \$71 million, the same as the 2020 budget, with the entire amount funded from the tax levy. No funding will come from the pension reserve account.

One benefit of the stable contribution policy is ensuring that there are relatively small changes in the contribution amount during each five-year contribution period. This makes budgeting for the contribution easier to manage. The contribution of \$71 million for 2021 does not change from 2020. However, the required contribution when the stable contribution is reset in 2023 will significantly increase.

Several factors contribute to the increase in the required contribution, including investment experience, increases to employee compensation, and demographic changes. However, one of the more significant factors is that in April 2019, the Annuity and Pension Board voted to reduce the assumed investment rate of return from 8% to 7.5%. While this rate is more consistent with the rate of return used by most pension systems, reducing this rate significantly increases unfunded pension liabilities. Unfunded liabilities for the City were \$1.3 billion as of January 1, 2020, reflecting an 80.1% funded status on an actuarial basis. These unfunded liabilities require significantly larger employer pension contributions in future years. The actuary estimates that the required contribution from the City after the reset in 2023 will be approximately \$149 million, an increase of \$78 million or 110% from the current stable

policy contribution amount of \$71 million. The City's contribution will continue to increase to about \$163 million in 2027.

These increases cannot be funded within the current fiscal constraints facing the City. Specifically:

- The State does not provide meaningful increases in Shared Revenue that reflect either increases in inflation or increases in tax revenue generated by the residents and businesses in Milwaukee
- The State has imposed a strict levy limit and expenditure limit on the City budget, both of which will need to be violated in order to adequately fund the pension contribution in 2023
- The State strictly limits the revenue sources available to the City
- The State, by retaining the collective bargaining powers of the Police and Fire unions that were eliminated for all other public employee unions in 2011, has strictly limited the City's ability to adjust both member pension contributions and pension benefits

Mayor Barrett has been seeking authority from the State to hold a local referendum in which City residents have the ability to approve a City sales tax, in order to increase the revenue available to meet the City's financial obligations while maintaining core service levels. A City sales tax is necessary to enable the City to fund its financial obligations without significantly reducing core service levels, including Police and Fire services. The 2021 budget includes decreases in both Police and Fire services. Much larger service reductions will be required in future budgets, unless the State works with the City to remove the several fiscal constraints previously identified.

The majority of the pension liability is for Police and Fire members, as the salaries and pension benefits for these members are significantly higher than for General City members. Moving forward the City will struggle to fund this level of benefits. It is imperative that work be done to modify the pension benefit structure.

The actuarially determined employer contribution under the decreased rate of return is based on a 16.47% rate for general city, 46.63% for police and 52.25% for fire. Employee member contributions are currently 4% for General City and 7% for Police and Fire. The City will be unable to fully fund the pension contribution on its own. A greater portion of the cost will need to be funded from the employee contribution.

The City has a pension reserve fund that can be used to ease the impact of the pension contribution increase in 2023. The reserve fund has a current balance of \$34 million. The City plans to make annual contributions to the reserve fund over the next several years. This will build a higher balance in the reserve fund, which will be used to smooth out the required increase in the employer pension contribution beginning in 2023. The 2021 budget includes an \$8 million addition to the reserve fund. Contributions to the reserve fund will have to increase significantly to provide sufficient balance in the reserve fund to smooth out the tax levy impact of the contribution increase in 2023. However, the fiscal constraints identified above prohibit the city from making larger increases to the reserve fund. A significantly higher tax levy, one that exceeds the State imposed levy limit, will be necessary to fund the employer contribution.

Under current fiscal conditions, increases to the reserve fund will not be sufficient to avoid significant service reductions, including reductions to Police and Fire services, in order to fund the pension contribution. To minimize service reductions, the City requires a substantial increase to its baseline revenues, such as through a sales tax, and expanded authority to adjust member contributions and benefits for pensions. Resolving the City's structural budget imbalance requires a significant increase in the City's baseline revenues, such as provided by a sales tax, and a reduction in long-term pension liabilities. Both of these require action by the State of Wisconsin.

Employer's Reserve Fund: A balance of approximately \$34 million is in the Employer's Reserve Fund as of July 2020. A contribution of \$8 million to the reserve fund is included in the 2021 budget. Combined, these provide \$42 million of reserves.

Social Security Payments: In the 2021 budget, \$20 million is provided for social security payments.

Administration: In the 2021 budget, ERS administrative costs are \$20.7 million.

Employer's Pension Contribution (PABF): The 2021 budget does not include a contribution for the former Policemen's Annuity and Benefit Fund. Instead the city will provide \$83,250 for member payments on an on-going basis from an account funded by an annual appropriation.

Lump Sum Contribution for Firemen's Annuity and Benefit Fund (FABF): A total of \$18,000 is provided in the 2021 budget for a pension supplement to remaining members of this fund.

Lump Sum Contribution for Policemen's Annuity and Benefit Fund (PABF): There is \$10,000 provided in the 2021 budget to provide a pension supplement.

EMPLOYEES' RETIREMENT SYSTEM

EXECUTIVE SUMMARY

- MISSION:** Administer the plan as provided under the city charter, maintain member records, pay the benefits to which members and beneficiaries are entitled, and invest and manage the funds of the trust in a prudent and vigilant manner.
- OBJECTIVES:** Achieve assumed long term 30 year average annual return target set by the Annuity and Pension Board (currently 7.5%).
- Determine strategic asset allocation and asset class strategies.
- Distribute pension checks in a timely and accurate manner.
- STRATEGIES:** Monitor and analyze all investment activities and provide oversight of the investment portfolio to obtain the highest return consistent with the level of risk taken.
- Maintain and update the Milwaukee Employees' Retirement Information Technology System to provide effective and efficient pension administrative services.
- Improve member communication through the Employees' Retirement System website, pre-retirement counseling seminars, brochures, and newsletters.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	48.50	48.50	49.00	0.50
FTEs - Other	3.00	0.00	0.00	0.00
Total Positions Authorized	61	57	58	1
<u>Expenditures</u>				
Salaries and Wages	\$3,017,923	\$3,360,769	\$3,570,428	\$209,659
Fringe Benefits	1,175,100	1,344,308	1,642,397	298,089
Operating Expenditures	12,374,328	16,074,000	14,577,000	-1,497,000
Equipment	19,728	144,000	875,000	731,000
Total	\$16,587,079	\$20,923,077	\$20,664,825	\$-258,252
<u>Revenues</u>				
Charges for Services	\$16,274,379	\$20,485,826	\$20,664,825	\$178,999
Miscellaneous	100,300	109,000	121,000	12,000
Total	\$16,374,679	\$20,594,826	\$20,785,825	\$190,999

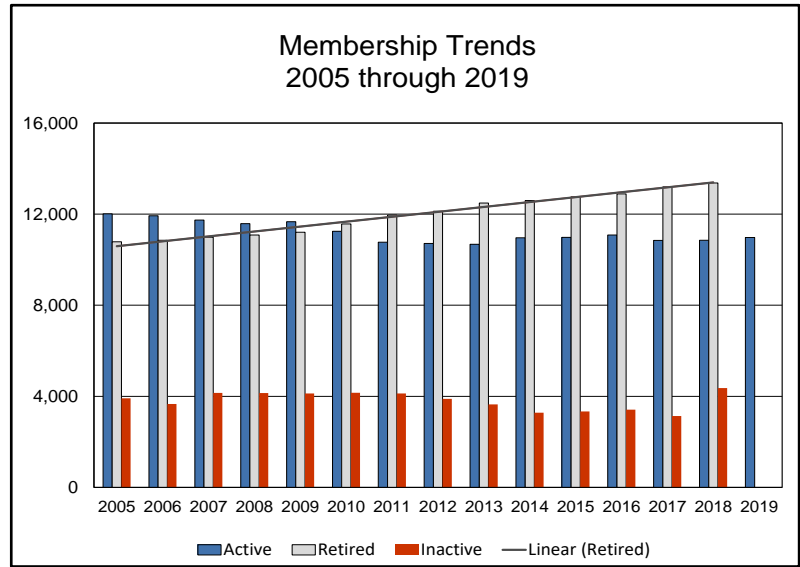
DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Optimize the amount of tax levy funding needed to support the Employees' Retirement System consistent with the risk assumed by the investment policy.
 - Effectively manage the pension funds under its control.
 - Provide high quality service to its customers.

The Employees' Retirement System ("ERS" or "the Fund") operates a defined benefit pension plan for employees of the City of Milwaukee and related agencies. ERS contributes to the city's fiscal stability and capacity by effectively managing the pension funds under its control. Effective management of these funds optimizes the amount of tax levy funding needed to support ERS and the pensions it manages. It also ensures adequate funding for the city's long-term financial obligations to retirees and their beneficiaries. ERS also administers the enrollment and contributions for the Group Life Insurance program and health care for city retirees, including COBRA health and dental plans. As of December 2019, there were 29,097 members and beneficiaries in the Employees' Retirement System, of which approximately 62% are retirees or inactive members (see Figure 1).

Figure 1



The Annuity and Pension Board is the trustee of the system's funds and is responsible for the system's general administration. The Executive Director and Secretary are responsible for the daily operation of the system and function under the direction of the Board.

The Annuity and Pension Board size reverted from 11 members to 8 members as a result of a July 2018 Wisconsin Supreme Court decision. The Mayor and Common Council adopted changes to Chapter 36 in 2013 that added three appointed members to the board, and restricted police officers and firefighters to voting for a single member, who must also belong to their respective unions, and all other city employees to electing a single member. The Police and Fire unions filed a lawsuit against these changes. The City prevailed at both the Circuit Court and the State Court of Appeals. The State Supreme Court, however, ruled against the City and reduced the Board size back to 8 members, requiring new elections for the three elected Board positions affected by the Court decision. Elections were held in December 2018 with terms for the new positions beginning January 2019.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Annualized excess return above the blended benchmark index, gross of fees (over the past five years).	1.0%	0.5%	0.5%
Exceed 95% favorable rating on customer satisfaction survey.	99%	99%	100%

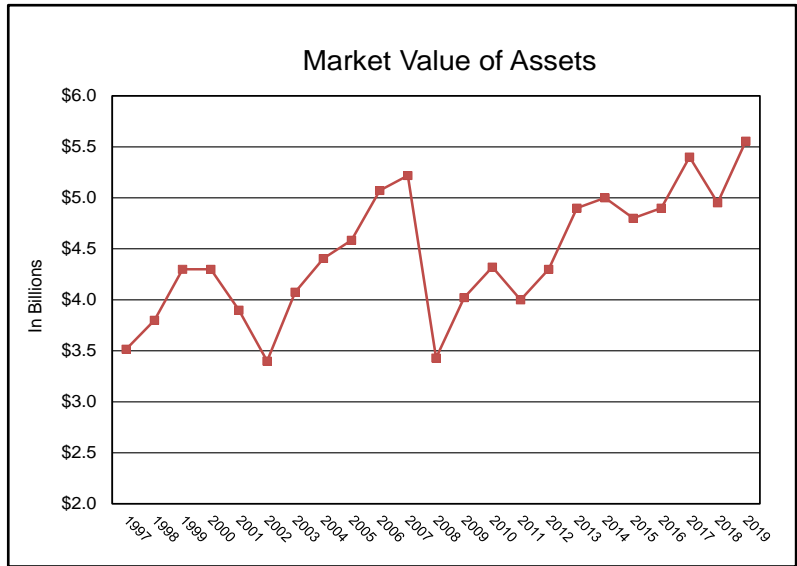
STRATEGY IMPLEMENTATION

The actuarial accrued liabilities on behalf of the ERS members are approximately \$6.6 billion as of January 1, 2020.

The Annuity and Pension Board voted in April 2019 to reduce the investment return assumption for the fund from 8.0% to 7.5%, effective with the 2019 valuation and amortizing the resulting unfunded liabilities over 25 years. The

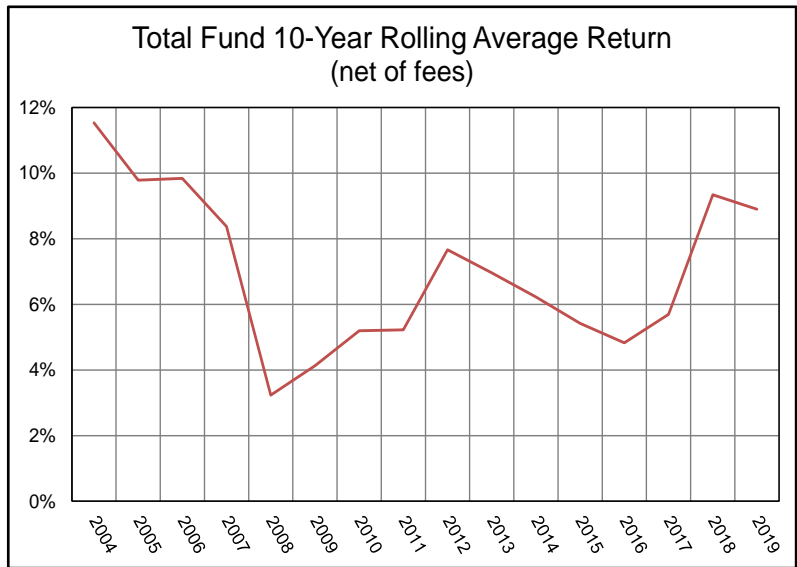
reduction of the investment return assumption to 7.5% had a significant impact on the actuarial accrued liability, resulting in a liability increase of \$450 million. As of January 1, 2020, the actuarial accrued liability is approximately \$6.6 billion, and the funded status on an actuarial basis is 80.1%, with an unfunded liability of approximately \$1.3 billion. The Board adopted reduction in the investment return assumption increased unfunded liabilities and reduced projected earnings from investments. The actuarial estimate is that this will require a projected \$100 million increase in the actuarially determined employer contributions to the fund starting in 2023, with the city's share estimated at approximately 83% of this amount assuming all assumptions are met.

Figure 2



Achieving a 7.5% return over the long-term requires the portfolio to take certain risks that may result in negative returns and or underperformance during short and medium times. The current level of interest rates, which are at a historically low level, makes this significantly more difficult. The Annuity and Pension Board works with its investment consultant and staff to identify a prudent long-term investment strategy that balances the prospects for achieving this long-term return target with the expected year-to-year downside-risks that must be accepted in order to generate 7.5% over time.

Figure 3



The inherent volatility of capital markets has created material swings in the Fund's value in recent years. Specifically, the Fund's net of fee returns in 2017, 2018, 2019, and 2020 through July are as follows: 16.4%, -2.9%, 18.4%, and -6.0 percentage, respectively.

The markets in 2020 are sensitive to the impact of COVID-19 on the global economy. At the same time, the Fund has achieved an 8.0% annualized net of fee return over the past 10-years as of July 31, 2020.

In 2019, all of the asset classes the Fund invests in delivered positive returns and outperformed their respective benchmarks. In addition, the Fund's investment performance generated meaningful excess returns versus its benchmark over the past 10 years and ranked in the top-quartile amongst its peers according to the Callan Public Fund Sponsor Database as of December 31, 2019. Figure 2 shows the market value of the Fund's assets over the past 20 years.

During the 12-year period from 2008-2019, investment gains of approximately \$3.3 billion have contributed substantially to funding the \$3.9 billion in benefit payments during the period, aided by \$1.1 billion of employer and member contributions. Given that the most recent actuarial report projects benefit payments to be approximately \$4.9 billion over the next 10 years, increased contributions are needed to maintain the Fund's current asset level.

Over the past ten years, as of December 31, 2019, the Fund has generated annualized returns of 8.9%, net of fees, has exceeded its benchmark by an annualized 47 basis points, and has significantly exceeded its expected return. Figure 3 shows historical information with the 10 year rolling average of returns (net of fees).

