

## RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

### **Executive Summary: 2009 Proposed Budget – Department of Neighborhood Services**

1. **Department Services:** Department activities include Nuisance Control Services, Code Enforcement and Trades and Commercial Inspection Services. **(Pages 2 & 3)**
2. **Total Expenditures:** The 2009 Proposed Budget for DNS is \$14,104,211, an increase of \$57,506 (0.3%) from the \$14,056,705 funded in the 2008 Budget. **(Page 4)**
3. **Personnel:** The 2009 Proposed Budget for Net Salaries and Wages is \$8,035,914, an increase of \$63,823 (0.8%), from the \$8,099,737 funded in the 2008 Budget. The 2009 Proposed Budget contains 229 positions, the same as in the 2008 Budget. There are 169.58 O&M FTEs, compared to 172.08 in the 2008 Budget, a decrease of 2.5 (-1.5%). There are 33.5 non-O&M FTEs, compared to 35.5 in the 2008 Budget, a decrease of 2 (-6%). One position, Office Assistant II in the Court Section, was deleted from the 2009 Proposed Budget resulting in a salary savings of \$33,000. **(Page 4)**
4. **Operating Expenditures:** The 2009 Proposed Budget for Operating Expenditures is \$867,572, an increase of \$54,252 (6.7%), from the \$813,320 funded in the 2008 Budget. **(Page 4)**
5. **Equipment Purchases:** There is \$60,000 in the 2009 Proposed Budget for Network Hardware and Software. This is a \$19,244 (47.2%) increase from the \$40,756 in the 2008 Budget. **(Page 4)**
6. **Special Funds:** In the 2009 Proposed Budget, Special Funds provide \$1,846,000, an increase of \$64,000 (3.6%), from the \$1,782,000 in the 2008 Budget. **(Page 5)**
7. **Grants:** The 2009 Proposed Budget provides an estimate of \$1,794,703 in grant funding, a decrease of \$61,821 (-3.3%) from the 2008 Budget funding of \$1,856,524. **(Pages 5 & 6)**
8. **Revenue:** Estimated revenue in the 2009 Proposed Budget is \$15,738,430, an increase of \$140,730 (0.9%) more than the 2008 Adopted of \$15,597,700. Note: Department revenues exceed department expenditures. **(Pages 6 & 7)**
9. **Special Purpose Accounts:** Special Purpose Accounts are funded at \$435,000 in the 2009 Proposed Budget, a decrease of \$886,000 (-67.1%) from \$1,321,000 in the 2008 Budget. **(Pages 7 & 8)**

**RESEARCH AND ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU**

**2009 Proposed Budget: Department of Neighborhood Services (DNS)**

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>% Change</b>	<b>2009 Proposed</b>	<b>% Change</b>
<b>Operating</b>	\$13,878,879	\$14,056,705	1.3%	\$14,104,211	0.3%
<b>O&amp;M Positions</b>	156.46	172.08	10%	169.58	-1.5%
<b>Non-O&amp;M Positions</b>	28.42	35.5	25%	33.5	-5.6%
<b>Positions</b>	228	229	0.4%	229	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 services 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 only 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.
9. In 2008, Vacant Lot Maintenance responsibilities were transferred to DPW – Operations. These services include grass cutting, snow removal and other maintenance activities on approximately 3,100 city-owned vacant lots. The transfer included two positions, CDBG funding and funding in a Special Purpose Account, for a total funding of \$822,850.

**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 2007 the average was 7.5 days compared to 8.8 days in 2006. Through July of 2008 it was up to 8.5 days. Total complaints for the past 5 years are presented below.

2004	2005	2006	2007	2008 (as of 7/31/08)
31,116	34,241	34,241	33,677	20,794

The following are the primary services provided by the department:

**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 2007 was 645, an increase of 55, or 9.3%, over 2006. As of 7/31/08, the total was 367.

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 majority of citizens comply once an order is issued.

	2004	2005	2006	2007	2008 (as of 8/31/08)
Orders Issued	3,247	2,754	2,258	1,723	846
Vehicles Towed by City	649	397	340	223	76
Percentage of Vehicles Towed by City	20%	14.4%	15%	12.9%	9%

Chronic Nuisance Property Code: DNS collects charges made against chronic nuisance properties. In 2007, chronic nuisance charges for the Police Department were \$24,011. 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 2007, there were 16,497 complaints relating to residential code enforcement and 16,427 cases closed. There were 19,547 orders issued and 20,319 orders closed. The orders issued were 15.8% fewer than in 2006 and the orders closed were 13.3% fewer than in 2006. Possible reasons for the decrease in orders issued is more inspector time being devoted to the ever increasing number of properties on monthly reinspections, staff vacancies and the normal fluctuation in orders from year to year. The main reason for fewer orders being closed is likely due to the increase in orders related to mortgage foreclosures. DNS is not getting cooperation from the financial institutions so the orders remain open on monthly reinspections.

