



Office of the Comptroller

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

September 10th, 2010

The Honorable Common Council
Committee on Finance and Personnel
City of Milwaukee

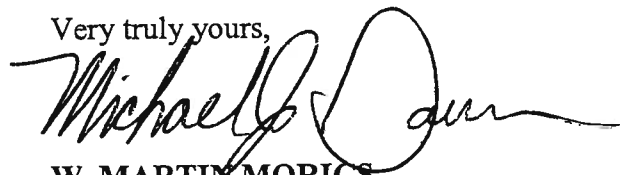
Re: Common Council Contingent Fund Status

Dear Committee Members:

Attached is the current Common Council Contingent Fund Status report as updated by the recent Common Council resolutions adopted.

If you have any questions concerning this report, please contact Trang Dinh of my staff at extension 2293.

Very truly yours,



W. MARTIN MORICS
Comptroller

WMM:td

Attachment

CC: City Clerk
Budget Office
LRB

2010 COMMON COUNCIL CONTINGENT FUND

Status on 09/10/10

Funds Appropriated

2010 Adopted Budget 5,000,000.00

Transfers authorized by prior Council meetings

Journal ID	Date	Year	Class	Bud Ref	Amount	Description
None						

Remaining Reserved Commitments Authorized by prior Council meetings

None -

Total Transfers & Reserved -

Balance Available on Sept. 10th, 2010 5,000,000.00

% Expended/Reserved Current status 0%

Comparative Balance Available on Sept. 10th, of prior years

	<u>Balance</u>	<u>Budgeted</u>	<u>% Expended</u>
2005	4,989,134	5,000,000	0%
2006	4,497,000	5,500,000	18%
2007	2,472,000	5,500,000	55%
2008	4,368,349	5,000,000	13%
2009	3,987,325	5,000,000	20%
Average of prior years	4,062,762	5,200,000	22%



City of Milwaukee

City Hall
200 East Wells Street
Milwaukee, WI 53202

Meeting Agenda FINANCE & PERSONNEL COMMITTEE

ALD. MICHAEL J. MURPHY, CHAIR

Ald. Robert J. Bauman, Vice-Chair

Ald. Joe Dudzik, Ald. Milele A. Coggs, and Ald. Nik Kovac

Staff Assistant, Tobie Black, 286-2231; Fax: 286-3456,

tblack@milwaukee.gov

Legislative Liaison, Jim Carroll, 286-8679,

jcarro@milwaukee.gov

Friday, September 17, 2010

9:00 AM

Room 301-B, City Hall

1. [100524](#) Communication from the Department of Administration - Budget and Management Analysis Division regarding vacancy requests, fund transfers and equipment requests.

 Sponsors: THE CHAIR

 Attachments: [Hearing Notice List](#)

2. [100443](#) Communication from the Ethics Board relative to amending the positions ordinance.

 Sponsors: THE CHAIR

 Attachments: [Ethics Letter](#)
 [Capital Improvements Committee Ordinance](#)
 [Skywalk Design Committee Ordinance](#)
 [Hearing Notice List](#)

3. [100551](#) Communication from the Milwaukee Water Works relating to the acceptance of Discover credit card for municipal service bill payments.

 Sponsors: THE CHAIR

 Attachments: [Cover Letter](#)
 [Hearing Notice List](#)

4. [100416](#) Substitute resolution creating a Pension Task Force to analyze pension funding and benefits options for meeting the City's future pension obligations without overburdening the City's financial resources.

 Sponsors: Ald. Murphy

 Attachments: [Hearing Notice List](#)

5. [100576](#) Communication from the Department of Employee Relations relating to classification studies scheduled for City Service Commission action.

 Sponsors: THE CHAIR

Attachments: [Letter from Dept of Employee Rel and Job Eval Reports-CSC Meetings August : Fiscal Note and Spreadsheet-CSC Meetings August 3 and September 7, 2010](#)
[Hearing Notice List](#)

6. [100575](#) Communication from the Department of Employee Relations relating to classification studies scheduled for Fire and Police Commission action.
Sponsors: THE CHAIR
Attachments: [Letter from Dept of Employee Relations and Job Eval Reports](#)
[Fiscal Note and Spreadsheet](#)
[Hearing Notice List](#)
7. [100535](#) Communication from the Department of Employee Relations requesting an amendment to the salary ordinance to assist in the implementation of a Memorandum of Understanding between the City and District Council 48, AFSCME, AFL-CIO.
Sponsors: THE CHAIR
Attachments: [Letter from Labor Negotiator](#)
[Cover Letter](#)
[Hearing Notice List](#)
8. [100040](#) Substitute resolution to ratify and confirm a collective bargaining agreement between the City of Milwaukee and Milwaukee Building and Construction Trades Council, AFL-CIO.
Sponsors: THE CHAIR
Attachments: [Letter from Labor Negotiator](#)
[Agreement](#)
[Summary of Wage and Fringe Benefit Modifications](#)
[Letter from Labor Negotiator re: Salary Ordinance Amendments](#)
[Letter from Milw Building and Const Trades Council](#)
[Letter from Comptroller's Office](#)
[Fiscal Note](#)
[Cover Letter](#)
[Hearing Notice List](#)
9. [100574](#) A substitute charter ordinance relating to retirement benefits for employees represented by certain bargaining units.
Sponsors: THE CHAIR
Attachments: [Cover Letter](#)
[Hearing Notice List](#)
10. [100485](#) Substitute resolution relative to application, acceptance and funding of the Refugee Health Screening Grant from the State of Wisconsin - Department of Workforce Development.
Sponsors: THE CHAIR

Attachments: [Operating Grant Budget](#)
 [Grant Analysis Form](#)
 [Fiscal Impact Statement](#)
 [Hearing Notice List](#)

11. [100486](#) Substitute resolution relative to application, acceptance and funding of the LAUNCH (Linking Actions for Unmet Needs in Children's Health) Grant from the State of Wisconsin - Department of Health Services.

Sponsors: THE CHAIR

Attachments: [Grant Analysis Form](#)
 [Operating Grant Budget](#)
 [Fiscal Impact Statement](#)
 [Hearing Notice List](#)

12. [100488](#) Substitute resolution relative to application, acceptance and funding of the Public Health 101 Grant from the UW-Milwaukee School of Public Health.

Sponsors: THE CHAIR

Attachments: [Grant Analysis](#)
 [Grant Budget](#)
 [Fiscal Impact Statement](#)
 [Hearing Notice List](#)

13. [100281](#) Resolution approving the form of the Preliminary Official Statement used in connection with the sale of City of Milwaukee debt.

Sponsors: THE CHAIR

Attachments: [Fiscal Note](#)
 [Cover Letter](#)
 [Hearing Notice List](#)

14. [100462](#) Communication from the Comptroller's Office transmitting the Annual Report of the Public Debt Amortization Fund for the year ended December 31, 2009.

Sponsors: THE CHAIR

Attachments: [Report](#)
 [Hearing Notice List](#)

15. [100520](#) Communication from the Comptroller's office relating to an Audit of IT Disaster Recovery Plans for certain city departments.

Sponsors: THE CHAIR

Attachments: [Report](#)
 [Hearing Notice List](#)

16. [100540](#) Communication from the Comptroller's office relating to a report entitled, Comprehensive Annual Financial Report of the City of Milwaukee for the year ended

December 31, 2009.

Sponsors: THE CHAIR

Attachments: [Report](#)
[Hearing Notice List](#)

17. [100512](#) Communication from the Office of the Comptroller transmitting the 2000 Inventory Reserve Report for the year ended December 31, 2009.

Sponsors: THE CHAIR

Attachments: [Report](#)
[Hearing Notice List](#)

18. [100566](#) Communication from the Office of the Comptroller transmitting the 2008 Accounts Receivable Activity Report for the year ended December 31, 2008.

Sponsors: THE CHAIR

Attachments: [Cover Letter](#)
[Report](#)
[Hearing Notice List](#)

19. [100567](#) Communication from the Office of the Comptroller transmitting the 2009 Accounts Receivable Activity Report for the year ended December 31, 2009.

Sponsors: THE CHAIR

Attachments: [Cover Letter](#)
[Report](#)
[Hearing Notice List](#)

20. [100163](#) A substitute ordinance to further amend the 2010 offices and positions in the City Service.

Sponsors: THE CHAIR

Attachments: [Technical Correction Request from DER](#)

21. [091484](#) A substitute ordinance to further amend the 2010 rates of pay of offices and positions in the City Service.

Sponsors: THE CHAIR

Attachments: [Proposed Sub A](#)

22. The FINANCE & PERSONNEL COMMITTEE may convene into closed session, pursuant to s. 19.85(1)(e), Wis. Stats., for the purpose of formulating collective bargaining strategies.

This meeting will be webcast live at www.milwaukee.gov/channel25.

Members of the Common Council and its standing committees who are not members of this committee may attend this meeting to participate or to gather information. Notice is given that this meeting may constitute a meeting of the Common Council or any of its standing committees, although they will not take any formal action at this meeting.

Upon reasonable notice, efforts will be made to accommodate the needs of persons with disabilities through sign language interpreters or auxiliary aids. For additional information or to request this service, contact the Council Services Division ADA Coordinator at 286-2998, (FAX)286-3456, (TDD)286-2025 or by writing to the Coordinator at Room 205, City Hall, 200 E. Wells Street, Milwaukee, WI 53202.

Limited parking for persons attending meetings in City Hall is available at reduced rates (5 hour limit) at the Milwaukee Center on the southwest corner of East Kilbourn and North Water Street. Parking tickets must be validated in Room 205, (City Clerk's Office) or the first floor Information Booth in City Hall.

Persons engaged in lobbying as defined in s. 305-43-4 of the Milwaukee Code of Ordinances are required to register with the City Clerk's Office License Division. Registered lobbyists appearing before a Common Council committee are required to identify themselves as such. More information is available at www.milwaukee.gov/lobby.



Legislation Details (With Text)

File #: 100524 **Version:** 0

Type: Communication **Status:** In Committee

File created: 9/1/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Communication from the Department of Administration - Budget and Management Analysis Division regarding vacancy requests, fund transfers and equipment requests.

Sponsors: THE CHAIR

Indexes: VACANCY REQUESTS

Attachments: Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number

100524

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Communication from the Department of Administration - Budget and Management Analysis Division regarding vacancy requests, fund transfers and equipment requests.

Drafter

CC-CC

TB

8/27/10

**AGENDA OF ITEMS TO BE CONSIDERED
BY THE COMMITTEE ON FINANCE AND PERSONNEL**

DATE: September 17, 2010

TIME: 9:00 A.M.

PLACE: Committee Room 301-B
City Hall

SCHEDULE A: Vacancy Requests

SCHEDULE A - VACANCY REQUESTS

Finance & Personnel Committee Meeting: September 17, 2010

CSC-Status - Under Civil Service
Unless Noted as Exempt (E)

Funding Source - 100% Operating
Budget Unless Otherwise Indicated

I.D. No.	Department and Position	Pay Range	Date Vacant	Number of Positions With Same Title					CSC Status and/or Funding Source	Int/ Ext Fill	Code
				Authorized	Filled excl. this pos.	Recomm. Authori- zation	Vac. Prev. Appr.	Other Vac.			
	<u>PROPERTY TAX LEVY SUPPORTED POSITIONS</u>										
	<u>DOA-INTERGOVERNMENTAL RELATIONS</u>										
11289	Legislative Fiscal Manager	11	5/13/10	1	0	1	0	0		Int/Ext	x-3
	<u>ASSESSOR</u>										
11267-68	Sr. Property Appraiser (2 positions)	588	12/27/08 1/24/09	30	26	2	0	2		Int/Ext	x-3
	<u>COMMON COUNCIL-CITY CLERK</u>										
11321	License Specialist	455	3/1/09	7	6	1	0	0		Int/Ext	
	<u>DEPT. OF CITY DEVELOPMENT</u>										
11269	Plan Examiner II	625	10/31/10	5	3	1	0	0		Int/Ext	x-3
	<u>FIRE DEPARTMENT</u>										
11290	Fire Equipment Mechanic	734	8/8/10	9	8	1	0	0		Int/Ext	x-1
11291	Fire Equipment Dispatcher	858	8/15/10	21	19	1	1	0		Ext	x-1
11292-11301	Heavy Equip. Operator (10 positions)	853	12/28/09 1/5/10 3/31/10 4/16/10 5/15/10 5/29/10 6/13/10 7/11/10 8/1/10 8/8/10	180	170	10	0	0		Int	x-1
11302	Office Coordinator II	525	8/21/10	1	0	1	0	0		Int	x-3
	<u>HEALTH DEPARTMENT</u>										
11271	Personnel Payroll Assistant II	445	9/3/10	1	0	1	0	0		Int	x-2a
11303	Office Assistant III	425	8/20/10	14	10	1	0	3		Int/Ext	x-2a
	<u>LIBRARY</u>										
11273	Librarian III	557	7/30/10	44	42	1	0	1		Int/Ext	x-2b
11305	Librarian II	544	8/26/10	13	12	1	0	0		Ext	x-2b
11274	Library Reference Assistant	504	8/11/10	17	14	1	2	0		Int/Ext	x-2b
11275-77	Custodial Wkr II-City Laborer (3 pos.)	215	6/27/10 8/31/10 9/12/10	28	24	3	0	1		Int/Ext	x-2b
11189	Custodial Worker II-City Laborer	215	6/26/10	28	24	1	0	3		Int/Ext	x-2b
11272	Personnel Payroll Assistant III	460	9/18/10	1	0	1	0	0		Int/Ext	x-3
11286	Office Assistant II	410	7/17/10	4	3	1	0	0		Int/Ext	x-2b
	<u>DEPT. OF NEIGHBORHOOD SERVICES</u>										
11278	Office Assistant III	425	9/5/10	14	13	1	0	0		Int/Ext	x-2b
11279	Nuisance Control Officer II	516	5/26/10	18	13	1	2	2		Ext	x-2a
	<u>POLICE DEPARTMENT</u>										
11322	Administrative Lieutenant of Police	836		1	0	1	0	0		Int	x-3
11323	Communications Systems Manager	9		1	0	1	0	0		Ext	x-2a
11324-25	Electronic Technician (2 positions)	290	11/28/06 7/24/10	10	7	2	0	1		Ext	x-4
11328-29	Police Telecommunicator (Reg) (2 pos.)	425	9/19/10 9/19/10	52	50	2	0	0		Ext	x-1

SCHEDULE A - VACANCY REQUESTS

Finance & Personnel Committee Meeting: September 17, 2010

CSC-Status - Under Civil Service
Unless Noted as Exempt (E)

Funding Source - 100% Operating
Budget Unless Otherwise Indicated

I.D. No.	Department and Position	Pay Range	Date Vacant	Number of Positions With Same Title					CSC Status and/or Funding Source	Int/ Ext Fill	Code
				Authorized	Filled excl. this pos.	Recomm. Authori- zation	Vac. Prev. Appr.	Other Vac.			
11250	<u>DPW-ADMINISTRATIVE SERVICES</u> Database Specialist	534	6/5/10	1	0	1	0	0		Ext	
11036	<u>DPW-OPERATIONS DIVISION</u> Automotive Body Repair/Painting Tech.	268	5/30/10	3	2	1	0	0		Ext	
11309	<u>CITY TREASURER</u> Program Assistant II	530	10/2/10	2	1	1	0	0		Int	x-2
11310	Lead Teller	530	8/24/10	1	0	1	0	0		Int	x-2
11311	Teller	445	9/18/10	1	0	1	0	0		Int/Ext	x-2
11312	Teller (0.53 FTE)	445	9/3/10	2	1	1	0	0		Int/Ext	x-2
11313	Accounting Assistant I	435	10/30/10	2	1	1	0	0		Int	x-2
11314-16	Customer Serv. Rep. II (3 positions)	435	8/21/10 10/2/10 10/30/10	6	3	3	0	0		Int/Ext	x-2
<u>NON-PROPERTY TAX LEVY SUPPORTED POSITIONS (Enterprise Funds, Grants)</u>											
11281	<u>DEPT. OF CITY DEVELOPMENT</u> Housing Rehabilitation Manager	7	7/25/10	1	0	1	0	0	CDBG & Home	Int/Ext	x-6
11282	<u>HEALTH DEPARTMENT</u> Public Health Nurse	666	8/21/10	61	57	1	0	0	Project Launch	Int/Ext	x-6
11283	Public Health Nurse	666	9/1/10	61	57	1	0	0	DFHS	Int/Ext	x-6
11284	Office Assistant III	425	6/27/10	13	12	1	0	0	STD/HIV Grant	Int	x-6
11285	Lead Project Coordinator (LDG)	5	8/21/10	1	0	1	0	0	HUD	Int	x-6
11317	<u>DPW-WATER WORKS</u> Water Revenue Collections Supervisor	6	7/10/10	1	0	1	0	0	Water Works	Int/Ext	x-6
11287	Water Meter Field Supervisor	5	8/8/10	7	1	1	0	5	Water Works	Int/Ext	x-6
11319	Business Services Specialist	546	9/2/10	1	0	1	0	0	Water Works	Int	x-6
11320	Accounting Assistant II	445	9/19/10	3	2	1	0	0	Water Works	Int/Ext	x-6

NOTICES SENT TO FOR FILE NUMBER: 100524
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #:	100443	Version:	0
Type:	Communication	Status:	In Committee
File created:	9/1/2010	In control:	FINANCE & PERSONNEL COMMITTEE
On agenda:		Final action:	
Effective date:			
Title:	Communication from the Ethics Board relative to amending the positions ordinance.		
Sponsors:	THE CHAIR		
Indexes:	ETHICS BOARD, POSITIONS ORDINANCE		
Attachments:	Ethics Letter, Capital Improvements Committee Ordinance, Skywalk Design Committee Ordinance, Hearing Notice List		

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number

100443

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Communication from the Ethics Board relative to amending the positions ordinance.

Requestor

Drafter

CC-CC

lme

8/5/10



The Board of Ethics

August 4, 2010

To the Honorable Members of the Common Council
City Hall, Rm. 205

Dear Council Members:

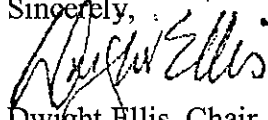
The Ethics Board respectfully requests that a file be opened to make additions to the 2010 Positions Ordinance.

The Ethics Board, at its August 4th meeting, voted unanimously to request that the Capital Improvements Committee and the Skywalk Design Committee be added to the listing in Section 7. This section requires that members of the listed Boards, Committees and Commissions be required to file a statement of economic interests in accordance with Ch. 303, Milwaukee Code of Ordinances.

The Board reviewed the Milwaukee Code sections relating to the duties and responsibilities of both Boards and felt that members should file Statements under the provisions of s. 303-1-2, Milw. Code of Ordinances.

The Board respectfully requests that these two committees be added to the listing in Section 7 of the Positions Ordinance.

Sincerely,



Dwight Ellis, Chair
Ethics Board

320-47 Boards, Commissions and Committees

7. STAFFING. a. The office of the city clerk shall provide staff assistance to the youth council and the selection committee and maintain the records of both bodies.

b. All city departments and agencies shall cooperate with the youth council and assist the youth council to achieve its objectives.

8. REPORTS. The youth council shall annually provide a written report of its activities to the common council and the mayor and shall report more frequently as the youth council, the common council or the mayor may find proper.

9. FUNDING. Ten percent of annual city community development block grant reprogramming dollars shall be allocated to support the recommendations for youth service activities and objectives. The city shall create, administer, and audit all revenue and expenditure accounts related to the youth council according to city budget and accounting standards and procedures.

10. OVERSIGHT. The common council shall review all programs and contracts proposed for funding by the youth council and may reject any youth council decision by a majority vote.

320-47. Sister Cities Committee.

1. ESTABLISHMENT: PURPOSE. The sister cities committee is created to assist the city, through its common council, with the establishment and maintenance of sister city relationships pursuant to Sister Cities International regulations.

2. COMPOSITION. The sister cities committee shall consist of 5 members:

a. The chair of the community and economic development committee, who shall serve as chair of the committee.

b. A representative from the mayor's office.

c. A representative of the International Institute of Wisconsin, appointed by the common council president. This member need not be a city resident.

d. A public member, appointed by the common council president.

e. The health commissioner or his or her designee.

3. TERM OF OFFICE. Members appointed pursuant to sub. 2-c and d shall serve a 2-year term.

4. RULES. The committee may adopt rules, guidelines and criteria to assist the committee in carrying out its responsibilities.

5. POWERS AND DUTIES. The sister cities committee shall:

a. Establish guidelines for applicant sister cities, including reasonable expectations from the relationships.

b. Review requests and make recommendations pursuant to the Sister Cities International guidelines.

c. Investigate and make recommendations to the common council concerning possible establishment, termination and maintenance of sister city relationships.

d. Oversee and review the status of sister city relationships.

e. Serve as a clearinghouse for all information requests received from common council members relative to sister city agreements.

6. STAFFING. The city clerk's office shall provide staff assistance to the committee. All city departments and agencies shall cooperate with the committee and provide assistance whenever the committee so requests.

7. REPORTS. The committee shall annually provide a written report of its activities to the common council and the mayor and shall report more frequently as the committee, the common council or the mayor may find proper.

320-49. Capital Improvements Committee.

1. ESTABLISHMENT. There is created the capital improvements committee to develop, maintain and update a long-term capital improvements program for the city's construction and maintenance of its infrastructure and facilities.

2. COMPOSITION. a. The committee shall be comprised of the following members:

a-1. The commissioner of public works or alternate.

a-2. The department of administration budget and management director or alternate.

a-3. The comptroller or alternate.

a-4. The chair of the public works committee or alternate.

a-5. The chair of the finance and personnel committee or alternate.

a-6. The common council president or alternate.

a-7. A public member appointed by the mayor for a 3-year term and confirmed by the common council.

b. The common council president shall designate the chair of the committee.

3. DUTIES. The committee shall:

a. Develop a prioritized 6-year capital improvements program based on anticipated construction and maintenance of infrastructure and facilities for all departments under control of the common council. Following development, this 6-year capital improvements program shall be reviewed and adopted by the common council.

b. Establish criteria upon which a determination as to the priority of each capital program or project for the construction and maintenance of infrastructure and facilities may be based to include, but not be limited to:

b-1. The effect of a program or project on the achievement of any strategic objective that the mayor has submitted to the capital improvements committee for its consideration.

b-2. The interrelationship of each capital program with other capital programs.

b-3. The effect of each project on replacement cycles, condition ratings, operating and maintenance expenses, and other indicators of infrastructure system performance.

b-4. Each project's relationship to the city's "smart growth" plan pursuant to s. 16.965(4), Wis. Stats., and any area or other development plans that the common council has approved, with emphasis upon the 6-year capital improvements program.

b-5. The capacity of a program's or project's funding level to fit within funding and debt service targets, as determined by the committee.

c. Establish a priority for each project within the program based upon the established criteria.

d. Secure supporting data and justification for proposed projects, arrive at accurate cost estimates and secure from city

departments a list of services and facilities and a projection of operating costs related to each construction project.

e. Monitor completion of the capital improvements program as contained in the annual budget.

4. REPORTS. a. By February 1 annually, the committee shall:

a-1. Submit to the common council for its information the 6-year program and its total estimated construction and maintenance costs, the effect of the total costs upon estimated tax levies and debt service, and recommendations concerning financing of the program.

a-2. Prepare a report describing the condition of the city's infrastructure and facilities and the adequacy of the effort level made by the city to preserve such infrastructure and facilities and eliminate any deferred capital maintenance. Infrastructure networks and facilities comprising this report shall include the following systems: city sewerage, streets, street lights, traffic control, underground conduit and wired communications, water treatment and distribution, city buildings, bridges, alleys, sidewalks, parking, harbor and urban forestry. Information provided shall include replacement cycles, condition ratings, operating and maintenance expenses, and other appropriate quantitative measures of condition.

b. Based on capital budget recommendations submitted by city departments and within such guidelines as may be established from time to time by the common council, submit to the department of administration budget and management division a requested capital improvements budget for the construction and maintenance of infrastructure and facilities for the ensuing fiscal year not later than the 2nd Tuesday in May of each year, such request to be acted upon as are requests for all other parts of the total budget under control of the common council. This requested capital improvements budget shall be accompanied by narrative explaining how and to what extent this capital budget serves to implement the 6-year capital improvements program.

c. Prepare quarterly progress reports, with emphasis on the status of projects in relation to their predetermined construction schedule, for submission to the common council.

320-49-5 Boards, Commissions and Committees

5. STAFFING. Staff for the capital improvements committee shall be provided by the city clerk's office. Salaries required for capital improvements administration, along with supporting supplies, equipment and administrative costs shall be provided annually out of capital improvement funds. All city departments and agencies shall cooperate with the committee and provide assistance whenever the committee so requests.

320-33 Boards, Commissions and Committees

i. Disseminate records management information to city departments to facilitate training of department personnel in records management.

j. Review and approve, reject or modify departmental requests for retention, transfer to inactive storage and final disposition of city records, including retention of records in some form other than the original record and including the storage of vital city records at the alternate site of city government.

k. Provide guidelines for the operation of the city records center, which shall provide the following services for all city departments: storage, retrieval and disposition of city records; central imaging and microfilming services; and maintenance of secure and non-secure structure plans.

L. Transfer to the city archives at the city records center or the Milwaukee public library records of historical interest that are no longer needed for the proper administration of city business.

m. Promulgate rules and regulations for the effective administration of this section.

4. LENDING OF CITY RECORDS. Any city department or agency may lend any of the records over which it is the custodian to any entity it deems fit. All loans shall be governed by written agreements negotiated by the department or agency and the borrowing entity. All such agreements shall be approved by the committee and shall indemnify and hold the city harmless for any loss, damage or destruction of city property lent under the agreement.

5. RECORDS TO REMAIN CITY PROPERTY. All records shall remain the property of the city and shall be preserved, stored, transferred, destroyed, disposed of or otherwise managed in accordance with this section and the laws of the state of Wisconsin. No record shall be destroyed, transferred out of the control of the city or otherwise disposed of without the approval of the committee. The committee may approve the transfer of title, custody and control of noncurrent records that are no longer needed for administrative purposes by the city to the state historical society.

6. STAFFING. The department of administration shall provide staff support to the committee. The chief information officer shall serve as its executive secretary. The city

attorney shall designate an assistant city attorney to be present at all meetings of the committee.

7. TASK FORCES. The committee may create task forces to recommend policy issues for committee action, review policies proposed by the committee, assist the chief information officer in the implementation of policies established by the common council, and coordinate the development and use of related information resources.

320-33. Skywalk Design Committee.

1. CREATION. There is created a skywalk design committee consisting of 9 members: the chair of the common council's zoning and development committee or alternate, who shall serve as chair of the committee; the chair of the historical preservation committee or a designee; the chair of the city plan commission or a designee; a member of the city plan commission appointed by the common council president; the planning manager in the department of city development; the superintendent of buildings and fleet services or a designee; the chair of the space, air and subterranean space structures lease committee or a designee; a representative of the downtown business improvement district (#21), appointed by the president of the common council; and the chair of the building owners management association or a designee. The city clerk's office shall staff the committee. The terms of the member of the city plan commission and the representative of the downtown business improvement district shall expire at the end of the common council term in which those members were appointed.

2. DUTIES. The committee shall evaluate each proposed skywalk design and make recommendations to the common council concerning the final development agreement for each proposed skywalk. The committee shall make its recommendations to the common council not more than 30 days after each proposed development agreement has been introduced to the common council.

320-35. Disabled Employees Placement Appeal and Advisory Committee.

1. CREATION. There is created a disabled employees placement appeal and advisory committee, which is attached to the department of employee relations. The committee shall consist of 5

NOTICES SENT TO FOR FILE NUMBER: 100443
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100551 **Version:** 0

Type: Communication **Status:** In Committee

File created: 9/1/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Communication from the Milwaukee Water Works relating to the acceptance of Discover credit card for municipal service bill payments.

Sponsors: THE CHAIR

Indexes: WATER DEPARTMENT

Attachments: Cover Letter, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number

100551

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Communication from the Milwaukee Water Works relating to the acceptance of Discover credit card for municipal service bill payments.

Requestor

Drafter

DPW

cml:sm

9/1/10



Department of Public Works
Milwaukee Water Works

Jeffrey J. Mantes
Commissioner of Public Works

Preston D. Cole
Director of Operations

Carrie M. Lewis
Superintendent of Water Works

September 2, 2010

To the Honorable
The Common Council
City Hall – Room 205

Dear Council Members:

The purpose of this communication file is to allow Milwaukee Water Works (MWW) to accept Discover credit card payments for municipal services bills. The file is submitted in accordance with File 981375 and City Ordinance section 50-41.

In 2007, in accordance with File 981375, MWW received permission from Finance & Personnel Committee and the Purchasing Director to accept credit card payments for municipal services bills. The communication file to F&P (070311) allowed the use of MasterCard via telephone and MasterCard and e-check by internet for these payments. (Pursuant to Public Service Commission rules, the credit card fees are paid by the bill payer for each transaction.)

US Bank has offered MWW the use of the Discover Card at the same rates as MasterCard, so we would like to make that option available to our customers. This option would be available for both phone and internet payments.

If approved by Finance & Personnel Committee, the other requirements of the ordinance (notification to various city administrators, and notification to the credit card contractor by Purchasing Director) will follow.

Thank you for your cooperation in this matter.

Very truly yours,

Carrie M. Lewis, Superintendent
Milwaukee Water Works

Jeffrey J. Mantes, Commissioner
Department of Public Works

CML:sls



Electronic Payment Update to Finance & Personnel Committee

Milwaukee Water Works has offered electronic payment options since 2007 for payment of Municipal Services Bills. The electronic payments are provided by US Bank through the State of Wisconsin contract. The arrangement conforms to the Public Service Commission of Wisconsin's requirement that the payee must cover the service charge for the payment. Milwaukee Water Works is prohibited from absorbing the service charge.

The electronic payment option has proven very successful. In 2009, 56,788 account payments were made using the electronic options, for a total of \$13,523,482 being collected in this manner. In addition, \$16,500 in annual costs for lockbox processing fees were avoided.

At this time, Milwaukee Water Works is requesting permission to add the Discover card to the options available to customers. Both the City of Milwaukee and Municipal Services Bill payers will benefit from having this additional payment option available. Discover Card is being offered by US Bank at the same pricing as MasterCard. There are no costs to Milwaukee Water Works to add this additional service. If approved, this will make the payment options available to customers as follows:

Payment via Internet

- MasterCard, Discover Card and e-Checks will be accepted
- The customer will pay to the bank a convenience fee of
 - 2.35% per MasterCard transaction, or
 - 2.35% per Discover Card transaction, or
 - \$0.50 per e-Check.

Payment via telephone

- MasterCard, Discover Card and e-Checks will be accepted
- The customer will pay to the bank a convenience fee of
 - 3.95% per MasterCard transaction, or
 - 3.95% per Discover Card transaction, or
 - \$4.50 per e-Check.

For both Internet and telephone payments, Milwaukee Water Works system never "sees" any credit card or other non-public record personal information. When the customer selects the "make a payment" option, they are transferred to US Bank's secure systems. Credit card or e-Check information provided by the customer is only "seen" by US Bank.

Prepared by Carrie Lewis, Milwaukee Water Works, September 16, 2010
Regarding Resolution #100551

841 N. Broadway
Zeidler Municipal Building
Room 409
Milwaukee, Wisconsin 53202
www.milwaukee.gov/water

NOTICES SENT TO FOR FILE NUMBER: 100551
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100416 **Version:** 1
Type: Resolution **Status:** In Committee
File created: 7/27/2010 **In control:** FINANCE & PERSONNEL COMMITTEE
On agenda: **Final action:**

Effective date:

Title: Substitute resolution creating a Pension Task Force to analyze pension funding and benefits options for meeting the City's future pension obligations without overburdening the City's financial resources.

Sponsors: ALD. MURPHY

Indexes: BUDGET, COMMITTEES, EMPLOYES RETIREMENT SYSTEM

Attachments: Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
7/27/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/8/2010	1	CITY CLERK	DRAFT SUBMITTED		
9/14/2010	1	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
9/14/2010	1	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number

100416

Version

SUBSTITUTE 1

Reference

Sponsor

ALD. MURPHY

Title

Substitute resolution creating a Pension Task Force to analyze pension funding and benefits options for meeting the City's future pension obligations without overburdening the City's financial resources.

Analysis

This resolution creates a Pension Task Force to analyze pension funding and benefits options for meeting the City's future pension obligations without overburdening the City's financial resources.

This Pension Task Force shall be chaired by the Chair of the Finance and Personnel Committee and staffed by the City Clerk's Office. The 7-member Pension Task Force shall include:

1. Chair of the Finance and Personnel Committee or the Chair's designee
2. The City Comptroller or the Comptroller's designee.
3. 3 members appointed by the Mayor.
4. 2 members appointed by the Common Council President.

The Pension Task Force shall report its findings within 6 months of the adoption of this resolution and be automatically dissolved.