ERS measures the Fund's performance by comparing its investment return against a blended benchmark index consisting of the following indices:

- Morgan Stanley Capital International ACWI IMI (All Country World Investable Market Index) Stock Index
- Bloomberg Barclays U.S. Aggregate Bond Index
- NFI-ODCE (NCREIF Open End Diversified Core Equity) Real Estate Property Index
- 90 Day T-Bill + 3%
- Russell 3000 + 2%
- S&P Global Infrastructure Index
- FTSE EPRA/NAREIT Developed Index
- S&P Global Natural Resources Index
- Barclays U.S. TIPS Index
- Bloomberg Commodity Total Return Index

The blended benchmark is weighted according to the asset allocation strategy adopted by the Annuity and Pension Board. This strategy takes advantage of long term investment and market trends that occur over the life of an investment cycle. The long term objective is for the fund to outperform the blended benchmark by 0.5%.

Customer Service: ERS provides enhanced customer service through a series of membership awareness projects and counseling on a variety of benefits, including pension, disability, separation, and death.

ERS also administers group life insurance and retiree health insurance for the City of Milwaukee and certain city agencies. A monthly retiree newsletter and annual newsletter to active members keep them informed on a variety of issues, including fund performance, tax issues, and health insurance issues. Letters, counseling sessions, and phone conversations inform individuals of their rights, options, and answer their questions. ERS regularly conducts community presentations and pre-retirement seminars for its members. More recently, due to the COVID pandemic, ERS has switched to conducting these seminars via video conferencing. The response has been positive and ERS plans to continue with some online sessions after the pandemic ends. The ERS member handbooks, brochures, and website also improve customer service delivery. At this time, in response to the COVID pandemic, the ERS is conducting retirement sessions remotely via phone and video conferencing. In-person sessions are only conducted for special situations such as applications for disability retirements.

ERS focuses on providing enhanced online services and business process automation. Several technology upgrade projects were completed in 2019 and more will be completed in 2020. Product lines that are nearing end-of-life status are brought into compliance in accordance with a lifecycle management process. Enhancements were made to the ERS website and self-service site, including security updates and additional service features.. Network security enhancements will better protect and secure member and institutional data and enable a more proactive approach to network security. For 2021, ERS will further strengthen network security with more robust security mechanisms such as multi-factor authentication, and will explore an update to communication infrastructure.

The ERS budget is funded almost entirely by pension trust fund assets, as approved by the Annuity and Pension Board. Because funds allocated to ERS administration and management are not available for investment, ERS aims to minimize expense growth and operate with optimal cost effectiveness.

The 2021 budget includes about \$500,000 for disaster recovery site expansion and SAN (storage area network) replacement. This replacement supports a strong IT infrastructure and application platform for customers and members, including a resilient disaster recovery mechanism.

The 2021 budget decreases by approximately \$258,000 or 1.2%, due primarily to a projected decrease in public equity base and performance fees.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1			ERS Operations Director	In-source previously contracted position
	0.50		College Intern Position	Defund College Intern position
1	0.50	0.00	Totals	

DEFERRED COMPENSATION PLAN

EXECUTIVE SUMMARY

- MISSION:** To help City of Milwaukee employees save assets adequate to retire at the desired time, with dignity, and with sufficient income throughout retirement via a tax deferred savings plan under Section 457(b) of the Internal Revenue Code.
- OBJECTIVES:** Provide a range of tax deferred investment options responsive to employee-participant demographics, risk tolerances, time horizons, and retirement needs at better than retail and maximally efficient prices.
- STRATEGIES:** Support well-informed investment and retirement planning decisions by participants.
- Utilize industry best practices, academic research, and partnerships with financial sector experts to consistently improve the Plan's investment options, performance analysis, and employee participation and savings rates.
- Vigilantly monitor investment management and administrative fees and clearly disclose same to participants on an annual basis.
- Educate participants on financial planning topics, including the benefits of diversification and the relative benefits and risks between a long-term investment perspective and trading in response to short-term market volatility.
- Administer the Plan in accordance with applicable regulations to maintain the Plan's tax deferred status.

BUDGET SUMMARY

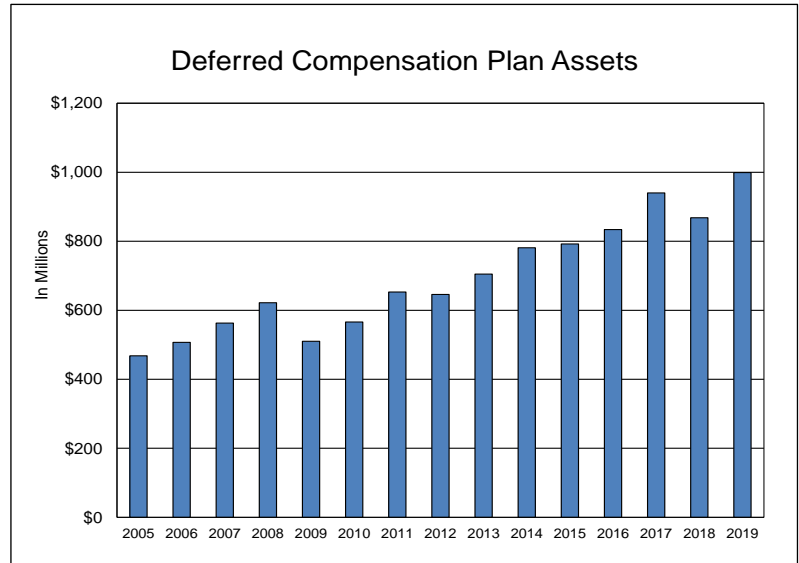
	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	3.00	3.00	3.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	3	3	3	0
<u>Expenditures</u>				
Salaries and Wages	\$204,601	\$202,100	\$206,837	\$4,737
Fringe Benefits	80,467	81,000	95,145	14,145
Operating Expenditures	23,916	112,600	67,600	-45,000
Equipment	0	3,000	3,000	0
Special Funds	0	75,000	75,000	0
Total	\$308,984	\$473,700	\$447,582	\$-26,118
<u>Revenues</u>				
Charges for Services	\$308,984	\$473,700	\$447,582	\$-26,118
Total	\$308,984	\$473,700	\$447,582	\$-26,118

BACKGROUND

Section 5-50 of the Milwaukee City Charter authorizes the establishment of a deferred compensation plan under Section 457(b) of the Internal Revenue Code. As a governmental plan, the city’s plan is not governed by the Employee Retirement Income Security Act of 1974 or related Department of Labor regulations and guidance.

The Plan allows employees to set aside a portion of their income before federal and state taxes are withheld. The income is not taxed until it is withdrawn from the Plan, usually at retirement when an individual’s marginal tax rate may be lower. The Plan also permits after-tax contributions under the Roth 457 code provision. In 2014, the Plan was modified to allow members to borrow from their individual accounts. Participants may request unforeseeable emergency hardship distributions under applicable code provisions and IRS revenue rulings.

Figure 1



The Deferred Compensation Plan does not impact the city’s property tax levy. Plan operating expenses are paid entirely by Plan participants, who contribute to the Plan via payroll and rollover contributions, as well as earnings on those contributions. The Plan is supervised by an eleven-member fiduciary board, which hires retirement industry experts to perform nearly all key plan operations, including participant enrollment, recordkeeping, contribution and allocation processing, investment earnings allocation, administration, participant communication, payment of deferred compensation and other distributions, consulting, investment management, benchmarking, performance and fee analysis, and financial education programming. The Plan also employs an Executive Director, a Plan Coordinator and an Administrative Assistant II, that focus on vendor management, board governance, participant services, payroll contribution reconciliations, records management, monitoring legal issues and market innovations, financial statement preparation, and oversight of the annual audit.

As of December 31, 2019, plan assets were about \$1 billion, with 9,156 active and retired participants. The overall participation rate for City of Milwaukee employees was 86%.

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Plan’s mission is to assist city employees in saving assets to enable them to retire with sufficient retirement income, to support the financial stability, health, and retirement readiness of employees, as well as their overall financial literacy.

STRATEGY IMPLEMENTATION

The Plan’s strategies are implemented by the Plan’s fiduciary trustees, its Executive Director and Plan Coordinator, its legal counsel, and its private sector partners. The Plan’s growing size and the increasing complexity of the deferred compensation market, make it necessary for the Plan to partner with industry experts and consultants to ensure that the Plan adopts industry best practices, effectively monitors fee efficiency, appropriately benchmarks investment performance, and incorporates innovations to best meet the needs of participants.

The board meets quarterly and its Executive Finance Committee meets monthly and each receive regular reports from all plan vendors, its legal counsel, and the Executive Director. These meetings are generally open to the public and noticed in advance. Board trustees are encouraged to seek out industry education and best practices training, as well as training regarding their fiduciary obligations.

The Plan offers a wide range of tax deferred investment options, responsive to employee participant demographics, risk tolerances, time horizons, and retirement needs at better-than-retail and maximally efficient prices. Investment performance net of administrative and asset management fees is routinely monitored. Plan trustees and staff work to reduce fees through contract renegotiations and by market testing current pricing arrangements through regularized requests for proposal processes.

The Plan and its partners provide a wide array of in-person, on-line, over-the-phone, and written financial educational information, as well as retirement planning tools and ongoing financial wellness and pre-retirement workshops to assist plan participants in making informed investment decisions. Information on deferred compensation is provided at new employee orientations.

Plan participants allocate their payroll or rollover contributions, as well as earnings on those contributions, among a variety of investment account options, including Target Date Funds, four core asset options, and participant-controlled brokerage accounts. These investment options, their market values, and their rate of return relative to investment benchmarks as of June 30, 2020 are listed below.

Investment Performance as of June 30, 2020*				
		% Rate of Return**		
Investment Option	Market Value as of 6-30-20 in \$ Millions	One Year	Three Year	Five Year
Actively Managed Equity	\$148.7	2.22	6.85	7.10
<i>AMEA Benchmark</i>		1.12	6.04	7.09
Actively Managed Income	\$79.2	8.16	4.93	3.68
<i>AMIA Benchmark</i>		6.97	4.60	3.86
Stable Value	\$195.9	2.37	2.29	1.96
<i>SVA Benchmark</i>		2.52	2.51	2.27
Passive International Equity	\$61.1	(4.21)	1.42	2.57
<i>MSCI ACWI ex US</i>		(4.33)	1.47	2.58
Passive U.S. Equity	\$215.8	7.42	10.27	10.04
<i>Russell 3000 Index Benchmark</i>		6.50	10.03	10.03
JPMorgan Passive SR DRE Income	\$38.9	3.24	4.52	4.67
<i>JPMCB Passive SR DRE Income Idx</i>		4.47	5.15	4.99
JPMorgan Passive SR DRE 2020	\$33.5	3.44	4.91	5.21
<i>JPMCB Passive SR 2020 Idx</i>		4.51	5.58	5.72
JPMorgan Passive SR DRE 2025	\$41.0	3.11	5.18	5.56
<i>JPMCB Passive SR 2025 Idx</i>		3.83	5.74	6.08
JPMorgan Passive SR DRE 2030	\$32.1	2.36	5.36	5.83
<i>JPMCB Passive SR 2030 Idx</i>		2.99	5.76	6.30
JPMorgan Passive SR DRE 2035	\$21.0	1.59	5.05	5.73

Investment Performance as of June 30, 2020*				
Investment Option	Market Value as of 6-30-20 in \$ Millions	% Rate of Return**		
		One Year	Three Year	Five Year
<i>JPMCB Passive SR 2035 Idx</i>		2.14	5.70	6.41
JPMorgan Passive SR DRE 2040	\$13.5	1.15	5.14	5.93
<i>JPMCB Passive SR 2040 Idx</i>		1.32	5.61	6.50
JPMorgan Passive SR DRE 2045	\$9.5	0.54	4.95	5.82
<i>JPMCB Passive SR 2045 Idx</i>		0.65	5.42	6.40
JPMorgan Passive SR DRE 2050	\$4.8	0.43	4.88	5.78
<i>JPMCB Passive SR 2050 Idx</i>		0.65	5.42	6.40
JPMorgan Passive SR DRE 2055	\$3.4	0.26	4.83	5.73
<i>JPMCB Passive SR 2055 Idx</i>		0.65	5.42	6.40
JPMorgan Passive SR DRE 2060	\$0.56	0.33	4.94	-
<i>JPMCB Passive SR 2060 Idx</i>		0.65	5.42	-
Schwab Brokerage Window [^]	\$45.6	N/A	N/A	N/A

* Data provided by Callan Associates, Inc. and Northern Trust except as to the brokerage window.
** If period > 1 year, the rate of return is annualized.
[^] Returns are not reportable, as earnings will vary depend on the particular investments selected by each participant.

PROGRAM CHANGES

Significant achievements in 2019 include:

- Awarded 2019 NAGDCA (National Association of Government Deferred Compensation Administrators) Leadership Recognition Award in the Participation Education and Communication category for 2018 *Healthy Rewards Program*.
- Implemented the third year of automatic enrollment for new hires.
- Conducted a fourth annual re-enrollment campaign.
- Annual member's contribution increased to 3% of their wages if they contributed less than 3%, unless they opted out. Members were placed in an age-appropriate investment plan, unless they opted out.
- Fifth consecutive year of decreases in plan operating expenses.

All professional fees and other operating expenses no longer appear in the city's budget, with limited exceptions since the Plan is entirely self-funded and does not impact the tax levy. To ensure transparency, the Plan's internal budget, reflecting all professional fees and operating expenses is presented to the Finance and Personnel Committee during the city's annual budget process.

Professional and operating expenses include recordkeeping (Voya), consulting (Callan Associates, Inc.), custodial banking (Northern Trust), fiduciary liability insurance (Hays Companies), auditing (Baker Tilly), preparation of Financial Statements (Experis) and outside legal fees, as well as staff salaries and benefits. Investment management fees are not included with these professional administrative expenses, since such fees are directly allocated to the relevant investment option, resulting in lower net returns.

The Plan is self-funded and includes a \$75,000 contingency to cover unanticipated expenses. Funds in this contingency can only be released by the Plan's fiduciary board.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES - None

C. CAPITAL IMPROVEMENTS

EXECUTIVE SUMMARY

- MISSION:** Support the regional economy and protect the environment and public health.
- OBJECTIVES:** Improve core infrastructure condition.
- Improve the efficiency of city operations.
- STRATEGIES:** Where feasible use alternative strategies to increase the amount of infrastructure improved within funding constraints.
- Develop investment strategies to ensure favorable rates of return on city capital investments.
- Stage project funding over multiple years.
- Continue increasing budgets for most infrastructure.
-

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The 2021 capital improvements budget represents the initial year of a six year capital improvements plan. The budget and plan identify the city's capital funding needs and provide funding sources to support these needs. Capital improvements generally include projects to reconstruct, rehabilitate, or otherwise restore an existing system or facility to full functionality or add to its useful life. They may also include projects to construct a new or more expansive facility to meet increased demands or to enhance economic development through job creation, business formation, and housing production. Capital investment may include technology or system enhancements that aid the city in increasing efficiency and productivity in its operating budget.

HIGHLIGHTS

The 2021 general city capital improvements budget totals \$138.5 million, a decrease of \$17.1 million from the 2020 budget. Tax levy supported general obligation (GO) debt in the 2021 budget, totals \$82.8 million. This is a \$776,300 decrease from the amount of tax levy supported borrowing included in the 2020 budget.

