

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

Executive Summary: 2008 Proposed Budget – Department of Neighborhood Services

1. **Department Services:** Department activities include Nuisance Control Services, Neighborhood Improvement Services, Trades and Commercial Inspection Services and Vacant Lot Maintenance. **(Pages 2 & 3)**
2. **Personnel:** The 2008 Proposed Budget for Net Salaries and Wages is \$8,051,259, an increase of \$124,864 (1.6%), from the \$7,926,395 funded in the 2007 Budget. The 2008 Proposed Budget contains 228 positions, the same as in the 2007 Budget. There are 171.08 O&M FTEs, compared to 167.58 in the 2007 Budget, an increase of 3.5 (2.1%). There are 35.5 non-O&M FTEs, compared to 39 in the 2007 Budget, a decrease of 3.5 (9%). **(Page 4)**
3. **Operating Expenditures:** The 2008 Proposed Budget for Operating Expenditures is \$810,895, an increase of \$40,740 (5.3%), from the \$770,155 funded in the 2007 Budget. **(Page 4)**
4. **Equipment Purchases:** There is \$40,756 in the 2008 Proposed Budget for Network Hardware and Software. This is a \$19,044 (32%) decrease from the \$59,800 in the 2007 Budget. **(Page 5)**
5. **Special Funds:** In the 2008 Proposed Budget, Special Funds provide \$1,824,000, an increase of \$100,000 (5.8%), from the \$1,724,000 in the 2007 Budget. **(Page 5)**
6. **Grants:** The 2008 Proposed Budget provides an estimate of \$1,891,351 in grant funding, a decrease of \$123,726 (6.1%) from the 2007 Budget funding of \$2,015,077. **(Pages 5 & 6)**
7. **Revenue:** Estimated revenue in the 2008 Proposed Budget is \$14,635,700, an increase of \$1,005,000 (7.4%) from the 2007 estimate of \$13,630,700. **(Page 6)**
8. **Special Purpose Accounts:** Special Purpose Accounts are funded at \$1,321,000 in the 2008 Proposed Budget, a decrease of \$596,735 (31%) from \$1,917,735 in the 2007 Budget. **(Pages 7 & 8)**

RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

2008 Proposed Budget: Department of Neighborhood Services (DNS)

	2006 Actual	2007 Budget	% Change	2008 Proposed	% Change
Operating	\$14,013,670	\$13,809,436	-1.5%	\$14,027,926	1.6%
O&M Positions	167.58	167.58	0%	171.08	2.1%
Non-O&M Positions	39	39	0%	35.5	-9%
Positions	228	228	0%	228	0%

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

Historical Information

1. In November of 2004, the capability for citizens to make requests for service online and for the City Clerk's Office and Mayor's Office to send requests via their Contrack system was made available by DNS. As of June 30, 2007, 14.3% of requests are made using these computerized systems. The cost for outside contractors for this project was \$71,000.
2. In 2006, DNS implemented an E-Notify by Location Initiative. The city's E-Notify system is available to anyone with access to the internet and an e-mail account. DNS made it possible for users to enter individual property addresses and/or a geographic range around a property and receive e-mail notification when there are permits, violations, service requests or recorded ownership changes at the identified properties. This can help landlords, community groups, residents and others monitor their properties and their neighborhoods. The cost for outside contractors for this project was \$4,900.
3. Water Works uses DNS staff to provide cross connection inspections of drinking water for commercial buildings as required by the State of Wisconsin Administrative Regulations. This is known as the Cross Connection Control Program. Since 2005 DNS has been adding staff for these inspections and as of the 2007 budget, it has a total staff of 9 for this program including 6 Plumbing Inspectors. Additional staffing is not expected. Water Works reimburses DNS for all program costs for this program. In 2006, the total reimbursed was \$309,293.
4. The Vacant Lot Maintenance Special Purpose Account was established in the 2006 Budget. The account pays for the tax-levy supported costs of maintenance for city owned vacant lots, which includes grass cutting, snow, trash and debris removal. This service had been partially funded as a grant by CDBG. Because federal guidelines mandates that grant funds can only be used for maintenance activities following the acquisition of property for a maximum of the first three years, it was estimated that 10% of City owned vacant lots meet this criteria. Therefore, 10% of the costs for maintenance of city owned vacant lots are paid by the CDBG funds and 90% from the Vacant Lot Maintenance Special Purpose Account.