Body

Whereas, The Milwaukee Employees' Retirement System is managed consistent with the highest and best practices of pension fund management, and was cited in 2007 as the best funded public retirement system in the nation by R. V. Kuhns & Associates; and

Whereas, The fiscal strength and vitality of even the best managed pension fund can be suddenly and seriously eroded by investment market factors beyond the control of fund managers as evidenced by the recent, precipitous and persistent downturn of the U.S. economy which triggered a decrease of over \$1 billion, or 21.5%, in actuarial value of Milwaukee's pension fund assets from January, 2008, to January, 2009; and

Whereas, The lengthening life expectancies of City retirees and other factors continues to put upward pressure and increase the overall long-term liabilities of the pension fund; and

Whereas, Fiduciaries responsible for pension fund management must be constantly

vigilant and plan far into future to calculate the full extent of the fund's emerging, long-term liabilities, and to indentify and develop promising funding and benefits options to fully meet projected liabilities; and

Whereas, It is in the City's best interest to proactively gather and assess the full spectrum of pension funding and benefits options now, with pension liabilities fully funded and the fund in sound fiscal condition, before the fund veers into unforeseen or unanticipated difficulties; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that a Pension Task Force is created to analyze pension funding and benefits options for meeting the City's future pension obligations without overburdening the City's financial resources; and, be it

Further Resolved, This Pension Task Force shall be chaired by the Chair of the Finance and Personnel Committee and staffed by the City Clerk's Office; and, be it

Further Resolved, The Pension Task Force membership shall consist of the following 7 members:

1. Chair of the Finance and Personnel Committee or the Chair's designee.
2. The City Comptroller or the Comptroller's designee.
3. 3 members appointed by the Mayor.
4. 2 members appointed by the Common Council President.

; and, be it

Further Resolved, That members appointed to the Pension Task Force by the Mayor and the Common Council President shall have expertise in employee benefits systems, actuarial science, finance, or related disciplines, or have senior private-sector management experience with responsibilities in retirement, pension and benefits management, wealth and asset management, actuarial services, finance or other relevant field; and, be it

Further Resolved, The Mayor and the Common Council President shall make all reasonable efforts to coordinate appointments to ensure the Pension Task Force includes a cross-section of scholarship and experience so it can effectively evaluate the full range of issues affecting retirement and pension programs; and, be it

Further Resolved, All departments are directed to assist the Pension Task Force as requested to complete its mission; and, be it

Further Resolved, The Pension Task Force shall report its findings to the Common Council within 6 months of the adoption of this resolution and be automatically dissolved.

Requestor

Drafter

LRB #10355-1

ANC

09/08/10

NOTICES SENT TO FOR FILE NUMBER: 100416
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #:	100576	Version:	0
Type:	Communication	Status:	In Committee
File created:	9/1/2010	In control:	FINANCE & PERSONNEL COMMITTEE
On agenda:		Final action:	
Effective date:			
Title:	Communication from the Department of Employee Relations relating to classification studies scheduled for City Service Commission action.		
Sponsors:	THE CHAIR		
Indexes:	CITY SERVICE COMMISSION, POSITIONS ORDINANCE, RATES OF PAY, SALARY ORDINANCE, WAGES AND BENEFITS		
Attachments:	Letter from Dept of Employee Rel and Job Eval Reports-CSC Meetings August 3 and September 7, 2010, Fiscal Note and Spreadsheet-CSC Meetings August 3 and September 7, 2010, Hearing Notice List		

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number

100576

Version

ORIGINAL

Reference

Sponsor

Title

Communication from the Department of Employee Relations relating to classification studies scheduled for City Service Commission action.

Requestor

Drafter

CC-CC

tb

9/8/10



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

September 13, 2010

To the Honorable
The Committee on Finance and Personnel
Common Council
City of Milwaukee

Dear Committee Members:

Re: Common Council File Number 100576

The following classification and pay recommendations were approved by the City Service Commission on **August 3, 2010**:

In the Health Department, one position of Communicable and Infectious Disease Program Supervisor, Salary Grade 07 currently held by Irmine Reitl was reclassified to Communicable and Infectious Disease Program Manager, Salary Grade 09.

The following classification and pay recommendations were approved by the City Service Commission on **September 7, 2010**:

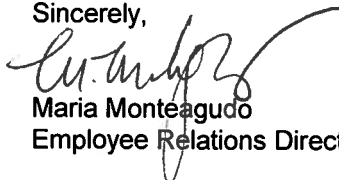
In the Assessor's Department, 2 new (0.5 FTE) Grant Funded Positions were classified to Senior Property Appraiser, Pay Range 588.

In the Department of Public Works-Infrastructure Division, one position of Recreational Facilities Coordinator, Pay Range 607 was retitled to Facilities Project Coordinator, Pay Range 607.

In the Department of Public Works – Water Works, one vacant position of Management Accountant-Senior, Salary Grade 04 was reclassified to Water Revenue Collections Supervisor, Salary Grade 06.

The job evaluation report covering the above position, including the necessary Salary and Positions Ordinance amendments, are attached.

Sincerely,



Maria Monteagudo
Employee Relations Director

MM:fcw

Attachments: 4 Job Evaluation Reports
2 Fiscal Notes

C: Mark Nicolini, Renee Joos, James Carroll, Troy Hamblin, Nicole Fleck, Joe Alvarado, Bevan Baker, Raymond Weitz, Raquel Filmanowicz, Paul Biedrzycki, Irmine Reitl, Mary Reavey, Peter Weissenfluh, Jeffrey Mantes, Preston Cole, Dan Thomas, Jeffrey Polenske, Venu Gupta, Carrie Lewis, Laura Daniels, Earl Smith, Richard Abelson, John English, Kenneth Wischer, Bill Mollenhauer, Daniel Panowitz, and Calvin Lee (DC 48)

JOB EVALUATION REPORT

City Service Commission Meeting Date: August 3, 2010

Department: Health

Current	Requested	Recommended
Communicable and Infectious Disease Program Supervisor SG 07 (\$53,519 - \$74,922) Incumbent: Irmine Reitl	STD/HIV/TB Program Manager	Communicable and Infectious Disease Program Manager SG 09 (\$60,809 - \$85,129)

Action Required

In the Salary Ordinance, under Salary Grade 07, delete the title "Communicable and Infectious Disease Program Supervisor" and under Salary Grade 09, add the title "Communicable and Infectious Disease Program Manager".

In the Positions Ordinance, under Health Department, Disease Control and Environmental Health Services Division, Sexually Transmitted Disease Clinic, delete one position of "Communicable and Infectious Disease Program Supervisor (X) (Y)" and add one position of "Communicable and Infectious Disease Program Manager (X) (Y)".

Background

In a letter dated March 3, 2010 Raquel Filmanowicz, Health Operations Administrator, requested a reclassification study of the position of Communicable & Infectious Disease Program Supervisor in Salary Grade 07 in the Disease Control and Environmental Health Services Division. The department submitted a new job description and discussions were held with the incumbent, Irmine Reitl; the supervisor of the position, Paul Biedrzycki, Disease Control and Prevention Manager; and Ray Weitz, Health Personnel Officer.

Duties, Responsibilities and Requirements

The basic function of this position is to provide leadership, management, and supervisory oversight of the Milwaukee Health Department (MHD) comprehensive Sexually Transmitted Disease (STD) Clinic, Human Immunodeficiency Virus (HIV) Program, STD/HIV field operations, Tuberculosis (TB) Control Clinic, and associated epidemiology and surveillance activities; oversee and promote prevention programs; and participate in strategic planning with other governmental and/or community organizations to achieve the goals and outcomes of the MHD. The specific duties and responsibilities include the following:

- 55% Program Management, Administration, and Development – establish and monitor program goals, direction and outcomes; analyze local and national data to determine disease trends and design appropriate prevention and intervention service; develop, implement and evaluate STD/HIV/TB strategic plans and outcomes for the MHD and Milwaukee community; provide direction, set priorities, and ensure adequate resource

allocation that allows Milwaukee's program to move forward in concert with national objectives and keep abreast of STD/HIV/TB initiatives; serve as primary spokesperson for the STD/HIV/TB programs in the MHD; collaborate with staff from a variety of MHD programs to integrate STD/HIV/TB services in the community; collaborate on and direct multiple grants to assure goals, objectives and outcomes are met; work closely with the MHD Associate Medical Director, STD Public Health Nurse Coordinator, Center for Disease Control (CDC) Field Operations Manager, TB Medical Consultant, TB Public Health Nurse Coordinator to assure clinic, field, and surveillance protocols are current and enforced; assist in preparation and monitoring of grant applications and budgets; assist with contract negotiations; develop and monitor contracts with professionals and community based organizations (CBO); prepare reports, briefings, and updates as necessary; facilitate clinical learning experiences and site visits for program partners and grantors; assure appropriate program staff composition; interact with City government units, non-City agencies and CBO's as necessary; provide professional expertise to research project proposals and undertakings; manage equipment and supply needs of the clinics; develop, implement, and maintain all STD/HIV/TB policies, protocols and procedures consistent with State and Federal guidelines; coordinate appropriate enforcement of local and State public health regulations associated with TB control within the community; coordinate appropriate medical oversight, prevention, and intervention activities within the TB Control Clinic (TBCC); and oversee refugee screening and related medical access and care referrals through the TBCC.

- 30% Supervision – direct and supervise staff in the STD/HIV/TB areas; oversee all daily clinical and administrative duties associated with the STD and TB clinics; oversee activities of CDC supervisory staff (3) assigned to the STD/HIV/TB Program including the Field Operations Manager, First Line Supervisor, and Special Projects Coordinator; assure appropriate staffing and scheduling to meet the needs of the Program; conduct interviews and make recommendations for hiring, evaluation and promotion of program staff; assess work performance and provide mentoring, staff development, and training as necessary; promote professional development and accountability in a supportive environment; work with the Health Personnel Officer regarding personnel issues; function as the Keenan Health Center building manager; work with maintenance supervisor and staff to address special events such as press conferences, elections, "Shoo the Flu" activities, and interior and exterior buildings and grounds issues; coordinate and direct security staff to assure safety and security of staff, visitors, and clients; and provide on-sight supervisory support to assist the Women, Infant and Children (WIC) Program, Family Health Clinic and Walk-In Clinic activities.
- 10% Community Leadership – collaborate with the MHD STD/HIV/TB management team, local Health Departments, State of Wisconsin Division of Health, Medical College of Wisconsin, Children's Hospital of Wisconsin, ARCW, and other community health centers, managed care organizations, physician networks, and private physicians to assure program goals are met; provide leadership to the MHD regarding the prevention of STD/HIV/TB; coordinate efforts with other coalitions and initiatives and draw on available sources for technical assistance; identify, recruit, develop, support, and maintain primary partners around STD/HIV/TB awareness and service delivery; and advocate for community empowerment and ownership of STD/HIV/TB issues and long term infrastructure improvements.

- 5% Emergency Preparedness and Other Duties – provide training and preparedness for public health emergencies when directed by the Director of Disease Control and Environmental Health and perform other duties as assigned.

Requirements include a Master's Degree in Administration, Community Health, Health Education, Human services, Management, Nursing, Public Health, Social Work or related field; and three years of experience in community health, education, health education, human services, nursing, public health, or social work, with at least two years of program management or supervision in the areas of program planning, budget development and monitoring, contract development, staff development, team management and quality assurance. Equivalent combinations of education and experience may also be considered.

Analysis

This position has experienced a significant increase in duties and level of responsibility. Previously, there were two positions of Communicable & Infectious Disease Program Supervisor in Salary Grade 07 located at the City's Keenan Health Center. The position under study had responsibility for Tuberculosis and Communicable Disease programs (TB/CD) and the other position had responsibility for the Sexually Transmitted Disease and Human Immunodeficiency Virus (STD/HIV) programs. The other position was eliminated in the 2009 budget and the position under study now has responsibility for all four programs.

Previously the position under study supervised 13 positions and now supervises 30 positions. This has included an increased responsibility related to preparing and monitoring grants and contracts with federal and state agencies; and with developing and streamlining the processes associated with the billing initiatives and revenue sources. Other changes include a greater emphasis on strategic planning including developing, implementing and evaluating strategic plans and outcomes, assuring adequate resource allocations, establishing program goals, analyzing data to determine disease trends and design appropriate prevention and intervention strategies, providing data and analysis for the Mayor's Accountability in Management (AIM) initiative, testifying before the Common Council Finance and Personnel and Public Safety Committees regarding these programs, and acting as a primary spokesperson for these programs.

With these changes the position is more comparable to other positions in the Health Department that have similar supervisory and program responsibilities such as the Family and Community Health Operations Manager and the Home Environmental Health Manager described below.

Family and Community Health Operations Manager in SG 09

Helps develop, implement, manage, and evaluate evidence-based programs for the Milwaukee Health Department (MHD) Family and Community Health Division which includes home visiting services to at-risk families; the Women, Infant and Children (WIC) nutrition program; the Medical Assistance Outreach Program; the Adolescent Community Health program; and other programs; supports the Division Director by overseeing specific program areas and working to streamline and improve across the board internal processes; works closely with Program Managers, the Business Operations Manager, the Director of Nursing, and the Chief Medical Officer to achieve goals; forges partnerships within the Milwaukee community; represents the MHD in area coalitions and networks; and has responsibility for 31 employees.

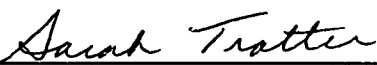
Home Environmental Health Manager in SG 09

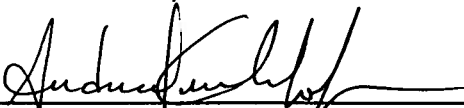
This position provides leadership for all activities of the Home Environmental Health Division which includes the Childhood Lead Poisoning Prevention Program, asthma and unintentional household injuries. These activities include community and program needs assessment, program planning for improvement and expansion, program coordination, staff supervision, leadership, program evaluation, and research activities. This position is also responsible for securing resources (grant writing), developing and maintaining numerous collaborative relationships, policy development and consultation, and oversight of 34 employees.

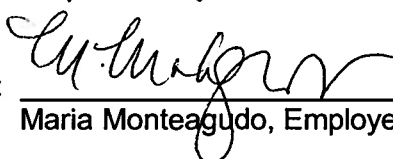
We recommend the title Communicable and Infectious Disease Program Manager since the title still reflects the general area of work and the word "Manager" rather than "Supervisor" indicates the greater emphasis on overall management and strategic planning.

Recommendation

We therefore recommend that this position be reclassified from Communicable & Infectious Disease Program Supervisor in Salary Grade 07 to Communicable & Infectious Disease Program Manager in Salary Grade 09.

Prepared by: 
Sarah Trotter, Human Resources Representative

Reviewed by: 
Andrea Knickerbocker, Human Resources Manager

Reviewed by: 
Maria Monteagudo, Employee Relations Director

Job Evaluation Report

City Service Commission Date: September 7, 2010

Department: Assessor's Office

Current	Request	Recommendation
2 New Grant Funded Positions (0.5 FTE)	Senior Property Appraiser (0.5 FTE) 2 positions PR 588 \$47,637 - \$74,036	Senior Property Appraiser (0.5 FTE) 2 positions PR 588 \$47,637 - \$74,036

Action Required

In the Positions Ordinance, under Assessor's Office, Assessment Division, Real Property, add two positions of "Senior Property Appraiser (0.5 FTE)."

Background

The Department of Employee Relations has received a request from Mary Reavey, Assessment Commissioner to classify two new part-time CDBG grant-funded positions. In studying this request, the staff reviewed a job description prepared by the Department and held discussions with Mary Reavey, Assessment Commissioner.

Duties and Responsibilities

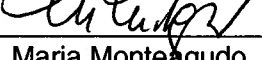
The Assessor's Office has received grant funding for two part-time positions that will work on a Property Inspection Program in CDBG Neighborhoods. The objective of this project is to preserve the integrity and perception of neighborhoods that have high foreclosure rates.

The duties and responsibilities of these two positions will be in line with other Property Appraiser Seniors (Pay Range 588) in the Assessors Office and will be responsible for the valuation of all classes of property. These two new positions will identify and capture the physical condition of foreclosed properties and thereby eliminate comparison of these properties to other non-foreclosed property in the neighborhoods. The classification requires a Bachelor's Degree from an accredited college of university with a major in Real Estate, Business Administration, Economics, Finance, Urban Planning or related field; two years of experience as property appraiser; and Certification by the State of Wisconsin at the Assessor II level. Equivalent combinations of training and experience may be considered.

Analysis and Recommendation

These two new grant funded positions will perform the duties of the current Property Appraiser Senior classification within the context of the Property Inspection Program in CDBG Neighborhoods. We therefore recommend that these two positions be classified as Property Appraiser Senior in Pay Range 588.

Prepared By: 
Andrea Knickerbocker, Human Resources Manager

Reviewed By: 
Maria Montenegro, Employee Relations Director

Job Evaluation Report

City Service Commission Date: September 7, 2010

Department: DPW-Infrastructure Division

Current	Request	Recommendation
Recreational Facilities Coordinator PR 607 \$64,697 - \$77,134	Facilities Projects Supervisor PR 607 \$64,697 - \$77,134	Facilities Project Coordinator PR 607 \$64,697 - \$77,134

Action Required

In the Salary Ordinance, under Pay Range 607, delete the title "Recreational Facilities Coordinator" and add the title "Facilities Project Coordinator".

In the Positions Ordinance, under Department of Public Works-Infrastructure Services Division, Facilities Development and Management Section, Architecture Planning and Decision Unit, delete one position of "Recreational Facilities Coordinator" and add one position of "Facilities Project Coordinator".

Background

The Department of Employee Relations has received a request from DPW-Infrastructure Services Division to change the title of one position of Recreational Facilities Coordinator within the Facilities Development and Management Section of the Infrastructure Services Division. In studying this request, the staff reviewed a job description prepared by the Department and held discussions with Venu Gupta, DPW-Infrastructure Services Division.

Changes to Duties and Responsibilities

This position will be responsible for planning, design, coordination and project management of projects in the Facilities Development and Management Section. Responsibilities will include projects such as coordinating recreational facilities capital improvement projects; designing, coordinating and administering facility remodeling projects; creating project drawings and specifications; and inspecting facility conditions including facades. Previously the position responsibilities were focused on project management of recreational facilities.

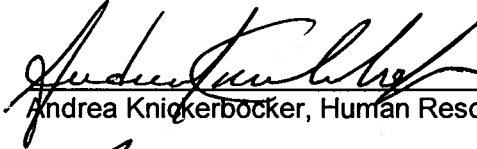
Project management responsibilities continue to include oversight of the technical work of Program Assistants, Engineering Drafting Technicians II, Bridges & Public Buildings Inspectors as well as consultants. The position will coordinate and monitor consultants' preparation of design and construction documents and consultant's construction administration or inspection services. This includes reviewing project cost estimates, time schedules, and quality control for public works projects. The position will also work with community groups and may attend evening or weekend meetings as a part of developing community based designs.

Requirements for the position continue to include a Bachelors Degree in Civil Engineering or equivalent from an ABET accredited college or university and at least two years of related project engineering experience. Two years of general computer and CADD (MicroStation) experience is also required. A professional engineering (PE) license in the State of Wisconsin or equivalent is highly desirable. A valid State of Wisconsin driver's license is required. It should be noted that these minimum requirements have not been assessed for staffing purposes.

Analysis and Recommendation

This position will now be responsible for planning, design, coordination and project management of projects within the Facilities Development and Management Section of Infrastructure Services. A change in title is appropriate to reflect the position's scope of work. We therefore recommend that this position be classified as Facilities Project Coordinator in Pay Range 607.

Prepared By:


Andrea Knickerbocker, Human Resources Manager

Reviewed By:


Maria Monteagudo, Employee Relations Director

JOB EVALUATION REPORT

City Service Commission Meeting Date: September 7, 2010

Department: DPW – Water Works

Current	Requested	Recommended
Management Accountant-Senior SG 04 (\$44,194 - \$61,871) Vacant Position	Water Revenue Collections Supervisor SG 06 (\$50,206 - \$70,295)	Water Revenue Collections Supervisor SG 06 (\$50,206 - \$70,295)

Action Required

In the Salary Ordinance, under Salary Grade 06, add the title "Water Revenue Collections Supervisor".

In the Positions Ordinance, under Department of Public Works-Water Works, Business Organization, Accounting Services Section, delete one position of "Management Accountant-Senior" and under Commercial Services, add one position of "Water Revenue Collections Supervisor."

Background

In a letter dated July 12, 2010 Carrie Lewis, Water Works Superintendent, requested a reclassification study of the position of Management Accountant – Senior in Salary 04 in the Commercial Services Division. She indicated that the department is restructuring this vacant position by adding some duties and responsibilities including serving as a backup to the Water Revenue Manager. The department submitted a new job description and discussions were held with Laura Daniels, Administration and Projects Manager.

Duties, Responsibilities and Requirements

The basic function of this position is to oversee the delinquent accounting for the Milwaukee Water Works (MWW) by reviewing outstanding bills, managing accounts that are in bankruptcy, certifying outstanding account balances to the tax rolls annually, communicating with customers who are behind in their bill payments, and supervising three positions of Customer Service Representative III to provide accurate and efficient collections of outstanding Municipal Service bills. The specific duties and responsibilities include the following:

- 20% Manage the MWW Cashier Section which includes three Customer Service Representative III positions; assist in the hiring process for the Customer Service III positions; provide orientation and detailed training of the MWW enQuesta system, bankruptcy processes, and general customer service guidelines; and provide daily supervision, payroll documentation, and administration of MWW Business Section Major Work Rules, Policies and Procedures.

- 30% Manage the delinquent accounts of the MWW; process all account transfers, refunds, and returned checks; ensure that the MWW processes past due notices to customers and works to provide timely collections of past due revenue; consults with customers to review large bills and work out payment plans as requested; and review account histories to ensure proper billing.
- 20% Process bankruptcy claims submitted to the MWW by noting account information, suspending billing, and setting up bankruptcy accounts in the enQuesta system; and work with the court system and the City Attorney's Office to collect outstanding revenue through the bankruptcy system.
- 10% Assist in the certification of unpaid bill amounts to the City of Milwaukee property taxes; review tax roll information to ensure accuracy of dollar amounts to be transferred to the proper tax key; coordinate information by deadline with the City Treasurer's Office; and follow up on collection of past due amounts to ensure proper accounts are being recorded.
- 10% Assist the Customer Service Supervisor by responding to customer questions and concerns regarding various areas including delinquent accounts, bankruptcies, returned checks, and the tax roll; act as the backup Supervisor to the Customer Service group in the absence of the Customer Service Supervisor.
- 5% Assist the Water Revenue Manager in the billing process as needed to maintain the on time billing system processes.
- 5% Prepare reports on Section activity for management as assigned or requested and perform other duties as assigned.

Requirements include a bachelor's degree in Business Administration, Accounting, or Finance; and two years of experience in the areas of cash receipts, collection, and customer service. Supervisory experience is desirable. Equivalent combinations of education and experience may also be considered. These requirements have not yet been assessed for staffing purposes.

Changes to Duties and Responsibilities

The department indicated that there have been a number of changes that have impacted the duties and responsibilities of this position. These include changes in the bankruptcy law, increased charges added to the Water Works bill which is now called the Municipal Services bill, and increasing revenue delinquencies. The department has restructured this position by adding duties including responsibility for backing up the Water Revenue Manager for the billing process. This position also serves as a backup to the Customer Service Supervisor.

As a result of these changes some departmental functions will become more complex. For example, bankruptcy law changes now mean that charges for water are no longer considered secure and may be forgiven. This position will work with the City Attorney's Office to manage the bankruptcies in addition to managing the delinquent accounts. This position will also work with any future changes to the bankruptcy laws that may occur.

The complexity of the Municipal Services bill has also increased. Additional components to the bill require additional understanding of coding and bill calculation. This position will now serve

as the back-up to the supervisor managing these functions and staff which will require an extensive understanding of the billing process.

Other changes include working with updated software in the "Customer Information Service" system and supervision of an additional Customer Service Representative to include three employees. This position will be responsible for training these positions on all of these changes and details discussed above.

Analysis

In studying this position comparisons were made to other positions in the City including the following:

Claims Adjuster Specialist in SG 05 (DPW – Water Works)

Manages claims levied by and against the MWW by conducting thorough investigations, gathering of all relevant information, and coordinating the MWW response in such matters; responds on behalf of the MWW to the City Clerk's Office, City Attorney's Office, and the Department of Public Works; and represents the MWW at the Judicial and Legislative Committee of the Common Council.

Customer Services Specialist in SG 05 (City Treasurer)

Assists the Customer Services Manager in a professional capacity in the performance of various customer service, tax collection, and system maintenance functions; serves as department liaison with outside agencies or individuals requesting tax account information available through the Automated Tax Collection System (ACTS); services lending institutions regarding escrow agent bill requests and assists agencies in making payments on delinquent tax accounts; oversees temporary in-house taxpayer customer service and mail processing operations staff during the current tax collection period (December 1st – February 5th); and assumes responsibility for the day-to-day operations of the Customer Services Division in the absence of the Customer Services Manager. Assists in the supervision of eight Customer Service Representative II positions and 15 Temporary Customer Service Representative I positions.

Accountant III in SG 06 (DPW – Water Works)

Performs financial and cost accounting duties related to MWW's capital and operating and maintenance (O&M) projects, construction contracts, fixed assets capitalization and retirement, and inventory. These duties include maintaining financial records, transferring funds, preparing cost estimates and billings for relocation and/or alterations, inventory valuation and reconciliation, and assigning and reviewing work of an Accounting Assistant II position.

Water Customer Service Supervisor in SG 06 (DPW – Water Works)

Manages the customer service work group which interfaces with customers in person, over the telephone, by fax, and via the web to facilitate bill paying and to respond to requests for service, account clarification, and address changes. This group consists of nine Customer Service Representative positions and serves approximately 860,000 customers. On a daily basis they handle an average of 300 phone calls, 160 walk-in customers, and over 450 transactions through the interactive voice response (IVR) system and online connections.

Customer Service Manager in SG 07 (City Treasurer)

Supervises the day-to-day operations of the Customer Services Division which includes one position of Customer Service Specialist, eight positions of Customer Service Representative II, and 15 positions of Temporary Customer Service Representative I; trains staff in division operations, methods and procedures; represents the department at monthly Board of Review meetings and Common Council hearings on tax related matters; and performs other duties related to tax collection including reviewing and approving installment and delinquent tax bill samples before production runs and requests for tax account status changes.

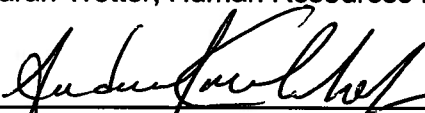
In reviewing these positions the Water Customer Service Supervisor in Salary Grade 06 appears most similar in level of responsibility. The position also supervises a work group that interacts with customers of the Milwaukee Water Works and which must also have a detailed knowledge of the services and procedures. The Water Customer Service Supervisor does supervise a larger staff but the position under study has responsibility for managing the difficult areas of delinquent accounts and bankruptcy.


With these changes the department's organizational structure for Commercial Services will include a Water Revenue Manager in Salary Grade 08 and two supervisory positions in Salary Grade 06 including the current Water Revenue Collections Supervisor and this new Water Revenue Collections Supervisor. This structure will support the department's wish to provide more defined supervisory backup and coverage for the billing process and commercial services. The requested title of Water Revenue Collections Supervisor is appropriate as it describes the nature of the work and designates the location of the job similar to other positions in the Water Works.

Recommendation

We therefore recommend that this position of Management Accountant – Senior in Salary Grade 04 be reclassified to Water Revenue Collections Supervisor in Salary Grade 06.

Prepared by: 
Sarah Trotter, Human Resources Representative

Reviewed by: 
Andrea Knickerbocker, Human Resources Manager

Reviewed by: 
Maria Montezudo, Employee Relations Director

CITY OF MILWAUKEE FISCAL NOTE

A) Date: 9/13/10

File Number: 100576
Orig Fiscal Note ☒ Substitute ☐

Subject: Classification and pay recommendations approved by the City Service Commission on August 3 and September 7, 2010.

B) Submitted By (name/title/dept/ext.): Sarah Trotter, Human Resources Representative/Dept. of Employee Relations/X2398

- C) Check One: ☒ Adoption of this file authorizes expenditures
☐ Adoption of this file does not authorize expenditures; further Common Council action needed. List anticipated costs in Section G below.
☐ Not applicable / no fiscal impact.

- D) Charge to: ☒ Departmental Account (DA) ☐ Contingent Fund (CF)
☐ Capital Projects Fund (CPF) ☐ Special Purpose Accounts (SPA)
☐ Perm. Improvement Funds (PIF) ☐ Grant & Aid Accounts (G & AA)
☐ Other (Specify)

E) Purpose	Specify Type/Use	Account	Expenditure	Revenue	Savings
Salaries/Wages:	<i>Classification and pay recommendations for new or changed positions in the following departments: Assessors, Health, DPW-Infrastructure and DPW-Water Works.</i> <i>(See attached spreadsheet for details)</i>		<i>(See attached spreadsheet)</i>		
Supplies:					
Materials:					
New Equip:					
Equip Repair:					
Rollups (.2045):					
Totals					

F) For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	
<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	
<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	

G) List any anticipated future costs this project will require for completion:

H) Computations used in arriving at fiscal estimate:

(See attached spreadsheet for details)

Please list any comments on reverse side or attachment and check here ☒ *(See attached)*

Department of Employee Relations
Fiscal Note Spreadsheet

Finance & Personnel Committee Meeting of September 17, 2010
City Service Commission Meeting of August 3, 2010

NEW COST FOR 2010												
No.	Pos.	Dept	From	PR/SG	To	Comm & Inf Disease Prog Mgr	PR/SG	Present Annual	New Annual	New Cost	Rollup	Total Rollup+ Sal
1		Health	Comm & Inf Disease Prog Sup	7		Comm & Inf Disease Prog Mgr	9	\$68,080	\$71,484	\$655	\$111	\$766
1										\$655	\$111	\$766

Assume changes are effective Pay Period 22 (October 17, 2010).

PROJECTED NEW COST FOR FULL YEAR												
No.	Pos.	Dept	From	PR/SG	To	Comm & Inf Disease Prog Mgr	PR/SG	Present Annual	New Annual	New Cost	Rollup	Total Rollup+ Sal
1		Health	Comm & Inf Disease Prog Sup	7		Comm & Inf Disease Prog Mgr	9	\$68,080	\$71,484	\$3,404	\$579	\$3,983
1										\$3,404	\$579	\$3,983

Totals may not be to the exact dollar due to rounding.

**Department of Employee Relations
Fiscal Note Spreadsheet**

Finance & Personnel Committee Meeting of September 17, 2010
City Service Commission Meeting of September 7, 2010

NEW COST FOR 2010										
No. Pos.	Dept	From	PR/SG	To	PR/SG	Present Annual	New Annual	New Cost	Rollup	Total Rollup+ Sal
2	Assessor	New Positions (0.5 FTE)	N/A	Senior Property Appraiser	588	N/A	N/A	N/A	N/A	N/A
1	DPW-Infrastructure	Recreational Facilities Coord	607	Facilities Project Coord	607	N/A	N/A	N/A	N/A	N/A
1	DPW-Water Works	Mgmt Accountant - Senior	4	Water Revenue Collections Sup	6	\$44,194	\$50,206	\$1,156	\$197	\$1,353
1								\$1,156	\$197	\$1,353

Assume changes are effective Pay Period 22 (October 17, 2010).

PROJECTED NEW COST FOR FULL YEAR										
No. Pos.	Dept	From	PR/SG	To	PR/SG	Present Annual	New Annual	New Cost	Rollup	Total Rollup+ Sal
2	Assessor	New Positions (0.5 FTE)	N/A	Senior Property Appraiser	588	N/A	N/A	N/A	N/A	N/A
1	DPW-Infrastructure	Recreational Facilities Coord	607	Facilities Project Coord	607	N/A	N/A	N/A	N/A	N/A
1	DPW-Water Works	Mgmt Accountant - Senior	4	Water Revenue Collections Sup	6	\$44,194	\$50,206	\$6,012	\$1,022	\$7,034
1								\$6,012	\$1,022	\$7,034

Totals may not be to the exact dollar due to rounding.

NOTICES SENT TO FOR FILE NUMBER: 100576
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100575 **Version:** 0

Type: Communication **Status:** In Committee

File created: 9/1/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Communication from the Department of Employee Relations relating to classification studies scheduled for Fire and Police Commission action.

Sponsors: THE CHAIR

Indexes: FIRE AND POLICE COMMISSION, POSITIONS ORDINANCE, RATES OF PAY, SALARY ORDINANCE, WAGES AND BENEFITS

Attachments: Letter from Dept of Employee Relations and Job Eval Reports, Fiscal Note and Spreadsheet, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number

100575

Version

ORIGINAL

Reference

Sponsor

Title

Communication from the Department of Employee Relations relating to classification studies scheduled for Fire and Police Commission action.

Requestor

Drafter

CC-CC

tb

9/8/10



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

September 13, 2010

To the Honorable
The Committee on Finance and Personnel
Common Council
City of Milwaukee

Dear Committee Members:

Re: Common Council File Number 100575

The following classifications and pay levels will be submitted to the Board of Fire and Police Commissioners on September 16, 2010. We recommend these changes subject to approval by the Board of Fire and Police Commissioners.

In the Police Department:

One position of Administrative Lieutenant of Police (Health and Safety), Pay Range 836 is recommended for reclassification to Health and Safety Officer, SG 06.

One position of Fleet Maintenance Supervisor, Salary Grade 05 currently held by James Bocek is recommended for reclassification to Police Fleet Manager, SG 07.

The job evaluation report and letter covering the above positions, including the necessary Salary and Positions Ordinance amendments, are attached.