One of the city's long term goals is to provide tax levy supported borrowing authorizations that equate to tax levy debt retirements in order to control future increases in the debt service tax levy. Previous budgets have converted debt supported programs which mitigate stormwater to cash financing through the sewer maintenance fund and the stormwater fee. The city has also utilized lease payments from the sewer maintenance fund and water works for the Tower Automation facility to pay GO debt service. These financing changes increase the city's capacity to prudently invest in infrastructure, using long term debt within debt limit constraints.

Continuing high levels of investment in core infrastructure projects is a priority of the 2021 capital budget. Core infrastructure programs including streets, bridges, street lighting, and sewers total \$71.2 million in the 2021 capital budget, a \$569,000 increase from 2020. Figure 1 shows improvements made in core infrastructure funding from 2004 to 2021. Since 2004 funding for core infrastructure has increased by \$28.3 million, or nearly 66%.

The 2021 capital budget includes \$14.7 million for facility improvement projects, which is 17.7% of the levy supported general city capital budget. The city hall foundation repair project is the largest single facility improvement project in the 2021 budget at \$8.4 million, and the Facilities Exterior and Facilities Systems programs which repair and replace major mechanical, interior and exterior building components are funded at \$1.1 million each.

The 2021 capital budget uses \$620,115 of cash from the tax levy for capital improvements. The Department of Administration’s Information Technology & Management Division will utilize \$300,000 of cash levy for several upgrade projects, including mobile devices to better enable work from home as well as replacing components of the wireless network in City facilities. The Department of City Development’s Advance Planning Fund will utilize \$150,000 of levy funding in 2021. While levy funding in the capital improvements budget is limited, the use of cash revenues from the sewer maintenance fund and from the closing of a Tax Increment Financing District helps manage overall debt financing.

Functional Categories: General city funded capital improvement projects are categorized in six functional categories, including:

- Surface Transportation
- Environment
- Health and Public Safety
- Economic Development
- Culture and Recreation
- General Government

Figure 1

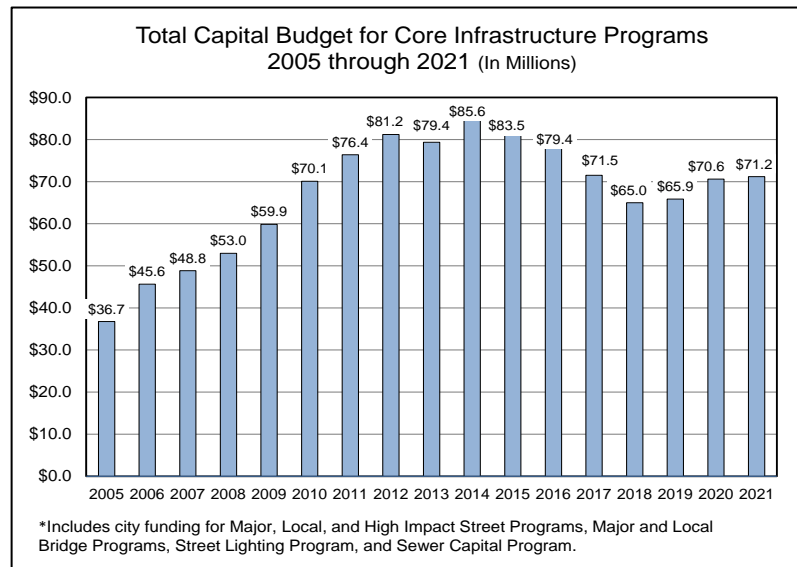


Figure 2

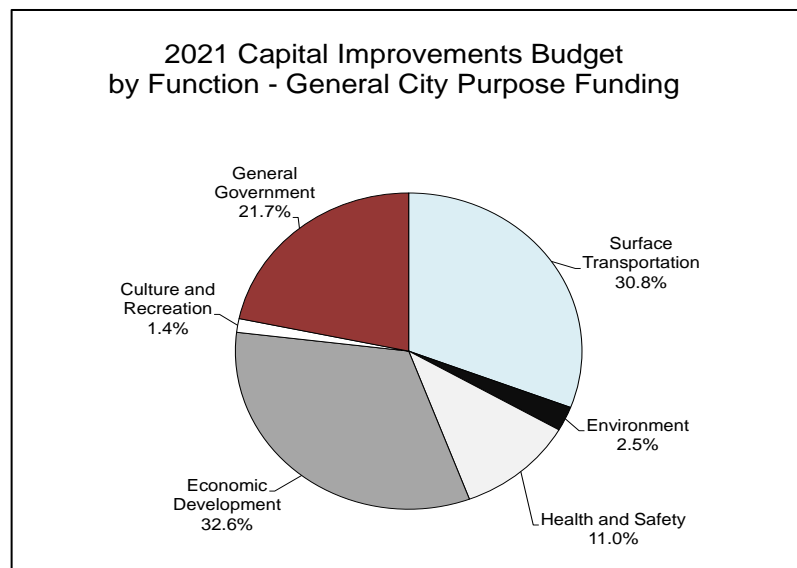


Figure 2 illustrates the portion of the capital budget allocated to each functional area (water, parking, sewer relief and relay, and grant and aids are excluded).

Economic development is the largest capital functional area at \$45.1 million or 32.6% of the general city funded capital budget. In 2021, the capital budget for economic development is \$13.3 million lower than in 2020. Borrowing for tax incremental districts (TIDs) totals \$34 million, an \$18 million reduction from the 2020 budget. This amount includes \$9 million for developer funded TID’s.

Surface transportation projects constitute the second largest functional category, which is 30.8% of the capital budget or \$42.6 million. Including grant and aids, total surface transportation spending is \$64.2 million, an increase of \$500,000 from 2020.

The general government project category constitutes the third largest functional area with \$30.1 million or 21.7% of total funding provided for this purpose. This is a net decrease of \$6.1 million from 2020. This category consists of buildings, non-police IT projects, and major capital equipment.

The health and safety project category comprises 11% of the 2021 general city funded capital budget. This includes Fire, Police, and Health department capital programs. This category also includes the city subsidy for property owners for the lead service line replacement program, which totals \$5.5 million in the 2021 budget. Environment programs include forestry and environmental remediation programs. These projects are 2.5% of the city funded capital budget. Culture and recreation projects include a \$300,000 allocation for the *MKE Plays* program, which leverages private investment to create innovative play spaces in neighborhoods. This category also includes the Library’s neighborhood library reconstruction program. The culture and recreation project category represents 1.4% of the city funded capital budget.

Funding Sources: The 2021 capital budget is financed through several funding sources including the property tax levy, tax levy supported GO debt, tax incremental districts, special assessments, cash revenues, and grants and aids. Figure 3 shows funding sources for the 2021 city funded capital budget (excluding grant and aids).

For 2021 the largest funding source is tax levy supported debt financing, composing 59.8% of total funding sources. Levy supported GO borrowing in the capital budget is \$82.8 million, a decrease of \$776,300 from the amount of levy supported borrowing in 2020. Given the life expectancy of the facilities to be constructed or equipment to be purchased, borrowing is used to maximize the city’s capital investments and spread the cost of long term investments to all beneficiaries.

Another major source of funding for capital projects is TID borrowing, with \$25 million or 18.1% of total funding sources. TID borrowing is self-supporting because the improvements made in these districts are financed through property tax revenue generated from the incremental values resulting from the improvements. The 2021 budget includes borrowing authority for TIDs of \$25 million, a \$19 million reduction from the 2020 budget.

Figure 3

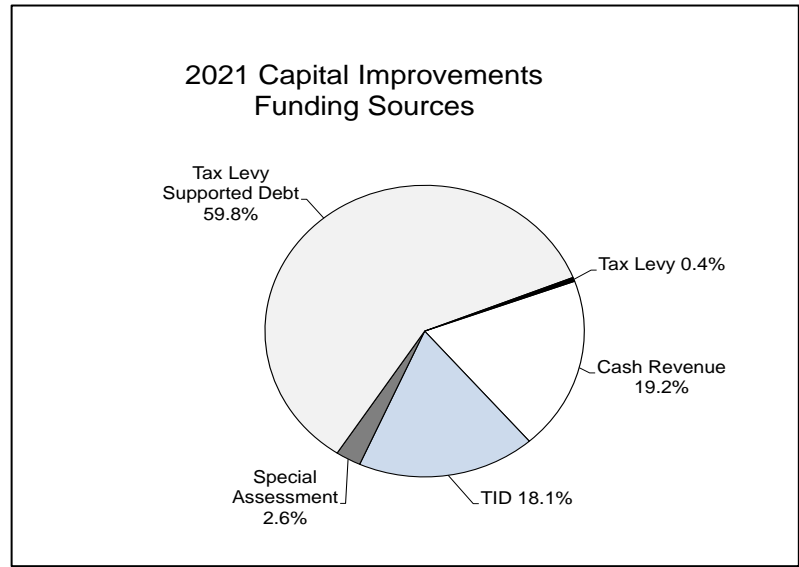
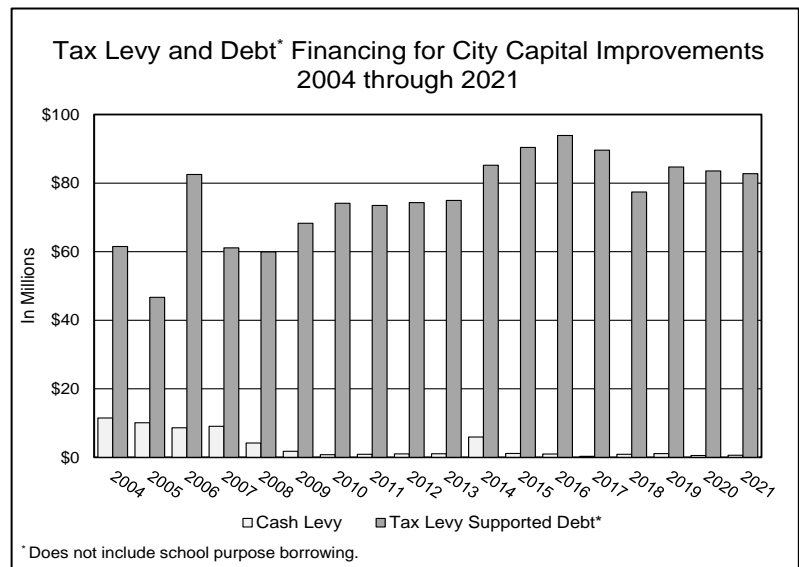


Figure 4



In addition to TID financing, other self-supporting funding sources include \$26.6 million of cash revenues, which represents 19.2% of the total capital budget funding sources. Cash revenues in the 2021 budget include \$9 million of revenues for costs related to developer-financed TID's \$8 million in anticipated capital grant funding, and \$6.5 million from the closing of the Beerline TID. The 2021 budget includes \$3.5 million of special assessments, which represents 2.6% of capital budget funding sources. Figure 3 does not include capital grant and aids for street reconstruction, bridge rehabilitation, and harbor improvements, which are anticipated to be \$22.4 million in 2021.

In addition to levy supported GO debt, the tax levy is the other non-self-supporting funding source for capital. Direct levy funding for capital improvements reduces the long term interest cost of financing short lived assets and immediate small cost improvements. Figure 4 highlights the tax levy compared to tax levy supported debt for capital improvements from 2004 through the 2021 budget.

2021 HIGHLIGHTS AND CHANGES

Lead Service Line Replacement Funding: The 2021 capital budget includes \$4 million to provide eligible property owners with financial assistance to replace lead service lines. This includes funding for the full cost of replacing the privately owned portion of lead service lines in any child care facility that has not already had its lead service line replaced. When a water service made of lead is found to be leaking or will be disturbed as a result of an infrastructure project in the area, it must be replaced. The city offers substantial financial assistance as well as special assessment financing to eligible property owners to help pay for lead service line replacement. In 2021, Milwaukee Water Works will replace 1,100 lead service lines.

Facility, Information Technology (IT), and Equipment: The 2021 capital budget includes \$14.9 million in capital funding for projects to upgrade or construct city facilities, \$5 million for IT related capital projects, and \$12.4 million for capital equipment. When feasible, projects are funded over two or more years in order to preserve funding for traditional core infrastructure investments, such as streets and bridges. These types of projects are less visible to the public but are crucial to city operations and service delivery.

The 2021 budget includes \$14.7 million for city facility projects. Of this amount, \$700,000 will be used make programs and facilities accessible for all residents through the ADA Compliance program. The 2021 budget includes \$450,000 for Fire Department facility improvements and \$400,000 for improvements to Police district stations. The Department of Public Works Facilities Exterior and Facilities Systems programs include \$2.2 million for various projects to maintain watertight exteriors and ensure continued operation of electrical and mechanical building systems.

The most costly single facility project in the 2021 capital budget is the city hall foundation repair project at \$8.4 million. This will fund the fourth phase of a multi-year construction project to stabilize the building's foundation. This repair is expected to extend the projected life of the foundation by 100 years. For a more detailed project description, please refer to the *Department of Public Works Infrastructure Services Division* section of the *2021 Plan and Executive Budget Summary*.

In 2021, opportunities for increased efficiency and the need to upgrade existing systems result in \$5 million in capital funding for IT related upgrades and improvements. The largest single IT project in the 2021 budget is replacement of the Police Department's Automated Fingerprint ID System at \$1.7 million. The next largest IT project in the 2021 budget is replacement of the Police Department's Uninterrupted Power Supply (UPS) system at \$697,500. This system ensures that critical systems including the 911 system do not experience service interruption in the event of a power failure. Other IT projects include an upgrade to the City's Cyber Security system for \$200,000, and replacement of the Corporate Server and Storage system for \$650,000.

Capital equipment includes fleet vehicles for the Department of Public Works, fire engines and medical units for the Fire Department, and various vehicles used by the Police Department. In 2021, capital equipment totals \$12.4 million.

The 2021 budget includes \$6.7 million for Fleet equipment for the Department of Public Works, an increase of \$100,000 from the 2020 budget.

Core Infrastructure: The 2021 capital budget prioritizes investments in projects that will enhance and repair the City's core infrastructure. Core infrastructure spending in the 2021 budget totals \$71.2 million, a 0.8% increase from the 2020 budget. Streets, bridges, sewers and street lights will be improved in nearly all areas of the city in 2021. These improvements include 32 miles of sewer relay and relining, 21 miles of street reconstruction and resurfacing, and replacement of hundreds of street lights and circuits replaced as part of paving projects. The 2021 capital budget also includes funding for the second year of a multi-year initiative by the Milwaukee Metropolitan Sewerage District and the City of Milwaukee which requires the replacement of several city-owned vehicle and pedestrian bridges. The project will address flooding issues along the Kinnickinnic River.