5. In the 2007 Budget, \$237,256 of \$267,256 (88.8%) of the funding from the Community Sanitation Special Fund was transferred to the Department of Public Works (DPW) to fund the abatement of non-City lots with garbage/debris nuisances. In addition, \$115,000 of \$711,735 (16.2%) from the Vacant Lot Maintenance Special Purpose Account was transferred to DPW to cover the costs of garbage/debris nuisances of City-owned vacant lots. Beginning in 2007, DNS has referred all nuisance garbage violations to DPW for abatement.
6. In the 2007 Budget, the Neighborhood Clean and Green Initiative Special Purpose Account was eliminated with the funds transferred to DPW and DNS. A total of \$10,000 was transferred to the DNS Community Sanitation Fund and \$75,000 to DPW for continued use in funding neighborhood cleanliness activities.
7. In 2007, \$10,000 was spent to allow DNS management to track Inspectors using GPS technology embedded in Inspectors' cellular phones. The goal was to determine if this technology can assist in identifying methods of improving the productivity of Inspectors. It also increases the ability to provide for Inspectors' safety. DNS is currently using GPS cell phones to track Inspectors' activities in the field utilizing 28 GPS phones. DNS plans to complete an assessment of the GPS cell phones in early 2008.
8. On July 31, 2007, in Common Council File Number 070485, 23 DNS positions were approved for reclassification and pay increases. These were various managerial and supervisory positions that had been awaiting reclassification for a number of years. The total increase in costs for these reclassifications is \$26,000 for the remainder of 2007 and \$72,000 annually.

Department Services

DNS has received over 30,000 complaints or requests for service annually since 1999. The top complaints relate to garbage, graffiti, building conditions, vehicles, zoning, and animals. The primary service goal of DNS is to respond to complaints within 14 days. In 2006 the average was 8.8 days and through July of 2007 it was 7.2 days. Total complaints for the past 5 years are presented below.

2003	2004	2005	2006	2007 (as of July 30)
31,566	31,116	34,241	34,241	20,462

The following are the primary services provided by the department:

2008 Change in Services - Vacant Lot Maintenance – These services include grass cutting, snow removal and other maintenance activities on city-owned vacant lots. There are approximately 3,100 vacant lots for which DNS has been responsible for maintenance.

The 2008 Proposed Budget transfers these vacant lot maintenance responsibilities from DNS to the DPW Operations Division. This includes transferring two positions, CDBG funding and funding in a Special Purpose Account. A total funding of \$822,850 will transfer from DNS to DPW.

Nuisance Control Services – These services include animal control, pest control, rodent control, chronic nuisance properties, nuisance vehicles and environmental health.

Animal Control: DNS continues to investigate domestic animal bites and enforce all domestic animal control ordinances. The number of domestic animal bites investigated by the department in 2006 was 590. As of 7/31/07, the total was 350.

Nuisance Vehicles: The nuisance orders issued and vehicles towed for the past 5 years are presented in the table below. As can be seen, the vast majority of citizens comply once an order is issued.

	2003	2004	2005	2006	2007 (as of 8/3/07)
Orders Issued	5,663	3,245	2,752	2,258	1,017
Vehicles Towed by City	443	240	242	132	55
Percentage of Vehicles Towed by City	7.8%	7.4%	8.9%	5.8%	5.4%

Chronic Nuisance Property Code: DNS collects charges made against chronic nuisance properties. In 2006, chronic nuisance charges for the Police Department were \$24,866. This amount represents police cost to provide the services and the DNS administrative fee of \$25 per case.

Code Enforcement – These services include residential code enforcement, Code Compliance Program, court enforcement and graffiti abatement.