Sincerely,

Maria Monteagudo
Employee Relations Director

MM:fcw

Attachment: 2 Job Evaluation Reports
1 Fiscal Note

C: Mark Nicolini, Jennifer Meyer, James Carroll, Troy Hamblin, Nicole Fleck, Joe Alvarado, Michael Tobin, Chief of Police Edward Flynn, Assistant Chief of Police Monica Ray, Chief of Staff Joel Plant, Valarie Williams, Pamela Roberts, and Thomas Klusman (MPSO)

JOB EVALUATION REPORT

Fire and Police Commission Meeting Date: September 16, 2010

Department: Police

Present	Request	Recommendation
Administrative Lieutenant of Police (Health and Safety) PR 836 \$68,163 - \$82,740	Classify as civilian position	Health and Safety Officer SG 06 \$50,206 - \$70,295

Actions Required

In the Positions Ordinance, under Police Department, Administration Services Decision Unit, Administration Bureau, Human Resource Division, Medical Section, delete one position of "Administrative Lieutenant of Police (M)" and add one position of "Health and Safety Officer."

Background

The Department of Employee Relations received a request in August of this year from the Fire and Police Commission and Chief of Police Edward A. Flynn for the current position of Administrative Lieutenant of Police (Health and Safety) to be studied and classified as a civilian position. The current incumbent of the position has requested a voluntary demotion. A footnote in the 2010 Position Ordinance states: "Any civilianization or change to this position only to occur through attrition." In studying this request staff reviewed an updated job description and held discussions with the current incumbent Administrative Lieutenant Mercedes Cowan and Police Personnel Administrator Valarie Williams.

Duties & Responsibilities

This Health and Safety position reports to the Police Personnel Administrator and is responsible for developing, implementing, and administering Police department programs designed to enhance safety and reduce employee absenteeism. The position manages the department's Limited Duty Program; Family and Medical Leave and other leaves; and Fitness for Duty Evaluation recommendations. Duties and responsibilities include but are not limited to:

- Collecting, recording, and analyzing statistical data relating to the department's safety, absence control and limited duty programs
- Supervising the operations and personnel of the Medical Section
- Acting as a resource person for the Chief of Police and other managers and supervisors
- Serves as the Chief's and department's liaison with the Office of the City Attorney and DER Employee Benefits Division.

The position requires a Bachelor's Degree in Health, Business Administration, Human Resources, Public Administration or related field and three years of experience performing related duties and responsibilities. It should be noted that these requirements have not been assessed for staffing purposes.

Analysis

Other positions within City government with duties and responsibilities comparable to this position include the Fire Department's Health and Safety Officer and the Department of Public Works Safety Supervisor, both in Salary Grade 06.


The DPW Safety Supervisor leads a staff of Safety Specialists and is responsible for evaluating work sites and procedures for safety; performing job safety analyses and apprising supervisors of corrective actions; conducting safety training for supervisors and operational personnel; preparing safety reports; and coordinating the return-to-work of injured employees utilizing case management techniques.

The Fire Department Health and Safety Officer manages the department's safety programs and safety compliance; conducts safety evaluations; investigates work injuries and accidents; performs safety analyses and appraises supervisors of corrective actions; prepares statistical reports and safe work procedure reports; conducts safety briefings/training for committees and department members; and coordinates return-to-work using job analyses and case management techniques.

Recommendation

The duties and responsibilities of the position under study are comparable to those of other Health and Safety positions in DPW and the Fire Department. We therefore recommend that this position be classified as Health and Safety Officer in Salary Grade 06.

Prepared By:


Andrea Knickerbocker, Human Resources Manager

Reviewed By:


Maria Monteagudo, Employee Relations Director

JOB EVALUATION REPORT

Fire and Police Commission Meeting Date: September 16, 2010

Department: Police

Present	Request	Recommendation
Fleet Maintenance Supervisor SG 05 (\$47,109 - \$65,957) Employee: James Bocek	Fleet Maintenance Manager SG 08 (\$57,028 - \$79,836)	Police Fleet Manager SG 07 (\$53,519 - \$74,922)
Rationale: Considering the changes that have taken place in this position, the most important of which was assuming overall responsibility for the management of the Police Department's fleet with a budget of \$3.9M for repairs, equipment and vehicles, and responsibility for 28 employees, reclassification of this position is appropriate.		

Action Required

In the Salary Ordinance, under Salary Grade 07 add the title "Police Fleet Manager" and under Salary Grade 05, delete the title "Fleet Maintenance Supervisor."

In the Positions Ordinance, under Police Department, Administration Bureau, Safety Division, Facilities Services Section, delete one position of "Fleet Maintenance Supervisor" and add one position of "Police Fleet Manager."

Background

The Milwaukee Police Department requested that the position of Fleet Maintenance Supervisor held by James Bocek, be evaluated to determine an appropriate pay level and job title. The original request, which was submitted in March of this year and later amended in May, stated the duties and responsibilities of this manager had increased by virtue of assuming "full responsibility for managing our department fleet . . . and would now play an active role in the procurement of police equipment and the installation." In studying this request, the staff reviewed documentation available for the position, including a revised job description written by the Police Department and a job analysis questionnaire completed by employee currently filling the job. In addition, the staff interviewed Mr. Bocek at his work site to gain detailed information about the job's duties and responsibilities and any changes that had occurred in job content.

Duties and Responsibilities

Working under the general direction of Assistant Chief of Police Monica Ray who has overall responsibility for several major functions in the Administration Bureau, the Fleet Maintenance Supervisor is responsible for overall management of the Police Department's fleet consisting of some 760 vehicles, about 70 of which are replaced each year. The Department's current budget for vehicles and equipment is approximately \$1.9 M; another \$1.6 M is budgeted for repairs. In carrying out these responsibilities, this position has responsibility for some 28 employees; oversees installation of some equipment in vehicles; procures vehicles and

equipment; oversees the inventory of vehicles and equipment; sets maintenance schedules; ensures that repairs are completed; monitors contracts with vendors for washes and oil changes; and reviews invoices from the Department of Public Works for repairs.

The types of vehicles that comprise the Police Department's fleet include:

- Marked vehicles
- Unmarked vehicles
- 2 mobile command units
- Bomb squad vehicle
- 55+ motorcycles
- A school bus
- 2 skid loaders
- 21 vans

Many companies and organizations employ fleet managers who are responsible for the acquisition, maintenance, and disposal of vehicles. A distinctive feature of fleet management in law enforcement is the extensive use of communications, information technology and safety systems that must be installed in vehicles. A state-of-the-art law police car typically includes radar; a wireless two-way radio; suspect transport enclosure; firearm locker; mobile data terminal; video camera; automatic license plate number recognition system; and a speed recording device separate from a radar device; safety systems including lights, flashers, and sirens; and pursuit termination devices. Some of these systems require specialized installation and all systems and devices require ongoing maintenance.

The major areas of responsibilities associated with this position are as follows:

- **Management of vehicle services**
- **Budgeting**
- **Vehicle maintenance**
- **Staff supervision**

Management of vehicle services, which is estimated to require approximately 60% of the position's time, includes the following:

- Procuring vehicles and equipment. This includes writing specifications for vehicles.
- Scheduling all repairs, which are performed by the Department of Public Works.
- Establishing vehicle availability.
- Maintaining and upgrading computerized vehicle equipment records.
- Communicating with contractors, vendors, manufacturers, and repair shop personnel.

Budget responsibilities include the following:

- Monitoring a \$1.9 M budget for equipment and \$1.6 M budget for vehicle repairs.
- Approving invoices for payment of new vehicles, emergency equipment, light bar sirens, all safety equipment installed in vehicles, tires, and car washes
- Reviews all invoices of repair costs submitted by the Department of Public Works

Vehicle maintenance duties include:

- Establishing and carrying out a maintenance schedule for all vehicles
- Monitoring contracts with vendors for car washes and oil changes,
- Overseeing the evaluation of the Department's fleet. This includes an annual evaluations all vehicles and equipment in a specified age group.
- Determining which vehicles and what equipment needs to be taken out of service and disposing of vehicles and equipment in an economical and timely manner
- Monitoring lubrications for the fleet; maintaining fuel storage tanks and allocating fuel for all Police District Stations.

Staff Supervision includes:

- Supervising the work of all day-shift personnel assigned to the garage, including Police Officers, Garage Attendants, Vehicle Service Assistants, Police Service Specialists, and Electronic Technician Assistants.
- Scheduling personnel
- Training staff on the installation of equipment and how to diagnose repairs needed
- Responds to first-step grievances

Other duties include:

- Working with Department personnel to maintain leased vehicles
- Warehousing confiscated vehicles
- Organizing the use of Department vehicles participating in authorized private events
- Working with committees to determine the equipment to be installed in vehicles
- Coordinating vehicle equipment and supplies with district Commanders
- Providing chauffeuring service for Police personnel, dignitaries, and guests, as required.

Knowledge, Skills, Abilities and Attributes (KSAs)

- Knowledge of all vehicle systems—engines, drive drains, electrical systems, bodies, frames, electrical systems, suspension systems, brakes, wheels, and tires.
- Ability to plan and prioritize work
- Knowledge of management principles and techniques
- Ability to train, supervise, coach, motivate, and if necessary, discipline employees
- Ability to schedule personnel effectively
- Ability to use standard office hardware and software
- Ability to establish and maintain good business relationships with many individuals inside and outside of the Police Department, including the command staff.
- Knowledge of bidding processes and requirements
- Ability to prepare and monitor budgets and expenses.
- Ability to prepare specifications for equipment and vehicles
- Ability to provide guidance to Electronic Technicians in installing equipment
- Ability to respond to changing work priorities
- Ability to respond to grievances
- Ability to audit invoices for repairs
- Ability to monitor contracts with vendors

Although the current job description states that the minimum requirements for the job are a high school diploma and five years of experience in fleet management, noting that a "degree in management or closely related field" is desirable, the job analysis indicates that minimum requirements of the position should be revised to reflect an increased level of responsibility and knowledge and skill required, as detailed below. It is not uncommon for the position of fleet manager to require a bachelor's degree in business or management. At the time this position becomes vacant and the Department wishes to recruit a new fleet manager, the Staffing Division of the Department of Employee Relations will analyze this job from a staffing perspective to identify the KSAs needed at time of hire and minimum requirements for the job.

Analysis

Beginning in the second quarter of this year, a number of changes took place that impacted this position. Before approximately the first quarter of 2010, the Fleet Maintenance Supervisor reported to the Buildings and Fleet Manager, SG 10, who had responsibility for all of the Department's facilities and its fleet. After the Buildings and Fleet Manager retired, the Fleet Maintenance Supervisor began reporting to an Assistant Chief of Police in charge of the Department's Administration Bureau.

As a result of the change, the Fleet Maintenance Supervisor's purchasing authority increased from a limit of \$2,000 to \$10,000. This higher level of purchasing authority allows the Fleet Maintenance Supervisor to independently obtain bids for services of less than \$10,000 directly from vendors and decide which vendor will be awarded a contract for services or goods. Much of the specialized equipment that is installed in Police vehicles is consequently purchased directly by the Fleet Maintenance Supervisor.

In addition, this position now has responsibility for creating specifications for vehicles and equipment, which the previous Buildings and Fleet Manager performed. Lastly, this position provides guidance to Electronic Assistant Technicians who install equipment in Police vehicles. These changes indicate that the position has now assumed a higher level of responsibility and requires a higher level of knowledge and skill.

It should be noted that the Fleet Maintenance Supervisor does not supervise or direct any personnel who are engaged in the repair of Police vehicles, which is somewhat unusual for a fleet manager. Repair work is instead performed by mechanics in the Department of Public Works (DPW) under the direction of Fleet Repair Supervisors. For that reason, one of the critical duties of the Fleet Maintenance Supervisor is to carefully review all of the repair invoices submitted by DPW for accuracy and consistency.

Although there is no direct comparison to the Fleet Services Supervisor, the positions of Fleet Supervisor II, SG 05, and Fleet Supervisor III, SG 07, in the Department of Public Works provide a point of reference. (The Fleet Operations Manager for the Department of Public Works, which has responsibility for all aspects of the City's fleet of vehicles, except many of the aspects of fleet management in the Police Department, is allocated to SG 13.)

Fleet Repair Supervisors II, SG 05, in the Department of Public Works function as a first-line supervisors for approximately 20 mechanics and other employees who repair light vehicles, such as cars and trucks or very large heavy-duty equipment such as garbage trucks, street sweepers, and construction equipment. Fleet Repair Supervisors III, SG 07 function as second-level managers for a function or operation. One Fleet Repair Supervisor III manages all light



vehicle repairs on the first shift. The second manages repairs for heavy equipment on the first shift and the third Fleet Supervisor III manages all repairs for heavy equipment on the second shift.


Considering the changes that have taken place in this position, the most important of which was assuming overall responsibility for the management of the Police Department's fleet with a budget of \$3.9M for repairs, equipment and vehicles, reclassification of this position is appropriate. We are therefore recommending that this position be reclassified to Salary Grade 07, equivalent to the Fleet Repair Supervisor III in DPW. This is considered a fiscally conservative recommendation. By way of comparison, data from salary.com indicates that the base salary for two-thirds of fleet managers in Milwaukee ranges from \$67,530 to \$92,664. It is further recommended that this position be retitled to Police Fleet Manager, SG 07.

Recommendation

It is recommended that the position of Fleet Maintenance Supervisor, SG 05 be reclassified to Police Fleet Manager, SG 07.

Prepared by: 
Laura Sutherland, Human Resources Representative

Reviewed by:  
Andrea Knickerbocker, Human Resources Manager

Reviewed by: 
Maria Monteagudo, Employee Relations Director

CITY OF MILWAUKEE FISCAL NOTE

A) Date: 9/13/10

File Number: 100575
Orig Fiscal Note ☒ Substitute ☐

Subject: Classification and pay recommendations approved by the Fire and Police Commission on September 16, 2010

B) Submitted By (name/title/dept/ext.): Sarah Trotter, Human Resources Representative/Dept. of Employee Relations/X 2398

C) Check One:	<input checked="" type="checkbox"/> Adoption of this file authorizes expenditures
	<input type="checkbox"/> Adoption of this file does not authorize expenditures; further Common Council action needed. List anticipated costs in Section G below.
	<input type="checkbox"/> Not applicable / no fiscal impact.

D) Charge to:	<input checked="" type="checkbox"/> Departmental Account (DA)	<input type="checkbox"/> Contingent Fund (CF)
	<input type="checkbox"/> Capital Projects Fund (CPF)	<input type="checkbox"/> Special Purpose Accounts (SPA)
	<input type="checkbox"/> Perm. Improvement Funds (PIF)	<input type="checkbox"/> Grant & Aid Accounts (G & AA)
	<input type="checkbox"/> Other (Specify)	

E) Purpose	Specify Type/Use	Account	Expenditure	Revenue	Savings
Salaries/Wages:	Classification and pay recommendations for new or changed positions in the Police Department. <i>(See attached spreadsheet for details)</i>		<i>(See attached spreadsheet)</i>		
Supplies:					
Materials:					
New Equip:					
Equip Repair:					
Rollups (.2045):					
Totals					

F) For expenditures and revenues which will occur on an **annual** basis over several years check the appropriate box below and then list each item and dollar amount **separately**.

<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	
<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	
<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	

G) List any anticipated future costs this project will require for completion:

H) Computations used in arriving at fiscal estimate:

(See attached spreadsheet for details)

Please list any comments on reverse side or attachment and check here ☒ *(See attached)*

Department of Employee Relations
Fiscal Note Spreadsheet

Finance & Personnel Committee Meeting of September 17, 2010
Fire and Police Commission Meeting of September 16, 2010

NEW COST FOR 2010									
No.	Pos.	Dept	From	PR/SG	To	PR/SG	Present Annual	New Annual	Total Rollup+ Sal
1		Police	Fleet Maintenance Supervisor	5	Police Fleet Manager	7	\$63,954	\$67,152	\$720
1							\$615	\$615	\$105
									\$105
									\$720

NEW SAVINGS FOR 2010									
No.	Pos.	Dept	From	PR/SG	To	PR/SG	Present Annual	New Annual	Total Rollup+ Sal
1		Police	Adm Lieutenant of Police	836	Health and Safety Officer	6	\$68,163	\$50,206	\$4,040
1							\$3,453	\$3,453	\$587
									\$587
									\$4,040

Assume these reports are approved by the Fire & Police Commission on September 16, 2010
Assume changes are effective Pay Period 22 (October 17, 2010).

NEW COST FOR FULL YEAR									
No.	Pos.	Dept	From	PR/SG	To	PR/SG	Present Annual	New Annual	Total Rollup+ Sal
1		Police	Fleet Maintenance Supervisor	5	Police Fleet Manager	7	\$63,954	\$67,152	\$3,742
1							\$3,198	\$3,198	\$544
									\$544
									\$3,742

NEW SAVINGS FOR FULL YEAR									
No.	Pos.	Dept	From	PR/SG	To	PR/SG	Present Annual	New Annual	Total Rollup+ Sal
1		Police	Adm Lieutenant of Police	836	Health and Safety Officer	6	\$68,163	\$50,206	\$21,010
1							\$17,957	\$17,957	\$3,053
									\$3,053
									\$21,010

Totals may not be to the exact dollar due to rounding.

NOTICES SENT TO FOR FILE NUMBER: 100575
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100535 **Version:** 0

Type: Communication **Status:** In Committee

File created: 9/1/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Communication from the Department of Employee Relations requesting an amendment to the salary ordinance to assist in the implementation of a Memorandum of Understanding between the City and District Council 48, AFSCME, AFL-CIO.

Sponsors: THE CHAIR

Indexes: DEPARTMENT OF EMPLOYEE RELATIONS, LABOR CONTRACTS, SALARY ORDINANCE

Attachments: Letter from Labor Negotiator, Cover Letter, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number
100535
Version
ORIGINAL
Reference

Sponsor
THE CHAIR

Title
Communication from the Department of Employee Relations requesting an amendment to the salary ordinance to assist in the implementation of a Memorandum of Understanding between the City and District Council 48, AFSCME, AFL-CIO.

Requestor
Department of Employee Relations
Drafter
NMF:
res
labr/DC48/2010 Correspondence



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

September 1, 2010

To The Honorable
The Committee on Finance
and Personnel
Common Council
City of Milwaukee

Dear Committee Members:

Re: Common Council File No. 100535

Article 25.30 of the City/Milwaukee District council 48, AFSCME, AFL-CIO labor agreement states that the City shall pay an additional \$1.00 an hour for the performing interpreter duties for court proceedings for specific classifications employed in the Municipal Court. The City and District Council 48, AFSCME, AFL-CIO have entered into a Memorandum of Understanding (MOU) which will add the following four classifications to that article: Court Services Assistant I, Court Services Assistant II, Accounting Assistant II, and Accounting Assistant III. To implement this change, the Salary Ordinance will need to be amended.

We request that the Salary Ordinance be amended as follows:

Effective August 5, 2010, under Section 5, Pay Range 400, add the footnote designation

“3/” after the title Court Services Assistant I and add footnote 3/ to read as follows:

“Effective August 5, 2010, employees employed in the Municipal Court shall be eligible to receive an additional \$1.00 per hour while performing interpreter duties for court proceedings from Spanish to English and vice versa.”

Effective August 5, 2010, under Section 5, Pay Range 410, add the footnote designation

“9/” after the title Court Services Assistant II and add footnote 9/ to read as follows:

“Effective August 5, 2010, employees employed in the Municipal Court shall be eligible to receive an additional \$1.00 per hour while performing interpreter duties for court proceedings from Spanish to English and vice versa.”

Effective August 5, 2010, under Section 5, Pay Range 445, add the footnote designation

“4/” after the title Accounting Assistant II and add footnote 4/ to read as follows:

“Effective August 5, 2010, employees employed in the Municipal Court shall be eligible to

receive an additional \$1.00 per hour while performing interpreter duties for court proceedings from Spanish to English and vice versa.”

Effective August 5, 2010, under Section 5, Pay Range 460, add the footnote designation “3/” after the title Accounting Assistant III and add footnote 3/ to read as follows:
“Effective August 5, 2010, employees employed in the Municipal Court shall be eligible to receive an additional \$1.00 per hour while performing interpreter duties for court proceedings from Spanish to English and vice versa.”

In view of the foregoing, we recommend adoption of the attached resolution implementing the Memorandum of Understanding.

Sincerely,



Troy M. Hamblin
City Labor Negotiator

Attachment

cc: Faranda Wragg
Chuck Schumacher
Marie Pettigrew
Kristine Hinrichs
Calvin Lee
Tobie Black

TMH:NMF
IntPay_MuniCttr_8-5-10
labr\DC48\2010 Correspondence



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

August 27, 2010

Angelyn Ward,
Common Council Administration Manager
City Clerk's Office
Room 205, City Hall
City of Milwaukee

Dear Ms. Ward:

Article 25.30 of the City/Milwaukee District council 48, AFSCME, AFL-CIO labor agreement states that the City shall pay an additional \$1.00 an hour for performing interpreter duties for court proceedings for specific classifications in the Municipal Court. The City and District Council 48, AFSCME, AFL-CIO have entered into a Memorandum of Understanding (MOU) which will add four classifications to that article. Footnotes will need to be added to the Salary Ordinance for the implementation of the MOU. Please open a file and notify me with the file number. Further information will be forthcoming to fill the file.

Sincerely,

Troy M. Hamblin
Labor Negotiator

cc: Debra Fowler

TMH:NMF
CcopenltrMOU_MuniCt_8-5-10
labr/dc48\2010 Correspondence

NOTICES SENT TO FOR FILE NUMBER: 100535
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100040 **Version:** 1

Type: Resolution **Status:** In Committee

File created: 5/4/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Substitute resolution to ratify and confirm a collective bargaining agreement between the City of Milwaukee and Milwaukee Building and Construction Trades Council, AFL-CIO.

Sponsors: THE CHAIR

Indexes: AGREEMENTS, LABOR CONTRACTS

Attachments: Letter from Labor Negotiator, Agreement, Summary of Wage and Fringe Benefit Modifications, Letter from Labor Negotiator re: Salary Ordinance Amendments, Letter from Milw Building and Const Trades Council, Letter from Comptroller's Office, Fiscal Note, Cover Letter, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
5/4/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/10/2010	1	CITY CLERK	DRAFT SUBMITTED		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number
100040
Version
Substitute 1
Reference

Sponsor
THE CHAIR
Title

Substitute resolution to ratify and confirm a collective bargaining agreement between the City of Milwaukee and Milwaukee Building and Construction Trades Council, AFL-CIO.

Analysis

The purpose of this resolution is to confer common council approval, ratification and confirmation on a collective bargaining agreement between the City of Milwaukee negotiating team and Milwaukee Building and Construction Trades Council, AFL-CIO, covering wages, hours and conditions of employment for the time period commencing August 1, 2010, and ending July 31, 2012.

Body

Whereas, The total agreement between the city negotiating team and Milwaukee Building and Construction Trades Council, AFL-CIO, for the period commencing June 1, 2010, through May 31, 2012, has been reduced to writing; and

Whereas, a Memorandum of Understanding embodying the agreements reached by the parties to such negotiations, a copy of which is attached to Common Council File No. 100040 and incorporated herein as though fully set forth at length, subject to ratification by the Common Council; and

Whereas, The union membership has ratified the memorandum of understanding and a copy of a letter to that effect is attached to Common Council File No. 100040 and incorporated herein as though fully set forth at length; now, therefore, be it

Resolved, By the common council of the City of Milwaukee, that the agreement between the city negotiating team and Milwaukee Building and Construction Trades Council, AFL-CIO, be approved; and be it

Further Resolved, That the city negotiating team is hereby authorized and directed to reduce the agreement to a formal contract between the union and the city; and be it

Further Resolved, That the proper city officials are hereby authorized and directed to execute a formal contract between the City of Milwaukee and Milwaukee Building and Construction Trades Council, AFL-CIO, which reflects the terms of the agreement; and be it

Further Resolved, That the proper city officials are hereby authorized and directed to take the necessary action or to make the necessary recommendations to the common council or the appropriate committees or boards to implement the terms of this agreement; and be it

Further Resolved, That such sums as are necessary for the implementation of the aforementioned labor contract in accordance with its terms and conditions be obtained for and charged to the appropriate departmental budget accounts in accordance with the customary reporting and accounting requirements.

Requestor
Department of Employee Relations
Drafter
JJA:
100040 res
labr/lo-494eg/2010-2011

September 9, 2010

To The Honorable
The Committee on Finance
and Personnel
Common Council
City of Milwaukee

Re: Common Council File #100040

Dear Committee Members:

Agreement on a Memorandum of Understanding has been reached between the City Negotiating Team and the Milwaukee Building and Construction Trades Council, AFL-CIO. The Memorandum of Understanding covers wages, hours and conditions of employment for the period commencing August 1, 2010, to July 31, 2012.

Copies of the Memorandum of Understanding, a resolution approving it, a summary of its provisions, a fiscal note and a notice of ratification from the Union are attached.

It is recommended that the attached resolution be approved.

Sincerely,

Troy M. Hamblin
Labor Negotiator

Attachments

c: Jeffrey Polenske,
Preston Cole
Mark Rohlfing
Paula Kiley
Dan Thomas

AGREEMENT

Between

CITY OF MILWAUKEE

And

**MILWAUKEE BUILDING AND CONSTRUCTION TRADES COUNCIL
AFL-CIO**

Effective August 1, 2010 through July 31, 2012

AGREEMENT

Between

CITY OF MILWAUKEE

And

MILWAUKEE BUILDING AND CONSTRUCTION TRADES COUNCIL

AFL-CIO

August 1, 2010– July 31, 2012

PREAMBLE

This Agreement is made at Milwaukee, Wisconsin, pursuant to the provisions of Section 111.70, Wisconsin Statutes, by the CITY OF MILWAUKEE, as municipal employer, hereinafter referred to as the "City," and the MILWAUKEE BUILDING AND CONSTRUCTION TRADES COUNCIL, as representative of bargaining unit employees listed in Appendix A, who are employed by the City of Milwaukee, and hereinafter referred to as "Union."

The parties to this Agreement are desirous of reaching an amicable understanding with respect to the employer-employee relationship, which exists between them and to enter into a complete agreement covering rates of pay, hours of work and conditions of employment.

The parties do hereby acknowledge that this Agreement is the result of the unlimited right and opportunity afforded to each of the parties to make any and all demands and proposals with respect to the subject of rates of pay, hours of work and conditions of employment and incidental matters respecting thereto.

It is intended that the following Agreement shall be a full and complete Agreement consistent with the provisions of Section 111.70, Wisconsin Statutes.

ARTICLE 1

DURATION

This Agreement shall remain in full force and effect commencing at 12:01 a.m. on August 1, 2010, and terminating at 12:01 a.m. August 1, 2012. Either party may reopen the contract by notice served upon the other not earlier than May 31, 2012, nor later than June 30, 2012, indicating areas in a succeeding contract in which the party requests changes.

ARTICLE 2

RECOGNITION

The City recognizes the Union as the exclusive collective bargaining agent on the subjects of wages, hours and conditions of employment for employees who have passed the City's probationary period and who are in classifications covered by the appropriate bargaining unit certification of the Wisconsin Employment Relations Commission as of August 1, 2010.

This provision is set forth merely to describe the bargaining representative and the bargaining unit covered by this collective bargaining agreement and is not to be interpreted for any other purpose.

ARTICLE 3

MANAGEMENT RIGHTS

The Union recognizes that it is the prerogative of the City to determine the mission of the City and each of its departments, to determine the means, manpower, procedures and methods by which such mission will be accomplished, to operate and manage its affairs in all respects; and the powers and authority which the City has not officially abridged, delegated or modified by this Agreement are retained by the City.

Specifically, and without limitation thereto, by reason of enumeration, the Union recognizes:

1. The exclusive right of the City to establish reasonable work rules. The City will notify the Union in advance of changes in written work rules except in emergencies. Any dispute with respect to these work rules shall not in any way be subject to final and binding arbitration, but any dispute with respect to the reasonableness of a work rule involving matters primarily related to wages,

hours, and conditions of employment may be subject to final and binding arbitration and in such cases the arbitrator's decision shall be strictly limited to a determination of reasonableness. This provision is intended to expand but not to limit the right to arbitration set forth elsewhere in this Contract.

2. That the City has the right to schedule regular and overtime work as required in a manner it deems most advantageous to the City.
3. That the City reserves the right to discipline or discharge for cause.
4. No action of the City in admonishment of an employee or in encouraging the employee to improve his/her performance, attendance or punctuality shall in any case be deemed an appropriate subject for the grievance procedure. Neither the Union or City shall have the right or obligation to discuss same as a grievance.
5. That the City reserves the right to lay off employees.
6. That the City has statutory and charter rights and obligations in contracting for matters relating to municipal operations and the City may act to contract or subcontract any part or portion of its work without violation of its obligations hereunder to the Union or its members. The right of contracting or subcontracting is vested in the City. Except in cases which the City deems to be an emergency situation, the City will give reasonable and timely notification of and discuss with the Union any proposed contracting or subcontracting. The City will give the Union reasonable and timely notice in cases in which the Union's bargaining unit personnel are involved and affected wherein City departments are merged or separated and will afford the Union an opportunity to present its position with respect to the City's action.
7. Every incidental duty connected with operations enumerated in job descriptions is not always specifically described. Nevertheless, it is intended that all such duties shall be performed by the employee.

ARTICLE 4

GRIEVANCE PROCEDURE

- A. Only matters involving the interpretation, application or enforcement of the terms of this Agreement shall constitute a grievance under the provisions set forth below.

- Step #1. If an employee has a grievance, he/she, either alone or accompanied by a Union
(oral) representative or by a Union Steward, shall first present the grievance to his/her immediate supervisor orally within ten (10) days of the occurrence or within ten (10) days of the date upon which the employee knew or could have known of the occurrence which forms the basis of the alleged grievance.
- Step #2. If the grievance is not settled at the first step, it shall be reduced to writing and
(written) presented by the grievant to his/her immediate supervisor within the above time limits. Within ten (10) working days of receipt of the written grievance, the Division-head or his/her designee shall furnish the employee and the Union president with a written answer to the grievance. Any employee desiring to process a grievance beyond step 2 shall do so only with the written authorization of the Council's bargaining representative or his/her designee on the original grievance or appeal forms provided by the City. The bureau or division head shall, if he/she deems necessary, confer with the aggrieved and the Union before making his/her decision.
- Step #3. If the grievance is not settled at the second step, or if the grievant and Union
(Depart- president have not received a written answer within ten (10) working days after
ment appealing the grievance to Step 2, the Union president may appeal in writing
Head) within ten (10) working days to the department head, who shall notify the aggrieved and the Union of the City's decision in writing within ten (10) working days from receipt of the appeal.
- Step #4. If the Union advances to arbitration a third step decision appropriate under the
(Labor following criteria, it shall be reviewed at a meeting between the Labor
Negotia- Negotiator, or his designee, and the president of the Union, or his/her designee,
tor) held periodically for that purpose. The parties are empowered to settle such grievance, and no further step in the arbitration process shall occur until such meeting has occurred, or the parties, by written agreement, shall have waived such meeting.
- B. When a grievance hearing is held at the second (division head) step, or third (Commissioner) step of the grievance procedure, a named employee who has filed a grievance and the Union official or

representative, the presence of whom is required for the purpose of giving testimony, shall be given notice of at least 24 hours before a meeting is held. The Union may waive this requirement.

- C. Each written grievance shall set forth on the form prescribed the specific provision of the Agreement which the individual or the Union claims has been violated. The written grievance shall list the time, place and circumstances or facts that are being grieved and shall contain a specific requested remedy.
- D. No claim of violation of the Management Rights clause shall be regarded by the parties hereto as a grievance. Unless an allegation in the original grievance is made that a specific exception in the clause itself is made, no individual, the Union, or the City shall have the right or obligation to discuss same as a grievance.
- E. "Days," when the word is used in this article, refers to working days. Any grievance which the Union does not elect to advance in the grievance procedure within the prescribed period shall be deemed a dropped grievance and deemed settled on the basis of the last answer which the City has given in the last completed step of the grievance procedure unless the parties have, in writing, in unusual circumstances, agreed to an extension of time for a definite period or have waived the step completely.
- F. By mutual agreement, the parties may extend any of the time limits contained in the grievance steps.

ARTICLE 5

ARBITRATION

- A. No item or issue may be the subject of arbitration unless such arbitration is requested in writing within 120 working days following the action or occurrence which gives rise to the issue to be arbitrated.
 - 1. Arbitration may be initiated by the Union serving upon the City's Labor Negotiator a notice in writing of its intent to proceed to arbitration. Said notice shall identify the contract provision listed in the original grievance upon which the Union relies, the grievance or grievances, the department and the employees involved.
 - 2. Unless the parties can, within five working days following the receipt of such written notice,

agree upon an arbitrator, either party may, in writing, request the Wisconsin Employment Relations Commission to submit a list of five arbitrators to both parties. The parties shall, within five working days of the receipt of said list, meet for the purpose of selecting the arbitrator by alternately striking names from said list until one name remains. The Union shall strike first.