Summary of Departmental Appropriations
Overview of 2021 Adopted Capital Budget General City Purposes

	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>City Funded</u>			
Special Projects	\$9,016,000	\$9,114,000	\$98,000
Administration, Department of	1,533,000	2,057,000	524,000
City Development, Department of	55,400,000	40,825,000	-14,575,000
Common Council City Clerk	25,000	56,115	31,115
Fire Department	1,950,000	1,800,000	-150,000
Fire and Police Commission	5,000,000	0	-5,000,000
Health Department	690,000	1,550,000	860,000
Library	1,290,000	1,680,000	390,000
Neighborhood Services, Department of	3,000,000	3,000,000	0
Police Department	3,995,000	6,337,500	2,342,500
Port of Milwaukee	475,000	675,000	200,000
Public Works, Department of	73,250,000	71,386,800	-1,863,200
Subtotal City Funded	\$155,624,000	\$138,481,415	\$-17,142,585
<u>Grants and Aids Funding</u>			
Port of Milwaukee	\$800,000	\$800,000	\$0
Public Works, Department of	19,517,000	21,634,815	2,117,815
Subtotal Grants and Aids Funding	\$20,317,000	\$22,434,815	\$2,117,815
<u>Enterprise Funds</u>			
Transportation	\$2,725,000	\$1,800,000	\$-925,000
Sewer Maintenance	34,150,000	40,350,000	6,200,000
Water	44,570,000	40,300,000	-4,270,000
Subtotal Enterprise Funds	\$81,445,000	\$82,450,000	\$1,005,000
Total Capital Plan	\$257,386,000	\$243,366,230	\$-14,019,770

C. CAPITAL IMPROVEMENTS

2021 CAPITAL IMPROVEMENTS FINANCED BY CATEGORY

	<u>Tax Levy</u>	<u>General Obligation</u>	<u>TID</u>	<u>Special Assessments</u>	<u>Cash Revenues</u>	<u>City Budget Total</u>	<u>Grant and Aid Financing</u>	<u>Project Total</u>
<u>Special Capital Projects</u>								
Municipal Art Fund								
Budget	\$25,000	\$0	\$0	\$0	\$0	\$25,000	\$0	\$25,000
Grant and Aid								
Budget	0	0	0	0	8,000,000	8,000,000	0	8,000,000
Housing Trust Fund								
Budget	0	0	0	0	1,000,000	1,000,000	0	1,000,000
Capital Improvements Committee								
Budget	89,000	0	0	0	0	89,000	0	89,000
Total	\$114,000	\$0	\$0	\$0	\$9,000,000	\$9,114,000	\$0	\$9,114,000
<u>Department of Administration</u>								
IT Upgrades								
Budget	\$300,000	\$0	\$0	\$0	\$0	\$300,000	\$0	\$300,000
Cyber Security								
Budget	0	200,000	0	0	0	200,000	0	200,000
Corp. Server & Storage Upgrade								
Budget	0	650,000	0	0	0	650,000	0	650,000
Health EMR, Case Mgmt. & Billing								
Budget	0	200,000	0	0	0	200,000	0	200,000
Better Buildings Challenge								
Budget	0	100,000	0	0	0	100,000	0	100,000
PeopleSoft PUM Upgrade								
Budget	0	150,000	0	0	0	150,000	0	150,000
Public Facility Communications								
Budget	0	457,000	0	0	0	457,000	0	457,000
Total	\$300,000	\$1,757,000	\$0	\$0	\$0	\$2,057,000	\$0	\$2,057,000
<u>Department of City Development</u>								
Advanced Planning								
Budget	\$150,000	\$0	\$0	\$0	\$0	\$150,000	\$0	\$150,000
Tax Increment Financed Urban Renewal Proj. (Including Grant Funded)								
Budget	0	0	25,000,000	0	9,000,000	34,000,000	0	34,000,000
In Rem Property Program								
Budget	0	175,000	0	0	800,000	975,000	0	975,000
Partnerships in Affordable Housing								
Budget	0	0	0	0	3,000,000	3,000,000	0	3,000,000
Strong Homes Loan Program								
Budget	0	0	0	0	1,200,000	1,200,000	0	1,200,000
Commercial Investment Program								
Budget	0	1,000,000	0	0	0	1,000,000	0	1,000,000
Brownfield Program								
Budget	0	500,000	0	0	0	500,000	0	500,000
Total	\$150,000	\$1,675,000	\$25,000,000	\$0	\$14,000,000	\$40,825,000	\$0	\$40,825,000
<u>Common Council City Clerk</u>								
FileDirector Server Replacement								
Budget	\$56,115	\$0	\$0	\$0	\$0	\$56,115	\$0	\$56,115
Total	\$56,115	\$0	\$0	\$0	\$0	\$56,115	\$0	\$56,115
<u>Fire Department</u>								
Major Capital Equipment								
Budget	\$0	\$1,350,000	\$0	\$0	\$0	\$1,350,000	\$0	\$1,350,000
Fire Facilities Maint. Program								
Budget	0	450,000	0	0	0	450,000	0	450,000
Total	\$0	\$1,800,000	\$0	\$0	\$0	\$1,800,000	\$0	\$1,800,000

C. CAPITAL IMPROVEMENTS

	<u>Tax Levy</u>	<u>General Obligation</u>	<u>TID</u>	<u>Special Assessments</u>	<u>Cash Revenues</u>	<u>City Budget Total</u>	<u>Grant and Aid Financing</u>	<u>Project Total</u>
<u>Health Department</u>								
Lead Paint Prevention/Abatement								
Budget	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$0	\$500,000
Lab Equipment								
Budget	0	800,000	0	0	0	800,000	0	800,000
Health Facilities Capital Projects								
Budget	0	250,000	0	0	0	250,000	0	250,000
Total	\$0	\$1,050,000	\$0	\$0	\$500,000	\$1,550,000	\$0	\$1,550,000
<u>Library</u>								
Central Library								
Central Library Improvements Fund								
Budget	\$0	\$1,250,000	\$0	\$0	\$0	\$1,250,000	\$0	\$1,250,000
Neighborhood Libraries								
Branch Library Improvement Fund								
Budget	0	205,000	0	0	0	205,000	0	205,000
IT Upgrades- Safety & Security								
Budget	0	225,000	0	0	0	225,000	0	225,000
Total	\$0	\$1,680,000	\$0	\$0	\$0	\$1,680,000	\$0	\$1,680,000
<u>Neighborhood Services</u>								
Concentrated Blight Elimination								
Budget	\$0	\$2,200,000	\$0	\$0	\$0	\$2,200,000	\$0	\$2,200,000
Code Compliance Loans								
Budget	0	800,000	0	0	0	800,000	0	800,000
Total	\$0	\$3,000,000	\$0	\$0	\$0	\$3,000,000	\$0	\$3,000,000
<u>Police Department</u>								
Automated Fingerprint Identification System								
Budget	\$0	\$1,700,000	\$0	\$0	\$0	\$1,700,000	\$0	\$1,700,000
SONET Ring Replacement								
Budget	0	390,000	0	0	0	390,000	0	390,000
UPS Replacement								
Budget	0	697,500	0	0	0	697,500	0	697,500
Police Vehicles								
Budget	0	3,150,000	0	0	0	3,150,000	0	3,150,000
District Station Repairs								
Budget	0	400,000	0	0	0	400,000	0	400,000
Total	\$0	\$6,337,500	\$0	\$0	\$0	\$6,337,500	\$0	\$6,337,500
<u>Port of Milwaukee</u>								
Roadway Paving								
Budget	\$0	\$200,000	\$0	\$0	\$0	\$200,000	\$0	\$200,000
Rail Track and Service Upgrades								
Budget	0	275,000	0	0	0	275,000	0	275,000
Pier Berth and Channel Improvements								
Budget	0	0	0	0	0	0	800,000	800,000
Terminal & Facility Maintenance								
Budget	0	200,000	0	0	0	200,000	0	200,000
Total	\$0	\$675,000	\$0	\$0	\$0	\$675,000	\$800,000	\$1,475,000
<u>Public Works, Department of Infrastructure Services Division</u>								
Bridge Construction								
Bridge State and Federal Funded								
Budget	\$0	\$1,685,000	\$0	\$0	\$250,000	\$1,935,000	\$7,375,000	\$9,310,000
Bridge Reconstruction Local								
Budget	0	4,150,000	0	0	0	4,150,000	0	4,150,000
Total	\$0	\$5,835,000	\$0	\$0	\$250,000	\$6,085,000	\$7,375,000	\$13,460,000
Street Paving Construction								
Street Reconstruction City Contribution to State & Federally Aided Projects								
Budget	\$0	\$6,094,000	\$0	\$85,000	\$0	\$6,179,000	\$14,259,815	\$20,438,815

C. CAPITAL IMPROVEMENTS

	<u>Tax Levy</u>	<u>General Obligation</u>	<u>TID</u>	<u>Special Assessments</u>	<u>Cash Revenues</u>	<u>City Budget Total</u>	<u>Grant and Aid Financing</u>	<u>Project Total</u>
Street Reconstruction or Resurfacing								
Regular City Program								
Budget	0	6,000,000	0	750,000	0	6,750,000	0	6,750,000
High Impact Street Program								
Budget	0	8,000,000	0	0	0	8,000,000	0	8,000,000
Alley Reconstruction Program								
Budget	0	600,000	0	550,000	0	1,150,000	0	1,150,000
New Street Construction Program								
Budget	0	200,000		150,000	0	350,000	0	350,000
Street Improvements Sidewalk Replacement								
Budget	0	1,000,000	0	500,000	0	1,500,000	0	1,500,000
Street Improvements Street Lighting								
Budget	0	9,300,000	0	0	0	9,300,000	0	9,300,000
Street Improvements Traffic Control Facilities								
Budget	0	2,280,000	0	0	0	2,280,000	0	2,280,000
Multimodal Transportation Program								
Budget	0	1,225,000	0	0	0	1,225,000	0	1,225,000
Street Improvements Underground Conduit and Manholes								
Budget	0	800,000	0	0	0	800,000	0	800,000
Underground Electrical Manhole Reconstruction								
Budget	0	500,000	0	0	0	500,000	0	500,000
Lead Service Line Replacement Program								
Budget	0	4,000,000	0	1,500,000	0	5,500,000	0	5,500,000
Total	\$0	\$39,999,000	\$0	\$3,535,000	\$0	\$43,534,000	\$14,259,815	\$57,793,815
Building Projects								
Space Planning Facilities								
Budget	\$0	\$200,000	\$0	\$0	\$0	\$200,000	\$0	\$200,000
MKE Plays Initiative								
Budget	0	300,000	0	0	0	300,000	0	300,000
Facility Systems Program								
Budget	0	1,100,000	0	0	0	1,100,000	0	1,100,000
Environmental Remediation Program								
Budget	0	115,000	0	0	50,000	165,000	0	165,000
ADA Compliance Program								
Budget	0	700,000	0	0	0	700,000	0	700,000
Facilities Exterior Upgrades Program								
Budget	0	1,100,000	0	0	0	1,100,000	0	1,100,000
City Hall Foundation Repair								
Budget	0	8,425,000	0	0	0	8,425,000	0	8,425,000
Total	\$0	\$11,940,000	\$0	\$0	\$50,000	\$11,990,000	\$0	\$11,990,000
Infrastructure Services Division Total	\$0	\$57,774,000	\$0	\$3,535,000	\$300,000	\$61,609,000	\$21,634,815	\$83,243,815
Operations Division								
Fleet Section								
Brine Equipment								
Budget	\$0	\$317,800	\$0	\$0	\$0	\$317,800	\$0	\$317,800
Major Capital Equipment								
Budget	0	6,700,000	0	0	0	6,700,000	0	6,700,000
Total	\$0	\$7,017,800	\$0	\$0	\$0	\$7,017,800	\$0	\$7,017,800

C. CAPITAL IMPROVEMENTS

	<u>Tax Levy</u>	<u>General Obligation</u>	<u>TID</u>	<u>Special Assessments</u>	<u>Cash Revenues</u>	<u>City Budget Total</u>	<u>Grant and Aid Financing</u>	<u>Project Total</u>
Forestry Section								
Concealed Irrigation and General Landscaping								
Budget	\$0	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000
Production and Planting Program								
Budget	0	0	0	0	1,250,000	1,250,000	0	1,250,000
Stump Removal								
Budget	0	0	0	0	360,000	360,000	0	360,000
Emerald Ash Borer Readiness & Response								
Budget	0	0	0	0	950,000	950,000	0	950,000
Total	\$0	\$0	\$0	\$0	\$2,760,000	\$2,760,000	\$0	\$2,760,000
Operations Division Total	\$0	\$7,017,800	\$0	\$0	\$2,760,000	\$9,777,800	\$0	\$9,777,800
Public Works, Department of Total	\$0	\$64,791,800	\$0	\$3,535,000	\$3,060,000	\$71,386,800	\$21,634,815	\$93,021,615
Capital Projects Grand Total	\$620,115	\$82,766,300	\$25,000,000	\$3,535,000	\$26,560,000	\$138,481,415	\$22,434,815	\$160,916,230

D. CITY DEBT

EXECUTIVE SUMMARY

- MISSION:** Manage and control outstanding debt through equitable financing of capital improvements.
- OBJECTIVES:** Limit annual growth in the debt service tax levy to 2% or less.
- STRATEGIES:** Stabilize the debt service property tax levy by developing a comprehensive debt policy for debt capacity and capital financing to reduce the amount of debt issued annually.
- Ensure compliance with debt policy by developing a working debt forecast model that analyzes the impact of debt financing in future years.
- Use liquidity in a responsible manner to limit the impact of debt on taxpayers.

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Effective management that stabilizes debt service costs and controls outstanding debt supports the goal of delivering services at competitive cost and improving fiscal capacity.

Milwaukee has aging infrastructure and comparably lower income levels than surrounding areas. The city’s strength is in its strong financial management. The city’s overall capacity to meet its financial obligations remains robust.

The city has maintained a high quality bond rating for general obligation debt. Fitch rated the City as AA- stable, and S&P Global Rating now rates the City as A. Table 1 details the city’s performance on several commonly used debt indicators.

Table 1

City Debt Indicators Relationship to S&P Global Ratings Debt Benchmarks		
Debt Indicators		S & P Rating
Economic		
Per Capita Effective Buying Income (% of National)	65.8%	Weak
Market Value Per Capita	\$50,318	
Management		
S&P Financial Management Assessment	Standard	Adequate
Budgetary Performance		
General Fund Net Result	-2.0%	Weak
Total Government Funds Net Result	-0.9%	
Budgetary Flexibility		
Available Reserves as a Percentage of Expenditures	3.8%	Weak
Liquidity		
Available Cash as a Percentage of Expenditures	33.3%	Very Strong
Available Cash Coverage of Debt Service	1.7x	
Debt and Contingent Liability Profile		
Debt Service as a Percentage of Expenditures	19.7%	Very Weak
Net Direct Debt as a Percentage of Revenue	96.4%	
Institutional Framework		
		Strong

OVERVIEW

Debt expenditures for 2021 total \$258.8 million, a decrease of \$8.7 million from 2020. Table 2 shows expenditures for self-supporting and tax levy supported city debt. Highlights of the major changes in city debt expenditures and funding sources follow.

CITY DEBT EXPENDITURES AND SOURCES OF FUNDS

General City Excluding Schools and Revenue Anticipation Notes (RAN): Debt service associated with city borrowing for capital improvement projects, not including RAN borrowing, is \$160.3 million in 2021, a decrease of \$5.2 million from 2020. The property tax levy for debt service is \$83.4 million, an increase of \$9.9 million from 2020.

Table 2

CITY DEBT EXPENDITURES AND SOURCES OF FUNDS			
	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Total City Debt Expenditures	\$267,569,200	\$258,812,500	\$-8,756,700
<u>Debt Funding Sources</u>			
<i>Self Supporting Debt</i>			
Brewer MEDC Loan	\$1,063,339	\$1,063,000	\$-339
Delinquent Tax Financing	15,397,768	12,194,000	-3,203,768
MPS Reimbursed	8,541,065	7,404,000	-1,137,065
Parking	2,965,691	1,823,000	-1,142,691
Sewer Maintenance Fund	1,963,575	980,000	-983,575
Tax Increment Districts	31,130,337	30,207,000	-923,337
Water Works	1,102,475	1,043,000	-59,475
Subtotal	<u>\$62,164,250</u>	<u>\$54,714,000</u>	<u>\$-7,450,250</u>
<i>General Obligation Debt Financing</i>			
Other Sources of Funds	\$131,892,750	\$120,652,000	\$-11,240,750
Tax Levy	73,512,200	83,446,500	9,934,300
Subtotal	<u>\$205,404,950</u>	<u>\$204,098,500</u>	<u>\$-1,306,450</u>
Total Debt Funding Sources	\$267,569,200	\$258,812,500	\$-8,756,700

Milwaukee Public Schools (MPS): The debt service cost for school borrowing will be \$7.4 million in 2021, a decrease from \$1.1 million in 2020. Since 1989, the city has provided MPS with \$182.3 million in tax levy supported borrowing authority for school improvements.