Residential Code Enforcement: In 2006, there were 16,309 complaints relating to residential code enforcement and 16,566 cases closed. There were 23,220 orders issued and 23,432 orders closed.

Court Enforcement: In 2006, there were a total of 2,651 municipal court cases, 1,736 as the result of summons and complaints (non-compliance of orders) and 915 as a result of citations issued.

Graffiti Abatement: In 2006, there were 5,184 requests for services. However, each request actually represents multiple incidences of graffiti requiring removal.

Trades and Commercial Inspection Services – These services include construction, electrical, boiler, elevator, plumbing and commercial code enforcement as well as fire prevention.

Commercial and Trades Code Enforcement: In 2006, there was a total of 2,936 related requests for service with 2,928 cases closed. There were 12,431 orders issued and 12,815 orders closed.

2008 Proposed Budget

The 2008 Proposed Budget for DNS is \$14,027,926, an increase of \$218,490 (1.6%) from the \$13,809,436 funded in the 2007 Budget.

Personnel

1. The 2008 Proposed Budget for Net Salaries and Wages is \$8,051,259, an increase of \$124,864 (1.6%), from the \$7,926,395 funded in the 2007 Budget.
2. The 2008 Proposed Budget contains 228 positions, the same as in the 2007 Budget. There are 171.08 O&M FTEs, compared to 167.58 in the 2007 Budget, an increase of 3.5 (2.1%). There are 35.5 non-O&M FTEs, compared to 39 in the 2007 Budget, a decrease of 3.5 (9%). This change is accounted for by the movement of positions from CDGB grants to O&M FTEs and the creation of new positions that are O&M FTEs.
3. Two positions, Electrical Inspector and Sprinkler Inspector, were added in the 2008 proposed budget. Two positions, Site Improvement Specialist and Program Assistant II, were transferred to DPW as part of the movement of the Vacant Lot Maintenance responsibilities. Two additional positions, Customer Service Representative II and Nuisance Control Officer II (0.5 FTE), were moved from CDBG funded grants to the DNS operating budget.

Operating Expenditures

The 2008 Proposed Budget for Operating Expenditures is \$810,895, an increase of \$40,740 (5.3%), from the \$770,155 funded in the 2007 Budget. The major items increased include:

1. General Office Expense, \$203,500, an increase of \$13,000 (7%) from the 2007 Budget of \$190,500. This projected increase is due to an increase in postal rates and use of paper.
2. Vehicle Rental, \$305,230, an increase of \$59,030 (24%) from the 2007 Budget of \$246,200. This projected increase is due to the potential increase in the mileage reimbursement rate paid employees when current contract negotiations are completed. Federal mileage rates may be the new reimbursement standard.
3. Professional Services, \$60,750, an increase of \$6,675 (12%) from the 2007 Budget of \$54,075. This projected increase is due to the increased cost of summons services and employee license certifications.

The major items which decreased in the 2008 Proposed Budget for Operating Expenditures include:

1. Energy, \$0, a decrease of \$2,200 (100%) from the 2007 Budget of \$2,200. This decrease is due to DPW taking over the occupancy and maintenance costs of a building no longer used by DNS.
2. Property Services, \$81,000, a decrease of \$11,910 (12.8%) from the 2007 Budget of \$92,910. This decrease is due to DPW taking over the occupancy and maintenance costs of a building no longer used by DNS.
3. Other Operating Services, \$45,280, a decrease of \$17,645 (28%) from the 2007 Budget of \$62,925. This decrease is due to the number of nuisance vehicles DPW tows and charges DNS for the removal cost.

Equipment Purchases

There is \$40,756 in the 2008 Proposed Budget for Network Hardware and Software. This is a \$19,044 (32%) decrease from the \$59,800 in the 2007 Budget. The decrease is a result of a reduction in the cost per unit of computer work-stations purchased as replacement computers.

Special Funds

In the 2008 Proposed Budget, Special Funds provide \$1,824,000, an increase of \$100,000 (5.8%), from the \$1,724,000 in the 2007 Budget.