3. Whenever one of the parties deems the issue to be arbitrated to be of such significance as to warrant a panel of three arbitrators, each party shall, within five working days of the request to proceed to arbitration, appoint one arbitrator, and the two arbitrators so appointed shall agree on a neutral person to serve as the third arbitrator and chairman of the arbitration panel.
4. For purpose of brevity, the term, "arbitrator," as used herein, shall refer either to a single arbitrator or a panel of arbitrators, as the case may be. The following subjects shall not be submitted nor subject to arbitration:
 - a. Provisions of the Agreement, which affect the obligations of the City under provisions of Wisconsin Statutes or make the performance of such obligations more difficult.
 - b. The elimination or discontinuance of any job, except as provided in the contracting and subcontracting provision.
 - c. Any pension matter.
 - d. Disputes or differences regarding classifications of positions, promotions of employees and elimination of positions, except as provided in the contracting and subcontracting provisions.
 - e. Any matter concerning the rights hereunder of a probationary employee.
5. The specific exceptions noted above are not intended to limit the right of the Union to proceed to final and binding arbitration in disputes affecting the entitlement of employees to existing and established wages, hours and conditions of employment as specifically set forth herein.
6. No issue whatsoever shall be arbitrated or subject to arbitration unless such issue results from an action or occurrence which takes place following the execution of this Agreement, and no arbitration determination shall cover any period of time which is prior to the date of execution of this Agreement.

- B. The arbitrator so selected shall hold a hearing at a time and place convenient to the parties within ten (10) working days of the notification of his/her selection, unless otherwise mutually agreed upon by the parties. The arbitrator shall take such evidence as in his/her judgment is appropriate for the disposition of the dispute. Statements of position may be made by the parties and witnesses may be called. The arbitrator shall have initial authority to determine whether or not the dispute is arbitrable under the express terms of this Agreement. Once it is determined that a dispute is arbitrable, the arbitrator shall proceed in accordance with this Article to determine the merits of the dispute submitted to arbitration.

For the purpose of receiving testimony and evidence, the provisions of Section 788.06 and 788.07, of the Wisconsin Statutes, shall apply. The arbitration award shall be reduced to writing, subject to Section 788.08, through and including 788.15, of the Wisconsin Statutes. All other sections and provisions of Chapter 788 are hereby expressly negated and of no force and effect in any arbitration under this Agreement.

- C. The arbitrator shall neither add to, detract from, nor modify the language of this Agreement in arriving at a determination of any issue presented that is proper for arbitration within the limitations expressed herein. The arbitrator shall have no authority to grant wage increases or wage decreases.
- D. The arbitrator shall expressly confine him/herself to the precise issue submitted for arbitration; and he/she shall not submit declarations of opinion, which are not essential in reaching the determination of the question submitted unless requested to do so by both parties.
- E. All expenses involved in the arbitration proceedings shall be borne equally by the parties. However, expenses relating to the calling of witnesses or the obtaining of depositions or any other similar expense associated with such proceedings shall be borne by the party at whose request such witnesses or depositions are required.

ARTICLE 6

UNION RIGHTS AND OBLIGATIONS

The Union recognizes its responsibility to cooperate with the City to assure maximum service at minimum cost to the public consistent with its obligations to the employees it represents. The Union

accepts and recognizes the right of the City, in the delivery of municipal services, to utilize the services of volunteers or other persons who are not paid by the City, as the City deems best serve its interests.

A. Union Business and Union Meetings

No Union member or officer shall conduct any Union business on City time except as specified in this Agreement. No Union meeting shall be held on City property or on City time.

B. Union Negotiators

The Union shall advise the City of the names of its negotiators.

C. Check Off of Union Dues

1. For each employee in the bargaining unit, the City will honor a statutorily acceptable dues check-off request during the term of this Agreement or any extension thereof.
2. The City will pay amounts deducted from the employee's earnings to the treasurer of the Union within ten (10) days after the pay day on which the deduction was made, together with a list of employees from whose pay the deduction was made.

D. Fair Share Deductions

1. For each employee in the bargaining unit who has not submitted a statutorily acceptable dues check off request, the City, during the term of this Agreement or any extension thereof, will deduct from the pay of such employee an amount which the Union certifies to the City is the pro rata cost to the Union of negotiating and administering the labor agreement. Such certified sum shall not exceed the amount of the dues the employee would be required to pay had the employee executed a check off request. Remittance to the Union of the sums so deducted shall be as prescribed in the preceding paragraph.
2. Changes in dues or fair share amounts to be deducted shall be certified by the Union at least four (4) weeks before the start of the pay period the changed deduction is to be effective.
3. The dues or fair share deductions will be made to the Union, which represents the employee the majority of his/her time in the pay period. If the time is equal, the dues or fair share deductions will be made to the Union representing the employee the majority of time in the last week of the pay period.
4. If there is a challenge made to the City's actions or activity in conjunction with the dues

check-off/fair share provision, the Union shall protect and defend the City in the action, and shall save the City harmless including the reasonable costs and attorney's fees which City may incur in defending itself.

E. Union Stewards

1. The Business Representative of each trade employed by the City of Milwaukee shall have the right to appoint one Union Steward. Each Business Representative shall promptly inform the City of the name of the Union Steward and of any changes of stewardship.
2. The duties of the Steward shall be those specified in the various articles of this Agreement.
3. The City shall not interfere with the Union Steward in the exercise of his or her rights under Section 111.70, Wisconsin Statutes.

ARTICLE 7

PROHIBITION OF STRIKES AND LOCKOUTS

A. No Strikes

1. Neither the Union nor any member thereof shall cause nor counsel its members, or any of them individually, to strike nor shall it in any manner cause them either directly or indirectly to commit any concerted acts of work stoppage, slowdown or refusal to perform any assigned duties for the City. Any employee who commits any of the acts prohibited in this section may be subject to the following penalties:
 - a. Discharge.
 - b. Other disciplinary action.
 - c. Loss of all compensation, seniority rights, vacation benefits and holiday pay as determined by the City.
2. Upon notification confirmed in writing by the City Labor Negotiator to the Union that certain of its members are engaged in a wildcat strike, the Union shall immediately, in writing, order such members to return to work immediately, provide the City with a copy of such an order and a responsible official of the Union shall publicly order them to return to work.
3. If a wildcat strike occurs, the Union agrees to take all reasonable effective and affirmative action to secure the members' return to work as promptly as possible. Failure of the Union to

issue such orders and/or take such action shall be considered in determining whether or not the Union caused or authorized, directly or indirectly, the strike.

B. No Lockout

The City will not lock out employees. However, if any employee is unable to work because equipment or facilities are not available due to a strike, work stoppage or slowdown by any other employees, such inability to work shall not be deemed a lockout under the provisions of this section.

ARTICLE 8

HOURS OF WORK

1. Except as provided in subsection 4, this Article defines the normal hours of work per day and per week in effect at the time of execution of this Agreement. Nothing contained herein prevents the City from restructuring the normal work day or work week when the City deems such restructuring will best serve its needs or promote the efficiency of its operations; or from establishing and from time to time changing the work schedules of employees.
2. Except as provided in subsection 4, the "normal workday" shall be an eight-hour day excluding an unpaid lunch break; with starting times, lunch periods and quitting times established by general rule or individual employee assignments by departmental managers.
3. Except as provided in subsection 4, the normal work week shall consist of five (5) calendar days and, as far as is practicable, the days on which an employee shall not be required to work shall be Saturdays and Sundays. Where departmental operations require work on Saturdays and Sundays, this work shall not constitute overtime work as defined in the Overtime Article of this Agreement as long as any change in an employee's work schedule is arranged in advance. The City shall have the right to change an employee's work schedule and/or assigned shift and such work shall not constitute overtime work as defined in the Overtime Article so long as any changes are arranged in advance. "Arranged in Advance" means that an affected employee is notified of the change in their work schedule not less than 48 hours before the start of the changed shift, and not later than quitting time of the last regular shift preceding the scheduled change.
4. For Painters, Bridge and Iron, Painter Leadworkers, Bridge and Iron, Painter Supervisors

Ironwork, Painters, Painter Leadworkers, House, Painter Supervisors, House, Carpenters, Carpenter leadworkers, Carpenter Supervisors, Ironworkers and Ironworker Supervisors working on special projects for specific time periods, the normal work day or normal work week shall be modified as follows provided that, prior to the start of the project, the City and employees assigned to the project have agreed, in writing, to a ten-hour work day:

- a. Overtime is assigned work performed outside the regularly scheduled ten-hour shift or in excess of the normal 40 hour work week as defined in b. or c., below, or for work performed on holidays as defined in the Holiday Article of the City/Union Agreement.
- b. The "normal work day" shall be a ten-hour day excluding an unpaid lunch break with starting times, lunch periods and quitting times established by general rule or individual employee assignments by department managers.
- c. The first two sentences of existing subsection 3 shall be replaced by the following: The normal work week shall consist of four calendar days and as far as practicable, the days on which the employee shall not be required to work shall be Friday, Saturday and Sunday. Where departmental operations require work on Friday, Saturday or Sunday, this work shall not constitute overtime work as defined in the Overtime Article of this Agreement as long as any change in an employee's work schedule is arranged in advance and the workweek does not exceed forty (40) hours.
- d. The appropriate employee paid time off accounts for sick time, injury pay, vacation and compensatory time shall be charged at a rate of 10 hours for each day of such paid time off used.
- e. If an employee elects to use an eight-hour sick leave incentive day during the time period he/she is regularly scheduled for a ten-hour day and elects to take the entire ten-hour day off, he/she shall use two hours of his/her accrued vacation or compensatory time off in order to receive payment for the full ten-hour day.
- f. The above modifications in subsection 4.a. through e. shall not apply during a calendar week in which a holiday, as defined in the Holiday Article of this Agreement, falls. Existing contract language (eight-hour day/five-day week) shall apply during that calendar week.

5. Nothing in this Agreement shall be construed as a guarantee of, or limitation on, the number of hours to be worked per day, per week or any other period of time.
6. Should the City deem it necessary or desirable to reduce for an employee or group of employees the normal hours of work, it may do so; and the salary schedules and all employer benefits expressed in days shall be adjusted proportionately for the period such reduction remains in effect.

ARTICLE 9

WAGES

1. During the term of the 2010-2012 Agreement, and subject to the provisions of paragraph b. of this subsection, the effective dates of wage rate increases and the percentage of the minimum hourly outside wage rate that will be applied to the minimum hourly wage rates of employees represented by the Union, after agreement has been reached on a labor agreement covering Milwaukee, Ozaukee, Washington and Waukesha Counties between the Milwaukee Building and Construction Trades Council and the recognized outside employer group for the comparable outside craft on the amount of any increase, shall be as follows:
 - a. (1) Effective Pay Period 16, 2010, - 95% of the outside minimum hourly wage rate that became effective June 1, 2009. These rates of pay shall remain in effect between Pay Period 16, 2010, and Pay Period 15, 2012.
(
 - b. Except as provided in subsections 2, 3, 4, 5, 9, and 14, below, the wage rate for each craft in the City bargaining unit shall be based on the percentages, as specified in paragraph a. of subsection 1., above, of the minimum hourly wage rate, after agreement has been reached on the outside on the amount of any increase that will be applied to the minimum hourly wage rate between the Union and the recognized employer group for the comparable outside craft. The City titles for the City craft positions in the bargaining unit and the comparable outside craft positions to be used in determining the hourly wage rate of the City's position are shown in Appendix 'A' of this contract.
 - c. The Union shall certify to the City the minimum rates of pay for each comparable outside craft for the period set out above as soon as such rates become available to the Union.

- d. The minimum hourly wage rate for each craft that shall be used to determine the City's wage rates for each craft shall be calculated as follows: the minimum rate of pay for each comparable outside craft that the Union certifies to the City shall be reduced by an amount equal to any reduction or elimination of any Fund Contribution below the aggregated amount per hour for all Fund Contributions contributed to the respective craft's Health and Welfare Fund, Pension Fund, Vacation Fund and Annuity Fund. As of June 1, 2009, the aggregated amount of Fund Contributions for the following crafts are as follows:

Painter	\$ 16.10
Cement Finisher	16.62
Carpenter	19.88
Bricklayer	15.24
Sewer Mason	15.24
Ironworker	21.19
Painter Leadworker, House	16.10
Painter, Bridge and Iron	16.10
Painter Leadworker, Bridge and Iron	16.10
Painter Supervisor, House	16.10
Painter Supervisor, Ironwork	16.10
Carpenter Leadworker	19.88
Carpenter Supervisor	19.88
Ironworker Supervisor	21.19

2. A Carpenter Supervisor shall be paid at either an hourly rate of fifty cents (\$0.50) more than the hourly rate of the job classification of the highest paid employee he/she has been assigned for a full day by the Division to supervise or the hourly rate of Pay Range 991, whichever is greater.
3. A Painter, Leadworker, Bridge and Iron shall be paid at an hourly rate of eighteen cents (\$0.18) more than the hourly rate of Painter, Bridge and Iron.
4. A Painter Supervisor, Iron Work, shall be paid at an hourly rate equal to the hourly rate of Painter, Bridge and Iron plus the difference between the hourly rate for a City Carpenter Supervisor and the hourly rate for a City Carpenter.
5. A Painter Supervisor, House, shall be paid at an hourly rate equal to the hourly rate of the Painter plus the difference between the hourly rate for a City Carpenter Supervisor and the hourly rate for a City Carpenter.
6. An employee in the Painter job classification shall receive an additional thirty cents (\$0.30) per

hour during the time period he/she is assigned to operate the spray equipment and is actually performing the spraying and cleaning of the spray equipment.

7. An employee in the Painter, Leadworker, House job classification shall receive an additional thirty cents (\$0.30) per hour during the time period he/she is either assigned to operate the spray equipment and is actually performing the spraying and cleaning of the spray equipment **or** is leading a crew who is actually performing the spraying and cleaning of the spray equipment.
8. An employee in the Painter Supervisor, House job classification shall receive an additional thirty cents (\$0.30) per hour for the entire regular day when a Painter or Painter, Leadworker, House receives the task rate as specified in subsection 7 or 8, above.
9. When the Division assigns an employee to perform Carpenter Leadworker duties, he/she shall be paid at a rate equivalent to 93% of the Carpenter Sub-Foreman wage rates under the MB & CTC Heading and Corresponding Title: "Bridge & Bldgs." "Marine" and "Shaft and Tunnel Construction" Labor Service.
10. Rates for employees covered by this Agreement are based on a wage offset in recognition of additional general City benefits.
11. The wages of employees shall be paid biweekly.
12. The City reserves the right to make corrections of errors to the Prevailing Wage and/or Salary Ordinances.
13. Employees performing lead abatement duties which under federal regulations require the use of respirators and personal protective clothing shall receive an additional \$0.35 per hour while performing such duties. Employees shall not be eligible for the additional pay when occupying and performing the duties of the following classifications: Painter, Bridge and Iron, Painter Leadworker, Bridge and Iron, and Painter Supervisor, Iron Work.
14. The Painter Leadworker position in the Infrastructure Division that received limited additional supervisory duties and responsibilities shall be paid \$1.12 per hour more than the highest painter classification it supervises.
15. Within sixty days following execution of the Agreement, all employees shall be on direct deposit of paychecks.

ARTICLE 10

SHIFT, WEEKEND AND HOLIDAY DIFFERENTIAL

1. An employee who works at least four (4) hours of his/her regularly scheduled eight-hour shift within the second or third shift shall be paid, in addition to his/her base salary, the following shift differential premium for all the hours worked during that shift:
 - c. Second shift - 3:00 p.m. to 11:00 p.m. - 40¢ per hour.
 - d. Third shift - 11:00 p.m. to 7:00 a.m. - 45¢ per hour.
2. An employee who is on paid vacation, holiday, sick leave or funeral leave during a period in which his/her regular shift assignment is the second or the third shift shall receive any second or third shift premium pay that he/she would have received had he/she not been on such paid leave.
3. In addition to base salary and whatever second or third shift premium pay that may be earned under subsection 1.a. or 1.b., above, an employee who works at least four (4) hours of his/her regularly scheduled eight-hour shift on Saturday or Sunday shall be paid the following weekend differential premium for all the hours worked during that shift:
 - c. Saturday work - 3:00 p.m. to 11:00 p.m. - 50¢ per hour.
 - d. Sunday work - 11:00 p.m. to 7:00 a.m. - 60¢ per hour.
4. An employee performing work compensated under the OVERTIME Article of this Agreement shall not receive shift or weekend differential pay for the same hours regardless of the period worked.

ARTICLE 11

OVERTIME

1. Overtime is assigned work performed before, beyond, and/or in addition to the 8-hour shift or ten-hour shift (in the case of employees whose work week is defined in section 4 of the HOURS OF WORK Article), or in excess of the hours defined in the HOURS OF WORK Article of this Agreement, or for work performed on holidays, which is compensated in extra pay or in extra time off.
2. Overtime compensation will only be paid for time actually worked.
3. Overtime compensation shall be as follows:

a. Cash Overtime:

Overtime will be compensated for at the rate of one and one-half (1.5) times pay for hours actually worked. Overtime will be compensated in cash at the rate of one and one-half times pay for hours actually worked, except when compensatory time off is available as set forth in section b., below.

b. Compensatory Time Off

(1) An employee may elect to be compensated for overtime in compensatory time off at the rate of one and one-half times the overtime hours actually worked, subject to the limitations of 3.b.(2) and 3.b.(3), below.

(2) An employee's accumulated compensatory time off at no time shall exceed 60 hours, which is equivalent to 40 hours worked on a time and one-half basis.

(3) An employee may not under any circumstances elect compensatory time off for emergency overtime work assignments. Such emergency overtime work shall be compensated only in cash.

(4) An employee may not under any circumstances elect compensatory time off for overtime worked performing snow and ice control duties unless such overtime work has been scheduled at least 48 hours in advance.

4. Application of these provisions of this Article shall not involve pyramiding of overtime.

5. Any payments made under the provisions of this Article shall not be included in the determination of pension benefits or other fringe benefits.

ARTICLE 12

CALL-IN PAY

1. Any full time employee who reports for work at a regularly assigned time and who is sent home due to lack of work, inclement weather or a decision by the City not to prosecute work for any reason, shall be paid for reporting with 2 hours pay at his/her regular rate of pay.

2. Any employee who reports to work for an emergency assignment lasting less than three (3) hours is entitled to three (3) hours reporting pay at a rate of one and one-half times (1.5) the regular rate of pay, which shall be paid in cash.

ARTICLE 13

VACATION

1. Accrual of vacation shall be on a pay period basis. Employees shall earn vacation in the following manner:
 - a. 3.1 hours per pay period for employees who have completed less than 4 years' active service;
 - b. 4.7 hours per pay period for employees who have completed at least 4 but less than 9 years of active service;
 - c. 6.2 hours per pay period for employees who have completed at least 9 but less than 16 years of active service;
 - d. 7.7 hours per pay period for employees who have at least 16 but less than 21 years of active service;
 - e. 9.3 hours per pay period for employees who have completed at least 21 years of active service.
2. An employee on the payroll for at least eighty (80) hours in a pay period shall be allowed to accumulate vacation time at the rates specified in paragraph 6, above. An employee on the payroll less than eighty (80) hours in a pay period will earn vacation on a pro-rata basis. Hours on the payroll in excess of eighty (80) in a pay period shall not count toward vacation accrual. Upon request the City shall credit the vacation accounts of eligible employees who are off the payroll for participation in City-Union contract negotiations for such time off the payroll.
3. The maximum amount of vacation an employee can maintain in his/her vacation account shall be as follows:
 - a. 120 hours for employees who have completed less than 4 years of active service.
 - b. 160 hours for employees who have completed 4 years of active service but less than 9 years of active service.
 - c. 200 hours for employees who have completed 9 years of active service, but less than 16 years of active service.
 - d. 240 hours for employees who have completed 16 years of active service but less than 21 years of active service.

- e. 280 hours for employees who have completed 21 years of active service.
4. Transitional Vacation Account (TVA). TVA hours may be scheduled and used as vacation hours with the approval of the Division Head. Employees may not borrow vacation hours unless and until TVA hours have been exhausted.
5. Annual vacation time taken, except for separation from service as provided in subsection 8, shall be limited to the maximums noted above.
6. Eligibility for an initial vacation shall be after an employee has completed twelve months of service after appointment, but accumulations shall be retroactive to the time of appointment.
7. The City will schedule vacations in accordance with departmental requirements. It will make every reasonable effort to avoid changes in an employee's work schedule, which would require an employee to work during a previously scheduled vacation of five (5) days or more duration.
8. Vacation time taken before the full amount has been earned shall be considered time owed the City until it is earned. Any employee who leaves the service of the City due to resignation, retirement, termination, discharge, layoff, or death will have the compensation for vacation time owed the City deducted from the final payroll. Any employee who leaves the service of the City due to resignation, retirement, layoff, or death, or who takes military leave, will be paid for earned vacation time that has accumulated. A discharged employee is not entitled to pay for accumulated vacation time.
9. The anniversary date for vacation eligibility will not change after an employee achieves regular Civil Service employment status. The freezing of the anniversary date for vacation eligibility purposes will neither diminish nor increase vacation days earned.
10. Vacations may be divided into two or more periods if thought advisable by the respective department heads. The department head shall determine when vacation periods shall be granted, the practical considerations involved in the efficient operation of the department, and give due consideration to the convenience of the employee.

ARTICLE 14

HOLIDAYS

1. An employee covered by this Agreement, if eligible, shall receive pay at his/her regular rate of

pay without working for the following holidays:

New Year's Day	Thanksgiving Day
Good Friday	The Day after Thanksgiving
Memorial Day	Christmas Eve
Independence Day	Christmas
Labor Day	New Year's Eve

The third Monday in January to commemorate Dr. Martin Luther King's birthday.

2. If any of the above-named holidays fall on Saturday or Sunday, the City may move the holiday to the preceding or subsequent workday normally scheduled and that day shall constitute the holiday.
3. In order to qualify for holiday pay, the eligible employee must work the workday normally scheduled preceding the holiday and following the holiday.
4. Nothing herein abridges the City's right to schedule and/or to require an employee to work on a holiday. An eligible employee required to work on a holiday shall receive in addition to holiday pay as such, time and one-half the regular pay in cash for each hour he/she works.

ARTICLE 15

SICK LEAVE

1. Definition: "Sick Leave" shall mean all necessary absence from duty because of illness, bodily injury, or exclusion from employment because of exposure to contagious disease. Sick leave benefits shall be limited to the period of time, the employee would have worked in accordance with the HOURS OF WORK provision of this Agreement.
2. Eligibility
 - a. Eligibility for sick leave shall begin after the completion of six months of actual service following regular appointment, but accumulations shall be retroactive to the time of regular appointment.
 - b. Whenever an employee eligible for sick leave allowance leaves the service of one employing unit of the city government and accepts, by certification of transfer, service in a position in another employing unit of city government, obligations for any accumulated sick leave allowance shall be assumed by the new employing unit. Separation from service by resignation or for cause shall cancel all unused accumulated sick leave allowances.

- c. Whenever a permanent employee is laid off due to lack of work or lack of funds, any unused accumulated sick leave shall continue in effect if he/she is rehired by any City department within one year.
 - d. Sick leave shall automatically terminate on the date of retirement of the employee.
3. Permanent full-time employees shall earn sick leave with pay at the rate of twelve (12) working days per year of active service, or 1 working day for each month of active service, or 3.7 working hours for each two (2) weeks of active service up to a maximum of 96 hours (12 days) per year of active service.
 4. Sick leave allowance shall be capped at 960 hours (120 work days).
 5. The City shall maintain and verify the official sick leave records. The sick leave record of an employee who is under a medical doctor certificate requirement shall be reviewed at intervals not sooner than six months nor later than eight months of actual service, as long as the requirement is in effect. The employer shall notify the employee in writing of the results of this review.
 6. The City may require employees to provide acceptable medical substantiation from a private physician for each absence, regardless of duration if it is informed that the employee is misusing sick leave. Under such circumstances, the City shall not be responsible for the payment of any fee charged by the physician.
 7. When sick leave extends beyond three (3) consecutive workdays acceptable medical substantiation from the employee's private physician certifying the nature and seriousness of the sickness or pregnancy disability shall be furnished to the department head and to the City Service Commission.
 8. When acceptable medical substantiation from an employee's private physician is required, the failure of the employee to comply with this requirement shall permit the City to deny that employee the sick leave benefits provided herein until he/she is in compliance with such requirement.
 9. If the employee who has been paid sick leave effects a recovery from a third party, the City shall have the right to recoup from the employee payments the City has made; and, upon recovery of such sums, it shall restore to the sick leave account of the employee the days, which were charged

to the account.

10. Should the federal or state or any local unit of government enact or interpret legislation to confer non-taxable status upon payments made to an employee under the terms of this article, the City by general rule and without further negotiation, shall make a downward adjustment in the rates of pay hereunder to make the payments more nearly conform to the concept of an obligation for replacement pay.

11. SICK LEAVE CONTROL INCENTIVE PROGRAM

- a. The Sick Leave Control Incentive Program shall be in effect beginning Trimester 3, 2010, and ending at the end of Trimester 2,2012. Nothing herein shall be construed as requiring the City to continue the program for time periods after Trimester 2,2012.
- b. The trimester periods for each calendar year are defined as follows:
 - Trimester 1 - Pay Period 1-9
 - Trimester 2 - Pay Period 10-18
 - Trimester 3 - Pay Period 19-26 or 27, whichever is appropriate.
- c. An employee shall be eligible for a trimester sick leave incentive benefit only if:
 - (1) During the full term of the trimester, the employee did not use any paid sick leave, did not receive injury pay (except in cases when the employee suffered a verifiable lost-time work-related injury and returned to work for his/her next regularly scheduled work shift following the occurrence of the injury), was not on an unpaid leave of absence, and was not suspended from duty for disciplinary reasons; and
 - (2) The employee was in active service for the full term of the trimester; and
 - (3) The employee was represented by the Milwaukee Building and Construction Trades Council for at least seven pay periods of the trimester period; and
 - (4) At the end of the trimester, the employee had an amount of earned and unused sick leave credit in his/her sick leave account of 24 days.
- d. In each of the Trimester periods set forth in subsections a. and b., above, that an employee is eligible for the sick leave control incentive program (SLIP) benefit, he/she shall elect either a special incentive leave or special sick leave incentive payment.

- (1) If an employee elects a special sick leave incentive payment, he/she shall receive a lump-sum cash payment equivalent to eight hours of his/her base salary. Such payment shall not be deemed part of the employee's base salary and shall not have any sum deducted for pension benefits nor shall it be included in determination of pension benefits or any other benefits and/or compensation provided by the City. Sick leave control incentive payments provided hereunder shall be made as soon as is administratively practicable following the close of the Trimester Period in which they were earned.
- (2) If an employee elects a special incentive leave, he/she shall earn one eight-hour day off with pay. Such day off with pay earned in Trimester 1 or 2 must be used by the employee in the remainder of the fiscal year. A day off with pay earned in Trimester 3 may be used any time in the following fiscal year. An employee may use such day off with pay on a date he/she has requested provided the employee gives his/her supervisor reasonable advance notice of the date requested and the date is determined available by the supervisor in accordance with the needs of the Department. The processing of employee requests for time off earned under the sick leave incentive control program shall be on a first-come, first-served basis. Decision's by the employee's supervisor with respect to the availability of the date the employee has requested shall be final. For purposes of this Article, "fiscal year" shall be defined as Pay Periods 1 through 26 or 1 through 27, whichever is appropriate.

ARTICLE 16

DUTY-INCURRED DISABILITY PAY

1. If an employee having regular City service status sustains an injury which meets the requirements of Chapter 102, Wisconsin Statutes, (the Worker's Compensation Act), the City undertakes to protect the employee after tax take-home pay for a maximum of two hundred fifty (250) days during the course of the employee's lifetime work career with the City.
2. To that end, the City will pay a disabled employee whose injury meets statutory standards an amount of eighty percent (80%) of the amount he/she would have earned as regular pay during the period in question. The parties agree that the offset of twenty percent (20%) of gross pay

represents a fair approximation of federal and state taxes to the employee. For an employee receiving eighty hours of duty-incurred disability pay in a pay period, the amount of duty-incurred disability pay shall be the net pay the employee would have received during that pay period, but not more than 80% of his or her base salary nor less than the minimum amount required by the Workers Compensation Act. For purposes of this article, "net pay" is the employee's base salary minus the following, as determined by the City:

1. FICA withholding,
2. Medicare withholding and
3. Federal and state income tax withholding as prescribed by law for the pay period immediately prior to the pay period for which he or she is determined to be eligible for duty-incurred disability pay.

For an employee receiving less than eighty hours of duty-incurred disability pay in a pay period, the injury pay shall be 80% of his or her base salary.

3. If the employee who has been paid duty-incurred disability leave benefits effects a recovery from a third party, the City shall have the right to recoup from the employee payments the City has made; and, upon recovery of such sums, it shall restore to the account of the employee the days which were charged as duty-incurred disability.

ARTICLE 17

LEAVE OF ABSENCE FOR MILITARY TRAINING

AND/OR CIVIL DISTURBANCE

1. Short Term Military Leave of Absence (Reserve or National Guard Duty) -- Less Than 90 Days Per Calendar Year
 - a. Subject to the terms and conditions provided under 1.b. through d., below, an employee shall be entitled to time off with pay when required to take leave of absence for: (i) military training duty and/or (ii) military duty in the State of Wisconsin because of riot or civil disturbance.
 - b. Maximum Amount of Time Off With Pay

- 1) If training is limited to a single period during a calendar year, said leave shall not exceed 15 successive calendar days, including Saturdays, Sundays and legal holidays during a calendar year. If civil disturbance leave is limited to a single period during a calendar year, said leave shall not exceed 15 successive calendar days, including Saturdays, Sundays and legal holidays during a calendar year.
- 2) If training and/or civil disturbance leave is taken on an intermittent basis during a calendar year by permanent full-time employees whose normal hours of duty average 40 hours per week, said leave shall not exceed ten work days, including Saturdays, Sundays and legal holidays during a calendar year for training and ten work days, including Saturdays, Sundays and legal holidays, during a calendar year for civil disturbance duty. Said leave shall be granted by the head of the department in which the employee works upon presentation of satisfactory evidence of military, air force or naval authority to take such training.
- c. All employees who, because of honorable service in any of the wars of the United States, are eligible for veterans' preference for employment by the City and/or as provided in Section 45.35(5) of the Wisconsin Statutes shall receive full City pay plus all military pay for duty covered under 1.b. In all other cases, the employee agrees to allow a payroll adjustment to their biweekly pay check, deducting an amount equal to their military pay for duty (up to a maximum equal to the City pay received under 1.b.), and to make no subsequent claim for it whatsoever. This deduction shall be administered so as not to reduce employee pension benefits.
- d. The time off with pay for short-term military leaves shall be granted only if the employee taking leave reports back for City employment at the beginning of the next regularly scheduled eight-hour work shift after the expiration of the last calendar day necessary to travel from the place of training or civil disturbance duty to Milwaukee following the employee's release from military duty.
2. Long Term Military Leaves of Absence - 90 Days or Longer Per Calendar Year
 - a. An employee who enlists or is inducted or ordered into active service in the Armed Forces of

the United States or the State of Wisconsin, pursuant to an act of the Congress of the United States or the Legislature of the State of Wisconsin or an order of the Commander-in-Chief, shall be granted a leave of absence during the period of such service.

- b. Upon completion and release from active duty under honorable conditions and subject to the terms and conditions provided in 2.c., below, an employee on military leave of absence shall be reinstated into the position held at the time of taking leave of absence or to a position of like seniority, status, pay and salary advancement, provided, however, that they are still qualified to perform the duties of their position or similar positions.
- c. The right to reinstatement provided in 2.b., shall be terminated unless the employee satisfies the following conditions:

(1) Reinstatement From Military Reserve or National Guard Duty

(a) Initial Enlistment With At Least Three Consecutive Months of Active Duty:

An employee who is a member of the Reserve or National Guard component of the Armed Forces of the United States and is ordered to an initial period of active duty for training of not less than three consecutive months shall make application for re-employment within 31 days after: (i) the employee's release from active duty from training after satisfactory service, or (ii) the employee's discharge from hospitalization incident to active duty for training or one year after the employee's scheduled release from training, whichever is earlier.

(b) All Other Active Duty

Subject to Section 673(b), Title 10, United States Code, an employee not covered under 2.c. (1)(a) , shall report back for work with the City: (i) at the beginning of the employee's next regularly scheduled work shift after the expiration of the last calendar day necessary to travel from the place of training to the place of employment following the employee's release from active duty, or (ii) the employee's discharge from hospitalization incident to active duty for training or one year after the employee's scheduled release from training, whichever is earlier.

For purposes of interpretation and construction of the provisions of subsections (a) and

(b) of this paragraph, full-time training or any other full-time duty performed by a member of the Reserve or National Guard component of the Armed Forces of the United States shall be considered active duty for training.

(2) Other Military Service With Active Duty Of At Least 90 Consecutive Days

An employee inducted or enlisted into active duty with the Armed Forces of the United States for a period of at least 90 consecutive days, where active duty is not covered by 2.c. (1) above, shall, upon satisfactory completion of military service, make application for re-employment within 90 days after: (i) the employee's release from active duty, or (ii) the employee's discharge from hospitalization incident to active duty or one year after the employee's scheduled release from active duty, whichever is earlier.