Tax Incremental Districts (TIDs): The incremental property taxes collected on the value increment portion of the TID property retire the debt incurred for city funded district improvements. In the 2021 budget, debt service for TIDs is \$30.2 million with revenues from tax increments supporting that debt service cost.

Delinquent Taxes: The 2021 budget includes \$12.2 million to finance delinquent tax borrowing, which is \$3.2 million less than 2020.

Parking Debt: A transfer from the parking fund, equivalent to the amount of annual outstanding debt service, entirely offsets parking related debt service costs. In the 2021 debt budget, the parking fund provides \$1.8 million to finance debt service costs associated with parking capital projects.

Water Works: The 2021 debt budget includes \$1 million for Water Works' debt service costs. The Water Works' uses annual earnings to pay water related debt service costs. Future Water Works' borrowings may be converted to revenue bonds.

Sewer Maintenance: Approximately \$1 million in debt service for 2021 relates to sewer capital projects, a decrease from 2020 of \$1 million.

Miller Park Stadium Project: The 2021 budget includes \$1.1 million in revenue to offset debt service costs related to the Miller Park Stadium project. This amount reflects an agreement with the Milwaukee Economic Development Corporation and the Southeastern Wisconsin Professional Baseball Park District.

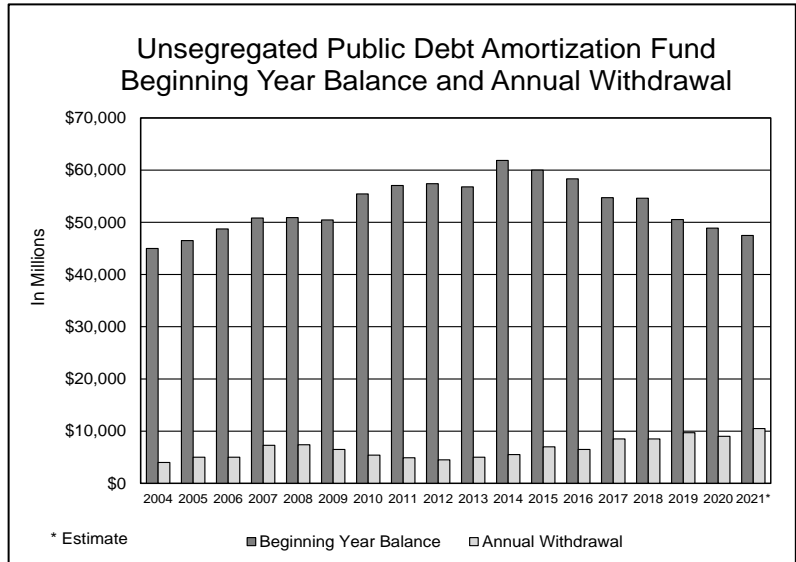
Field Operations Facility Lease Payment: The city constructed a new facility for the Sewer Maintenance Fund and Water Works' at the Tower Automotive site. Annual rental payments from the Sewer Maintenance Fund and Water Works' will offset this debt. In 2021, the rental payment is \$2.1 million.

DEBT TAX LEVY STABILITY

The city has structural budget problems created by limited revenue sources and substantial wage, health care benefit, and pension cost commitments. A debt stability plan requires a solid capital improvements plan. Limits on the level of borrowing directly influence future debt payments. Annual borrowing must be as close as possible to the level of annual debt retirements to stabilize the debt tax levy. The city currently retires approximately \$71 million in property tax levy supported debt annually.

Despite efforts to limit annual increases in the debt tax levy, the 2021 budget adds \$9.9 million or 13.5% to the debt tax levy. Recent budgets have utilized debt service fund balance to limit growth in the debt tax levy, but debt service fund balance is expected to decline to the point where the fund cannot support a drawdown on fund balance in 2021. The primary reason for the unusually large increase in the debt tax levy is the inability to draw down on debt service fund balance in 2021. The debt tax levy is expected to return to more typical growth in the 2022 budget and beyond.

Figure 1

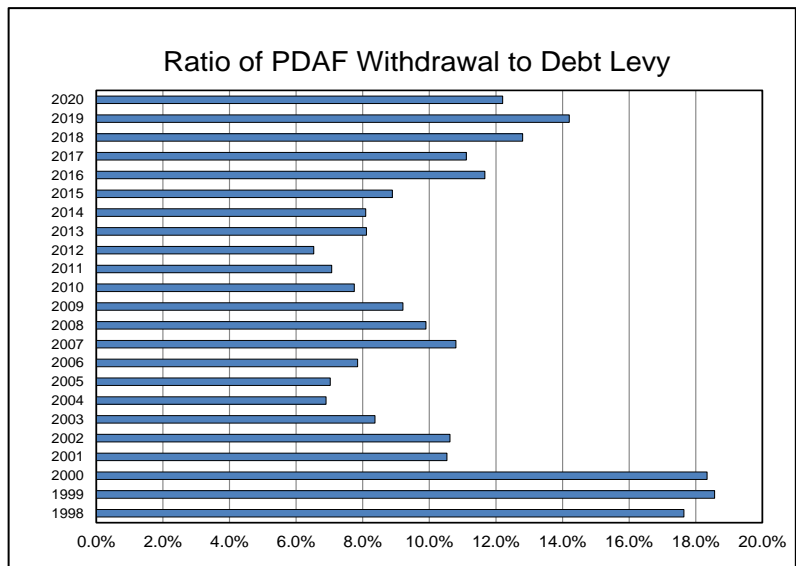


PUBLIC DEBT AMORTIZATION FUND

The Public Debt Commission oversees the use of the Public Debt Amortization Fund (PDAF). The primary sources of revenue for the fund are one-third of earnings on city investments and earnings on the fund's investments.

The PDAF withdrawal for the 2021 budget is \$10.5 million, an increase of \$1.5 million from the 2020 withdrawal. The annual withdrawal balances the competing goals of reducing the tax levy for debt service versus maintaining a sufficient reserve balance. Figure 1 illustrates how the unsegregated balance of the PDAF dipped to approximately \$45 million in 2004. Since 2004, the fund balance has grown to the current balance of \$48.9 million, despite a low interest rate environment.

Figure 2



The 2021 PDAF withdrawal reflects the need to control the debt service property tax levy. Figure 2 shows the ratio of the PDAF withdrawal to the debt tax levy. The 2021 budget maintains a 12.6% ratio.

F. COMMON COUNCIL CONTINGENT FUND

EXECUTIVE SUMMARY

- MISSION:** Provide budgetary authority and funding to pay for emergencies that arise during the year for which no express provisions have been made elsewhere in the budget.
- OBJECTIVES:** Allow funding of unauthorized emergency expenditures on a timely basis.
- STRATEGIES:** Adhere to guidelines and standards in considering requests for withdrawals. Maintain the fund's integrity as an "emergencies only" source of funds.

SUMMARY OF EXPENDITURES

	<u>2019 Actual Expenditures</u>	<u>2020 Adopted Budget</u>	<u>2021 Adopted Budget</u>	<u>Change 2021 Adopted Budget Versus 2020 Adopted Budget</u>
Common Council Contingent Fund	[5,000,000]	\$5,000,000	\$5,000,000	\$0
Total	[5,000,000]	\$5,000,000	\$5,000,000	\$0

SOURCE OF FUNDS

	<u>2019 Actual Expenditures</u>	<u>2020 Adopted Budget</u>	<u>2021 Adopted Budget</u>	<u>Change 2021 Adopted Budget Versus 2020 Adopted Budget</u>
Property Tax Levy	\$5,000,000	\$5,000,000	\$5,000,000	\$0
Total	\$5,000,000	\$5,000,000	\$5,000,000	\$0

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

The Common Council Contingent Fund provides funding for emergency situations that require expenditures above budget authorizations. Requests must be approved by three-quarters of the Common Council before funds can be used. Requests should meet one of the following criteria:

- Emergency circumstances;
- Obligatory circumstances; or
- Fiscal advantage and/or compliance with fiscal management principles.

Additional established guidelines and standards must be met relative to the Finance and Personnel Committee's review of contingent fund requests. Guidelines and standards focus on:

- Timelines and process requirements; and
- Information that must be provided to the Finance and Personnel Committee, including:
 - Statement of action requested, including the account needing a contingent fund transfer;
 - Purpose of action, including the impact on program service or activity and program objectives; and
 - A description of the emergency that prompts the request.

Limiting contingent fund requests to these criteria requires departments to manage within their allocated budgets and discourages use of the fund for initiating new projects or programs. Over the last ten years, an average of 83.8% of the contingent fund has been expended. Over the last five years, an average of 84.5% of the contingent fund has been expended.

SPECIAL REVENUE FUNDS

	2019 Actual <u>Expenditures</u>	2020 Adopted <u>Budget</u>	2021 Adopted <u>Budget</u>	Change 2021 Adopted Budget Versus <u>2020 Adopted Budget</u>
G. Transportation Fund	\$51,000,330	\$51,037,376	\$49,044,330	\$-1,993,046
H. Grant and Aid Project Fund	41,361,644	94,946,990	51,347,144	-43,599,846
I. Economic Development Fund	9,968,081	11,484,600	17,252,181	5,767,581
J. Water Works	155,184,942	152,461,000	150,102,511	-2,358,489
K. Sewer Maintenance Fund	112,344,301	107,495,178	114,954,259	7,459,081
M. Delinquent County Taxes Fund	<u>7,828,257</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>0</u>
Total	\$377,687,555	\$425,425,144	\$390,700,425	\$-34,724,719

This section of the budget includes funds supported by revenues other than the city property tax levy. Revenues other than the city property tax offset the appropriations in this section. Any property tax levies related to these special revenue funds are provided in other sections of the city's budget.

G. TRANSPORTATION FUND

EXECUTIVE SUMMARY

- MISSION:** Leverage city transportation assets and programs to support city goals and diversify the city’s financial base.
- Manage and operate the Milwaukee Streetcar to support economic development.
- OBJECTIVES:** Maintain parking assets to ensure clean and safe on- and off-street parking.
- Ensure the best possible customer experience.
- Ensure parking is appropriately priced and effectively collect parking revenues.
- Maintain a sustainable annual transfer to the general fund.
- Support operation of the Milwaukee Streetcar.
- STRATEGIES:** Utilize technology to enhance customer service and increase cost effectiveness.
- Maintain competitive and economically efficient pricing for parking facilities.
- Make payment simple and accessible and maximize revenue collections.
- Mitigate risk and provide safe conditions for public parking and tow facilities.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations & Maintenance	119.00	119.00	118.00	-1.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	127	127	118	-9
<u>Expenditures</u>				
Salaries and Wages	\$5,169,935	\$5,018,929	\$4,985,877	\$-33,052
Fringe Benefits	2,037,711	3,397,590	3,290,679	-106,911
Operating Expenditures	17,548,352	18,366,244	17,438,645	-927,599
Equipment	552,334	609,900	632,900	23,000
Special Funds	5,019,383	4,809,713	4,896,229	86,516
Transfer to General Fund	16,000,000	16,110,000	16,000,000	-110,000
Total Operating	\$46,327,715	\$48,312,376	\$47,244,330	\$-1,068,046
Capital Projects	\$4,672,615	\$2,725,000	\$1,800,000	\$-925,000
Total Budget	\$51,000,330	\$51,037,376	\$49,044,330	\$-1,993,046

STATEMENT OF REVENUES

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Operating Revenues				
Structures & Lots	\$7,443,300	\$6,965,000	\$7,028,000	\$63,000
Meters	4,303,500	5,184,000	4,498,000	-686,000
Permits	3,966,000	4,845,000	4,352,100	-492,900
Towing	3,165,500	3,700,000	3,675,000	-25,000
Parking Citation Revenue	16,029,040	16,200,000	15,400,000	-800,000
Miscellaneous	2,074,765	1,087,000	975,000	-112,000
Vehicle Disposal	1,882,900	2,000,000	1,961,000	-39,000
Sale of Real Property	0	0	0	0
Streetcar Revenue	2,822,600	4,656,936	1,333,333	-3,323,603
Withdrawal From Reserves	4,640,110	3,674,440	8,021,897	4,347,457
Total Operating Revenues	\$46,327,715	\$48,312,376	\$47,244,330	-\$1,068,046
Capital Financing				
Permanent Improvement Reserve	\$0	\$0	\$0	\$0
Proceeds from Borrowing	4,672,615	2,725,000	1,800,000	-925,000
Retained Earnings	0	0	0	0
Total Capital Financing	\$4,672,615	\$2,725,000	\$1,800,000	-\$925,000
Total Source of Funds	\$51,000,330	\$51,037,376	\$49,044,330	-\$2,918,046

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

- Increase investment and economic vitality throughout the city.
 - Provide safe and convenient parking for residents, visitors, and businesses.
 - Enforce parking and motor vehicle regulations.
 - Manage and operate the Milwaukee Streetcar.
- Improve the city's fiscal capacity.
 - Diversify the city's revenue base.

The Transportation Fund is an enterprise fund administered by the Department of Public Works (DPW) and finances the city's on- and off-street parking and Streetcar services through revenues received from these services. The Transportation Fund's responsibilities include:

- Managing city owned parking structures and lots,
- Vehicle towing, storing, and disposal,
- Parking enforcement,
- Information desk operations,
- Citation processing, and
- Manage the Milwaukee Streetcar.

The Transportation Fund operates four parking structures, operates and maintains more than 7,000 metered parking spaces, manages 40 plus parking lots, issues approximately 600,000 parking citations each year, annually tows over 20,000 illegally parked and abandoned vehicles, and issues approximately 170,000 night parking permits each year.

These activities provide convenient, efficient, and cost effective on- and off-street parking for Milwaukee’s residents, businesses, and visitors.

The Milwaukee streetcar, known as The Hop, began operations in November 2018. The Hop creates a more connected city by providing an easy and efficient way for visitors and residents to access the many destinations and events in Milwaukee and contributing to economic development and increased property values along the route. Ridership in 2019 exceeded projections.

In 2021, streetcar operating costs are projected to be \$4.6 million. The contract with Transdev Services, Inc. to operate and maintain the streetcar system is the largest single component of the streetcar budget at \$3.9 million. Other costs include marketing, insurance, energy, two city positions to manage the streetcar and ensure safe operations.

STRATEGY IMPLEMENTATION

Financial Management: The Transportation Fund’s financial strength results from its diverse revenue sources (see Figure 2). This diversity provides financial stability by limiting the impact if one revenue source underperforms in any given year. The largest revenue source is citations, which generated \$16 million in 2019. Citation revenue is driven by issuance, which is impacted by economic factors, changing regulations and compliance.

Technology Improvements: Parking payment flexibility has increased with *MKE Park*, a mobile payment system implemented in 2015. *MKE Park* allows customers to pay for parking using a smart phone, by voice, or any internet based device. Costs are covered by users through a convenience fee.

In 2018, Parking Services began installing new “Smart meters” which enhance customer service by allowing payment via coins, credit cards and *MKE Park* at every metered space. These “Smart meters” have a modem, which allows them to send real-time alerts to staff, and also provides the ability to update meters remotely. Smart meters will replace all current multi-space meters and coin-only single space meters.