	2006 Actual	2007 Budget	2008 Proposed	% Change
Community Sanitation	\$267,256	\$30,000	\$30,000	0.0%
MADACC	\$1,505,858	\$1,534,000	\$1,634,000	6.5%
Anderson Lake Tower	\$143,000	\$160,000	\$160,000	0.0%
Total	\$1,916,114	\$1,724,000	\$1,824,000	5.8%

1. Community Sanitation Fund, \$30,000, no change from the 2007 Budget. The Fund will be used for the removal of garbage where the cost cannot be assessed to the tax rolls or, rarely, in cases of destitution (\$8,000); purchase of litter tongs to be issued to community groups (\$10,000); clean-up forms and vehicle placards (\$3,000); office supplies (\$2,000); neighborhood clean-up tools (\$2,000); communications equipment (\$1,000); and, rodent bait (\$4,000).
2. MADACC Animal Pound Contract, \$1,634,000, an increase of \$100,000 (6.5%) from the \$1,534,000 provided in the 2007 Budget. The funding supports a contract with the Milwaukee Area Domestic Animal Control Commission (MADACC) for the control of stray domestic animals. The City is one of 16 Milwaukee County communities that have a contract with MADACC. The potential increase has been estimated by the Budget and Management Division based on formulas that take into account the number of animals handled from each member community and the relative percentage of equalized value. The MADACC budget is generally not finalized until October. The number of animals impounded for the city in 2006 was 9,429, an increase of 679 (7.8%) from 2005.
3. Anderson Lake Tower, \$160,000, no change from the 2007 Budget. The funding is allocated for the maintenance costs at the Anderson Lake Tower building. The costs are for the custodial and maintenance services, utilities and water.

Grants

As in previous years, all of the requested grant funding is from CDBG. The 2008 Proposed Budget provides an estimate of \$1,891,351 in grant funding, a decrease of \$123,726 (6.1%) from the 2007 Budget funding of \$2,015,077. With the exception of the Neighborhood Improvement Program and the Landlord Training Program, increases reflect cost of living adjustments.

The following chart details the grant funding amounts from CDBG:

	2006 Budget	2007 Budget	2008 Proposed
Code Enforcement Inspectors Targeted	\$503,468	\$503,468	\$568,296
Community Advocates – Landlord/Tenant Compliance Program	\$47,550	\$47,550	\$47,550
Demolition	\$323,978	\$323,978	\$323,978
Graffiti Abatement	\$48,550	\$53,700	\$0*
Landlord Training Program	\$177,785	\$159,083	\$183,348
Neighborhood Clean-up	\$62,105	\$62,105	\$66,497
Neighborhood Improvement Program	\$463,612	\$543,665	\$611,964
Rat Abatement	\$38,444	\$22,300	\$0*
Receivership	\$80,473	\$80,473	\$89,718
Vacant Lot Maintenance	\$218,755	\$218,755	\$0**
Total	\$1,964,670	\$2,015,077	\$1,891,351

*Grant funded program transferred to DNS tax-levy funded Operating Budget.

**Vacant Lot Maintenance transferred to DPW – Operations.

1. The 2008 Proposed Budget moves \$18,300 in funding for Rat Abatement and \$51,760 in funding for Graffiti Abatement from CDBG to the tax levy-supported DNS Operations Budget.
2. The 2008 Proposed Budget moves \$226,115 in funding for Vacant Lot Maintenance to DPW to support the movement of that function to that department.
3. In the 2008 Proposed Budget, the Neighborhood Improvement Program funding of \$611,964 is increased by \$68,299 (12.6%) from \$543,665 in the 2007 Budget. This increase is due to the addition of a position of Housing Rehabilitation Inspector approved in the 2007 Budget and recent position reclassifications.
4. In the 2008 Proposed Budget, the Landlord Training grant of \$183,348 is increased by \$24,265 (15.3%) from \$159,083 in the 2007 Budget. This increase will cover the costs of additional manuals for the course.