(3) Exclusions From Reinstatement Benefits

In the event an individual granted a leave of absence for military service under this paragraph fails to meet the requirements provided in subsections (1) or (2) of this paragraph, above, or the employee's military service is not covered under these two subsections, the City shall be under no obligation or requirement to reinstate the individual to City employment.

3. An employee shall be allowed to attend military funerals of veterans without loss of pay when a request for the leave is made by a proper veterans' organization that the service of such officer or employee is desired for the proper conduct of a military funeral.
4. An employee shall be entitled to time off with pay for time spent taking physical or mental examinations to determine their eligibility for induction or service in the armed forces of the United States; but time off with pay shall be granted only for examinations conducted by a United States military agency.
5. The City shall have the authority to establish rules and procedures that it deems necessary to administer the military leave benefits provided by this Article. These rules and procedures shall cover, but not be limited to, a requirement that an employee provide the City with reasonable advance notice of any contemplated military leave and the appropriate military orders and papers that fully document such military leave.

ARTICLE 18

JURY DUTY LEAVE

1. An employee shall be granted time off with pay for reporting for jury duty upon presentation of satisfactory evidence of jury duty service. The employee agrees to allow a payroll adjustment to his/her biweekly paycheck, deducting an amount equal to his/her compensation received (exclusive of travel pay and compensation for such duty or service performed on off-duty days) for such duty or service. No greater amount of time off shall be granted than necessary, and in any case where an employee is called for jury duty and reports without receiving a jury assignment for that day, or in a case where an employee is engaged in jury duty for a part of a day, the employee shall call their supervisor and if directed, shall report for the performance of City duties for the remainder of the day.
2. An employee, who is under subpoena to appear as a witness in court as a direct result of an incident that occurred while the employee was working, shall be granted time off with pay for reporting for such appearance upon presentation of satisfactory evidence of such appearance. The employee agrees to allow a payroll adjustment to his/her biweekly pay check, deducting an amount equal to his/her compensation received (exclusive of travel pay and compensation for such an appearance performed on off-duty days) for such an appearance.
3. An employee shall not be eligible for overtime while on jury duty or being under subpoena even if jury duty or being under subpoena extends beyond eight hours in one day.

ARTICLE 19

FUNERAL LEAVE

1. DEFINITIONS:
 - a. "Funeral Leave" is defined as absence from duty because of either a death in the employee's immediate family (as the term "immediate family" is hereinafter defined), or because of the death of the employee's grandparents.
 - b. "Immediate family" is defined as the husband or wife, child, brother, sister, parent, mother-in-law, father-in-law, brother-in-law, sister-in-law or grandchild of the employee, whether or not such persons resided with the employee. The definition of "immediate family" shall include

the employee's step-father, step-mother and step-children by virtue of his/her current spouse; during his/her lifetime, an employee's eligibility to use step-parent funeral leave benefits shall be limited to one step-father and one step-mother, regardless of the number of his/her step-parents. The terms "brother-in-law" and "sister-in-law" shall include an employee's spouse's sibling's spouse.

2. In the case of a death in the employee's "immediate family", the employee shall be granted a leave of absence not to exceed three workdays with pay; these workdays shall be contiguous to the day of death or the day after the funeral. If the actual day after the funeral occurs on a Saturday, Sunday or holiday, then the following work day shall be treated as the day after the funeral for purposes of this article.
3. In the case of a death of the employee's grandparents, the employee may use one workday with pay to attend the funeral of that grandparent.
4. The Employee Relations Director is authorized and directed to administer the provisions of funeral leave and shall require a form approved by the City Service Commission to be submitted to the employee's immediate supervisor immediately after funeral leave is taken, and a copy of the obituary notice or other evidence of death attached, and shall require that notification be given by the employee to his/her immediate supervisor prior to taking funeral leave.
5. Funeral leave will not be deducted from sick leave but will be a separate allowance.

ARTICLE 20

PENSION BENEFITS

1. Pension benefits for employees covered by this Agreement shall be those benefits defined in Chapter 36 of the City Charter (ERS Act) that are applicable to General City Employees. Except for the following changes enumerated below, these pension benefits shall continue unchanged during the term of this Agreement:
 - a. Employees hired on or after August 1, 2010 shall contribute 5.5% of their earnable compensation in accordance with sec. 36-08-7-a-2 of the City Charter. The provisions of sec. 36-08-7-m of the City Charter shall not apply to such employees.

- b. Employees who retire during the period from August 1, 2010 through December 31, 2011 from active service on a normal service retirement allowance, including an allowance under sec. 36-05-1-d-3 of the City Charter, or from active service on an immediate retirement allowance under sec. 36-05-6-c of the City Charter, shall receive a 2% pension escalator effective with the installment next following the first anniversary of their retirement. This provision shall expire December 31, 2011.
- c. Employees who during the time period beginning August 1, 2010 through December 31, 2010 only retire from active service on a normal service retirement, including an allowance under sec. 36-05-1-d-3 of the City Charter, or from active service on an immediate retirement allowance under sec. 36-05-6-c of the City Charter, shall be eligible for a bonus year in accordance with sec. 36-04-1-f of the City Charter. At such employee's discretion, the bonus year may be added either to the employee's age for purposes of retirement eligibility, or to creditable service. The bonus year may be divided into one month increments and used for a combination of additions to age and creditable service, not to exceed a total of twelve months. All or part of the bonus year cannot be applied to earn more than 35 years of creditable service or to exceed the 70% of final average salary limitation stated in sec. 36-07-10-f of the City Charter. This provision shall expire at the end of December 31, 2010.

ARTICLE 21

HEALTH INSURANCE

- 1. Benefits
 - a. Basic Plan

During the term of this Agreement, Basic Plan health insurance benefits shall be the same as the Basic Plan benefits that were provided in the 2007-2010 City/Union Agreement, except for the following changes in these benefits:

- (1) Every medical procedure that can be performed on an outpatient basis shall not be covered by these benefits when the procedure is performed on a hospital inpatient basis. Procedures that can be performed on an outpatient basis that are done on an inpatient

basis in conjunction with other procedures requiring inpatient status, or any procedures performed on an inpatient basis that constitute a medically verifiable exception (as determined by the Utilization Review Contractor) to the requirement that it be performed on an outpatient basis, shall be covered.

- (2) Existing benefits provided under the "Hospital Surgical-Medical Contract Base Coverage" part of the Basic Plan for inpatient hospital treatment of alcoholism, drug abuse and nervous and mental disorders, shall be available to each participant for a maximum of thirty (30) days during any one calendar year; provided, however, that for inpatient hospital treatment of nervous and mental disorders only, an extension to such maximum of no more than 30 additional days during the calendar year may be allowable where such extension is medically justifiable. All other provisions in respect to such benefits shall remain unchanged. Existing benefits provided under the "Major Medical Coverage" part of the Basic Plan for inpatient hospital treatment of alcoholism, drug abuse and nervous and mental disorders shall remain unchanged.
- (3) The existing per participant maximum aggregate allowance limitation during each calendar year on benefits providing outpatient services for alcoholism, drug abuse and nervous and mental disorders rendered in the outpatient department of a hospital or in an Outpatient Treatment Facility or in a physician's office that are provided under the "Hospital Surgical-Medical Contract Base Coverage" part of the Basic Plan shall be two thousand dollars (\$2,000); all other provisions in respect to such benefits shall remain unchanged. Existing benefits provided under the "Major Medical Coverage" part of the Basic Plan for benefits that provide outpatient services for alcoholism, drug abuse and nervous and mental disorders rendered in the outpatient department of a hospital or in an Outpatient Treatment Facility shall remain unchanged, except the current maximum benefits provided under the "Major Medical Coverage" part of the Basic Plan for benefits for professional services for psychiatric care, including any type of nervous or mental care rendered to a participant without confinement, shall be increased from 80% of one thousand dollars (\$1,000) of charges to 80% of two thousand dollars (\$2,000) of charges.

- (4) A Utilization Review Case Management Program (UR/CM) shall cover all elective procedures. Elective procedures subject to the UR/CM program shall include all treatments for mental health disorders and substance abuse and home health care services. The program is an independent review that assures each patient that the proposed hospitalization is necessary, based upon the medical condition of the patient, delivered in the most appropriate medical setting (inpatient or outpatient) and fair and equitably priced. Whenever an elective procedure is recommended for an employee, or his/her dependents, by a physician, the employee shall be required to notify the designated UR/CM program representative of this fact by telephone at the time such procedure is recommended, in accordance with procedures established by the Employee Benefits Manager for that purpose. Any elective procedure not submitted to the designated UR/CM program representative shall not be covered by these benefits. UR/CM shall determine whether or not a procedure is elective. Within 48 hours of the hospital admission time for any urgent or emergency procedure performed on an employee, or his/her dependents, the employee or adult responsible for him/her, shall be required to notify the designated UR/CM program representative of this fact by telephone in accordance with procedures established by the Employee Benefits Manager for that purpose; provided however, that if bona fide medical circumstances applicable to the employee preclude compliance with the 48-hour notification requirement, UR/CM shall authorize a reasonable extension of this time limit consistent with such medical circumstances or the availability of an adult responsible for the employee. Following its review of an elective procedure contemplated for an employee, or his/her dependents, UR/CM will inform the employee of its determination in respect to approval or denial of the procedure.
- (5) In conjunction with and for the length of the UR/CM program, the City will incorporate changes in plan design that facilitate cost reductions through the use of alternative medical care facilities or medical procedures as prescribed by an employee's physician and approved by UR/CM. These alternatives will be paid for at 100%. Any second

surgical opinion required by UR/CM will be paid for at 100%.

- (6) A medical "hot-line" shall be established by the City. This "hot-line" shall put employees and their families in immediate touch with health care professionals for information on the value, availability, use and price of the various health care services in the area.
- (7) The major medical deductible shall be increased to \$100 per person, \$300 per family maximum on the Basic Plan.
- (8) Transplant Benefits
 - (a) Medically necessary human-to-human heart transplants shall be added as a covered benefit under the Basic Plan. The participant must obtain prior authorization from the Utilization Review Contractor and is subject to the terms and conditions of the Utilization Review Case Management Program set forth in subsection 1.a.(5) of this Article, above.
 - (b) The aggregate lifetime maximum benefit limit per participant for all organ or tissue transplant services for all covered transplant procedures is \$250,000. This aggregate lifetime maximum benefit limit applies to all benefits arising out of an organ or tissue transplant.
- (9) The lifetime maximum under the Major Medical Coverage portion of the Basic Plan shall be increased to \$500,000.

b. Health Maintenance Organization (HMO) Plans

- (1) Except as provided in 1.b.(2), hereunder, an employee shall have the right to select coverage under a Health Maintenance Organization (HMO) Plan approved by the City in lieu of coverage provided by the Basic Plan. Except as provided in 1.b.(3), hereunder, the benefits for employees enrolled in an HMO plan offered by the City shall be the uniform benefits specified in the 1999-2000 City of Milwaukee Request for Proposals from Health Maintenance Organizations, except for the following changes in benefits, consistent with the City of Milwaukee Request for Proposals from Health Maintenance Organizations Seeking Contracts to Participate in the City Employee Health Benefit Program, 1999-

2000, Exhibit C.

- (2) The City may offer to employees an Exclusive Provider Organization (EPO) Plan instead of or in addition to a Health Maintenance Organization (HMO) Plan. An EPO Plan offered by the City shall use a Southeastern Wisconsin network and shall only include in-network benefits. There shall be no coverage for services obtained outside of the EPO Plan network. The benefits for employees enrolled in an EPO Plan offered by the City shall be the uniform benefits specified in the 1999-2000 City of Milwaukee's Request for Proposals from Health Maintenance Organizations. In the event that the City offers an EPO Plan instead of or in addition to an HMO Plan, any references to "Health Maintenance Organization" or "HMO" in this Agreement shall be understood to also refer to an "Exclusive Provider Organization", "EPO", or to a combination of Health Maintenance Organizations and Exclusive Provider Organizations.
- (3) The following co-payments:
 - (a) An employee shall pay a \$10.00 office visit co-payment (OVCP) for all office or urgent care visits due to illness or injury, except as noted in subsections 1.b.(3)(b) and (c), hereunder.
 - (b) The OVCP shall be waived for preventive exams, tests, and other age-appropriate procedures as determined by the plan for screening, pre-natal and baby wellness.
 - (c) The OVCP shall be waived for on-going disease management office visits as determined by the plan.
 - (d) An employee shall pay a \$50.00 emergency room co-payment for each emergency room visit.
 - (e) The prescription drug card plan under the uniform benefits shall be replaced with a three-tier drug card plan. The designation of legend drugs and the assignment of drugs to the following tiers shall be determined by the plan:
 - i. Tier 1 co-payment equal to \$5.00;
 - ii. Tier 2 co-payment equal to \$17.00;

- iii. Tier 3 co-payment equal to \$25.00;
- iv. Legend Drugs co-payment equal to \$5.00;
- v. Mail Order Drug co-payment amount for a three-month or 90-day supply shall be equal to the co-payment amount for a two-month or 60-day supply.

c. Basic Dental Plan

Basic Dental Plan insurance benefits shall be the same as the benefits provided for in the DENTAL SERVICES GROUP CONTRACT FOR THE CITY OF MILWAUKEE, effective January 1, 1982 executed May 1, 1982. The dental insurance coverage for an eligible employee electing coverage under the Basic Dental Plan shall be in lieu of the coverage provided by Prepaid Dental Plans.

d. Prepaid Dental Plans (PDP)

An employee shall have the right to select coverage under a Prepaid Dental Plan (PDP) approved by the City in lieu of the coverage provided by the Basic Dental Plan. The benefits of the PDP Plan selected shall be as established by the provider of that PDP Plan.

e. Cost Containment Provisions Applicable to All Plans:

- (1) The City will not pay for any services or supplies that are unnecessary according to acceptable medical procedures.
- (2) The City shall have the right to require an employee to execute a medical authorization to the applicable Group to examine employee medical and/or dental records for auditing purposes.
- (3) The City shall have the right to establish the methods, measures and procedures it deems necessary to restrict excessive costs in the application of the benefits provided under subsections 1.a. through 1.d..
- (4) The City, in conjunction with its insurance administrator, carrier, or provider shall have the right to develop and implement any other cost containment measure it deems necessary.

f. An annual Health Risk Assessment (HRA), which shall include basic biometrics, a written

health risk assessment questionnaire and a blood draw, shall be implemented as soon as practicable following execution of this Agreement.

- g. Both a Wellness and Prevention Program and Committee shall be implemented. A description of both the program and the committee is appended hereto as Appendix C.

2. Eligibility for Benefits

- a. An employee in active service whose normal hours of work average more than 20 hours per week or whose normal hours of work average twenty (20) hours per week on a year-round basis in a position which is budgeted as half-time, shall be entitled to health insurance benefits through either the Basic Plan or an HMO Plan at his/her option.
- b. An employee shall not be eligible for the benefits provided in subsection 1, above, during the time period he/she is employed on a provisional, emergency, part-time (for purposes of this provision, an employee shall be termed a part-time employee when his/her normal hours of work average less than 20 hours per week), temporary, student-aide type or seasonal basis.
- c. An employee in active service shall be entitled to Dental Plan benefits provided in subsection 1.c. or 1.d., above, so long as he/she remains in active service. Individuals not in active service shall not be entitled to Dental Plan benefits.
- d. An employee in active service who commences receiving a duty disability retirement allowance during the term of this Agreement shall be entitled to the benefits provided in subsections 1.a. or 1.b., for the term of this Agreement.
- e. An employee who retires on normal pension (as this term is defined under the applicable provisions of Chapter 36 of the City Charter, 1971 compilation as amended) during the term of this Agreement, with at least 15 years of creditable service, shall be entitled to the benefits provided in subsections 1.a. or 1.b., during the term of this Agreement, so long as they are at least 60 and less than age 65. Thereafter, such individuals shall be entitled to the same health insurance benefits concurrently provided employees in active service covered by the effective Agreement between the City and the Union as is in effect from time to time, so long as they are at least age 60 and less than age 65 (it is understood that the exclusion of retirees from coverage under dental insurance benefits, as set forth in subsection 2.c., above, shall continue

unchanged). If a retiree eligible for these benefits dies prior to age 65, the retiree's surviving spouse shall be eligible for these benefits until the last day of the month in which the deceased retiree would have attained age 65.

- f. An employee in active service who retires having attained age 55 with 30 years of creditable service shall between the ages of 55 and 65 be entitled to the benefits provided in subsection 1.a. and 1.b. during the term of this Agreement. Thereafter, such individual shall be entitled to the same health insurance benefits concurrently provided employees in active service covered by the effective agreement between the City and the Union as is in effect from time to time, so long as he/she is at least age 55 and less than age 65 (it is understood that the exclusion of retirees from coverage under dental insurance benefits, as set forth in subsection 2.c., above, shall continue unchanged). If a retiree eligible for these benefits dies prior to age 65, the retiree's surviving spouse shall be eligible for these benefits until the last day of the month in which the deceased retiree would have attained age 65.
- g. An employee in active service who retires during the period beginning August 1, 2010 and ending December 31, 2010 only on a normal pension (as this term is defined under the applicable provisions of Chapter 36 of the City Charter, 1971 compilation as amended) including an allowance under sec. 36-05-1-d-3 of the City Charter, and elects to use the Bonus Year, as provided in sec. 36-04-1-f of the City Charter, to meet the minimum age for retirement eligibility or to add to the employee's creditable service, shall be entitled, if the employee has at least 15 years of creditable service, which may include the Bonus Year, to the benefits referenced in subsections 21.2.e or f. , subject to the provisions of those sections and shall be subject to the cost of coverage provisions under Article 21.3.c. Thereafter, such employees who retire on a normal pension between August 1, 2010, and December 31, 2010, shall, subject to the provisions of those sections, be eligible for the benefits referenced in subsection 21.2.e. or f. and shall be subject to the cost of coverage provisions under Article 21.3.c.

3. Cost of Coverage - Health Insurance Plans

a. Employees in Active Service

- (1) For employees enrolled in the Basic Plan between August 1, 2010, through July 31, 2012.
 - (a) Except as provided in subsection 5., below, effective August 1, 2010, but prior to implementation of a Health Risk Assessment (HRA), an employee enrolled in the Basic Plan shall contribute an amount toward meeting the subscriber cost in the Basic Plan of \$75.00 per month for single enrollment when such employee's enrollment status is single and \$150.00 per month for family enrollment when such employee's enrollment status is family. The amount of employee contribution shall be deducted from the employee's paycheck on a monthly basis. Any subscriber costs for single or family enrollment in excess of the above-stated amounts shall be paid by the City.
 - (b) Except as provided in subsection 5, below, effective the first full calendar month following implementation of the annual HRA, for active employees enrolled in the Basic Plan, the employee contributions shall be as follows:
 - i. The employee contribution shall increase to \$85.00 per month for single enrollment when an employee's enrollment status is single and to \$170.00 per month when an employee's enrollment status is family.
 - ii. The employee contributions shall also increase \$20.00 per month over the amounts specified in subsection 3.a.(1)(b)i., above, for each adult covered by the plan (maximum of two, excluding dependent children) who chooses not to fully participate in and complete the HRA.
 - iii. For an employee in the single plan and for an employee and his or her spouse (if applicable) in the family plan who participate fully in the HRA and who do not smoke (as determined by the HRA), the employee contribution shall be \$75.00 per month for single enrollment when an employee's enrollment status is single and \$150.00 per month for family enrollment when an employee's enrollment status is family. The amount of employee contribution shall be deducted from the employee's pay check on a monthly basis. Any subscriber costs for single or family enrollment in excess of the above-stated amounts shall be paid by the

City.

(2) For employees enrolled in an HMO Plan

- (a) For Employees Enrolled in a Health Maintenance Organization Plan between August 1, 2010, and the expiration of the Agreement. Except as provided in section 5, below, an employee enrolled in an HMO plan shall contribute \$20.00 per month toward the monthly subscriber cost of the HMO plan when such employee's enrollment status is single and \$40.00 per month toward the monthly subscriber cost of the HMO plan when such employee's enrollment status is family.
- (c) Except as provided in section 5, below, effective the first full calendar month following Implementation of the annual HRA, an employee enrolled in an HMO plan shall contribute the following amounts:
 - i. An employee shall contribute \$30.00 per month toward the monthly subscriber cost of the HMO plan when such employee's enrollment status is single and \$60.00 per month toward the monthly subscriber cost of the HMO plan when such employee's enrollment status is family.
 - ii. An employee shall also contribute an additional \$20.00 per month over and above the amount specified in 3.a(2)(c) i, above, for each adult (maximum of two, excluding dependent children) who chooses not to fully participate in and complete the HRA.
 - iii. For an employee in a single HMO plan and for an employee and his or her spouse (if applicable) in a family HMO plan who participate fully in the HRA and who do not smoke (as determined by the HRA), the employee contribution shall be reduced to \$20.00 per month for single enrollment when an employee's enrollment status is single and \$40.00 per month for family enrollment when an employee's enrollment status is family.
- (d) In addition to the amounts specified in subsections 3.a.(2)(b) and (c), above, an employee who enrolls in an HMO plan whose monthly subscriber cost exceeds that

of the lowest cost HMO plan shall also contribute a monthly amount equal to the difference between the monthly subscriber cost of the plan selected and the monthly subscriber cost of the lowest cost HMO plan.

(e) The amount of employee contribution shall be deducted from the employee's pay check on a monthly basis.

(3) The maximum City contributions provided above shall be determined by the employee's effective enrollment status; when the enrollment status is single, the above maximum shall be computed using the subscriber cost established for single enrollment status and when it is family, such computation shall be based on the subscriber cost established for family enrollment status.

(4) An employee who exhausts his/her sick leave during the term of this Agreement shall be permitted to maintain the benefits for the plan he/she was covered under on the date his/her sick leave was exhausted for up to six (6) months immediately following that date so long as the employee is unable to return to work because of medical reasons. The City's and the employee's contribution towards the cost of maintaining the benefits during this period shall be as provided for respectively in subsections 3.a.(1) and (2), above. An employee who returns from an unpaid medical leave, during which he or she received health insurance benefits under this subsection (3.a.(4)), must physically be at work for at least 40 hours in order to be eligible for another six months of health insurance benefits under this subsection. The provisions of this subsection shall not cover retirees (including disability retirements).

b. Duty Disability

Between August 1, 2010, and July 31, 2012

Depending on the individual's single/family enrollment status for a calendar year, the cost of coverage for individuals receiving a duty disability retirement allowance shall be as provided for in subsection 3.a. of this Article.

c. Employees Who Retire Between August 1, 2010, and July 31, 2012

(1) Eligible employees under subsections 2.e. or 2.f. who retire between August 1, 2010, and

July 31, 2012, and who are enrolled in the Basic Plan shall contribute an amount toward meeting the subscriber cost in the Basic Plan of \$30 per month for single enrollment when such employee's enrollment status is single and \$60 per month for family enrollment when such employee's enrollment status is family. The amount of retiree contribution shall be deducted from the retiree's pension check. Any subscriber costs for single or family enrollment in excess of the above stated amounts shall be paid by the City. In the event that the monthly subscriber cost to the City for single enrollment for retirees in the Basic Plan is the lowest single enrollment subscriber cost plan to retirees offered by the City, the foregoing \$30 employee contribution shall be waived. In the event that the monthly subscriber cost to the City for family enrollment for retirees in the Basic Plan is the lowest family enrollment subscriber cost plan to retirees offered by the City, the foregoing \$60 employee contribution shall be waived.

- (2) For eligible employees under subsections 2.e. or 2.f. who retire between August 1, 2010, and July 31, 2012, and who are enrolled in the an HMO Plan, the City will contribute an amount towards meeting the monthly subscriber cost for family enrollment for retirees in the HMO plan elected of 100% of the monthly subscriber cost of family enrollment for retirees in the Plan offered by the City pursuant to subsection 1.a. or 1.b., above, having the lowest family enrollment subscriber cost for retirees to the City. If the per capita subscriber cost for enrollment in the plan elected exceeds the maximum City contribution provided, the retiree shall have the amount of excess cost deducted from his/her pension check. In the event that the monthly subscriber cost to the City for single enrollment for retirees in the Basic Plan is the lowest single enrollment subscriber cost for retirees to the City for both the Basic Plan and any HMO Plan, the City will contribute an amount towards meeting the subscriber cost for single enrollment for retirees in an HMO Plan of 100% of the monthly subscriber cost of single enrollment for retirees in the Basic Plan. In the event that the monthly subscriber cost to the City for family enrollment for retirees in the Basic Plan is the lowest family enrollment subscriber cost for retirees to the City for both the Basic Plan and any HMO Plan, the City will contribute an amount towards

meeting the subscriber cost for family enrollment for retirees in an HMO Plan of 100% of the monthly subscriber cost of family enrollment for retirees in the Basic Plan.

- (4) The term "Basic Plan," as used in this subsection, shall mean the health insurance coverage provided under the Basic Plan provision in the Agreement between the City and the Union as is in effect from time to time.

(5) Surviving Spouse

The provisions of subsection 3.c. shall be applicable to a surviving spouse eligible for retiree health insurance benefits under subsection 2.e. or 2.f. of this Article.

4. Cost of Coverage -- Dental Plan

Except as provided in subsection 5, during the term of the 2010-2012 Agreement, the City will contribute an amount up to \$13.00 per month for single enrollment and an amount up to \$37.50 per month for family enrollment towards meeting the subscriber cost of the dental plan elected. If the subscriber cost for single or family enrollment in the Dental Plan exceeds the maximum City contribution provided, the employee shall have the amount of such excess cost deducted from his/her paycheck on a monthly basis.

5. Pro rata Credit for Half-time Employees

The City's contribution for an eligible employee whose normal hours of work average 20 hours per week on a year-round basis in a position which is budgeted as half-time shall not exceed 50% of the maximum City contributions required under subsections 3. or 4. of this Article, above.

6. Self-Administration Offset

The per capita subscriber costs associated with the health or dental insurance coverage provided by each of the plans listed in subsection 1., above, includes amounts allocable to the administrative costs of the carriers providing such coverage. If the City elects to self-administer the Basic Health Insurance Plan and/or the Basic Dental Plan, then effective with the calendar month during which this election becomes effective, and so long as it continues in effect, the maximum City contributions provided in subsections 3., 4., and 5., above, for employees covered by such a self-administered plan shall be reduced by an amount equal to 100% of the difference between the monthly administrative costs associated with such plan prior to the effective date it

became self-administered and the monthly administrative costs associated with the plan when it is self-administered, capitated for each subscriber in the plans on the basis of single or family enrollment status. While in effect, this provision shall not increase an employee's payroll deductions required to meet the costs of his/her health/dental insurance benefits beyond the deductions that would be required under subsections 3., 4., and 5., of this Article, if the provision was not in effect.

7. Non-Duplication

- a. If more than one City employee is a member of the same family, as that term is defined in provisions of the Plans defined in subsection 1.a. or 1.b., the coverage shall be limited to one family plan.
- b. In the event a program of health insurance is adopted by the Federal or State government and the City is required to, or elects to participate in it, benefits under the City Plan shall be coordinated with such systems but shall not operate to increase or diminish the extent of the coverage.
- c. When a member of the employee's family, as the term "family" is defined in the provisions of the Plans defined in subsections 1.a. or 1.b. of this Article, above, is a City retiree receiving City Health Insurance benefits, the coverage shall be limited to one family plan.
- d. For an employee who retires after the next month following the execution date of this Agreement, if more than one City retiree is a member of the same family, as the term, "family," is defined in the provisions of the Plans defined in subsections 1.a. or 1.b. hereof, the retiree coverage provided by the City shall be limited to one plan.

8. Employees on Leave of Absence, Layoff or Suspension

An employee in active service may elect to be covered by the benefits in subsections 1.a. or 1.b., above, while on an authorized leave of absence, layoff or suspension. Individuals on an authorized leave of absence, layoff or suspension, shall pay 100% of the cost associated with their coverage. The rates for such coverage shall be determined by the City and may be adjusted from time to time. This provision shall be applicable only during the first twelve (12) months of an employee's authorized leave of absence.

9. Right of City to Select Carrier

It shall be the right of the City to select and, from time to time, to change any of its carriers that provide the benefits set forth in subsection 1., above; at its sole option, the City shall have the right to provide any or all of these benefits on a self-insured basis and/or to self-administer them (in this circumstance the term "carrier" as used in this Article shall also mean self-insurer and/or self-administrator).

10. An employee hired on or after January 1, 1982, shall have a 270-day waiting period for a pre-existing condition for the benefits provided in Section 1.a.

11. Effective Date

Except where specifically provided otherwise herein, the provisions of this Article shall be effective from August 1, 2010, through July 31, 2012.

ARTICLE 22

LIFE INSURANCE

1. Amount of Life Insurance Coverage

- a. Employees under age 65 shall be eligible to elect and maintain life insurance coverage in an amount equivalent to their annual base salary rate, rounded to the next higher thousand dollars, so long as they remain in active service and under age 65. Upon attaining age 65, the amount of life insurance coverage to which an employee who was insured for 100% of annual base salary on the day immediately preceding his/her 65th birthday is entitled shall be reduced by 33-1/3% on his/her 65th birthday and by an additional 16-2/3% on his/her 70th birthday.
- b. Optional Coverage. No later than 30 days prior to the date established by the City, an employee in active service or who after that date retires on disability and is under the age of 65 and eligible for and taking base coverage, shall be eligible to apply for supplemental coverage at his/her option in increments of \$1,000 to a maximum of 1.5 times his/her annual basic salary rounded to the next higher thousand dollars of earnings. This coverage shall be made available to eligible employees applying for supplemental coverage no later than 30 days prior to the date established by the City and annually thereafter during periods of open enrollment. Upon attaining age 65, the amount of life insurance coverage to which an

employee who was insured for more than 100% of annual base salary on the day immediately preceding his/her 65th birthday is entitled shall be reduced by 33-1/3 on his/her 65th birthday and by an additional 16-2/3% on his/her seventieth (70th) birthday and by an additional 16-2/3% on his/her seventy-fifth (75th) birthday but in no event to less than 50% of annual base salary.

2. Adjustment of Coverage

The amount of life insurance coverage to which an employee is entitled shall be adjusted semi-annually on January 1 and July 1 of the calendar year to reflect changes in the employee's annual base salary rate. The term, "Annual Base Salary Rate," as used herein, shall be defined as an amount equivalent to the employee's biweekly base salary, as his/her biweekly base salary is defined and determined under the BASE SALARY provision of this Agreement, divided by fourteen (14) and then multiplied by three hundred and sixty-five (365).

3. Conditions and Eligibility for Election of Coverage

- a. Subject to the terms and conditions provided in subsection 3.b. through 3.f. of this Article, below, employees who choose to elect the amount of life insurance coverage provided in subsection 1., above, must appear on the City's regular payroll as full-time (40 hours per week) employees for 180 consecutive calendar days or as half-time (at least 20 hours per week) employees for 365 consecutive calendar days following the initial date of their employment with the City.
- b. The election of life insurance coverage shall be in a manner prescribed by the City.
- c. An employee meeting the eligibility requirements for election of life insurance coverage must make such election within 30 consecutive calendar days after the date his/her eligibility is first established. If the employee fails to make such election within this time limit, the election shall be made only on such terms and conditions as are established and maintained from time to time by the City and/or its life insurance carrier.
- d. An employee shall become entitled to the life insurance coverage benefits provided in subsection 1., above, 30 consecutive calendar days following the date he/she elects such coverage.

- e. An employee re-employed subsequent to a separation from active service, for whatever reason, must re-establish his/her eligibility for life insurance coverage on the same basis that would be applicable to a new employee having the same starting date that the re-employed employee had following re-employment.
- f. An employee who has previously waived life insurance coverage provided by the City, either hereunder or otherwise, while employed with the City or a City Agency (the term, "City Agency" being as defined in subsection 36.02(8) of the Milwaukee City Charter, 1971 compilation, as amended -- a copy of this subsection is attached to this Agreement as Appendix 'B', shall be permitted to elect life insurance coverage only on such terms and conditions as are established and maintained from time to time by the City and/or its life insurance carrier.

4. Cost of Life Insurance Coverage

Employees eligible for the life insurance coverage described under Section 1 of this paragraph, above, who elect such coverage, shall pay to the City an amount equal to \$0.21 per month for each \$1,000 of coverage in excess of \$ 25,000. These payments shall be accomplished by periodic deductions from employees' biweekly paychecks. The City shall make all other necessary payments for the life insurance coverage described in Section 1, of this paragraph, above.

5. Conditions and Limitations on Benefits

- a. An employee eligible to elect life insurance coverage must elect the maximum amount to which he/she is entitled to under subsection 1., above.
- b. Life insurance benefits payable under any State or Federal law to the beneficiary of an employee as a result of the employee's employment with the City shall operate to reduce benefits payable under the terms of this paragraph by an amount equivalent to such State or Federal benefits.
- c. The life insurance benefits provided herein shall only cover employees while they are in active service.
- d. The terms and conditions for receipt of the life insurance benefits provided herein shall be as provided for either in the contract between the City and the carrier providing the benefits or, if

the City elects to provide these benefits on a self-insured basis, by the City.

6. Right of City to Change Carrier

It shall be the right of the City to select and, from time to time, to change the carrier(s) that provide the benefits set forth above. The City shall, at its sole option, have the right to provide these life insurance benefits on a self-insured basis.