Overnight on-street parking in the city requires a permit. Virtual permitting, which allows for night parking permits to be issued and tracked electronically, began in 2014. This enhanced customer

Figure 1

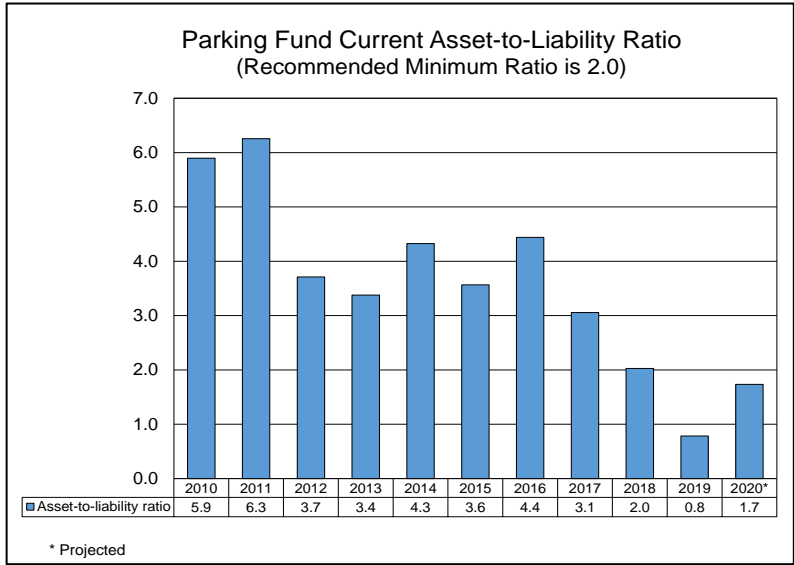
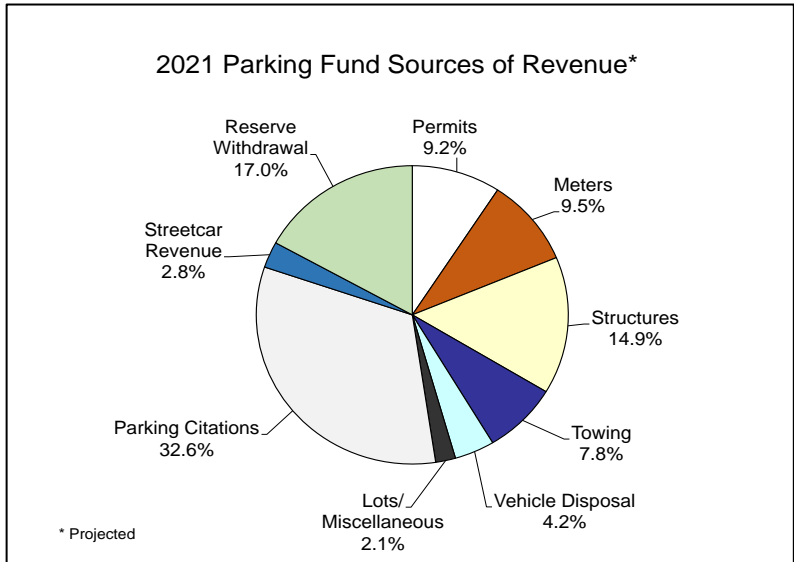


Figure 2



service and increased cost effectiveness by eliminating physical permits. Virtual permits can be purchased online or at kiosks located in all Police district stations.

The online appeal system provides customer with easy access to remotely appeal parking citations. This customer service initiative has grown significantly.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Number of parking citations issued.	572,070	382,968	600,000
Number of vehicles towed to the city's tow lot.	25,196	19,050	25,000
Number of night parking permits issued.	163,298	108,414	170,000

Parking Revenue Collection Strategies: DPW takes a proactive approach to increase the collection of unpaid parking citations and outstanding towing and storage fees. Various initiatives have increased the collection of these fees.

- **Tax Revenue Intercept Program (TRIP):** Beginning in 2009, all persons with vehicles registered in Wisconsin who have unpaid parking citation balances exceeding \$40 are certified with the Wisconsin Department of Revenue. Since inception of the TRIP program, over \$39 million in outstanding parking debt has been collected by the city. In 2019, TRIP collections were \$2.8 million and are estimated to be approximately \$2.4 million in 2020.
- **Citation Payment Plans:** The citation processing contract allows persons seeing the Citation Review Manager to pay their citations over a period of up to one year without having to schedule a hearing in Municipal Court. Since 2010, more than 36,131 payment plans have been initiated, covering more than 234,000 citations.

RESIZE, RESTRUCTURE, AND REINVEST

The 2021 budget includes a \$16 million transfer to the general fund. This transfer provides a meaningful level of relief to property taxpayers. Two major spending pressures on the Transportation Fund are debt service and future payments toward accrued pension liability. Approximately \$4 million is in the 2021 proposed budget for these costs. Debt and pension costs and constraints on revenue growth may require the Transportation Fund to reduce the general fund transfer in future years, in order to maintain adequate reserves.

Parking Services staff has increased efficiency in recent years with the implementation of technology based tools such as license plate recognition, virtual permits, and *MKE Park*. These tools have also increased compliance.

Capital improvement funding for Parking projects total \$1.8 million. In 2021, the Parking Division will replace and modernize elevators at the 1000 N. Water St. parking structure, resurface several parking lots, and make ADA accessibility improvements at various sites.

In a collaborative effort with MMSD, Sixteenth Street Community Health Centers and Great Lakes Restoration, the Parking Division is redeveloping the surface parking lot and alley at 10th and Mitchell to improve stormwater management while creating a vibrant and active community space. In 2021, the Parking Division will continue to collaborate with MMSD on opportunities to improve stormwater management and green infrastructure at City parking lots and structures.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
-1	-1.00		Tow Lot Attendant	Reduce position due to restructuring operations
-8			Auxiliary Parking Enforcement Officers	Eliminate Auxiliary Position
-9	-1.00	0.00	Totals	

H. GRANT AND AID FUND

EXECUTIVE SUMMARY

OBJECTIVES: The Grant and Aid Fund provides expenditure authority for federal, state, and other grants whose proceeds are restricted to operating expenditures for specific purposes. Expenditures must comply with the grant and aid process established in city ordinances. Grants support the objectives and strategies of departments.

STRATEGIES: Manage changes in Community Development Block Grant (CDBG) and HOME funding, including potential changes in the allowable uses of CDBG funding.

Identify and obtain new grant funding sources.

Assist departments in identifying and applying for potential grant funding.

BUDGET SUMMARY

	2019 Actual <u>Expenditures</u>	2020 Adopted <u>Budget</u>	2021 Adopted <u>Budget</u>	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Grantor Share (Non-City)	\$41,361,644	\$94,946,990	\$51,347,144	\$-43,599,846
TOTAL	\$41,361,644	\$94,946,990	\$51,347,144	\$-43,599,846

The Grant and Aid Fund is a “parent” account that accumulates grant funds prior to allocation on a project-by-project basis during the fiscal year. In order to expend funds, the Common Council adopts a resolution that authorizes a specific project, creates a sub-account, and allocates specific funding from the “parent” account. The fund provides expenditure authority for both planned and potential or unanticipated grants.

OTHER SERVICE AND BUDGET CHANGES

The 2021 grant and aid budget is \$51.3 million, a \$43.6 million decrease from 2020. The primary reason for the significant decrease in grant funding is removing the \$50 million grant for the Democratic

National Convention. This was a one-time grant received in 2020 and is removed from the 2021 budget. Unanticipated grant funding remains at \$8 million. Grant funding by department is shown in Table 1.

Table 1

Comparison of Projected Grant Activity (Grantor Share)			
<u>Department</u>	<u>2020</u>	<u>2021</u>	<u>Difference</u>
Administration	\$22,632,747	\$22,629,031	\$-3,716
City Development	25,000	25,000	0
Fire	300,000	600,000	300,000
Health	9,095,624	14,324,031	5,228,407
Library	1,156,530	1,212,639	56,109
Police	1,417,089	2,241,443	824,354
Public Works	2,320,000	2,315,000	-5,000
Unanticipated	58,000,000	8,000,000	-50,000,000
Totals	\$94,946,990	\$51,347,144	\$-43,599,846

Community Development Grants Administration: The Community Development Grants Administration (CDGA) anticipates receiving approximately \$22.6 million in grant funds. This is approximately the same as in the 2020 budget. Anticipated funding for the Community Development Block Grant and the HOME grant are same in 2021 as in 2020, at \$15 million and \$5.2 million respectively. The only anticipated decrease is in the Continuum of Care grant, with a minimal decrease of \$3,716.

Department of City Development grant funding is \$25,000, with no change from the 2020 budget. The only grant anticipated in 2021 is the Arts Board grant.

Fire Department grant funding increases by \$300,000 (100%) to \$600,000 from 2020. The department anticipates receiving \$100,000 in a Special Teams/Emergency Management Funding grant, \$300,000 in the Assistance to Firefighters Grant, and \$200,000 in a Community Paramedics grant.

Health Department grant funding increases by \$5.2 million (57%) to \$14.3 million. There are decreases and increases to various grants. Among the larger changes is a \$506,373 Healthy Start grant, a \$3,466,667 increase in the Lead Hazard Reduction grant, a \$984,900 Wisconsin Lead Safe Homes grant, a \$200,000 increase in the Justice for Families violence prevention grant, a \$159,660 increase in the Preventive Health Grant, and a \$438,482 Sexually Transmitted Diseases grant.

In 2021, Library grant funding increases by \$56,109 (4.9%) from 2020. The Library receives two grants, the Interlibrary Loan Services grant (\$105,671) and the Talking Book and Braille Library grant (\$1,106,968). The majority of the increase is in the Talking Book and Braille Library grant, with anticipated funding increasing by \$53,388.

Police Department grant funding increases by \$824,354 (58%), increasing to \$2.2 million. The increase results from more anticipated funding in the Beat Patrol grant, the High Intensity Drug Trafficking Area grant, the ShotSpotter Expansion grant, and miscellaneous traffic safety grants.

In 2021, Department of Public Works grant funding is \$2.3 million, \$5,000 less than in 2020. The department anticipates receiving one grant, the State of Wisconsin Recycling grant.

Unanticipated grant funding is \$8 million. This is the same amount as provided in 2020, excluding the \$50 million provided for the federal grant supporting the Democratic National Convention.

Capital Grant Funding: In addition to operating grants, certain city departments, particularly the Department of Public Works, also receive significant grant funding for capital improvement projects. For information on capital grants, refer to the *Capital Improvements* section of the *2021 Plan and Budget Summary*.

I. ECONOMIC DEVELOPMENT FUND

EXECUTIVE SUMMARY

MISSION: Provide expenditure authority for economic development purposes.

OBJECTIVES: Promote development in commercial areas.

STRATEGIES: Provide owner financed development.

Work cooperatively with local businesses and residents to improve the appearance and vitality of commercial corridors and residential neighborhoods.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Business Improvement Districts	\$9,951,478	\$11,484,600	\$11,952,181	\$467,581
Excess TID Revenue	16,603	0	5,300,000	5,300,000
Total	\$9,968,081	\$11,484,600	\$17,252,181	\$5,767,581

STRATEGY IMPLEMENTATION

The Economic Development Fund supports the goal of increasing investment and economic vitality throughout the city. The 2021 budget for the Economic Development Fund is \$17.25 million. There is no tax levy impact in this fund. Revenue of \$17.25 million will be received from tax incremental districts and business improvement district assessments to finance budgeted expenses.

Business improvement districts (BIDs) are special assessment districts created at the petition of local commercial property owners. In accordance with section 66.608 of the Wisconsin Statutes, the city has established over 50 business improvement districts. Each year the BIDs work with the city to develop a plan and budget. This budget is the basis for an assessment charged to businesses in the BID area. Because the BIDs do not have taxing authority, the city collects the assessment on their behalf. Through an appropriation in the city budget, the city provides the dollars it collects to the BIDs.

In 2009, the city established its first neighborhood improvement district (NID). NIDs are districts with mixed use (residential and commercial) and multi-family or multi-unit housing. Districts are established and administered in accordance with section 66.1110 of the Wisconsin Statutes, to provide services and enhancements to the street and landscapes within the district.

SERVICES

There are 29 active BIDs and 7 active NIDs throughout Milwaukee; each is governed by a local board. Collectively, these BIDs and NIDs will raise over \$11.9 million in 2021 for activities ranging from economic development and administration to streetscaping and public safety. The following is a list of active BIDs and NIDs for 2021 and their corresponding budgets as well as budget authority for new potential BIDs and NIDs:

2021 Business Improvement Districts

BID #2 Historic Third Ward

BID #4 Historic Mitchell Street

BID #5 Westown

BID #8 Historic King Drive

BID #10 Near West Side

BID #11 Brady Street

BID #13 Oak & Loc

BID #15 Milwaukee Riverwalk

BID #16 Uptown Crossing

BID #19 Villard Avenue

BID #20 The East Side

BID #21 Milwaukee Downtown

BID #25 Riverworks

BID #26 Menomonee Valley

BID #27 West Burleigh Street

BID #28 North Avenue Gateway

BID #31 Havenwoods

BID #32 North Avenue Marketplace

BID #35 Kinnickinnic River

BID #37 30th Street Industrial Corridor

BID #38 Cesar Chavez Drive

BID #39 Center Street Market Place

BID #40 Gateway to Milwaukee

BID #41 Downer Avenue

BID #42 Schlitz Park

BID #43 South 27th Street

BID #48 Granville

BID #49 Reed Street Yards

BID #50 Cristol Corridor

BID #51 Harbor District

2021 Neighborhood Improvement Districts

NID #1 The Brewery

NID #3 Washington Park

NID #4 Sherman Park

NID #5 Heritage Heights

NID #6 Historic Garden Homes

NID #7 Harambee

NID #9 Havenwoods

J. WATER WORKS

EXECUTIVE SUMMARY

- MISSION:** Provide a safe and reliable supply of water to customers at a competitive price.
- OBJECTIVES:** Improve the utility's rate of return while maintaining a strong competitive position in the national and regional water market.
- Reliably treat, store, and distribute high quality water to all customers.
- Achieve 100% compliance with Safe Drinking Water Act standards.
- Minimize disruption to the water service of customers.
- STRATEGIES:** Invest in treatment plants and pumps to maintain reliable operation of the multiple barrier treatment process.
- Replace 20 miles of water main with the highest probability of failure in 2021.
- Market Milwaukee water to surrounding communities consistent with the Great Lakes Compact.
- Balance cost recovery and a manageable debt to equity ratio with affordable and reasonable rates.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
<u>Personnel</u>				
FTEs - Operations and Maintenance	396.37	401.49	403.38	1.89
FTEs - Other	20.05	20.43	21.54	1.11
Total Positions Authorized	430	436	439	3
<u>Expenditure Authorizations</u>				
Salaries and Wages	\$19,306,503	\$22,281,182	\$22,006,722	\$-274,460
Fringe Benefits	13,826,887	12,352,790	14,941,189	2,588,399
Operating Expenditures	51,095,275	56,306,700	56,831,700	525,000
Equipment	3,870,763	3,930,100	4,889,900	959,800
Special Funds	7,078,625	8,562,000	11,133,000	2,571,000
Total	\$95,178,053	\$103,432,772	\$109,802,511	\$6,369,739

CAPITAL BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Capital Budget				
Mains Program	\$27,324,455	\$32,760,000	\$35,860,000	\$3,100,000
Plants and Other	2,693,591	11,810,000	4,440,000	-7,370,000
Total Capital Budget	\$30,018,046	\$44,570,000	\$40,300,000	\$-4,270,000
Capital Financing				
Retained Earnings/Cash	\$29,988,843	\$4,458,228	\$0	\$-4,458,228
Bond Issue	0	40,101,772	40,290,000	188,228
Assessments	0	5,000	5,000	0
Developer Financed	29,203	5,000	5,000	0
Total Capital Financing	\$30,018,046	\$44,570,000	\$40,300,000	\$-4,270,000

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Revenues				
Operating	\$93,187,558	\$94,675,000	\$91,003,000	\$-3,672,000
Non-Operating	7,413,689	7,916,000	6,308,000	-1,608,000
Developer Capital and Assessments	29,203	10,000	10,000	0
Bond Issue	0	40,101,772	40,290,000	188,228
LSL Replacement- City Share	2,373,787	4,000,000	4,000,000	0
LSL Replacement- Special Assess	1,222,654	1,300,000	1,500,000	200,000
Withdrawal From Retained Earnings	50,958,051	4,458,228	6,991,511	2,533,283
Total Revenues	\$155,184,942	\$152,461,000	\$150,102,511	\$-2,358,489
Expenditure Authorizations				
Operating	\$95,178,053	\$103,432,772	\$109,802,511	\$6,369,739
Capital Funding	30,018,046	44,570,000	40,300,000	-4,270,000
Deposit To Retained Earnings	29,988,843	4,458,228	0	-4,458,228
Total Authorizations & Deposits	\$155,184,942	\$152,461,000	\$150,102,511	\$-2,358,489

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Increase investment and economic vitality throughout the city.
 - Ensure the quality and safety of drinking water supply.
 - Maintain a regular and effective replacement cycle for water mains.
 - Maintain competitive rates and generate an appropriate rate of return for the utility.
 - Ensure the treatment and distribution system’s capacity to accommodate changes in customer water usage allowing downsizing to meet reduced demands as well as growth.