Revenue

Estimated revenue in the 2008 Proposed Budget is \$14,635,700, an increase of \$1,005,000 (7.4%) more than the 2007 estimate of \$13,630,700. Estimates for Charges for Services and Licenses and Permits in the 2008 Proposed Budget are based on historical data and recent trends. Intergovernmental Aids consist of the 2.0% fire dues paid to the city by the state. The following chart details historically the revenues for DNS.

Category	2006 Actual	2007 Estimate	2008 Proposed	% Change
Charges for Services	\$7,864,757	\$7,124,500	\$7,231,900	1.5%
Licenses and Permits	\$6,562,362	\$5,481,200	\$6,303,800	15.0%
Intergovernmental Aids	\$1,008,240	\$1,025,000	\$1,100,000	7.3%
Total	\$15,435,359	\$13,630,700	\$14,635,700	7.4%

Special Purpose Accounts

Special Purpose Accounts are funded at \$1,321,000 in the 2008 Proposed Budget, a decrease of \$596,735 (31%) from \$1,917,735 in the 2007 Budget. The following chart details historically the Special Purpose Accounts for DNS.

	2006 Actual	2007 Budget	2008 Proposed	% Change
Graffiti Abatement	\$92,223	\$95,000	\$95,000	0%
Maintenance of Essential Services	\$35,889	\$75,000	\$75,000	0%
Razing & Vacant Building Protection	\$1,247,277	\$1,151,000	\$1,151,000	0%
Vacant Lot Maintenance	\$480,455	\$596,735	\$0*	0%
Total	\$1,418,727	\$1,917,735	\$1,321,000	0%

* Vacant Lot Maintenance transferred to DPW – Operations.

1. Graffiti Abatement Fund, \$95,000, the same funding level as in the 2007 Budget. The account funds grants to Business Improvement Districts (BIDs), partnership and outreach programs, city-ordered abatement, elderly/disabled abatement and graffiti “sweeps.” (Sweeps are quick abatement responses to graffiti vandalism sprees affecting multiple buildings.) Since receiving a fund reduction of \$50,000 (34.5%) in 2006, DNS has found it increasing difficult to respond to a growing graffiti problem. Graffiti service requests often represent multiple incidences of graffiti that may be referred to many different parties for abatement outside the efforts of the Graffiti Abatement Fund. Referred parties include DPW, MSD, Milwaukee County, Milwaukee County Transit, Business Improvement Districts, business owners and homeowners. (This function has been moved into the tax levy-supported DNS Operating Budget.) The following chart details historically the requests for service made relating to graffiti abatement.

	2004	2005	2006	2007 (as of 7/1/07)
Service Requests	4,063	4,025	5,184	2,982

2. Maintenance of Essential Services, \$75,000, the same funding level as in the 2007 Budget. This account was established in 1995 to provide the department with funding needed to make repairs or provide needed maintenance of essential equipment (such as heating, electrical or sanitary facilities) whose failure would constitute a substantial threat to the health and safety to citizens, per section 200-21 of the Milwaukee Code. DNS can make those repairs only after a landlord has been informed of the conditions and does not correct them. The cost of the repairs and an administrative fee is charged to the owner and placed on the owner’s tax bill.
3. Razing & Vacant Building Protection Fund, \$1,151,000, the same funding level as in the 2007 Budget. This fund covers the costs of razing privately owned buildings with raze orders placed on them. The cost of the razing and an administrative fee is charged to the property owner. If the cost is not paid and not able to be collected via a collection agency the cost will be placed on the owner’s tax bill.

The types of buildings that are demolished are primary and secondary structures. Primary structures are houses and commercial buildings. Secondary structures include garages and sheds. In 2006, 65 primary structures and 26 secondary structures were demolished for a total of 91 structures. This was 52 (36.4%) less than the 143 razed in

2005. The actual expenditure for razing in 2006 was \$1,161,187, \$41,981 (3.5%) less than the \$1,203,168 expended in 2005.

4. Vacant Lot Maintenance, \$0, this Special Purpose Account no longer exists in the 2008 Budget. This function and the associated funding have been moved to DPW – Operations.

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