ARTICLE 23

TERMINAL LEAVE

1. An employee covered by this Agreement, who retires under the provisions of the Employees Retirement System of Milwaukee, (but excluding retirement on deferred or actuarially reduced pensions, as they are defined under the System), shall, upon retirement, be entitled to a lump sum payment equivalent to one eight-hour work shift's base salary for each one eight-hour work shift equivalent of the employee's earned and unused sick leave up to a maximum of thirty (30) eight-hour work shifts of pay.
2. Terminal Leave Compensation shall not be construed as affecting the employee's pension benefits. Any payments made under the provisions of this Article shall not have any sum deducted for pension benefits nor shall the payments be included in establishing pension benefits or payments.
3. Terminal Leave Compensation benefits shall be made by separate check as soon as is administratively possible after the employee's effective date of retirement.
4. An employee shall receive Terminal Leave Compensation only once during his/her lifetime.

ARTICLE 24

SAFETY SHOE ALLOWANCE PROGRAM

1. An employee who works in a classification, which requires the wearing of an approved safety shoe must comply with the following requirements and procedures before a safety shoe allowance can be granted:
 - a. One pair of safety shoes must be purchased before the safety shoe allowance can be granted.
 - b. At least one of the two shoes must be legibly stamped ANSI or USAS Z41.1-1967/75 or ANSI Z41PT83 (751b impact test rating).

- c. A dated receipt bearing the name of the employee, which clearly shows that one pair of ANSI or USAS Z41.1-1967/75 or ANSI Z41 PT83/75 safety shoes have been purchased must be obtained. A duplicate copy of the dated receipt shall be acceptable proof of purchase provided, however, the original dated receipt must be shown at the time a claim for reimbursement is made.
 - d. The safety shoe receipt must be presented to the immediate supervisor prior to December 31st of the calendar year in which claim is made for the safety shoe allowance.
 - e. The style of the shoe must meet Bureau requirements.
 - f. A minimum of eight calendar weeks on the payroll is required during the year in which a claim is made.
 - g. Only one safety shoe subsidy, in any form, will be granted to a City employee during a calendar year.
- 2. Those bureaus and operations, which have had previous programs and procedures for the purchase of safety shoes will not be affected by the above program. No employee may participate in more than one City-sponsored program and no employee who is in a classification not required to wear safety shoes but who elects to wear them can claim reimbursement.
 - 3. Compensation for an employee in a classification whose work the City determines by rule requires that the employee wear safety shoes, shall be up to one hundred and fifteen dollars (\$115) per calendar year. An employee may purchase up to two pairs of safety shoes per calendar year, provided they are purchased at the same time. This allowance shall be paid to those employees who comply with the rules stated in subsection 1, above.
 - 4. Employees must comply with the requirement that safety shoes be worn.

ARTICLE 24A

CLOTHING AND GLOVE ALLOWANCE AND COVERALLS

- 1. The City shall provide clean coveralls to Painters, Bridge and Iron, assigned to perform lead removal duties. The coveralls shall be provided on a frequency to be determined by the City. Employees shall be required to follow all administrative procedures for the provision of the coveralls as established by the City.

2. The city shall provide each employee in the bargaining unit an allowance of \$60 per year. Pro-rata payment adjusted to the nearest calendar month on the basis of length of service shall be made for employees with less than a full calendar year of service. For purposes of prorating, an employee on the payroll for at least 15 days in a calendar month shall be considered to have been in active service for the full calendar month. An employee on the payroll for less than 15 days in a calendar month shall be considered to not have been in active service at all during that calendar month. The clothing allowance shall not be pensionable and shall not be included in the computation of any fringe benefit.

ARTICLE 25

TUITION AND TEXTBOOK REIMBURSEMENT

1. Tuition and textbook reimbursement shall be in accordance with Veteran's Administration benefits pertaining thereto. In no event shall there be any duplication of these benefits paid to the employee.
2. In the event that an employee is ineligible to receive tuition reimbursement under the provisions of subsection 1, above, and meets the criteria of subsection 3 and 4 below, the City shall provide the employee reimbursement of tuition, laboratory fees and required textbooks for approved courses of study up to a maximum reimbursement of \$700 per year of which \$150 may be used for reimbursement of costs for laboratory fees and required textbooks.
3. In order for the employee's courses of study to qualify for reimbursement under subsection 2., above, the following criteria must be satisfied:
 - a. All course work and related homework must be done on the employee's own time.
 - b. All courses of study shall be related to an employee's job or to a reasonable promotional opportunity and be approved by a City-designated administrator. Graduate courses must be directly related to an employee's present position.
 - c. Courses must be taken at accredited institutions or schools currently approved by the Department of Employee Relations. However, courses offered through Union training programs that are directly related to an employee's trade and that are approved by management may be taken, contingent upon the establishment of reasonable course costs and

the establishment of criteria acceptable to the City, for successful course completion.

- d. An employee must submit an application for reimbursement to a City-designated administrator on a form provided by the City no later than four (4) weeks following the starting date of the course for which reimbursement is requested. All receipts for tuition and required textbooks must be submitted with the application within this four-week time limitation. Any changes in the request for reimbursement must be reported to the Department of Employee Relations within one week of the change.
- e. An employee shall submit the official grade report to a City-designated administrator within eight (8) weeks of the successful completion of the approved course. An approved course of study shall be deemed successfully completed if:
 - (1) A grade of "C" or higher is received and such course of study is an undergraduate course of study; or
 - (2) A grade of "B" or higher is received and such course of study is a graduate course of study; or
 - (3) When grades are not given or the course of study taken is a non-credit one then the employee must present to aforesaid City-designated administrator within the time limit above described a written statement from the course's instructor that the employee has satisfactorily completed the course of study.
- 4. An employee must remain in service for a six-month period after receiving Tuition and Textbook reimbursement from the City or the amount reimbursed will be deducted from the employee's final paycheck.
- 5. Payment of reimbursement described under subsection 2., above, shall be made as soon as is administratively practicable after the reimbursement application and evidence of successful completion of the approved courses of study is received. However, the City may pay up front those tuition and textbook costs for programs offered by and as determined by the City's Training and Development Services Decision Unit. If the employee does not meet the criteria specified in section 3., above, payment will be deducted from the employee's paycheck.
- 6. Any payment made under the provisions of this Article shall not have any sum deducted for

pension benefits nor shall such payments be included in the determination of pension benefits or other fringe benefits.

7. The Employee Relations Director shall administer this program in accordance with practices established for the City's general reimbursement program.

ARTICLE 26

SAFETY

1. Employees covered by this Agreement shall continue to have representation on the Safety Committees of the DPW divisions. The Union may recommend representatives to those Committees to the division heads. The Committee may make recommendations to the Bureau Superintendent on identifying, correcting and avoiding conditions, which could cause injuries.
2. The City and the Union acknowledge a mutual concern regarding safety issues in lead abatement tasks. The parties commit to work together to identify the education and training needs of employees assigned to lead abatement work.

ARTICLE 27

SENIORITY FOR LAYOFF PURPOSES

1. Seniority for layoff purposes is the relative status of an employee based upon the his/her regular appointment date to his/her current classification within the Union bargaining unit to which will be added, in case of a reduction of an affected employee to a lower classification, the seniority the affected employee had in other classifications within the Union bargaining unit.
2. Upon reduction in supervisory and/or managerial positions, a supervisory or managerial employee affected may be returned to a classification he/she previously held in the Union bargaining unit. An employee promoted to a management or supervisory position, from a position within the Union bargaining unit, shall retain his/her Union bargaining unit seniority accrued prior to the date of the promotion and shall continue to accumulate seniority for not more than two calendar years. Thereafter, he/she shall retain, but not continue to accumulate, seniority while in a management or supervisory position.
3. Should the City find it necessary to effect a reduction in its work force, it shall give the Union

notice and in no case less than four (4) weeks prior to the effective date of the layoff of the initially affected employees. The City and the Union shall meet within three (3) working days of the notice to discuss layoffs. The City, at this meeting, shall provide the Union with current seniority lists for the bargaining unit.

4. When layoffs are occasioned by an emergency or when the duration is not expected to exceed twenty (20) working days, the foregoing provisions regarding notice and the rules hereinafter set forth shall not apply. In such cases, the City shall notify the Union immediately of the situation and shall meet with the Union within three (3) working days to fully apprise it of its reasons for the layoff and its expected duration.
5. When layoffs occur in jobs or are occasioned by layoffs in bureaus where seasonal fluctuations are traditional, the provisions of sections 3 and 4 as regards to notice by the City and the requirements of meeting with the Union shall not apply.
6. In the event of a non-seasonal layoff, when it becomes necessary to reduce the work force in a particular classification within this bargaining unit, the employee with the least seniority in that classification shall be laid off. The affected employee shall displace the least senior employee holding a position in a classification within the Union bargaining unit, which the affected employee previously held if:
 - 1) The affected employee has more seniority;
 - 2) The affected employee is capable of performing the job of the employee with lesser seniority; and
 - 3) The classification to which the employee transfers or bumps to is in the same or lower pay range than pay range of the current classification of the affected employee.
7. In the event of a seasonal layoff of an employee with seniority status in this bargaining unit, other bargaining units and or management, the employee will continue his/her layoff/recall rights as historically exercised in the department so long as the effective labor agreement between the City and the other union involved does not prohibit employees from this union from bumping to positions in the other bargaining unit. An employee shall no longer exercise such seniority bumping rights after achieving year-round status for two consecutive seasons.

8. Breaks in Seniority

a. Seniority in the Union bargaining unit shall be broken if an employee:

- (1) Retires;
- (2) Resigns from City employment;
- (3) Is discharged and the discharge is not reversed;
- (4) Is terminated during his/her initial probationary period;
- (5) Is not recalled from a layoff for a period of three (3) years.
- (6) Is recalled from a layoff and does not report for work within three (3) calendar weeks;
- (7) Does not return at the expiration of a leave of absence.

b. Seniority in a classification within the Union bargaining unit shall be broken if an employee:

- (1) Falls within any category listed in subsection 9.a., above;
- (2) Is terminated during a probationary period;
- (3) Is demoted and the demotion is not reversed; or
- (4) Takes a voluntary demotion.

In the case of (3) or (4), above, if the employee is reinstated or promoted to the position from which he/she was demoted, the date of such reinstatement or promotion shall become the employee's classification seniority date unless otherwise determined by the City Service Commission. Seniority in a lower classification shall not be affected by a demotion from a higher classification.

9. An affected employee who bumps to a position in a lower pay range held by an employee with less seniority shall be paid at the normal maximum of the pay range in which the classification falls. In no event shall an employee, by application of this provision, be paid in excess of the rate of pay they were earning prior to their reduction.
10. Recall to the classification a laid-off employee held shall be by application of seniority in reverse order of layoff.
11. Employees in an affected classification having the same starting date shall have their seniority status determined by their examination grade and where grades do not prevail, seniority shall be determined by lot at the Division of Labor Relations with a Union representative or a Union

Steward present.

12. An employee hired on an exempt basis by the City directly into a manpower program or training project, such as the Comprehensive Employment Training Act, which depends for its continued existence on the availability to the City of federal or state funds is not to be regarded as subject to the protection of the provisions of this Article. However, an employee transferred into a manpower program or training project shall continue to accrue seniority during the course of their service in a manpower program or training project and shall be regarded as subject to the protection of the provisions of this Article.
13. An employee hired or promoted by the City on a regular appointment basis under City Service Commission rules and regulations into a program or project which depends for its continued existence on the availability to the City of federal or state funds shall be regarded as subject to the protection of the provisions of this Article. An employee who is transferred into one of these programs or projects who has attained City Service status at the time of entry into the program or project shall continue to accrue seniority during the course of their service in the program or project and shall be regarded as subject to the protection of the provisions of this Article. Any new program or project which depends for its continued existence on the availability to the City of federal or state funds shall be subject to the protection of the provisions of this article upon mutual consent of the City and the Union.

ARTICLE 28

AMERICANS WITH DISABILITIES ACT (ADA)

The parties recognize the obligation of the City to comply with the Americans with Disabilities Act (ADA). Before the City takes any steps, including reasonable accommodation, that may conflict with this Agreement, it will meet with the Union to discuss those steps that may be taken in individual cases. In those discussions the parties will respect the confidentiality of the disabled person as required by the Act.

ARTICLE 29

ORDINANCE AND RESOLUTION REFERENCE

1. This Agreement contains benefits and the terms and conditions under which they are provided employees. The City may establish ordinances, resolutions and procedures to implement and administer these benefits. These ordinances, resolutions and procedures, as well as any other City ordinances or resolutions providing benefits to employees, shall not be deemed a part of this Agreement, nor shall they add to, modify, diminish or otherwise vary any of the benefits or obligations provided in this Agreement, unless the parties shall mutually consent in writing thereto. Other City ordinances and/or resolutions, or parts thereof, in effect on the execution date of this Agreement that do not conflict with the specific provisions of this Agreement shall remain in force and effect.

ARTICLE 30

SUBORDINATE TO CHARTER

1. In the event that the provisions of this Agreement or its application conflict with the legislative authority delegated to the City Common Council, or the City Service Commission (which authority being set forth more fully by: The Milwaukee City Charter; the statutory duties, responsibilities and obligations of the City Service Commission as they are provided for in Sections 63.18 through 63.53 of the Wisconsin Statutes; The Municipal Budget Law, which is set forth in Chapter 65 of the Wisconsin Statutes; or other applicable laws or statutes) then this Agreement shall be subordinate to such authority.

ARTICLE 31

BUS DISCOUNT FARE PROGRAM

The City's Commuter Value Pass Program for non-represented employees shall be extended to employees represented by the Milwaukee Building and Construction Trades Council.

ARTICLE 32

AID TO CONSTRUCTION

For purposes of construction and interpretation of the various provisions, this Agreement shall be

considered to have been executed on_____.

ARTICLE 33

WAIVER OF NEGOTIATIONS

The parties having acknowledged that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining and the parties agree that the understandings and agreements arrived at and set forth in the Agreement are the result of the exercise of that right and opportunity. Each, therefore, waives the right and each agrees that the other shall not be obligated to bargain collectively on any subject or matter referred to or covered in this Agreement or with respect to any subject not specifically referred to or covered in this Agreement during the term thereof even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement. Past practices, whether known or unknown to the parties, are negated by the execution of this Agreement whether such alleged past practices are oral or written. This Agreement may only be amended during its term by the parties' mutual agreement in writing.

ARTICLE 34

SAVINGS CLAUSE

If any article or section of this Agreement or any addenda thereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by such tribunal, the remainder of this Agreement and addenda shall not be affected thereby.

ARTICLE 35

ENTIRE AGREEMENT

The foregoing constitutes an entire agreement between the parties and no verbal statement shall supersede any of its provisions.

ARTICLE 36

RETROACTIVE WAGE PAYMENTS

The parties to this Agreement elect not to be bound by the required frequency of wage payment provisions of §109.03 (1) (a), Stats., in respect to retroactive wages payable under the terms of this Agreement. Retroactive wage payments under the terms of this Agreement shall be paid no later than sixty days from the execution of this Agreement.

ARTICLE 37

LONG TERM DISABILITY PROGRAM

1. The City will offer a Long-Term Disability ("LTD") Benefit Program.
2. Basic coverage featuring benefits to age 65 after an elimination period of 180 calendar days will be provided at no cost to employees who work at least 20 hours per week on a year-round basis and have completed six months of active service following a regular or exempt appointment. Shorter elimination periods will be available through payroll deductions. An employee who is or becomes in a laid off situation shall not be eligible for LTD benefits. LTD benefits will begin only after all other temporary disability benefits, such as accumulated sick leave, have been exhausted.
3. During a qualifying period of disability, the LTD benefit program will provide no less than 60% of monthly base earnings (excluding bonuses and overtime) as income replacement, up to a maximum of \$5,000.00 per month, reduced by all available temporary disability benefits such as sick leave benefits; amounts available from any other city, state or federal programs which may be paid on account of the same disability; and any income earned by the employee during the period of disability.
4. Benefits payable under the LTD benefit program shall be established by an LTD benefit administrator selected by the City. The LTD benefit administrator shall provide a procedure for an employee to dispute claims and claim decisions. No dispute arising under the LTD benefit program shall be subject to the grievance and arbitration procedures set forth in this Agreement, except an allegation that the City has failed to pay required payments to the LTD benefit administrator.
5. The City shall retain the right to manage, at its sole discretion, the administration and funding of the LTD benefit program, including, but not limited to selecting, changing, or terminating third party

LTD benefit administrators, operating as the LTD benefit administrator, establishing and managing reserve funds in relation to the LTD benefit program, self-funding the LTD benefit program, and entering into or terminating insurance agreements in relation to the LTD benefit program.

Witness the hands and seals of the parties hereto this 9th day of July, 2009.

MILWAUKEE BUILDING AND
CONSTRUCTION TRADES COUNCIL

CITY OF MILWAUKEE
A Municipal Corporation

BY: _____
Lyle Balestreri
President

Maria Monteagudo
Director of Employee Relations

Troy M. Hamblin
City Labor Negotiator

Joseph Alvarado
Labor Relations Officer

FOR THE CITY:

Tom Barrett, Mayor

Willie L. Hines, Jr., Alderman
President, Common Council

Ronald D. Leonhardt, City Clerk

W. Martin Morics, Comptroller

Michael J. Murphy, Alderman
Chairman, Finance and Personnel
Committee

APPENDIX 'A'

City Job Titles Included in the Bargaining Unit
of the Milwaukee Building and Construction Trades Council
and Corresponding Outside Job Titles to be Used in Establishing City Rates.

City Title and Pay Range	MB & CTC Heading and Corresponding Title
Painter, PR 981	<u>Painters:</u> Painter Buildings
Cement Finisher, PR 982	<u>Cement Masons: "Buildings" & "Shaft & Tunnel" Labor Service:</u> Cement Mason
Painter Leadworker, House PR 983	<u>Painters:</u> Painter Chargeman (Buildings) (5 or less workers)
Painter, Bridge & Iron PR 984	<u>Painters:</u> Sandblaster
Carpenter, PR 986	<u>Carpenters: "Bridge & Bldgs.," "Marine" & "Shaft & Tunnel" Labor Service</u> Carpenter
Carpenter, Leadworker, PR 993	<u>Carpenters: "Bridge & Bldgs.," "Marine" & "Shaft & Tunnel" Labor Service</u> Carpenter Sub-Foreman
Painter Leadworker, Bridge & Iron, PR 97	Tied to City title
Painter Supervisor, Ironwork PR 988	Tied to City title
Painter Supervisor, House PR985	Tied to City title
Bricklayer, Buildings PR 989	<u>Bricklayers: "Bridge & Bldgs.," "Marine" & "Shaft & Tunnel" Labor Service</u> Bricklayer, Buildings

Sewer Mason, PR 989

Bricklayers: "Bridge & Bldgs.," "Marine"
& "Shaft & Tunnel" Labor Service
Bricklayer Mason

Ironworker, PR 990

Iron Workers: "Bridge & Bldgs." "Marine,"
"Sewer & Water Construction-Open Cuts" &
"Shaft & Tunnel" Construction Labor
Service
Iron Worker (Rod & Reinforcing Steel)

Carpenter Supervisor, PR 991

Carpenters: "Bridge & Bldgs.," Marine" &
"Shaft & Tunnel" Labor Service
Carpenter Foreman

Ironworker Supervisor, PR 992

Iron Workers: "Bridge & Bldgs." "Marine,"
"Sewer & Water Construction-Open Cuts" &
"Shaft & Tunnel" Construction Labor
Service
Iron Worker Foreman

APPENDIX 'B'

36.02 RETIREMENT SYSTEM, CITY OF MILWAUKEE

(8)"City agency" shall mean any board, commission, division, department, office or agency of the city government, including its sewerage commission, school board, auditorium board, annuity and pension board, board of vocational and adult education, public school teachers' annuity and retirement fund, firemen's annuity and benefit fund, policemen's annuity and benefit fund, the housing authority of the City of Milwaukee, by which an employee of the city or city agency is paid.

Appendix 'C'

Wellness and Prevention Committee

A Wellness and Prevention Program shall be implemented to promote the wellness and prevention of disease and illness of City employees, retirees, and their family members. The program may contain some or all of the following components: annual health risk assessment, benefit communications, medical self-care, nurse line, consumer health education, injury prevention, advanced directives, preventive medical benefits, targeted at-risk intervention, high-risk intervention, disease management, condition management, wellness incentives, and other components agreed upon by the City and the Unions.

The City shall retain a consultant to assist in developing a plan for a comprehensive, wellness and prevention program for the City and to assist in making program adjustments.

A Wellness and Prevention Committee shall be established to assist the consultant in the design of the Wellness and Prevention Program and to provide oversight of the program. The Wellness and Prevention Committee shall be comprised of nine union members appointed by the unions and three management representatives appointed by the Mayor.

The City has agreed that two of the nine union members on the Wellness and Prevention Committee shall be from the Milwaukee Police Association, one from the Milwaukee Professional Firefighters Association, two from District Council 48, , one from the Association of Municipal Attorneys, one from SEIU, one from TEAM and one who shall jointly represent the Milwaukee Building and Construction Trades Council/Local 494 IBEW Electrical Group.

The City has also agreed to allow other union presidents and union staff representatives or business agents to attend and participate in all Committee meetings, but only the nine members of the Committee will be allowed to officially make decisions and/or vote if necessary.

Decisions shall be made by consensus among committee members present. Consensus shall be reached when ten committee members agree. No decisions shall be made by the committee that requires employees to pay additional out-of-pocket costs unless it is ratified individually by every City bargaining unit. However, the committee may decide to provide additional lump sum compensation to

employees, reduce an out-of-pocket or monthly expense, or provide some other type of benefit without ratification by the bargaining units. No decision made by the Committee or lack of decision made by the Committee shall be subject to any aspect of the various grievance procedures, complaint procedures, court action, or any other type of dispute resolution mechanism.

The City shall develop an RFP and solicit bids from third party vendors qualified to implement the City wellness and prevention program. Upon conclusion of the bidding process, the City shall meet with the unions to review the results of the RFP. The Committee shall decide on the vendors giving due consideration to all City policies associated with the selection procedures. The City shall not spend more than two million dollars, including the cost of conducting the HRA, on the Wellness and Prevention Program.

MEMORANDUM OF UNDERSTANDING
Between
THE CITY OF MILWAUKEE (City)
and
MILWAUKEE BUILDING & CONSTRUCTION TRADES COUNCIL (Union)

The City and Union have reached agreement on all items of the collective bargaining agreement for the time period commencing August 1, 2010, and ending July 31, 2012.

Having received notice from the negotiating committee of the Union that its membership has properly ratified the attached Agreement, the City negotiating team agrees to recommend the items contained in said Agreement to the Common Council of the City of Milwaukee and to support their adoption.

Dated this ____ day of _____, 2010.

Union Representatives	City Representatives

JJA
10-12 WC
labr/mbctc/2010-2012 implementation

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and
Milwaukee Building and Construction Trades Council
2007-2010

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**Summary of Wage and Fringe Benefit Modifications
in the
2010-2012 Agreement
between
The City of Milwaukee
and the
Milwaukee Building and Construction Trades Council
CC file # 100040**

1. Article 1, Duration: Two Years, August 1, 2010 through July 31, 2012.
2. Article Wages:
 - During the term of the Agreement, the base salary paid to employees shall be those rates that became effective Pay Period 16, 2009.
 - Within sixty days of execution of the contract all employees shall participate in direct deposit of paychecks.
3. Article 29, Pension Benefits:
 - Employees who retire from active service during the time period beginning August 1, 2010, through December 31, 2011, on a normal service retirement or early retirement under 36-05-6-c (i.e. immediate actuarially reduced allowance) shall receive a 2% pension escalator effective with the installment next following the first anniversary of their retirement. This provision shall expire at the end of 12/31/2011.
 - Employees who retire from active service during the time period beginning August 1, 2010, through December 31, 2010 only on a normal service retirement or from active service on an early retirement under 36-05-6-c (i.e. immediate actuarially reduced allowance) shall be eligible for a bonus year. At such employee's discretion, the bonus year may be added either to the employee's age for purposes of retirement eligibility, or to creditable service. The bonus year may be divided into one-month increments and used for a combination of additions to age and creditable service, not to exceed a total of twelve months. All or part of the bonus year cannot be applied to earn more than 35 years of creditable service or to exceed the 70% of final average salary limitation. This provision shall expire at the end of 12/31/2010.
 - Employees hired on or after August 1, 2010, shall contribute no more than 5.5% of their earnable compensation.
4. Article 21, Health Insurance:

- Employees who retire from active service on a normal service retirement and elect to use the bonus year to meet the minimum age or years of service requirements for retiree health insurance shall be entitled to the benefits under Article 21.2.e or f and costs under Article 21.3.c.(1) or (2) of the City proposal.
- This provision shall expire at the end of Pay Period 26, 2010.

5. Furloughs:

- There shall be no more than four furlough days during calendar year 2010 and no more than four furlough days during calendar year 2011. Furloughs, if any, in 2012 shall be as determined by the City.
- The policies as set forth in the Department of Employee Relations Mandatory Furlough and Administrative Guidelines policy dated June 19, 2009 regarding benefits during furlough days shall apply in calendar years 2010 and 2011.
- The Union shall withdraw all pending complaints or grievances against the City with respect to its ability to furlough employees.
- This provision shall expire at the end of Pay Period 15, 2012.

6. Seniority for Layoff Purposes, Article 27

There shall be no lay-offs during calendar year 2010 with the exception of seasonal layoffs and loss of grant funding. This provision shall expire at the end of Pay Period 26, 2010.

7. Add or update language and dates and delete obsolete language as necessary in all articles.

September 6, 2010

To The Honorable
The Committee on Finance
and Personnel
Common Council
City of Milwaukee

RE: File No. 100040

Dear Committee Members:

To implement the 2010 through 2012 rates of pay provided in the Base Salary provision of the 2010-2012 labor agreement between the City of Milwaukee and the Milwaukee Building and Construction Trades Council, we are requesting your approval of the following amendments to Section 26 of the Salary Ordinance.

The rates of pay effective Pay Period 16, 2009, shall remain in effect from Pay Period 16, 2010 through Pay Period 15, 2012.

Effective Pay Period 16, 2010 (July 25, 2010):

1. Pay Range 981: \$26.43
2. Pay Range 982: \$27.46
3. Pay Range 983: \$26.81
4. Pay Range 984: \$27.14
5. Pay Range 985: \$29.42
6. Pay Range 986: \$27.85
7. Pay Range 987: \$27.32
8. Pay Range 988: \$30.13
9. Pay Range 989: \$32.85
10. Pay Range 990: \$28.98

11. Pay Range 991: \$30.84

12. Pay Range 992: \$30.88

13. Pay Range 993: \$29.35

If you have any questions regarding the above changes to the Salary Ordinance, please contact me or Joe Alvarado of my staff at extension 2105.

Sincerely,

Troy M. Hamblin
Labor Negotiator

cc: Fay Wragg
Chuck Schumacher
Marie Pettigrew
Lyle Balistreri
Melody Johnson
Jackie Semons

TMH:JJA

10-12 salord
labr/mbctc/2010-2012/Contract implementation

bcc: Dennis Yaccarino



MILWAUKEE BUILDING & CONSTRUCTION TRADES COUNCIL

LYLE A. BALISTRERI
President

5941 WEST BLUEMOUND ROAD
MILWAUKEE, WISCONSIN 53213
PHONE (414) 475-5580
FAX (414) 475-5590
WEBSITE <http://www.milwbuildingtrades.org>



September 7, 2010

Mr. Joe Alvarado
Labor Relations Specialist
Dept. of Employee Relations
200 East Wells St. Rm 701
Milwaukee, Wisconsin 53202

Dear Mr. Alvarado:

A meeting was held on September 2, 2010, to vote on the City's proposal for a new contract.

Please be advised that the majority of the members present voted to ratify the new agreement.

Please call with your questions or concerns.

Sincerely,

Lyle A. Balistreri
President



Office of the Comptroller
September 13, 2010

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

Ref: Pay Admin

The Honorable Common Council
Committee on Finance & Personnel
City of Milwaukee

Dear Committee Members:

Re: Common Council File No. 100040

I have reviewed the fiscal note in the above file, which reports the impact of the wage agreement prepared by the Labor Negotiator for the Milwaukee Building Construction Trades Council. The total incremental costs as developed by my staff for the August 1, 2010 to July 31, 2012 agreement by category are:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Pension Enhancements	54,808	95,000	40,192
Total Contract Costs:	\$ 54,808	\$ 95,000	\$ 40,192

While we have reviewed all of the items, the Labor Negotiator's pension costs were developed by an actuary. We are not in a position to recompute these figures, as we do not have the appropriate database. We have found the balance of the figures in the note to be reasonable. The figures developed by the Labor Negotiator are adequate for use in the file.

Very truly yours,


W. MARTIN MORICS
Comptroller

WMM:JB

72 to 76 - MBCTC Aug '10 to July '12

c: Labor Relations
Deferred Comp
ERS

MEMORANDUM OF UNDERSTANDING
Between
THE CITY OF MILWAUKEE (City)
and
MILWAUKEE BUILDING & CONSTRUCTION TRADES COUNCIL (Union)

The City and Union have reached agreement on all items of the collective bargaining agreement for the time period commencing August 1, 2010, and ending July 31, 2012.

Having received notice from the negotiating committee of the Union that its membership has properly ratified the attached Agreement, the City negotiating team agrees to recommend the items contained in said Agreement to the Common Council of the City of Milwaukee and to support their adoption.

Dated this 16th day of September, 2010.

Union Representative	City Representative
<i>Jose A. Batistura</i>	<i>Jeff A. Alvord</i>

JJA
10-12 WC
labr/mbctc/2010-2012 implementation

CITY OF MILWAUKEE FISCAL NOTE

A) Date: 9-7-10

File Number: 100040

Original Fiscal Note Substitute ☐

Subject: Subsitute resolution to ratify and confirm a collective bargaining agreement between the City of Milwaukee and the Milwaukee Building and Construction Trades Council.

B) Submitted By (name/title/dept/ext.): Joe Alvarado/Labor Relations Officer/Employee Relations/x2105

C) Check One: ☒ Adoption of this file authorizes expenditures
☐ Adoption of this file does not authorize expenditures; further Common Council action needed. List anticipated costs in Section G below.
☐ Not applicable / no fiscal impact. (See H below)

D) Charge to: ☒ Departmental Account (DA) ☐ Contingent Fund (CF)
☐ Capital Projects Fund (CPF) ☐ Special Purpose Accounts (SPA)
☐ Perm. Improvement Funds (PIF) ☐ Grant & Aid Accounts (G & AA)
☐ Other (Specify)

E) Purpose	Specify Type/Use	Account	Expenditure	Revenue	Savings
Salaries/Wages:					
Pensions:			54,808		
Health Ins:					
Life Ins:					
Equip Repair:					
Other: Auto					
Totals			\$ 54,808		

F) For expenditures and revenues which will occur on an **annual** basis over several years check the appropriate box below and then list each item and dollar amount **separately**.

<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	
<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	
<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	

G) List any anticipated future costs this project will require for completion:

Costs of \$95,000 will recur in 2011 (1st Year New and 2nd Year Repeat costs). A maximum of \$95,000 will recur over the 24-year period of amortization of the pension enhancements.

H) Computations used in arriving at fiscal estimate:

Please list any comments on reverse side and check here ☐



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

April 21, 2010

Mr. James Owczarski
Deputy City Clerk
City Clerk's Office
City Hall, Room 205
City of Milwaukee

Dear Mr. Owczarski:

The City of Milwaukee has commenced or will soon commence negotiations for terms and conditions of the Labor Agreements for 2010 and 2011 with the following City unions:

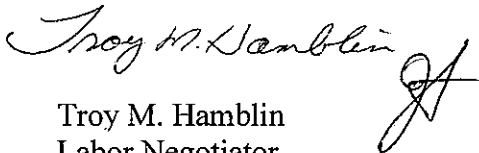
- Local 494, IBEW, AFL-CIO Electrical Group
- Milwaukee Building and Construction Trades Council

In order to implement a Labor Agreement, a Common Council resolution ratifying and confirming final terms has to be approved. Please open files for this purpose to cover each individual City Union listed above, for example:

"XXXXXX - Resolution to ratify and confirm a collective bargaining agreement between the City of Milwaukee and (insert union name)".

Should you have any questions, please contact Joe Alvarado at extension 2105. Thank you for your cooperation in this matter.

Sincerely,



Troy M. Hamblin
Labor Negotiator

JJA

Open negotiation letter
Jalvar/wpdata/ FORMS

NOTICES SENT TO FOR FILE NUMBER: 100040
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100574 **Version:** 1

Type: Charter Ordinance **Status:** In Committee

File created: 9/1/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: A substitute charter ordinance relating to retirement benefits for employees represented by certain bargaining units.

Sponsors: THE CHAIR

Indexes: CHARTER ORDINANCES, LABOR CONTRACTS, RETIREMENT BENEFITS

Attachments: Cover Letter, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
9/15/2010	1	CITY CLERK	DRAFT SUBMITTED		

Number

100574

Version

SUBSTITUTE 1

Reference

100241, 100286

Sponsor

ALD. MURPHY

Title

A substitute charter ordinance relating to retirement benefits for employees represented by certain bargaining units.