Court Enforcement: In 2007, there were a total of 2,763 municipal court cases, 1,819 as the result of summons and complaints (non-compliance of orders) and 944 as a result of citations issued.

Graffiti Abatement: In 2007, there were 4,981 requests for services a slight decrease of 203, or 4%, from 2006. However, each request actually represents multiple incidences of graffiti requiring removal. As of July 31, 2008 there have been 2,921 requests for services.

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

Commercial Code Enforcement: In 2007, there was a total of 1,260 related requests for service with 1,251 cases closed. There were 7,282 orders issued and 7,234 orders closed.

Trades Code Enforcement: In 2007, there was a total of 1,599 related requests for service with 1,597 cases closed. There were 6,008 orders issued and 5,562 orders closed.

## **2009 Proposed Budget**

### **Total Expenditures**

The 2009 Proposed Budget for DNS is \$14,104,211, an increase of \$57,506 (0.3%) from the \$14,056,705 funded in the 2008 Budget.

### **Personnel**

1. The 2009 Proposed Budget for Net Salaries and Wages is \$8,035,914, an increase of \$63,823 (0.8%), from the \$8,099,737 funded in the 2008 Budget.
2. The 2009 Proposed Budget contains 229 positions, the same as in the 2008 Budget. There are 169.58 O&M FTEs, compared to 172.08 in the 2008 Budget, a decrease of 2.5 (-1.5%). There are 33.5 non-O&M FTEs, compared to 35.5 in the 2008 Budget, a decrease of 2 (-6%). The changes are accounted for by the loss of 1 FTE position, the movement of positions from grants, and corrections from previous budget numbers reported.
3. One position, Office Assistant II in the Court Section, was deleted in the 2009 Proposed Budget resulting in a salary savings of \$33,000. This is 1 of 3 Office Assistant positions that support the Court Section in DNS. There will be no layoff as the individual in the position is retiring. There has been a decrease in workload due to efficiencies and the work of this position will be absorbed by the other 2 Office Assistants.

### **Operating Expenditures**

The 2009 Proposed Budget for Operating Expenditures is \$867,572, an increase of \$54,252 (6.7%), from the \$813,320 funded in the 2008 Budget. The major items increased include:

1. Information Technology Services, \$101,000, an increase of \$24,190 (31.5%) from the 2008 Budget of \$76,810. Additional expenditures include the monthly fee for data cards for the mobile computer tablets for inspectors, software upgrades and increases in network maintenance costs.
2. Other Operating Supplies, \$25,730, an increase of \$3,905 (17.9%) from the 2008 Budget of \$21,825. This projected increase is mainly due to a Memorandum of Understanding added to the contract for inspector clothing which allows inspectors to receive a replacement jacket in lieu of 3 shirts if their jacket is more than 5 years old. That roughly doubles the clothing costs.

### **Equipment Purchases**

There is \$60,000 in the 2009 Proposed Budget for Network Hardware and Software. This is a \$19,244 (47.2%) increase from the \$40,756 in the 2008 Budget. The increase allows for the replacement of 60 computers, putting the department back on track for their computer replacement cycle. The department had gotten behind in replacements due to a decrease in the 2008 Budget.

## Special Funds

In the 2009 Proposed Budget, Special Funds provide \$1,846,000, an increase of \$64,000 (3.6%), from the \$1,782,000 in the 2008 Budget.

	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Proposed</b>	<b>% Change</b>
Community Sanitation	\$16,803	\$30,000	\$30,000	0.0%
MADACC	\$1,540,569	\$1,592,000	\$1,656,000	4.0%
Anderson Lake Tower	\$160,000	\$160,000	\$160,000	0.0%
<b>Total</b>	<b>\$1,717,372</b>	<b>\$1,782,000</b>	<b>\$1,846,000</b>	<b>3.6%</b>

1. Community Sanitation Fund, \$30,000, no change from the 2008 Budget. The Fund will be used for neighborhood cleanups coordinated by Keep Greater Milwaukee Beautiful (\$10,000), litter tongs (\$12,000), hand tools (\$7,000) and a pet owner program encouraging responsible pet ownership (\$1,000).
2. MADACC Animal Pound Contract, \$1,656,000, an increase of \$64,000 (4%) from the \$1,592,000 provided in the 2008 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 2007 was 9,176, a decrease of 253 (-2.7%) from 2006.
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 2009 Proposed Budget provides an estimate of \$1,794,703 in grant funding, a decrease of \$61,821 (-3.3%) from the 2008 Budget funding of \$1,856,524.