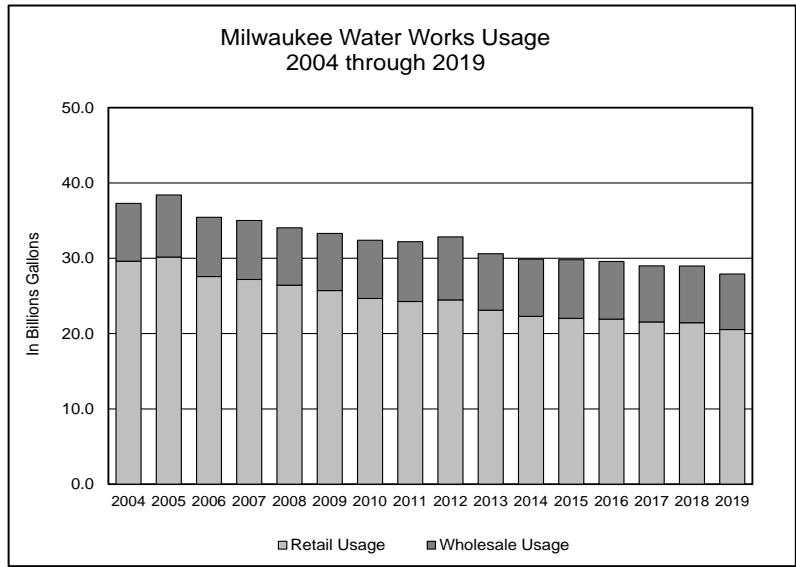
A safe, reliable supply of water is critical to public health and economic development. Milwaukee’s advanced multi-barrier treatment process, which includes ozone disinfection, provides some of the cleanest water in the country. The Great Lakes are the world’s largest source of fresh water and Milwaukee’s proximity to Lake Michigan gives it an

economic advantage. A sustainable drinking water supply supports industries and promotes long term business and residential growth.

The Milwaukee Water Works (MWW) is a municipally owned water utility regulated by the Wisconsin Public Service Commission (PSC) and the Wisconsin Department of Natural Resources (DNR). From its Howard Avenue and Linnwood water treatment plants, MWW pumps and treats water from Lake Michigan for distribution throughout the area. It delivers this water through 1,960 miles of mains to approximately 863,000 customers in the City of Milwaukee and 15 suburbs.

Through October 2020, water consumption this year has decreased by 2.2% or 509 million gallons compared to the same period in 2019. Revenue through October 2020 increased by 0.9% compared to the same period in 2019, as a result of a 3% rate increase put into effect in September 2019. From 2004 to 2019, total annual water consumption fell by nearly 9.4 billion gallons or 25.1%, reflecting national trends. Increased water efficiency, slower population growth, and a changing industrial customer base have reduced water sales for utilities nationwide. Figure 1 shows retail and wholesale water sales since 2004.

Figure 1



Consumption decreases, however, do not proportionally decrease the cost for electricity, chemicals, and construction and maintenance of the water distribution system. Despite the decrease in consumption, from 2010 through 2014 electricity costs for the utility increased to over \$6,000,000 per year. From 2014 to 2019, Milwaukee Water Works has reduced electricity costs by over \$1,000,000, a 17% reduction. The implementation of peak hour plans at some facilities in 2016 has reaped benefits in terms of reduced energy usage and cost, and the replacement of oversized pumps in 2019 and in 2020 will also help control energy costs.

RATES

The utility’s cost structure directly affects water rates. Water rates are based on a rate of return established by the PSC. The rate formula allows the utility to recover operating costs and make investments in the upkeep of the treatment and distribution system. Continuing decreases in the volume of water sold have reduced revenue growth and put pressure on MWW to control spending and increase rates.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Rank of highest rate for 1 ccf of water residential customer among class AB utilities in the seven county metro area.	24 of 27	24 of 27	22 of 27
Rate of return.	4.47%	3.64%	2.55%
Percent of days in full compliance with water quality parameters of the Safe Drinking Water Act.	100%	100%	100%
Main breaks.	553	373	454

In 2021, Milwaukee Water Works anticipates recovering approximately \$91 million of revenue through fees for water service, in addition to \$6.3 million of non-operating revenue. In 2021, the average single family residential customer will pay approximately \$240.60 for a full year of water service. In 2021, the department will seek approval for a conventional rate increase made necessary by increasing costs related to treatment plant updates, main replacement, service line replacement, and cross connection inspections.

Milwaukee Water Works provides reliable, high quality water at competitive rates for residential, commercial and industrial customers. Rates for high volume industrial customers remain the second lowest among the 90 largest U.S. water utilities, and the lowest in southeastern Wisconsin. MWW's three tiered declining block structure for large industrial customers decreases the cost per gallon with increased consumption.

QUALITY AND RELIABILITY

In 2019, the department achieved its goal of providing safe, high quality drinking water and fully complied with the Safe Drinking Water Act all 365 days. Beyond that, Water Works received the Director's award for participation in the Partnership for Safe Water, which requires stringent evaluation of metrics to optimize the distribution system.

Water Works capital budget emphasizes funding for water main replacements, essential to the system's long term sustainability and the mission of providing high quality, healthy drinking water to its customers. The Capital Improvements Committee and Public Service Commission have endorsed this approach. As of July 31, 2020, 6.4 miles of water mains have been installed, 4.5 miles are under contract, and an additional 9.1 miles are designed and will be advertised for contract by October 31, 2020. While every effort has been made to reach a replacement goal of 20 miles in 2020, the COVID-19 pandemic has inhibited Water Works from reaching that goal. Staff and management resources were required to implement safety protocols with a focus on protecting health and safety. Progress on design, contracting, and construction was slowed by work force unavailability due to illness and child care needs.

RESIZE, RESTRUCTURE, AND REINVEST

The 2021 Water Works capital budget provides \$35.9 million for 20 miles of water main replacement. The main replacement program goal remains 20 miles per year in 2021, due to a mandate from the Wisconsin Public Service Commission (PSC) requiring 20 miles of main replaced per year for the indefinite future. This level of main replacement provides for a 100 year replacement cycle. The 2021 budget for main replacement includes \$3 million for construction of the supply main and the discharge main that will serve the City of Waukesha. Other segments of water main are selected for replacement using risk based prioritization that analyzes the probability and consequence of failure for each segment. Variables include the history of breaks, the remaining useful life, and the location of critical users. The primary goal of the main replacement program is to ensure uninterrupted service delivery to all customers. In 2018, the main replacement program began replacing lead service lines that are connected to mains that are being replaced. MWW estimates 550 lead service lines will be replaced in conjunction with the 2021 main replacement program.

In 2019, Water Works crews began replacing the utility owned portion of lead service lines in emergency situations to return water service to customers in a cost effective and timely manner. This initiative is continuing to be refined, and is expected to reduce ratepayer-funded costs for lead service line replacement and simplify billing and administration of the lead service line replacement program. Water Works crews are not permitted to perform work on private property, therefore these crews are limited to replacing only the utility owned portion of the lead service line. MWW will utilize its crews to replace the utility owned portion when leaks are reported that require immediate attention, reducing the time customers are out of service. Water filter pitchers are provided to every lead service line replacement customer to reduce the risk of lead exposure from water during and after the replacement project.

The 2021 budget includes \$4.4 million for improvements to Milwaukee Water Works plants, pumping and storage facilities. At the Linnwood treatment plant, engineering analysis and design will be performed for improvement to

the revetment wall due to increasing Lake Michigan levels and frequency and severity of high wind events. At the Howard Ave water treatment plant, a multi-year upgrade of the filter beds will begin in 2021.

Milwaukee Water Works has the capacity to annually treat, pump, and distribute 131.4 billion gallons of water. In 2019, just under 28 billion gallons were consumed by customers, meaning that just 21% of Water Works' capacity was utilized. Much of MWW's pumping and treatment infrastructure was optimized for greater levels of demand and consumption. Water Works engineering and plants divisions continue identifying initiatives to optimize treatment and pumping operations for the current level of demand in order to streamline operations and control future ratepayer costs.

Milwaukee Water Works found that in 2019 the percent of "lost water" reached 21%. There are a number of potential causes being examined including leaking pipes, excess lost water from hydrant flushing, and malfunctioning meters or valves. MWW is reviewing known data to identify additional causes for unaccounted water loss. In 2018, Water Works tasked a crew with going into the field to physically inspect various components of the distribution system to identify sources of lost water. Since beginning its work in March 2018, the leak detection team has as of July 31, 2020 discovered 116 leaking hydrants, 4 leaking main and hydrant valves, 43 main breaks, and 26 service line leaks. The majority of these leaks were not visible from the surface, and would have continued to lose water if not for this proactive effort to address the lost water issue. This effort is estimated to have saved rate-payers up to \$615,000 in water production costs alone. MWW is continuing to systematically inspect these components to ensure leaks are detected and repaired.

Milwaukee Water Works will continue lead service line replacement in 2021. The 2021 budget includes funding to replace 1,100 lead service lines. Replacement of lead service lines is required when a lead service line has failed or is found to be leaking or a main connected to the service line is scheduled for replacement. Any child care facility in the city of Milwaukee at a property with a lead service line is able to have the service line replaced at no cost to the property owner. In 2017, 622 replacements were completed, of which 150 were child care facilities and schools. In 2018, 933 lead service lines were replaced, with 204 of those being child care facilities. In 2019, 1,002 service lines were replaced, with 129 of those being child care facilities. As of the end of August 2020, 422 service lines were replaced, with the year-end projected to reach 800. Water Works' goal of replacing 1,100 lead service lines in 2020 was inhibited by the COVID-19 pandemic due to the number of contractors, inspectors, and technicians required to enter a property for the replacement. To promote health and safety guidelines by health officials, Water Works prioritized work at vacant properties until enough information was available to prepare COVID-19 protocols. The cost of replacing the utility owned portion of a lead service line is paid for by ratepayers through the Water Works operating budget. The average cost to replace the utility owned portion of a lead service line is estimated to be \$5,600 in 2021. The average cost of replacing the privately owned portion of a lead service line is estimated to be \$5,700. The cost of replacing the privately owned portion of a lead service line serving a child care facility is fully paid for by the City, and eligible residential properties pay a maximum contribution of \$1,754 as of March 1, 2020 to have their service line replaced. The City Clerk annually adjusts the maximum contribution for eligible residential properties on March 1.

Replacement of the privately owned portion of lead service lines in 2021 is funded by \$4 million of levy supported City capital funds, and \$1.5 million of special assessments of property owners. In spring 2020, The Wisconsin Department of Natural Resource (WDNR) announced available funding in principal forgiveness of Safe Drinking Water Loan Funding for the privately owned lead service line replacements. Milwaukee is expected to be eligible for up to \$15 million over the anticipated three year period to offset the levy supported City capital funding needs.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
1	1.00		Water IT Supervisor	Enhanced IT management and staff realignment
-1	-1.00		Programmer Analyst	Reclassification
1	1.00		Data Base Associate	
-6	-6.00		Water Treatment Plant Operator	Reclassification
6	6.00		Sr. Water Treatment Plant Operator	
1	1.00		Civil Engineer II	Position needed to assist with compliance with PSC mandate of replacing 20 miles of water main each year
-1	-1.00		Engineering Drafting Technician II	Reorganization of job duties
1	1.00		Engineering Drafting Technician IV	
1	1.00		Water Repair Worker	To expand the water leak detection team to allow for a full system leak survey in one year
	-1.11	1.11	Various Engineering Staff	Increase to Capital Salary Deduction
3	1.89	1.11	Totals	

K. SEWER MAINTENANCE FUND

EXECUTIVE SUMMARY

- MISSION:** Protect people, property, and the environment from sewage, flooding, erosion, and polluted runoff.
- OBJECTIVES:** Improve surface water quality by eliminating sanitary sewer overflows and addressing nonpoint pollution sources.
- Reduce the risk of property damage due to flooding and basement backups.
- STRATEGIES:** Maintain a 90 year or better sewer replacement cycle.
- Reduce stormwater infiltration and inflow into the sanitary sewer system.
- Design and install green infrastructure facilities, such as bioretention beds and permeable pavements to help reduce pollutants in waterways.
- Conduct projects for private lateral rehabilitation on private property to assess its effectiveness at reducing infiltration and inflow into sanitary basins that the Milwaukee Metropolitan Sewerage District has stipulated for correction.
- Develop and implement a capacity, management, operations and maintenance program to govern operations.

BUDGET SUMMARY

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Personnel				
FTEs - Operations & Maintenance	81.31	101.30	108.30	7.00
FTEs - Other	12.26	13.00	15.70	2.70
Total Positions Authorized	147	148	156	8
Expenditures				
Salaries and Wages	\$4,060,116	\$4,539,762	\$5,046,407	\$506,645
Fringe Benefits	3,045,087	3,404,822	3,784,806	379,984
Operating Expenditures	5,821,890	7,053,000	6,381,748	-671,252
Equipment	637,157	1,061,000	993,000	-68,000
Special Funds	34,948,938	57,286,594	58,398,298	1,111,704
O&M Total	\$48,513,188	\$73,345,178	\$74,604,259	\$1,259,081
Capital Projects	\$40,595,952	\$34,150,000	\$40,350,000	\$6,200,000
Deposit to Retained Earnings	23,235,161	0	0	0
Total	\$112,344,301	\$107,495,178	\$114,954,259	\$7,459,081
Revenues				
Sewer Maintenance Fee	\$31,045,624	\$32,371,573	\$33,258,160	\$886,587
Stormwater Management Fee	35,778,984	37,118,714	38,809,680	1,690,966
Charges for Services	1,224,656	1,706,600	1,688,200	-18,400
Interest Revenue	355,857	185,200	144,300	-40,900
Miscellaneous Revenue	0	0	0	0
Developer Financed	0	0	1,000,000	1,000,000
Proceeds from Borrowing	36,063,877	29,300,000	34,500,000	5,200,000
Grant and Aid	3,490,606	3,650,000	3,650,000	0
Assessable	0	0	0	0
Withdrawal from Retained Earnings	4,384,697	3,163,091	1,903,919	-1,259,172
Total	\$112,344,301	\$107,495,178	\$114,954,259	\$7,459,081

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

1. Sustain, enhance, and promote Milwaukee’s natural environmental assets.
 - Improve surface water quality by eliminating sanitary sewer overflows and addressing nonpoint pollution sources.
 - Reduce the risk of property damage due to flooding and basement backups.