Sections

36-04-1-f am

36-05-1-h-5-b am

36-08-7-a-2 am

36-08-7-m am

Analysis

This charter ordinance changes retirement benefits for city employees represented by Milwaukee Building and Construction Trades Council, AFL-CIO as follows:

1. A bonus year is added to the pension payment formulary thus qualifying an employee to retire earlier or add pension-eligible service time, or both. Only employees who retire from August 1, 2010 to December 31, 2010 are eligible.
2. Employees retiring from August 1, 2010 to December 31, 2011 shall receive a cost-of-living increase of 2% effective the first anniversary of their retirement.
3. Employees hired on or after August 1, 2010, shall contribute 5.5% of their earnable compensation as a contribution to the retirement system.

Body

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 36-04-1-f of the city charter is amended to read:

36-04. Creditable Service.

1. SERVICE CREDITED.

f. City employees represented by Milwaukee District Council 48, AFSCME, AFL-CIO, the Technicians, Engineers and Architects of Milwaukee, the Association of Scientific Personnel, and the Association of Municipal Attorneys, SEIU Healthcare District 1199 Wisconsin/Staff Nurses Council, Local 195, IBEW, AFL-CIO, Local 75, Journeyman Plumbers and Gasfitters Union, AFL-CIO, Local 494, IBEW, AFL-CIO, Machine Shop, District 10, IAMAW, AFL-CIO, Joint Bargaining Unit Local 139, IUOE, AFL-CIO/Milwaukee District Council 48, AFSCME, AFL-CIO, Local 494, IBEW, AFL-CIO, Fire Equipment Dispatchers and nonmanagement/nonrepresented employees who during the calendar year 2010 retire from active service on a normal service retirement allowance, including allowances under s. 36-05-1-d-3, or on an immediate retirement allowance under s. 36-05-6-c, shall be eligible for a bonus year. At the member's discretion, the bonus year may be added either to the member's age for purposes of retirement eligibility, or to creditable service. The bonus year may be divided into one month increments and used for a combination of additions to age and creditable service, not to exceed a total of 12 months. All or part of the bonus year cannot be applied to earn more than 35 years of creditable service or to exceed the 70% of final average salary limitation stated in s. 36-06-10-f. In order to be eligible for the bonus year provided in this paragraph, a non-represented/nonmanagement employee must provide notice of his or her intent to retire to his or her department head or designee by August 31, 2010. Employees of the Milwaukee Metropolitan

Sewerage District represented by District Council 48, AFSCME, AFL-CIO, Local 366, who during the period commencing May 1, 2010 and ending April 30, 2011, retire from active service on a normal service retirement allowance, including allowances under s. 36-05-1-d-3, or on an immediate retirement allowance under s. 36-05-6-c, shall be eligible for a bonus year pursuant to this paragraph and must give notice by February 1, 2011, of their intent to retire in order to be eligible for the bonus year. This provision shall expire at the end of April 30, 2011. Employees of the Milwaukee Metropolitan Sewerage District who are management or non-represented, who during the period commencing January 1, 2011 and ending December 31, 2011, retire from active service on a normal service retirement allowance, including allowances under s. 36-05-1-d-3, or on an immediate retirement allowance under s. 36-05-6-c, shall be eligible for a bonus year pursuant to this paragraph and must give notice by November 1, 2011, of their intent to retire in order to be eligible for the bonus year. This provision shall expire at the end of December 31, 2011. ~~[[Employees of]]~~ >>City employees represented by<< Local 494, IBEW-AFL-CIO, Electrical Group, who during the period commencing June 1, 2010, and ending December 31, 2010, retire from active service on a normal service retirement allowance, including allowances under s. 36-05-1-d-3, or on an immediate retirement allowance under s. 36-05-6-c, shall be eligible for a bonus year pursuant to this paragraph. This provision shall expire at the end of December 31, 2010. Employees of Milwaukee public schools represented by Milwaukee Building and Construction Trades Council, AFL-CIO, who during the period commencing August 1, 2010, and ending December 31, 2010, retire from active service on a normal service retirement allowance, including allowances under s. 36-05-1-d-3, or on an immediate retirement allowance under s. 36-05-6-c, shall be eligible for a bonus year pursuant to this paragraph. This provision shall expire January 1, 2011. >>City employees represented by Milwaukee Building and Construction Trades Council, AFL-CIO, who during the period commencing August 1, 2010, and ending December 31, 2010, retire from active service on a normal service retirement allowance, including allowances under s. 36-05-1-d-3, or on an immediate retirement allowance under s. 36-05-6-c, shall be eligible for a bonus year pursuant to this paragraph. This provision shall expire at the end of December 31, 2010.<<

Part2. Section 36-05-1-h-5-b of the city charter is amended to read:

36-05. Benefits.

1. SERVICE RETIREMENT ALLOWANCE.

h-5-b. City employees represented by Milwaukee District Council 48, AFSCME, AFL-CIO, the Technicians, Engineers and Architects of Milwaukee, the Association of Scientific Personnel, the Association of Municipal Attorneys, SEIU Healthcare District 1199 Wisconsin/Staff Nurses Council, Local 195, IBEW, AFL-CIO, Local 75, Journeyman Plumbers and Gasfitters Union, AFL-CIO, Local 494, IBEW, AFL-CIO, Machine Shop, District 10, IAMAW, AFL-CIO, Joint Bargaining Unit Local 139, IUOE, AFL-CIO/Milwaukee District Council 48, AFSCME, AFL-CIO, Local 494, IBEW, AFL-CIO, Fire Equipment Dispatchers and nonmanagement/nonrepresented employees who during the calendar years 2010 and 2011 retire from active service on a normal service retirement allowance, including allowances under par. d-3, or on an immediate retirement allowance under par. 6-c, and their surviving spouses, shall receive a 2% pension escalator effective with the installment next following the first anniversary of their retirement. ~~[[Employees of]]~~ >>City employees represented by<< Local 494, IBEW-AFL-CIO, Electrical Group, who during the period commencing June 1, 2010, and ending December 31, 2011, retire from active service on a normal service retirement allowance, including allowances under par. d-3, or on an immediate retirement allowance under par. 6-c, and their surviving spouses, shall receive a 2% pension escalator effective with the installment next following the first anniversary of their retirement. Employees of Milwaukee public schools represented by Milwaukee Building and Construction Trades Council, AFL-CIO, who during the period commencing August 1, 2010, and ending December 31, 2010, retire from active service on a normal service

retirement allowance, including allowances under par. d-3, or on an immediate retirement allowance under par. 6-c, and their surviving spouses, shall receive a 2% pension escalator effective with the installment next following the first anniversary of their retirement. >> City employees represented by Milwaukee Building and Construction Trades Council, AFL-CIO, who during the period commencing August 1, 2010, and ending December 31, 2011, retire from active service on a normal service retirement allowance, including allowances under par. d-3, or on an immediate retirement allowance under par. 6-c, and their surviving spouses, shall receive a 2% pension escalator effective with the installment next following the first anniversary of their retirement.<<

Part 3. Section 36-08-7-a-2 of the city charter is amended to read:

36-08. Method of Financing.

7. MEMBER CONTRIBUTIONS

a-2. City employees hired on or after January 1, 2010, who are represented by Milwaukee District Council 48, AFSCME, AFL-CIO, the Technicians, Engineers and Architects of Milwaukee, the Association of Scientific Personnel, the Association of Municipal Attorneys, SEIU Healthcare District 1199 Wisconsin/Staff Nurses Council, Local 195, IBEW, AFL-CIO, Local 75, Journeyman Plumbers and Gasfitters Union, AFL-CIO, Local 494, IBEW, AFL-CIO, Machine Shop, District 10, IAMAW, AFL-CIO, Joint Bargaining Unit Local 139, IUOE, AFL-CIO/Milwaukee District Council 48, AFSCME, AFL-CIO, management and nonmanagement/nonrepresented employees, >>city employees represented by << Local 494, IBEW-AFL-CIO, Electrical Group [[employees]] hired on or after June 1, 2010; >>city employees represented by << Local 494, IBEW, AFL-CIO, Fire Equipment Dispatchers employees hired on or after June 15, 2010; >>city employees represented by Milwaukee Building and Construction Trades Council, AFL-CIO, hired on or after August 1, 2010;<< and employees of Milwaukee public schools represented by Milwaukee Building and Construction Trades Council, AFL-CIO, hired on or after August 1, 2010 shall contribute 5.5% of their earnable compensation.

Part 4. Section 36-08-7-m of the city charter is amended to read:

m. During the 8-year period immediately following their enrollment, general city employees who are enrolled as members on or after January 1, 2000 shall contribute to the combined fund a sum expressed as 1.60% of the member's pensionable earnings if they participate in the combined fund. If a member who makes contributions under this par. separates from service without a vested pension or withdraws his or her accumulated contributions, amounts contributed under this par. shall be returned to the contributor without interest. This subsection shall not apply to city employees hired on or after January 1, 2010 who are represented by Milwaukee District Council 48, AFSCME, AFL-CIO, the Technicians, Engineers and Architects of Milwaukee, the Association of Scientific Personnel, the Association of Municipal Attorneys, SEIU Healthcare District 1199 Wisconsin/Staff Nurses Council, Local 195, IBEW, AFL-CIO, Local 75, Journeyman Plumbers and Gasfitters Union, AFL-CIO, Local 494, IBEW, AFL-CIO, Machine Shop, District 10, IAMAW, AFL-CIO, Joint Bargaining Unit Local 139, IUOE, AFL-CIO/Milwaukee District Council 48, AFSCME, AFL-CIO, management and nonmanagement/nonrepresented employees; >>city employees represented by << Local 494, IBEW-AFL-CIO, Electrical Group [[employees]] hired on or after June 1, 2010; >>city employees represented by << Local 494, IBEW, AFL-CIO, Fire Equipment Dispatchers [[employees]] hired on or after June 15, 2010; >>city employees represented by Milwaukee Building and Construction Trades Council, AFL-CIO, hired on or after August 1, 2010;<< and employees of Milwaukee public schools represented by Milwaukee Building and Construction Trades Council, AFL-CIO, hired on or after August 1, 2010.

Part 5. This is a charter ordinance and shall take effect 60 days after its passage and publication, unless within such 60 days a referendum petition is filed as provided in s. 66.0101(5), Wis. Stats., in which event this ordinance shall not take effect until submitted to a referendum and approved by a

majority of the electors voting thereon.

LRB

APPROVED AS TO FORM

Legislative Reference Bureau

Date: _____

Attorney

IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney

Date: _____

Requestor

Drafter

LRB121623-2

MET

9/15/2010

September 9, 2010

To The Honorable
The Committee on Finance
and Personnel
Common Council
City of Milwaukee

RE: File No. 100574

Dear Committee Members:

The above referenced charter ordinance implements the retirement benefit changes contained in the 2010-2012 collective bargaining agreement between the City of Milwaukee and Milwaukee Building and Construction Trades Council.

Costs associated with this ordinance were reported on the Fiscal Notes attached to Common Council File No. 100040.

In view of the foregoing, it is recommended that this ordinance be approved.

Sincerely,

Troy M. Hamblin
Labor Negotiator

JJA
ChOrd F&P ltr
labr\MBCTC\2010-2011 Implementation

CITY OF MILWAUKEE FISCAL NOTE

A) Date: 9-9-10

File Number: 100574

Original Fiscal Note ☒ Substitute ☐

Subject: A charter ordinance relating to retirement benefits for certain City employees.

B) Submitted By (name/title/dept/ext.): Joe Alvarado/Labor Relations Officer./Employee Relations/x2105

- C) Check One: ☒ Adoption of this file authorizes expenditures
☐ Adoption of this file does not authorize expenditures; further Common Council action needed. List anticipated costs in Section G below.
☐ Not applicable / no fiscal impact. (See H below)

- D) Charge to: ☒ Departmental Account (DA) ☐ Contingent Fund (CF)
☐ Capital Projects Fund (CPF) ☐ Special Purpose Accounts (SPA)
☐ Perm. Improvement Funds (PIF) ☐ Grant & Aid Accounts (G & AA)
☐ Other (Specify)

E) Purpose	Specify Type/Use	Account	Expenditure	Revenue	Savings
Salaries/Wages:					
Pensions:					
Health Ins:					
Life Ins:					
Equip Repair:					
Other: Auto					
Totals			\$0		

F) For expenditures and revenues which will occur on an **annual** basis over several years check the appropriate box below and then list each item and dollar amount **separately**.

<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	
<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	
<input type="checkbox"/> 1-3 Years	<input type="checkbox"/> 3-5 Years	

G) List any anticipated future costs this project will require for completion:

Costs for this file were included in the fiscal note for Common Council file #100040.

H) Computations used in arriving at fiscal estimate:

Please list any comments on reverse side and check here ☐

NOTICES SENT TO FOR FILE NUMBER: 100574
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100485 **Version:** 1

Type: Resolution **Status:** In Committee

File created: 9/1/2010 **In control:** PUBLIC SAFETY COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Substitute resolution relative to application, acceptance and funding of the Refugee Health Screening Grant from the State of Wisconsin - Department of Workforce Development.

Sponsors: THE CHAIR

Indexes: HEALTH CARE, STATE GRANTS

Attachments: Operating Grant Budget, Grant Analysis Form, Fiscal Impact Statement, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/7/2010	0	PUBLIC SAFETY COMMITTEE	HEARING NOTICES SENT		
9/13/2010	1	CITY CLERK	DRAFT SUBMITTED		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
9/16/2010	1	PUBLIC SAFETY COMMITTEE			

Number
100485

Version
Substitute 1

Reference

Sponsor
Chair

Title
Substitute resolution relative to application, acceptance and funding of the Refugee Health Screening Grant from the State of Wisconsin - Department of Workforce Development.

Analysis
Resolution authorizes the Health Department to apply for, accept and fund the Refugee Health Screening Grant project from the State of Wisconsin Department of Workforce Development on behalf of the Department of Children and Families (DCF) in the amount of \$496,000 provided by the grantor. The purpose of the grant is to aid the Tuberculosis Control Clinic in its services to refugees.

Body
Whereas, The City of Milwaukee appears to be eligible for grant funds from the State of Wisconsin Department of Workforce Development to aid the Tuberculosis Control Clinic in its services to refugees; and

Whereas, The operation of this grant project from 10/01/10 to 09/30/11 would cost \$496,000 provided by the grantor; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that application to the State of Wisconsin Department of Workforce Development is authorized and the Health Department shall accept this grant without further approval unless the terms of the grant change as indicated in Milwaukee Code of Ordinances Section 304-81; and, be it

Further Resolved, That the City Comptroller is authorized to:

1. Commit funds within the Project/Grant Parent of the 2010 Special Revenue Grant and Aid Projects Funds, the following amount for the project titled Refugee Health Screening:

Project/Grant	GR0001000000
Fund	0150
Org	9990
Program	0001
Budget Year	0000
Subclass	R999
Account	000600
Project	Grantor Share
Amount	\$496,000

2. Create the necessary Special Revenue Fund - Grant and Aid Project/Grant and Project Grant Levels; budget against these Project/Grant values the amounts required under the grant agreement; and, be it

Further Resolved, That these funds are budgeted to the Health Department which is authorized to:

1. Expend from the amount budgeted sums for specified purposes as indicated in the grant budget and incur costs consistent with the award date;
2. Expend from the 2010 grant budget funds for training and out-of-town travel by departmental staff;
3. Enter into leases and subcontracts as detailed in the grant budget; and
4. Expend from the 2010 grant funds for equipment as deemed necessary for program operation.

Further resolved, That the Common Council directs that the 2010 Positions Ordinance C.C. File Number 090458, should be amended as follows:

Under

HEALTH DEPARTMENT

Change footnote (BB) to read as follows:

To expire 9/30/11 unless the Refugee Health Screening Grant is extended.

Requestor
Health Department

Drafter
YMR
09-13-10
Refugee Screening Res 10-11

CITY OF MILWAUKEE OPERATING GRANT BUDGET

PROJECT/PROGRAM TITLE: Refugee Health Screening

PROJECT/PROGRAM YEAR: 2010-11

CONTACT PERSON: Irmine Rietl, X8555

NUMBER OF POSITIONS		LINE DESCRIPTION	PAY RANGE NO.	GRANTOR SHARE	IN-KIND SHARE	CASH MATCH A/C #	TOTAL
NEW	EXISTING						
		SALARIES AND WAGES					
	3	Public Health Nurse (X) (G) (BB)	666	110,304			110,304
		TOTAL SALARIES AND WAGES		110,304			110,304
		FRINGE BENEFITS					
		48%		52,946			52,946
		TOTAL FRINGE BENEFITS		52,946			52,946
		SUPPLIES AND MATERIALS					
		Program Supplies		50,000			50,000
		Office Supplies		10,000			10,000
		Incentives for Outreach		2,000			2,000
		Medications		1,000			1,000
		TOTAL SUPPLIES AND MATERIALS		63,000			63,000
		SERVICES					
		Temporary Personnel		50,000			50,000
		Printing/Copying		10,000			10,000
		Postage/Shipping		5,000			5,000
		Travel/Training		5,000			5,000
		Translation Services		50,000			50,000
		Equipment Repair/Maintenance		30,000			30,000
		Medical Tests		64,750			64,750
		TOTAL SERVICES		214,750			214,750

		CONTRACTUAL SERVICES					
		Contract for Physician Medical Services		55,000			55,000
		TOTAL CONTRACTUAL SERVICES		55,000			55,000
		TOTAL COSTS		496,000	0	0	496,000

GRANT ANALYSIS FORM

OPERATING & CAPITAL GRANT PROJECTS/PROGRAMS

Department/Division: Health

Contact Person & Phone No: Irmine Reitzl, X8555

Category of Request

☐ New Grant

☐ Grant Continuation

☐ Change in Previously Approved Grant

Previous Council File No. 090249 and 100484

Previous Council File No.

Project/Program Title: Refugee Health Screening Grant

Grantor Agency: State of Wisconsin Division of Economic Support

Grant Application Date: N/A Continuing

Anticipated Award Date: October, 2010

Please provide the following information:

1. Description of Grant Project/Program (Include Target Locations and Populations):

This grant will aid the City of Milwaukee Tuberculosis Control Clinic (TBCC) in providing outreach, screening and other public health services to refugees. Foreign-born persons are a high-risk group for developing tuberculosis. Refugees are screened for tuberculosis, hepatitis, lead poisoning, pregnancy, parasites and other enteric diseases. Needed immunizations, health education and acquaintance with health care delivery systems are also provided. From September 2009-August 2010, 668 refugees received screenings. It is projected that the number of refugees needing screening in the new grant period will be approximately 975 individuals.

2. Relationship to City-wide Strategic Goals and Departmental Objectives:

The goals and objectives of this grant are consistent with the City-wide strategic goal of improving the health of its citizens and the Health Department objective of reducing illness from communicable disease.

3. Need for Grant Funds and Impact on Other Departmental Operations (Applies only to Programs):

Refugee Screening Grant funds help pay for services and supplies expended in outreach and screening activities.

4. Results Measurement/Progress Report (Applies only to Programs):

N/A

5. Grant Period, Timetable and Program Phase-out Plan:

The grant period covered is October 1, 2010 through September 30, 2011.

6. Provide a List of Subgrantees:

N/A

7. If Possible, Complete Grant Budget Form and Attach to Back.



City of Milwaukee Fiscal Impact Statement

Date File Number ☐ Original ☐ Substitute

Subject

Submitted By (Name/Title/Dept./Ext.)

- This File
- ☐ Increases or decreases previously authorized expenditures.
 - ☐ Suspends expenditure authority.
 - ☐ Increases or decreases city services.
 - ☐ Authorizes a department to administer a program affecting the city's fiscal liability.
 - ☐ Increases or decreases revenue.
 - ☐ Requests an amendment to the salary or positions ordinance.
 - ☐ Authorizes borrowing and related debt service.
 - ☐ Authorizes contingent borrowing (authority only).
 - ☐ Authorizes the expenditure of funds not authorized in adopted City Budget.

This Note ☐ Was requested by committee chair

- Charge To
- ☐ Department Account
 - ☐ Capital Projects Fund
 - ☐ Debt Service
 - ☐ Other (Specify)
 - ☐ Contingent Fund
 - ☐ Special Purpose Accounts
 - ☐ Grant & Aid Accounts

Purpose	Specify Type/Use	Expenditure	Revenue
Salaries/Wages			
Supplies/Materials			
Equipment			
Services			
Other			
TOTALS			

Form continued on following page.

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

<input type="radio"/> 1-3 Years	<input type="radio"/> 3-5 Years	
<input type="radio"/> 1-3 Years	<input type="radio"/> 3-5 Years	
<input type="radio"/> 1-3 Years	<input type="radio"/> 3-5 Years	

H

List any costs not included in Sections E and F above.

I

Assumptions used in arriving at fiscal estimate.

J

Additional information.

NOTICES SENT TO FOR FILE 100484-488:

[illegible]



Legislation Details (With Text)

File #: 100486 **Version:** 1

Type: Resolution **Status:** In Committee

File created: 9/1/2010 **In control:** PUBLIC SAFETY COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Substitute resolution relative to application, acceptance and funding of the LAUNCH (Linking Actions for Unmet Needs in Children's Health) Grant from the State of Wisconsin - Department of Health Services.

Sponsors: THE CHAIR

Indexes: HEALTH CARE, STATE GRANTS

Attachments: Grant Analysis Form, Operating Grant Budget, Fiscal Impact Statement, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/7/2010	0	PUBLIC SAFETY COMMITTEE	HEARING NOTICES SENT		
9/13/2010	1	CITY CLERK	DRAFT SUBMITTED		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
9/16/2010	1	PUBLIC SAFETY COMMITTEE			

Number
100486

Version
Substitute 1

Reference

Sponsor
Chair

Title
Substitute resolution relative to application, acceptance and funding of the LAUNCH (Linking Actions for Unmet Needs in Children's Health) Grant from the State of Wisconsin - Department of Health Services.

Analysis
This resolution authorizes the Health Department to apply for, accept and fund the LAUNCH (Linking Actions for Unmet Needs in Children's Health) Grant from the Department of Health and Human Services-Substance Abuse and Mental Health Service Administration through the State of Wisconsin - Department of Health Services in the amount of \$612,000. The purpose of the project is to promote the wellness of children in Milwaukee, birth through age eight years of age by addressing the physical, emotional, social, cognitive, and behavioral aspects of development.

Body:
Whereas, The City of Milwaukee appears to be eligible for grant funds from the State of Wisconsin - Department of Health Services to provide this children's wellness program; and

Whereas, The operation of this grant project from 10/01/10 to 9/30/11 would cost \$612,000 entirely provided by the grantor; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that application to the State of Wisconsin - Department of Health Services is authorized and the Health Department shall accept this grant without further approval unless the terms of the grant change as indicated in Milwaukee Code of Ordinances Section 304-81; and, be it

Further Resolved, That the City Comptroller is authorized to:

1. Commit funds within the Project/Grant Parent of the 2010 Special Revenue-Grant and Aid Projects Fund, the following amount for the project titled LAUNCH (Linking Actions for Unmet Needs in Children's Health) Grant:

Project/Grant	GR0001000000
Fund	0150
Org	9990
Program	0001
Budget Year	0000
Subclass	R999
Account	000600
Project	Grantor Share
Amount	\$612,000

2. Create the necessary Special Revenue Fund - Grant and Aid Project/Grant and Project/Grant Levels; budget

against these Project/Grant values the amounts required under the grant agreement; and be it

3. Establish the necessary City Share Project Values; and, be it

Further Resolved, That these funds are budgeted to the Health Department which is authorized to:

1. Expend from the amount budgeted sums for specified purposes as indicated in the grant budget and incur costs consistent with the award date;
2. Expend from the 2010 grant budget funds for training and out-of-town travel by departmental staff;
3. Enter into leases and subcontracts as detailed in the grant budget; and
4. Expend from the 2010 grant funds for equipment as deemed necessary for program operation.

Further resolved, That the Common Council directs that the 2010 Positions Ordinance C.C. File Number 090458, should be amended as follows:

Under

HEALTH DEPARTMENT

Change footnote (SSS) as follows:

To expire 9/30/11 unless the Project LAUNCH Grant is extended.

Requestor
Health Department

Drafter
YMR
09-13-10
LAUNCH Grant 10-11 - RES

GRANT ANALYSIS FORM

OPERATING & CAPITAL GRANT PROJECTS/PROGRAMS

Department/Division: **Health Department**

Contact Person & Phone No: **Julie Driscoll, x6002**

Category of Request

- ☒ **New Grant**
- ☐ **Grant Continuation**
- ☐ **Change in Previously Approved Grant**

Previous Council File No. 090784

Previous Council File No.

Project/Program Title: Project LAUNCH (Linking Actions for Unmet Needs in Children's Health) Grant

Grantor Agency: State of Wisconsin Department of Health Services via Department of Health and Human Services/Substance Abuse and Mental Health Services Administration (DHHS/SAMHS).

Grant Application Date: May 15, 2009

Anticipated Award Date: October 1, 2010

Please provide the following information:

1. Description of Grant Project/Program (Include Target Locations and Populations):

The purpose of Project LAUNCH is to promote the wellness of children in Milwaukee, birth through age eight years of age by addressing the physical, emotional, social, cognitive, and behavioral aspects of development. Evidence-based public health strategies will be provided in an eight zip code target area of the city through home visitation, parenting education, mental health consultation, play and learn groups, and the incorporation of developmental assessments across settings. The City of Milwaukee Health Department will coordinate a Young Child Wellness Council in Milwaukee consisting of representation within public health, private health systems, mental health providers, child welfare, early childhood agencies, and local family resource centers to develop a comprehensive child wellness system of care for the city. The City of Milwaukee Health Department will work in partnership with the Department of Health Services to improve the coordination among child-serving systems, build infrastructure, and improve methods for providing services.

2. Relationship to City-wide Strategic Goals and Departmental Objectives:

Infant mortality reduction, young child wellness, and assuring child health readiness for school are major goals of the MHD.

3. Need for Grant Funds and Impact on Other Departmental Operations (Applies only to Programs):

Adequate resources currently do not exist in Milwaukee to intensively reduce the health disparities related to infant mortality and other child health indicators.

4. Results Measurement/Progress Report (Applies only to Programs):

- Changes in the Infant Mortality Rate and Healthy Birth Outcomes
- Reduction in the cases of Child Abuse and Neglect
- Promotion of Healthy Development

5. Grant Period, Timetable and Program Phase-out Plan:

October 1, 2010 – September 30, 2011

6. Provide a List of Subgrantees:

N/A

7. If Possible, Complete Grant Budget Form and Attach.

Attached

CITY OF MILWAUKEE OPERATING GRANT BUDGET

PROJECT/PROGRAM TITLE: Project LAUNCH - Well-Child Connections
 CONTACT PERSON: Anna Benton, X3064

PROJECT/PROGRAM YEAR: 10/1/10 - 9/30/11

NUMBER OF POSITIONS		LINE DESCRIPTION	PAY RANGE NO.	GRANTOR SHARE	IN-KIND SHARE	IN-KIND EFM Program Income Account	TOTAL
NEW	EXISTING						
		PERSONNEL COSTS					
		1 Health Project Coordinator -Young Child Wellness Coordinator (X) (SSS)	4	47,000			47,000
		1 Public Health Nurse Supervisor (X) (Y) (SSS) (0.5 FTE)	7	31,000			31,000
		2 Public Health Nurse (X) (G) (SSS) (1.50 FTE)	666	75,000			75,000
		2 Public Health Nurse (X) (G) (SSS) (1.75 FTE)	666	85,939			85,939
		TOTAL PERSONNEL COSTS		238,939	0	0	238,939
		FRINGE BENEFITS					
		48% Fringe Benefit Rate		114,691			114,691
		TOTAL FRINGE BENEFITS		114,691	0	0	114,691
		SUPPLIES AND MATERIALS					
		Office and Program Supplies		1,370		5,000	6,370
		TOTAL SUPPLIES AND MATERIALS		1,370	0	5,000	6,370
		SERVICES					
		Wireless Cards/Cell Phone		6,000			6,000
		Travel to DC (2 trips per year)				5,000	5,000
		Mileage		6,000			6,000
		Flexible Funds (\$150 x 80 families)				12,000	12,000
		Printing		2,000			2,000
		TOTAL SERVICES		14,000	0	17,000	31,000

		CONTRACTUAL SERVICES					
		Home Visitation/Parent Education/Direct Service		183,000			183,000
		Consultant		60,000		10,000	70,000
		TOTAL CONTRACTUAL SERVICES		243,000	0	10,000	253,000
		TOTAL COSTS		612,000	0	32,000	644,000



City of Milwaukee Fiscal Impact Statement

Date Sep 14, 2010

File Number 100486

☒ Original

☐ Substitute

Subject

Substitute resolution relative to application, acceptance and funding of the LAUNCH (Linking Actions for Unmet Needs in Children's Health) Grant from the State of Wisconsin-Department of Health Services.

Submitted By (Name/Title/Dept./Ext.)

Yvette Rowe, Business Operations Manager, Health Department, X3997

This File

- ☐ Increases or decreases previously authorized expenditures.
- ☐ Suspends expenditure authority.
- ☐ Increases or decreases city services.
- ☐ Authorizes a department to administer a program affecting the city's fiscal liability.
- ☐ Increases or decreases revenue.
- ☐ Requests an amendment to the salary or positions ordinance.
- ☐ Authorizes borrowing and related debt service.
- ☐ Authorizes contingent borrowing (authority only).
- ☒ Authorizes the expenditure of funds not authorized in adopted City Budget.

This Note

- ☐ Was requested by committee chair

Charge To

- ☐ Department Account
- ☐ Capital Projects Fund
- ☐ Debt Service
- ☐ Other (Specify)
- ☐ Contingent Fund
- ☐ Special Purpose Accounts
- ☒ Grant & Aid Accounts

Purpose	Specify Type/Use	Expenditure	Revenue
Salaries/Wages			
Supplies/Materials			
Equipment			
Services			
Other		\$612,000	\$612,000
TOTALS		\$612,000	\$612,000

Form continued on following page.

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

☐ 1-3 Years ☐ 3-5 Years

☐ 1-3 Years ☐ 3-5 Years

☐ 1-3 Years ☐ 3-5 Years

List any costs not included in Sections E and F above.

--

Assumptions used in arriving at fiscal estimate.

--

Additional information.

Requests change to Positions Ordinance by updating the grant footnote.

--

NOTICES SENT TO FOR FILE 100484-488:

[illegible]



Legislation Details (With Text)

File #: 100488 **Version:** 1

Type: Resolution **Status:** In Committee

File created: 9/1/2010 **In control:** PUBLIC SAFETY COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Substitute resolution relative to application, acceptance and funding of the Public Health 101 Grant from the UW-Milwaukee School of Public Health.

Sponsors: THE CHAIR

Indexes: GRANTS, UNIVERSITY OF WISCONSIN

Attachments: Grant Analysis, Grant Budget, Fiscal Impact Statement, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/7/2010	0	PUBLIC SAFETY COMMITTEE	HEARING NOTICES SENT		
9/13/2010	1	CITY CLERK	DRAFT SUBMITTED		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
9/16/2010	1	PUBLIC SAFETY COMMITTEE			

Number
100488

Version
Substitute 1

Reference

Sponsor
Chair

Title
Substitute resolution relative to application, acceptance and funding of the Public Health 101 Grant from the UW-Milwaukee School of Public Health.

Analysis
This resolution authorizes the Health Department to apply for, accept and fund the Public Health 101 Grant from the UW-Milwaukee School of Public Health in the amount of \$7,500 provided by the grantor. The purpose of the grant is to strengthen the relationship of the City of Milwaukee Health Department and the UW-Milwaukee School of Public Health.

Body
Whereas, The City of Milwaukee appears to be eligible for grant funds from the Public Health 101 Grant from the UW-Milwaukee School of Public Health; and

Whereas, The operation of this grant project from 8/23/10 to 1/06/11 would cost \$7,500 provided by the grantor; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that application to the UW-Milwaukee School of Public Health is authorized and the Health Department shall accept this grant without further approval unless the terms of the grant change as indicated in Milwaukee Code of Ordinances Section 304-81; and, be it

Further Resolved, That the City Comptroller is authorized to:

1. Commit funds within the Project/Grant Parent of the 2010 Special Revenue Grant and Aid Projects Funds, the following amount for the project titled Public Health 101 Grant:

Project/Grant	GR0001000000
Fund	0150
Org	9990
Program	0001
Budget Year	0000
Subclass	R999
Account	000600
Project	Grantor Share
Amount	\$7,500

2. Create the necessary Special Revenue Fund - Grant and Aid Project/Grant and Project Grant Levels; budget against these Project/Grant values the amounts required under the grant agreement; and, be it

Further Resolved, That these funds are budgeted to the Health Department which is authorized to:

1. Expend from the amount budgeted sums for specified purposes as indicated in the grant budget and incur costs consistent with the award date;
2. Expend from the 2010 grant budget funds for training and out-of-town travel by departmental staff;
3. Enter into leases and subcontracts as detailed in the grant budget; and
4. Expend from the 2010 grant funds for equipment as deemed necessary for program operation.

Further resolved, That the Common Council directs that the 2010 Positions Ordinance C.C. File Number 090458, should be amended as follows:

Under

HEALTH DEPARTMENT

Delete:

1 Position Public Health Research & Policy Director (X) (Y) (K)

Add:

1 Position Public Health Research & Policy Director (X) (Y) (K) (M)

Create footnote (M) to read as follows:

To expire 1/06/11 unless the Public Health 101 Grant from the UW-Milwaukee School of Public Health is extended.