The following chart details the grant funding amounts from CDBG:

	2007 Budget	2008 Budget	2009 Proposed
Code Enforcement Inspectors Targeted	\$503,468	\$557,786	\$770,935
Community Advocates – Landlord/Tenant Compliance Program	\$47,550	\$47,500	\$47,500
Demolition	\$323,978	\$323,978	\$200,000
Graffiti Abatement	\$53,700	\$0*	N/A
Landlord Training Program	\$159,083	\$159,083	\$0***
Neighborhood Immediate Clean-up	\$62,105	\$66,497	\$69,290
Neighborhood Improvement Program	\$543,665	\$611,964	\$611,964
Rat Abatement	\$22,300	\$0*	N/A
Receivership	\$80,473	\$89,716	\$95,014
Vacant Lot Maintenance	\$218,755	\$0**	N/A
<b>Total</b>	<b>\$2,015,077</b>	<b>\$1,856,524</b>	<b>\$1,794,703</b>

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

\*\*Vacant Lot Maintenance transferred to DPW – Operations.

\*\*\*Landlord Training to become part of Code Enforcement Inspectors Targeted program

1. The Code Enforcement Inspectors Targeted program conducts inspections for community groups, in Targeted Investment Neighborhoods (TIN) and historically non-compliant properties. Beginning in 2009 it will also include the Landlord Training program which accounts largely for the increase in funding for 2009.
2. The Community Advocates – Landlord/Tenant Compliance program passes on funding to Community Advocates to advocate for tenants and assist with the rent withholding program.
3. The Demolition program funds are used for the demolition of city-owned properties at the request of the Department of City Development. The decrease in funds for 2009 are expected to be offset by the funds the city will receive from the federal Housing and Economic Recovery Act (HERA).
4. The Neighborhood Immediate Clean-up program funds seasonal inspectors in the spring and summer months to generate clean-up orders on the large volume of properties exhibiting litter, garbage and debris nuisances.
5. The Neighborhood Improvement program has oversight of federally funded housing programs and funds inspectors to ensure compliance with federal regulations, write scopes of work and inspect and approve rehabilitation projects.
6. The Receivership program funds inspectors to work with police, city and district attorneys to help address problems at some of the city's most chronic nuisance properties. Examples are drug houses, illegal after-hours taverns and properties with gang activities.

## Revenue

Estimated revenue in the 2009 Proposed Budget is \$15,738,430, an increase of \$140,730 (0.9%) more than the 2008 Adopted of \$15,597,700. Department revenues exceed department expenditures. Estimates for Charges for Services and Licenses and Permits in the 2009 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	2007 Actual	2008 Adopted	2009 Proposed	% Change
Charges for Services	\$9,805,003	\$8,331,900	\$8,952,330	7.4%
Licenses and Permits	\$6,121,836	\$6,165,800	\$5,746,100	-6.8%
Intergovernmental Aids	\$999,584	\$1,100,000	\$1,040,000	-5.5%
<b>Total</b>	<b>\$16,926,423</b>	<b>\$15,597,700</b>	<b>\$15,738,430</b>	<b>0.9%</b>

### Special Purpose Accounts

Special Purpose Accounts are funded at \$435,000 in the 2009 Proposed Budget, a decrease of \$886,000 (-67.1%) from \$1,321,000 in the 2008 Budget. The following chart details historically the Special Purpose Accounts for DNS.

	2007 Actual	2008 Budget	2009 Proposed	% Change
Graffiti Abatement	\$88,552	\$95,000	\$0	-100%
Maintenance of Essential Services	\$53,914	\$75,000	\$75,000	0%
Razing & Vacant Building Protection	\$1,262,774	\$1,151,000	\$360,000	-68.7%
<b>Total</b>	<b>\$1,405,240</b>	<b>\$1,321,000</b>	<b>\$435,000</b>	<b>-67.1%</b>

1. Graffiti Abatement Fund, \$0, a complete elimination of this Special Purpose Account, a decrease of \$95,000 from the funding level in the 2008 Budget and \$115,000 from the amount in the 2009 Requested 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, MMSD, 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.

	2005	2006	2007	2008 (as of 7/31/08)
Service Requests	4,025	5,184	4,981	2,921

Passage of a higher 2009 Solid Waste Fee as requested by the Mayor, generating \$7 million more than the fee will generate in 2008, would allow for the restoration of \$95,000 for the Graffiti Abatement Fund.

2. Maintenance of Essential Services, \$75,000, the same funding level as in the 2008 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.

4. Razing & Vacant Building Protection Fund, \$360,000, a reduction of \$791,000 (-68.7%) from the \$1,151,000 in the 2008 Budget. The lost funds are planned to be replaced with funds the city will receive from the federal Housing and Economic Recovery Act (HERA). These HERA funds would be used for demolition of those properties that have been foreclosed on or abandoned and are too damaged to be repaired.

This fund generally 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 2007, 49 primary structures and 19 secondary structures were demolished for a total of 68 structures. This was 23 (25.3%) less than the 91 razed in 2006. The actual expenditure for razing in 2007 was \$1,262,774, \$101,587 (8.7%) more than the \$1,161,187 expended in 2006.

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