A sewer system’s core purpose is to deliver all sanitary sewer flows to treatment plants, minimize surface flooding, and reduce the risk of basement backups in homes. The city maintains a system of 2,461 miles of public sewers, which connect to hundreds of miles of privately owned sewer laterals and the Milwaukee Metropolitan Sewerage District (MMSD) system. The system transports sanitary sewage to MMSD facilities for treatment. By treating wastewater before returning it to rivers and Lake Michigan, the sewerage system reduces the risk of waterborne illnesses and protects water quality. The sewer system also plays a key role in protecting property by mitigating flooding.

The regional sewer system contributes to the goal of sustaining, enhancing and promoting Milwaukee’s natural environmental assets. The integrated nature of the region’s systems requires coordinated management strategies across various stakeholders. Milwaukee’s regional sewer system operates more effectively than systems in other major Great Lakes cities, as measured by the number of annual sewer overflows. However, leaky sewers and private laterals, coupled with the increasing frequency of large storms, present challenges to the regional sewer system. During large storms, excess stormwater can overwhelm the sanitary sewer system and result in sanitary sewer overflows (SSOs) and/or basement backups.

Key Performance Measures	2019 Actual	2020 Projected	2021 Planned
Sanitary sewer overflows	1	0	0
Number of basement backups reported	30	22	22
Miles of sewers replaced or relined	28	32	32

STRATEGY IMPLEMENTATION

Replacing and lining sewers is a critical aspect of maintaining the sewer system and reducing the amount of rainwater that enters the sanitary sewer system. In order to minimize sanitary sewer overflows the city aims for a sewer replacement cycle of 90 years, which requires annually replacing or lining 27 miles of sewer main. Since 2011, the city has averaged replacing or lining 37 miles annually, over 35% above the required replacement rate. Figure 1 shows the recent history of replacing and lining sewers. The 2021 capital budget includes \$25 million to replace and line 10 miles of medium to large diameter combined, storm and sanitary sewer mains and an additional \$2 million to line 11 miles of small diameter sanitary sewer main and inspect sanitary sewer manholes. This work will target sewer sheds with the highest levels of infiltration and inflow and the greatest risk of basement backups.

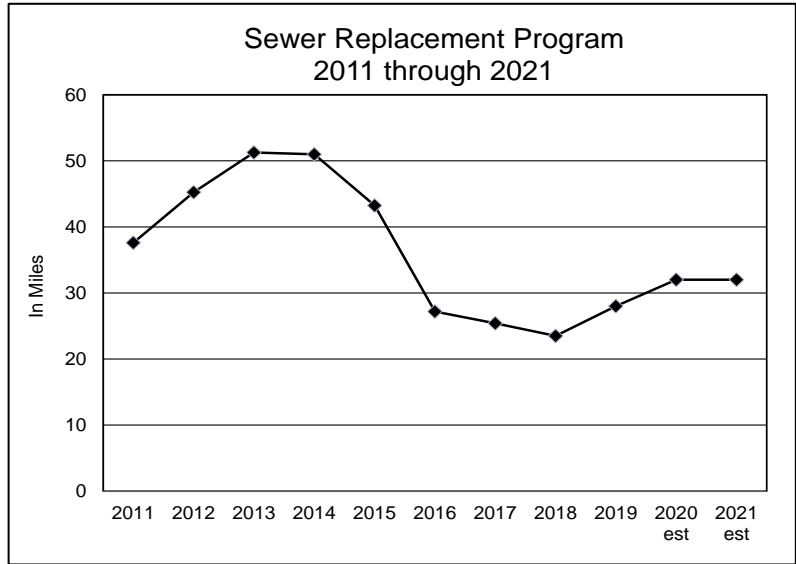
Leaky sewer laterals located on private property are a major contributor to infiltration and inflow (I&I). Private property sources account for between 60% and 80% of the clear water that enters sanitary sewer systems. Since 2011, the city has completed several projects to address private property I&I. The department compares flows from before and after projects are completed to determine effectiveness. Analysis indicates approximately a 30% to 40% reduction of I&I in the project areas, depending on location and rehabilitation methods utilized.

In 2021, the department plans a neighborhood lateral lining project to reduce I&I from private property. The 2021 capital budget includes an estimated \$1.65 million in grants from MMSD for work on private property.

Even as DPW and MMSD phase in larger system improvements, extremely large storms will trigger the system’s bypass pumps to discharge effluent from the system to reduce the risk of basement backups in residents’ homes. The 2021 capital budget includes \$500,000 for rehabilitation of two bypass pumps and maintenance and replacement of electrical equipment. Bypass pumps play a critical role in reducing the risk of basement backups.

Green infrastructure is a strategy to manage stormwater where it falls, and improve water quality by using natural processes. These projects reduce total suspended solids (TSS) and phosphorus and help meet the water quality requirements of the Total Maximum Daily Loads (TMDLs). TMDL levels have been established by MMSD in conjunction with the Wisconsin Department of Natural Resources (DNR). The implementation plan and timeline for meeting the TMDLs will be evaluated now that the Environmental Protection Agency has approved the TMDLs. The 2021 capital budget includes \$2.8 million, of which \$2 million is grant funding from MMSD, for the installation of bioretention facilities and other green infrastructure projects in conjunction with street repair projects.

Figure 1



RESIZE, RESTRUCTURE, AND REINVEST

Downspout Disconnection Program: The downspout disconnection program began in 2019. The program is in response to MMSD’s revised regulations that require residential parcels that contain up to four units to disconnect their downspouts from the combined sewer system by January 1, 2025. The program affects approximately 50,000 residential properties. The program will be completed in 2024 and cost approximately \$7.2 million. The 2021 capital budget includes \$1.2 million for the program.

Stormwater Management Fee: The 2021 stormwater management fee per quarter per equivalent residential unit (ERU) will increase 4%, from \$22.30 to \$23.19. The annual impact on the typical residential user will increase \$3.56 from \$89.20 to \$92.76. In 2021, this will generate \$38.8 million. Charges for all one to four unit residential properties are one ERU per quarter. Charges for other properties are determined based on their impervious surface (one ERU is equivalent to 1,610 square feet of impervious surface). Regular rate increases are necessary to fund increased investment in private property work and debt service related to the improved replacement cycle.

Local Sewerage Charge: The 2021 local sewerage charge rate per 100 cubic feet of water (CCF) per quarter will increase 4%, or \$0.06, from \$1.53 to \$1.59 per CCF, resulting in an increase of \$1.01 from \$25.18 to \$26.19 per quarter. The annual impact on the typical residential user will increase \$4.04 from \$100.72 to \$104.76. This will generate \$33.3 million in 2021.

Payment to the General Fund: The Sewer Maintenance Fund makes an annual transfer to the general fund to pay for all tree care costs and pension payments associated with street sweeping, leaf collection, brush collection, and pruning services provided by the Department of Public Works Operations Division. Street trees reduce stormwater flows by absorbing water through their root system. The 2021 budget will transfer \$24.4 million. An additional \$3 million transfer to the capital fund will support tree planting and stump removal, the emerald ash borer prevention

program, hazardous tree removal, the environmental remediation program, concealed irrigation on city boulevards, and flood mitigation enhancements at local bridges.

Capital Financing: In the 2021 capital budget, the city will cash finance \$1.2 million in sewer capital to improve fund sustainability. This cash financing will cover the pump replacement projects, salary, and fringe benefits associated with the design and project management of sewer capital projects and manhole inspection projects.

Debt Fund Transfer: The 2021 budget includes an approximate \$1 million transfer from the Sewer Maintenance Fund to the debt fund for sewer related general obligation debt service.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents' (FTEs) as follows:

Positions	O&M FTEs	Non-O&M FTEs	Position Title	Reason
4	4.00		Sewer Crew Leader I	Positions shifting from DPW to Sewer
4	4.00		Sewer Laborer I	Positions shifting from DPW to Sewer
	-1.00	2.70	Various salary changes	Various salary changes
8	7.00	2.70	Totals	

M. COUNTY DELINQUENT TAX FUND

EXECUTIVE SUMMARY

- MISSION:** Provide appropriation authority to purchase County of Milwaukee delinquent property taxes.
- OBJECTIVES:** Provide a funding mechanism to purchase delinquent county property taxes without affecting the city's tax levy.
- STRATEGIES:** Return tax delinquent properties to the tax roll and increase future city revenue.

SUMMARY OF EXPENDITURES

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
Purchase of Delinquent County Taxes	\$7,828,257	\$8,000,000	\$8,000,000	\$0
Total	\$7,828,257	\$8,000,000	\$8,000,000	\$0

SOURCE OF FUNDS

	2019 Actual Expenditures	2020 Adopted Budget	2021 Adopted Budget	Change 2021 Adopted Budget Versus 2020 Adopted Budget
County Delinquent Taxes Collected	\$7,828,257	\$8,000,000	\$8,000,000	\$0
Total	\$7,828,257	\$8,000,000	\$8,000,000	\$0

In accordance with s. 74.83 Wis. Stats., the City of Milwaukee is authorized to enter into an agreement with the County of Milwaukee to purchase county delinquent personal property taxes and real estate tax certificates. The initial agreement was executed in December 1987.

The authority to collect county delinquent property taxes enables the City Treasurer to consolidate the collection of delinquent taxes. Consolidation of the delinquent taxes provides a more efficient and effective tax collection administration by eliminating the burden of duplicate collections by the city and county.

The city purchases the county's delinquent personal property and real estate taxes at the close of the current tax collection period each February. In addition, the city also purchases the county's real estate taxes that become delinquent during the installment collection cycle each month. The city acquires an asset, delinquent county property taxes receivable, and generates revenue by keeping the interest and penalty charges collected on the delinquent taxes outstanding.

This account is the city's mechanism to purchase the county's delinquent property taxes. It is related to other delinquent tax collection efforts in the city debt budget.

II. BORROWING AUTHORIZATIONS

General Obligation Bonds or Short Term Notes

**New 2021
Authority**

A. Renewal and Development Projects		
1. For providing financial assistance to blight elimination, slum clearance, redevelopment and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335, 66.1337, and 66.1105. MEDC Loan Program.		
Subtotal Renewal and Development Projects.		\$4,675,000
B. Public Improvements		
1. Public buildings for housing machinery and equipment.		\$14,307,800
2. Harbor improvements.		675,000
3. Parking facility improvements.		1,800,000
4. All Fire borrowing.		1,800,000
5. All Police borrowing.		6,337,500
6. Bridge and viaduct.		5,835,000
7. Sewage disposal, sewer improvement, and construction.		0
8. Street improvements and construction.		36,456,000
9. Parks and public grounds.		300,000
10. Library improvements authorized under section 229.11 and 229.17.		1,680,000
11. Rubbish.		6,700,000
12. Water Infrastructure.		4,000,000
Subtotal General Obligation Bonds or Short Term Notes (Sections A and B).		\$84,566,300
C. Contingent Borrowing		
Borrowing for a public purpose not contemplated at the time the budget was adopted.		
Contingent borrowing.		\$200,000,000
Subtotal General Obligation Bonds or Short Term Notes.		\$200,000,000
D. School Board Borrowing		
1. School purposes (1).		\$2,000,000
Subtotal General Obligation Bonds or Short Term Notes.		\$2,000,000
E. Borrowing for Special Assessments		
1. To finance public improvements in anticipation of special assessments levied against property.		
2. General city.		
3. Water Infrastructure.		0
Subtotal General Obligation Bonds or Local Improvements Bonds.		\$0
F. Tax Incremental Districts		
1. For paying project costs in accordance with project plans for Tax Incremental Districts.		\$25,000,000
Subtotal General Obligation Bonds, Short Term Notes, or Revenue Bonds.		\$25,000,000
G. Borrowing for Delinquent Taxes		
To finance general city purposes for anticipated delinquent taxes.		\$37,000,000
Subtotal General Obligation Bonds or Short Term Notes.		\$37,000,000
H. Revenue Anticipation Borrowing		
To borrow in anticipation of revenue in accordance with Section 67.12 of the Wisconsin State Statutes.		\$400,000,000
Subtotal General Obligation Bonds or Short Term Notes.		\$400,000,000
I. Water Works Borrowing		
Water Works mortgage revenue bonds or general obligation bonds.		\$40,290,000
Subtotal Revenue Bonds or General Obligation Bonds.		\$40,290,000
J. Sewer Maintenance Fund Borrowing		
Sewer Maintenance Fund revenue bonds or general obligation bonds.		\$34,500,000
Subtotal Revenue Bonds or General Obligation Bonds.		\$34,500,000
Total General Obligation Bonds or Short Term Notes		\$823,356,300

(1) Design plans for any alteration to building exteriors and interiors shall be reviewed and approved by the city.

III. CLARIFICATION OF INTENT

Employee Fringe Benefits

Employee fringe benefit costs are allocated to operating and capital budgets on an estimated basis for informational purposes only. Such estimated expenditures are 100% appropriation offset for operating budgets and 100% revenue offset for the capital budget to avoid any impact on the city's tax levy. Actual fringe benefit costs, such as health care benefits, life insurance, and pensions, are budgeted separately in non-departmental accounts, which are funded from the property tax levy.

The amount included in each departmental (or budgetary control unit) operating budget on the line entitled "Estimated Employee Fringe Benefits" is subject to adjustment by unilateral action of the City Comptroller, during the budget year, if the actual rate charged against salaries paid is at variance with the estimated rate used in calculating the budgeted amount.

Departmental Salary Appropriations

Department net salary and wage appropriations reflect current wage rates and expenditures and are limited to these amounts. Funding of future salary increases is provided in the Wages Supplement Fund.

Footnotes

Section 18-06-12 of the Milwaukee City Charter states that the adoption of the budget shall be the authority for the expenditure by a department for the purposes therein provided and of the amounts assigned to the department thereby and no further action by the Common Council shall be necessary to authorize any department to make such expenditures. The City Attorney has advised that footnotes contained in the line item budget are informational only and not controlling over expenditures unless a corresponding resolution specifying the footnote's intent is also adopted by the Common Council.

**POSITIONS ORDINANCE AND
SALARY ORDINANCE**

The Positions Ordinance and the Salary Ordinance for the city may be obtained from the City Clerk's Office upon request, or on the City Clerk's website. They have not been included in this publication.

TAX LEVY TO RATE CONVERSION TABLE

Assessed Value Used in Conversion Calculation as of December 22, 2020: \$29,685,041,104

Tax Rate Per \$1,000 of Assessed Valuation	<u>Levy Change</u>	<u>Levy Change</u>	Tax Rate Per \$1,000 of Assessed Valuation
\$0.01	\$296,850	\$5,000	\$0.00
\$0.05	\$1,484,252	\$10,000	\$0.00
\$0.10	\$2,968,504	\$50,000	\$0.00
\$0.25	\$7,421,260	\$100,000	\$0.00
\$0.50	\$14,842,521	\$500,000	\$0.02
\$1.00	\$29,685,041	\$1,000,000	\$0.03

Formula for deriving tax rate per \$1,000 of assessed value from known assessed value and levy:

$$\text{TAX RATE} = \frac{\text{TAX LEVY}}{\text{ASSESSED VALUE}/1,000}$$

Formula for deriving levy from known rate and assessed value:

$$\text{TAX LEVY} = \text{TAX RATE} \times (\text{ASSESSED VALUE}/1,000)$$

Formula for deriving assessed value from known rate and levy:

$$\text{ASSESSED VALUE} = (\text{TAX LEVY}/\text{TAX RATE}) \times 1,000$$

Note: Results are Approximate Due to Rounding