Requestor

Health Department

Drafter

YMR

09-13-10

Public Health 101 Grant 2010

GRANT ANALYSIS FORM

OPERATING & CAPITAL GRANT PROJECTS/PROGRAMS

Department/Division: **Health Department**

Contact Person & Phone No: **Eric Gass 286-2903**

Category of Request

☒ **New Grant**

☐ **Grant Continuation**

☐ **Change in Previously Approved Grant**

Previous Council File No.

Previous Council File No.

Project/Program Title: **Public Health 101 Grant**

Grantor Agency: **UW-Milwaukee School of Public Health**

Grant Application Date:

Anticipated Award Date: **8-23-2010**

Please provide the following information:

1. Description of Grant Project/Program (Include Target Locations and Populations):

Reimburse the City of Milwaukee Health Department for Eric Gass' time to teach Public Health 101 for the Fall 2010 semester

2. Relationship to City-wide Strategic Goals and Departmental Objectives:

This is related to our Academic Health Department relationship with the UW-Milwaukee School of Public Health

3. Need for Grant Funds and Impact on Other Departmental Operations (Applies only to Programs):

4. Results Measurement/Progress Report (Applies only to Programs):

5. Grant Period, Timetable and Program Phase-out Plan:

8-23-2010 to 1-6-2011

6. Provide a List of Subgrantees:

N/A

7. If Possible, Complete Grant Budget Form and Attach.

CITY OF MILWAUKEE OPERATING GRANT BUDGET

PROJECT/PROGRAM TITLE: Public Health Grant 101

PROJECT/PROGRAM YEAR: 2010

CONTACT PERSON: Eric Gass

NUMBER OF POSITIONS		LINE DESCRIPTION	PAY RANGE NO.	GRANTOR SHARE	IN-KIND SHARE	CASH MATCH A/C #	TOTAL
NEW	EXISTING						
		PERSONNEL COSTS					
	1	Public Health Research and Policy Director (X)(Y)(K)(M)		4,425			4,425
							0
		TOTAL PERSONNEL COSTS		4,425			4,425
		FRINGE BENEFITS					
		41% Fringe Benefits		3,075			3,075
		TOTAL FRINGE BENEFITS		3,075			3,075
		SUPPLIES AND MATERIALS					
							0
		TOTAL SUPPLIES AND MATERIALS		0			0
		SERVICES					
							0
		TOTAL SERVICES		0			0
		TOTAL COSTS		7,500	0	0	7,500



City of Milwaukee Fiscal Impact Statement

Date Sep 14, 2010

File Number 100488

☒ Original

☐ Substitute

Subject

Substitute resolution relative to application, acceptance and funding of the Public Health 101 Grant from the UW-Milwaukee School of Public Health.

Submitted By (Name/Title/Dept./Ext.)

Yvette Rowe, Business Operations Manager, Health Department, X3997

This File

- ☐ Increases or decreases previously authorized expenditures.
- ☐ Suspends expenditure authority.
- ☐ Increases or decreases city services.
- ☐ Authorizes a department to administer a program affecting the city's fiscal liability.
- ☐ Increases or decreases revenue.
- ☐ Requests an amendment to the salary or positions ordinance.
- ☐ Authorizes borrowing and related debt service.
- ☐ Authorizes contingent borrowing (authority only).
- ☒ Authorizes the expenditure of funds not authorized in adopted City Budget.

This Note

- ☐ Was requested by committee chair

Charge To

- ☐ Department Account
- ☐ Capital Projects Fund
- ☐ Debt Service
- ☐ Other (Specify)
- ☐ Contingent Fund
- ☐ Special Purpose Accounts
- ☒ Grant & Aid Accounts

Purpose	Specify Type/Use	Expenditure	Revenue
Salaries/Wages			
Supplies/Materials			
Equipment			
Services			
Other		\$7,500	\$7,500
TOTALS		\$7,500	\$7,500

Form continued on following page.

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

☐ 1-3 Years ☐ 3-5 Years

☐ 1-3 Years ☐ 3-5 Years

☐ 1-3 Years ☐ 3-5 Years

List any costs not included in Sections E and F above.

Assumptions used in arriving at fiscal estimate.

Additional information.

Requests change to Positions Ordinance by adding a footnote and updating the affected position.

NOTICES SENT TO FOR FILE 100484-488:

[illegible]



Legislation Details (With Text)

File #: 100281 **Version:** 0

Type: Resolution **Status:** In Committee

File created: 7/7/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Resolution approving the form of the Preliminary Official Statement used in connection with the sale of City of Milwaukee debt.

Sponsors: THE CHAIR

Indexes: BUDGET, MUNICIPAL BORROWING

Attachments: Fiscal Note, Cover Letter, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
7/7/2010	0	COMMON COUNCIL	ASSIGNED TO		
7/16/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
7/21/2010	0	FINANCE & PERSONNEL COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number

100281

Version

Original

Sponsor

THE CHAIR

Title

Resolution approving the form of the Preliminary Official Statement used in connection with the sale of City of Milwaukee debt.

Analysis

In connection with the sale of City debt, a Preliminary Official Statement is prepared and distributed to provide potential investors with information on the City. The rules of the Securities and Exchange Commission require that the governing body of the municipality review and approve the Official Statement for accuracy and completeness.

Body

Whereas, The City Comptroller has prepared a Preliminary Official Statement (the form of which is attached hereto), and will prepare an Official Statement, for the purpose of providing comprehensive financial and economic information respecting the City of Milwaukee in connection with the sale of the City of Milwaukee, Wisconsin, General Obligation Bonds, Notes, and/or Revenue Anticipation Notes ("RANs") (individually, an "Offered Obligation", and collectively, the "Offered Obligations"); and

Whereas, Financial and economic information has been compiled by the Office of the Comptroller from its annual financial report, property tax records maintained by the Assessor's Office and from other books and records of the City; and

Whereas, Concurrently with the delivery of the Offered Obligations, the City will deliver its certificates signed by its Comptroller stating that the descriptions and statements, including financial statements, as pertaining to the City contained in the Official Statements as of their dates and the date of sale and delivery of each Offered Obligation, were and are true and correct in all material respects and do not contain an untrue statement of a material fact or omit to state a material fact required to be included therein or necessary to make the statements contained therein in the light of circumstances in which they were made not misleading; and

Whereas, Such certificates will further confirm to the effect that insofar as the descriptions and statements including financial data, contained in the Official Statements of or pertaining to non-governmental bodies and governmental bodies other than the City are concerned, such descriptions, statements and data have been obtained from sources believed by the City to be reliable, and that the City has no reason to believe that they are untrue or incomplete in any material respect; and

Whereas, It is the intention of the Common Council to approve the aforementioned Preliminary Official Statement on the basis of the representations of the Comptroller to be included in the certificates signed by the Comptroller and delivered concurrently with the delivery of each Offered Obligation; and

Whereas, The City desires to use the Master Continuing Disclosure Certificate approved by Common Council File Number 031384 adopted on February 10, 2004 in connection with the issuance of the Offered Obligations; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee that the form of the Preliminary Official Statement as attached hereto, and to be used in connection with the sale of the City of Milwaukee, Wisconsin, General Obligation Bonds, Notes, and/or RANs, (the "Offered Obligations") be and hereby are approved; and, be it

Further Resolved, By the Common Council of the City of Milwaukee that the Preliminary Official Statement was and is true and correct in all material respects and do not contain an untrue statement of a material fact or omit to state a material fact required to be included therein or necessary to make the statements contained therein in the light of circumstances in which they were made not misleading; and, be it

Further Resolved, By the Common Council of the City of Milwaukee that the Comptroller is hereby authorized to prepare an Official Statement, in substantially the same form of the Preliminary Official Statement, after the same have been completed by the insertion of the maturities, interest rates and other details of the debt and by making such other insertions, changes or corrections as the Comptroller, based on the advice of the City's financial advisor and legal counsel (including the City Attorney or Bond Counsel), deem necessary or appropriate; and the Common Council hereby authorizes the Official Statement and the information contained therein to be used by the underwriters of the debt in connection with the sale of the Offered Obligations; and, be it

Further Resolved, By the Common Council of the City of Milwaukee that the Comptroller is hereby authorized to execute Supplemental Certificate(s) of the Master Continuing Disclosure Certificate for the Offered Obligations.

Drafter

Comptroller

RL

REF: PD-7712bW.rtf

CITY OF MILWAUKEE FISCAL NOTE

CC-170 (REV.6/86)

A) DATE: June 14, 2010

FILE NUMBER:

Original Fiscal Note ☒ Substitute ☐

SUBJECT: Resolution approving the form of the Preliminary Official Statement used in connection with the sale of City of Milwaukee, Wisconsin, debt.

B) SUBMITTED BY (name/title/dept./ext.): Richard Li, Public Debt Specialist, Comptroller, x2319

- C) CHECK ONE: ☐ ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES.
☐ ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
☒ NOT APPLICABLE/NO FISCAL IMPACT.

- D) CHARGE TO: ☐ DEPARTMENTAL ACCOUNT (DA) ☐ CONTINGENT FUND (CF)
☐ CAPITAL PROJECTS FUND (CPF) ☐ SPECIAL PURPOSE ACCOUNTS (SPA)
☐ PERM. IMPROVEMENT FUNDS (PIF) ☐ GRANT & AID ACCOUNTS (G & AA)
☒ OTHER (SPECIFY) Debt Service

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:					
TOTALS					

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN **ANNUAL** BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT **SEPARATELY**.

<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

This resolution has no Fiscal effect. The issuance of debt is approved by a separate resolution.

PD-7712bfW.doc

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE ☐



Office of the Comptroller

June 14, 2010

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

To the Honorable
the Common Council
City of Milwaukee
City Hall - Room 205
Milwaukee, WI 53202

Dear Council Members:

I would like to request the introduction of the attached resolutions that relate to the annual cash flow borrowing for Milwaukee Public Schools.

These resolutions are typically referred to the Finance and Personnel Committee. If we may be of any additional assistance, please contact Richard Li (x-2319) of my staff.

Very truly yours,

W. MARTIN MORICS
Comptroller

WMM:RL

REF: PD-7712W.DOC

NOTICES SENT TO FOR FILE NUMBER: 100281
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100462 **Version:** 0

Type: Communication-Report **Status:** In Committee

File created: 9/1/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Communication from the Comptroller's Office transmitting the Annual Report of the Public Debt Amortization Fund for the year ended December 31, 2009.

Sponsors: THE CHAIR

Indexes: PUBLIC DEBT COMMISSION, REPORTS AND STUDIES

Attachments: Report, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number

100462

Version

Original

Reference

Sponsor

The Chair

Title

Communication from the Comptroller's Office transmitting the Annual Report of the Public Debt Amortization Fund for the year ended December 31, 2009.

Drafter

Comptroller

WMM:RL

8/11/10



Office of the Comptroller

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

August 5, 2010

CITY OF MILWAUKEE
2010 AUG -6 PM 2:39
RONALD D. LEONHARDT
CITY CLERK

Ref: 2009 Annual Report

To the Honorable
the Common Council
City of Milwaukee - Room 205
Milwaukee, WI 53202

Dear Council Members:

In accordance with the provisions of Chapter 67.101(7) of the Wisconsin State Statutes, I herewith submit the Annual Report of the Public Debt Amortization Fund for the year ended December 31, 2009.

Respectfully submitted

W. MARTIN MORICS
Comptroller and Secretary
Public Debt Commission

WMM:RL
Attachment

PD-7721w.doc

ANNUAL REPORT
PUBLIC DEBT AMORTIZATION FUND

City of Milwaukee
For The Year Ended December 31, 2009

Prepared By:
W. Martin Morics, C.P.A.
Comptroller and Secretary

PUBLIC DEBT COMMISSION

KENNETH C. KREI, Chairperson

MARGARET J. HENNINGSSEN, Member

JENNIFER A. MISWALD, Member

**W. MARTIN MORICS, Comptroller and Secretary
Ex Officio**

**WAYNE F. WHITTOW, Treasurer and Treasurer
Ex Officio**

PUBLIC DEBT AMORTIZATION FUND

OVERVIEW OF 2009 OPERATIONS

PREFACE

The Public Debt Amortization Fund (PDAF) is governed by Wisconsin State Statutes, Chapter 67.101. The principal sources of revenues are 1/3 of earnings on City investments, and earnings on PDAF investments.

Subject to certain limitations, the Public Debt Commission (PDC) may apply a portion of the balance of the PDAF to the purchase and cancellation of General Obligation Debt of the City. On September 3, 1997, the PDC adopted a policy that targets a balance of the PDAF in the range of 15-20% of non-self supporting General Obligation Debt shall be taken into account when determining the amount of the PDAF to be used to purchase and cancel debt.

These statements have not been independently audited, but were prepared from information used to prepare the City's Comprehensive Annual Financial Report, which is independently audited.

TOTAL FUND INVESTMENT PERFORMANCE

With the sub-prime mortgage problems, short-term interest rates continued to stay near 0% in 2009. As the flight to quality reversed, U.S. Treasury medium to long-term interest rates rose while other interest rates dropped. As a result, there was a modest increase in the market value of investments.

The PDAF unrestricted portfolio returned an overall (interest earnings less loss in market value) +2.89% in 2009, compared to a +3.57% in 2008. The unrestricted long-term investments (investments excluding cash) had a return of +5.10% in 2009 vs. +4.52% in 2008. In comparison, a "benchmark" of the Lehman Brothers Intermediate Index returned -1.41% in 2009, and +11.35% in 2008, which approximates a portfolio of U.S. Treasury obligations with a duration of four years.

OPERATIONS-UNRESTRICTED FUND BALANCE

The unrestricted portion of the PDAF produced earnings of \$0.6 million in 2009 compared to earnings of \$1.3 million in 2008. Interest rates were low during 2009, with the average interest rate for 2009 significantly lower than in 2008.

2009 contributions to the PDAF were \$3.8 million, down from \$5.1 million in 2008. The decrease is attributable to a decrease in interest rates.

The Commission authorized in 2009 payments for the payment of debt service on City of Milwaukee Bonds in the amount of \$5.4 million from the Unrestricted portion, and \$1.95 million from the Segregated portion of the PDAF. In 2008, \$6.5 million and \$2.6 million were used from the Unrestricted and Segregated portions of the PDAF to reduce the debt service levy. Due to the timing of the 2009 payment for 2010 debt service, the transfer is reflected as a "Due to other funds" on the balance sheet.

As a result of the above, the amount of Fund Balance available for future prepayment, or cancellation of City debt and other potential commitments (Unrestricted portion), totaled \$50.4 million as of December 31, 2009, a decrease of \$0.5 million (-0.1%) from the comparable 2008 year-end balance. The Public Debt Commission, on September 3, 1997, adopted a revised "Statement of Policy" which targets an Unrestricted PDAF balance between 15% to 20% of non-self supporting General Obligation debt. For 2009, the unrestricted portion of the PDAF equaled 10.6% of the City's non-self supporting debt compared to 10.8% in 2008, well below the 15% minimum target.

ACCOUNTING FOR CITY DEBT OWNED BY THE PDAF

In 2007, the City's Independent Auditors changed the accounting treatment of City Debt owned by the PDAF. For GAAP purposes, the City Debt owned by the PDAF is no longer considered outstanding debt of the City, nor an investment of the PDAF.

In order to provide an accurate financial condition of the PDAF, the GAAP adjustment for City Debt was not made. As such, these financial statements will differ from the City's CAFR by the amount of City Debt owned by the PDAF (see Note E at the end of the financial statements).

Public Debt Amortization Fund

Balance Sheet

December 31, 2009

with Comparative Totals for December 31, 2008

	2009		2008
	Unrestricted	Segregated	Total
<u>Assets</u>			
Cash and Cash Equivalents			
City - Pooled Cash	\$ 9,374,167	\$ -	\$ 9,374,167
LGP (Note C)	24,376,303	10,478,562	34,854,865
Total Cash and Cash Equivalents	33,750,470	10,478,562	\$ 44,229,032
Investments and Loans (Note C)			
Book Value	13,827,663	9,894,112	23,721,775
Unrealized Gain (Loss)	-	237,177	237,177
Investment in City Debt (Note E)	10,145,000	-	10,145,000
Total Investments	\$ 23,972,663	\$ 10,131,289	\$ 34,103,952
Due from other funds	-	-	-
Market Value Adjustments to Treasurer's Report	-	-	-
Accrued Interest Receivable	50,970	1,834	52,804
TOTAL ASSETS	\$ 57,774,104	\$ 20,611,685	\$ 78,385,788
<u>Liabilities</u>			
Due to other funds	\$ 7,329,149	\$ 20,851	\$ 7,350,000
TOTAL LIABILITIES	\$ 7,329,149	\$ 20,851	\$ 7,350,000
<u>Fund Balance</u>			
TOTAL FUND BALANCE	\$ 50,444,955	\$ 20,590,834	\$ 71,035,788
TOTAL LIABILITIES AND FUND BALANCE	\$ 57,774,104	\$ 20,611,685	\$ 78,385,788

The notes to the financial statements are an integral part of this statement.

Public Debt Amortization Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

December 31, 2009

with Comparative Totals for December 31, 2008

	2009		2008	
	Unrestricted	SEGREGATED	TOTAL	TOTAL
REVENUES				
City of Milwaukee Proprietary Contributions				
Interest on Special Assessments	\$ 300,960	\$ -	\$ 300,960	\$ 306,903
One-third Interest on City Tax Certificates	2,908,295	-	2,908,295	2,720,118
One-third Interest on General Investments	599,747	-	599,747	2,050,151
One-third change in market value of General Investments	0	-	0	(434)
Total City of Milwaukee Proprietary Contributions	\$ 3,809,003	\$ -	\$ 3,809,003	\$ 5,076,738
Earnings on Fund Investments	648,293		1,421,864	2,393,793
Realized Gain (Loss) on Sale of Investments	-	773,572	-	-
Change in Fair Market Value of Investments	-	(330,439)	(330,439)	(22,789)
Total Earnings on Fund Investments	648,293	443,133	1,091,425	2,371,004
TOTAL REVENUES	\$ 4,457,295	\$ 443,133	\$ 4,900,428	\$ 7,447,742
EXPENDITURES				
Fund Administration Cost	\$ 3,996	\$ -	\$ 3,996	\$ 4,076
Retirement of City Debt (GAAP)	-	-	-	-
Adjustment to GAAP Reporting (Note E)	-	-	-	-
Planned Cancellation of Debt	-	1,950,000	1,950,000	2,575,000
Annual Cancellation of Debt	5,400,000	-	5,400,000	6,500,000
TOTAL EXPENDITURES	\$ 5,403,996	\$ 1,950,000	\$ 7,353,996	\$ 9,079,076
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (946,701)	\$ (1,506,867)	\$ (2,453,568)	\$ (1,631,334)
TRANSFERS				
Transfer from General Fund (Interest on City Debt)	\$ 474,977	\$ -	\$ 474,977	\$ 266,716
Transfers between accounts	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ (471,724)	\$ (1,506,867)	\$ (1,978,591)	\$ (1,364,618)
FUND BALANCE JANUARY 1	50,916,679	22,097,701	73,014,380	74,378,998
FUND BALANCE DECEMBER 31	50,444,955	20,590,834	71,035,789	73,014,380

The notes to the financial statements are an integral part of this statement.

Public Debt Amortization Fund

Statement of Changes in Cash

December 31, 2009
with Comparative Totals for December 31, 2008

	2009	2008
<u>Cash Provided By</u>		
Beginning Cash & Cash Equivalents	33,849,109	42,543,068
Net Change in Fund Balance	(1,978,591)	(1,364,618)
Maturing and Sale of Investments	6,079,047	3,685,986
Change in Due to Other Funds	7,350,000	-
<u>Cash Was Used For</u>		
Change in Accrued Interest	(11,030)	80,040
Less: Change in Market Value	330,439	22,789
Purchase of Investments	(0)	(9,595,001)
Accretion (Amortization) - Unsegregated	(823,199)	(775,174)
Accretion (Amortization) - Segregated	(566,743)	(747,981)
Total Cash - Ending	44,229,032	33,849,109

CITY OF MILWAUKEE

PUBLIC DEBT AMORTIZATION FUND

Notes to the Financial Statements

For the Year Ended December 31, 2009

**A. Statutory
Background:**

The Public Debt Amortization Fund ("PDAF") is governed by Section 67.101 of Wisconsin Statutes. The Commissioners of the Public Debt ("PDC") may apply, in any one year, up to 40 percent of the balance of the PDAF to the cancellation of general obligation bonds or notes of the City, but the PDAF shall not be decreased below \$2,000,000 as a result of such purchases and cancellations. Principal sources of revenue are one-third of all interest on general city investments, and interest on the PDAF's own investments.

**B. Basis of
Accounting:**

The financial statements of the Public Debt Amortization Fund are prepared on the accrual basis. Revenues are recorded when earned and expenses are recorded as incurred, without regard to the receipt or payment of cash or its equivalent.

C. Investments:

Investments in marketable securities are reported at market value. Investments in non-marketable securities (City debt) are reported at amortized book value. Interest earnings is based upon amortized book value. Realized and unrealized gains and losses are reflected in the year they occurred.

**D. Segregated Fund
Balance:**

The PDC has earmarked, in advance, a portion of the PDAF for future purchase and cancellation of City debt (the "Segregated" portion). The PDC intends not to consider the Segregated portion for purposes of determining the annual amount provided for prepayment of debt.

E. City Debt:

Investment in City Debt is considered a related party transaction, and excluded from consolidated GAAP financial statements. The net result is that Investments and Fund Balance is reduced by the amount of City Debt for GAAP reporting purposes. One exception is City Debt that is fully reimbursed by Milwaukee Public Schools. That debt is shown as a Loan Receivable, rather than an Investment, and thus has no effect on Fund Balance.

In order to more properly reflect the economics of the transaction, this Financial Statement treats City Debt as an investment. As a result, Investments and Interest Earnings will vary from the GAAP financial statements as presented in the City's CAFR.

NOTICES SENT TO FOR FILE NUMBER: 100462
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100520 **Version:** 0

Type: Communication-Report **Status:** In Committee

File created: 9/1/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Communication from the Comptroller's office relating to an Audit of IT Disaster Recovery Plans for certain city departments.

Sponsors: THE CHAIR

Indexes: AUDITS, COMPTROLLER, INFORMATION TECHNOLOGY, REPORTS AND STUDIES

Attachments: Report, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number

100520

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Communication from the Comptroller's office relating to an Audit of IT Disaster Recovery Plans for certain city departments.

Requestor

Drafter

CC-CC

dkf

8/27/10



Office of the Comptroller

August 19, 2010

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

To the Honorable
the Common Council
City of Milwaukee

Dear Council Members:

Enclosed is a report to the City's Chief Information Officer on our Audit of IT Disaster Recovery Plans for three selected departments.

The Audit disclosed that the Information and Technology Management Division was the only department with a formal written plan. The audit makes three recommendations, including the development of disaster recovery plans for all city divisions hosting major City information systems. The Chief Information Officer's response is also enclosed.

Appreciation is expressed to ITMD, the Department of Public Works and Office of the City Treasurer for the full cooperation extended to the auditors.

Sincerely,

W. MARTIN MORICS
Comptroller

CC: Nancy A. Olson, CIO
Jeffrey J. Mantes, DPW Commissioner



Office of the Comptroller

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kamholz
Special Deputy Comptroller

July 12, 2010

Nancy Olson
Chief Information Officer
Department of Administration
809 North Broadway, Suite 400
Milwaukee, WI 53202

Subject: IT Disaster Recovery Audit

Dear Ms. Olson:

The IT Disaster Recovery Plans of Information Technology Management Division, the Department of Public Works and The Office of the City Treasurer were selected for audit based upon KPMG's suggested Disaster Recovery Audit as part of the IT internal audit plan. ITMD and DPW were selected as they control a large portion of the City's IT as well as the Treasurer's office which has unique systems. ITMD was the only department that had a formal written Disaster Recovery Plan. This plan contained most of the key components for a quality Disaster Recovery Plan.

It is the City of Milwaukee's policy that all City departments are to have a Disaster Recovery Plan, however no further guidance as to what should be included and covered in the plan is specified. We recommend that the CIO coordinate an effort to develop a plan for implementation throughout all City departments including guidance on how to develop and implement a Disaster Recovery Plan and what should be covered in the plan. Please see the attached report for further information.

If you have any questions or concerns, please contact Isaak Lerner at 286-2382.

Sincerely,

W. MARTIN MORICS
Comptroller

An IT Disaster Recovery Plan (DRP) is the process, policies and procedures used in preparing for the recovery of technology critical to an organization after a natural or human-induced disaster. Information technology has become increasingly important to the City's ability to function in recent years so ensuring that the City's data and IT infrastructure are properly protected in the event of a disruption is a necessity. IT systems are vulnerable to many disruptions ranging from mild (short-term power outage) to severe (total equipment destruction, fire). Although it is impossible to eliminate all risks, many can be minimized through proper risk management planning. A Disaster Recovery Plan is necessary to mitigate the risk of system unavailability by focusing on recovery solutions.

The City of Milwaukee would not be totally prepared in the event of a disaster. Three City of Milwaukee departments, ITMD, DPW and the Office of the City Treasurer were interviewed. ITMD was the only department with a documented DRP. According to The City of Milwaukee's Information and Security Policies and Standards document, all City departments are to have a Disaster Recovery Plan, however no further guidance as to what should be included and covered in the plan is specified.

The Treasurer's Office and the DPW do not have formal written plans, however they do have an inventory of hardware and software and the Treasurer's Office has backups that are stored off-site. ITMD's DRP includes all of the key components, with the exception of testing the plan annually.

Recommendation # 1: ITMD should test the Disaster Recovery Plan annually

ITMD has developed an adequate disaster recovery plan through its collaboration with Homeland Security. While the plan contains all the critical sections of a complete DRP it has not been tested. The most comprehensive test of the DRP would involve a simulated outage of key systems and their restoration using the steps outlined in the plan. If both computing and human capital resources are not available for a simulated outage test it is

acceptable to perform a "Table Top" disaster recovery test once a year. During a table top test all key participants gather in a room and walk through the plan step by step. Table top exercises can effectively demonstrate whether team members know their duties in an emergency. Documentation errors, missing information and inconsistencies across the disaster recovery plan can be identified.

Recommendation #2: All departments should have a documented Disaster Recovery Plan

Since ITMD has shown its ability to create a quality DRP and has the IT knowledge that other departments may be lacking, we recommend that the CIO coordinate an effort to develop a plan for implementation throughout all City departments including guidance on how to prepare and implement a Disaster Recovery Plans and what should be covered in the plan. These details should be present in the IS Security Policy regarding DRP.

All City departments should develop a disaster recovery plan that is based on a complete business impact analysis which will help in identifying risk, critical information systems and the costs associated with various risks. A departmental business impact analysis will serve as the foundation for an efficient and risk based approach to defining the recovery requirements and priority of critical business applications in the event of disaster.

The following components should be addressed in each department's DRP;

- A formal written plan exists
- The plan has been based off of a Business Impact Analysis
- The plan is updated at least annually
- All critical systems are covered
- Inventory of all hardware and software is kept
- Systems are prioritized for recovery
- There are procedures for activation
- Someone is responsible for administration and coordination of the plan
- There is a disaster recovery implementation team that has been trained on the plan
- The plan is stored off-site

- Backups are kept off-site
- The plan has been tested

Recommendation # 3: DPW data backup media should be stored off-site

In the interview with DPW, it was discovered that their data backups are stored on-site. Sound procedures for backup and restoration are vital for the reconstruction of systems after a disruptive event. Data should be backed up regularly and stored at a secure, offsite facility such as Iron Mountain or another secure facility at least five miles from the DPW network operations center.



2010 AUG 11 AM 10:54
Department of Administration
Information and Technology
Management Division

Tom Barrett
Mayor

Sharon D. Robinson
Administration Director

Nancy A. Olson
Chief Information Officer

August 9, 2010

W. Martin Morics
Comptroller
200 E Wells St, Room 404
Milwaukee, WI 53202

Subject: Management Response to IT Disaster Recovery Audit Findings

Dear Mr. Morics:

In your letter of July 12, 2010, you outlined the results of the internal IT Disaster Recovery audit conducted by your office. In that letter you provided three recommendations.

I offer the following proposal regarding these recommendations:

1. ITMD should test the Disaster Recovery Plan annually

Because ITMD does not have the computing and human resources to simulate an outage test we will perform a "Table Top" disaster recovery test in 2010. Since ITMD has no experience with this type of disaster recovery exercise, I would appreciate the experience of the IT auditor, Isaak Lerner. With Mr. Lerner's help, I believe that this will be a valuable exercise.

2. All departments should have a documented Disaster Recovery Plan

Starting in the fall of 2010, ITMD will conduct Disaster Recovery planning workshops and invite IT staff in other City departments to attend. These workshops will outline the elements of a disaster recovery plan and provide participants with the information needed to create a comprehensive departmental plan.

3. Department of Public Works data backup media should be stored off-site

ITMD currently uses a service from C.H. Coakley & Co. which picks up tapes weekly and rotates data backups offsite at a secure facility. DPW could include tapes in the pickup and delivery cycle at a significantly lower rate by sharing this service. ITMD recommends that DPW explore this option.

If you have questions, comments, or concerns please contact me at extension 8710. Thank you for your efforts at improving the safety and security of IT services throughout the City.

Sincerely,

Nancy A. Olson
Chief Information Officer
Information and Technology Management Division

NOTICES SENT TO FOR FILE NUMBER: 100520
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100540 **Version:** 0

Type: Communication-Report **Status:** In Committee

File created: 9/1/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Communication from the Comptroller's office relating to a report entitled, Comprehensive Annual Financial Report of the City of Milwaukee for the year ended December 31, 2009.

Sponsors: THE CHAIR

Indexes: COMPTROLLER, REPORTS AND STUDIES

Attachments: Report, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
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Number

100540

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Communication from the Comptroller's office relating to a report entitled, Comprehensive Annual Financial Report of the City of Milwaukee for the year ended December 31, 2009.

Drafter

Comptroller

WMM:CLW

8/31/10



Comprehensive Annual Financial Report

City of Milwaukee, Wisconsin

for the Year Ended December 31, 2009

**W. Martin Morics
Comptroller**



Comprehensive Annual Financial Report

City of Milwaukee, Wisconsin

for the Year Ended December 31, 2009

Office of the Comptroller

**W. Martin Morics
Comptroller**

CITY OF MILWAUKEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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 FOR THE YEAR ENDED DECEMBER 31, 2009

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Office of the Comptroller

July 30, 2010

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

Honorable Tom Barrett, Mayor
The Members of the Common Council
City of Milwaukee
Milwaukee, WI 53202

Dear Mayor and Council Members:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Milwaukee for the fiscal year ended December 31, 2009. This report is prepared to satisfy the City Charter requirement for the Office of the Comptroller to prepare an annual statement of revenues and expenditures and the Common Council's request for an independent examination of financial activity of the City of Milwaukee. The report was prepared by the Office of the Comptroller in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other authoritative accounting standard setting bodies. This report presents the financial position of the City of Milwaukee and its component units. The CAFR reflects the actual financial activity of the past year rather than proposed activity for a future year, as presented in the City's Annual Budget.

This report consists of management's representation concerning the finances of the City of Milwaukee. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Milwaukee and the component units are responsible for establishing and maintaining an internal control structure designed to ensure that the assets entrusted are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

An independent firm of licensed certified public accountants, KPMG LLP, has audited the City of Milwaukee's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Milwaukee for the fiscal year ended December 31, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Milwaukee's financial statements for the fiscal year ended December 31, 2009, are fairly presented in conformity with GAAP.

The GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of a Management's Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The Comprehensive Annual Financial Report is presented in three sections. The **Introductory Section** includes a list of principal officials, an organizational chart, and this letter of transmittal, which highlights significant aspects of the City and particular financial issues. The **Financial Section** includes the independent auditors' report, Management's Discussion and Analysis, the basic financial statements (government-wide statements and fund statements), notes to the financial statements, other required supplementary information (RSI), combining financial statements and other financial schedules. The **Statistical Section** includes exhibits and tables of unaudited data depicting the financial history of the City, as well as demographic and other miscellaneous statistics, generally presented on a multi-year basis.

THE REPORTING ENTITY AND ITS SERVICES

The City of Milwaukee was incorporated as a city on January 31, 1846, pursuant to the laws of the territory of Wisconsin. The City, in operation under a Home Rule Charter since 1874, provides for a council-mayor form of

CITY OF MILWAUKEE
LETTER OF TRANSMITTAL
FOR THE YEAR ENDED DECEMBER 31, 2009

government. The Mayor, Comptroller, Treasurer, City Attorney and 15 Common Council members are elected officials of the City. Local elections are nonpartisan. Officials are elected to identical four-year terms. The City of Milwaukee held a general election for these positions in April 2008. The Mayor is the Chief Executive Officer and maintains a cabinet form of government controlling major City departments by appointing department heads subject to confirmation by the Common Council. The Mayor is responsible for the preparation of an annual city expenditure budget, subject to review and adoption by the Common Council. The Common Council is responsible for the management and control of the finances and property of the City and has the full power and authority to establish, enforce and modify all regulations for the government. The Comptroller, as the Chief Financial Officer for the City, is responsible for establishing City accounting policies and procedures, revenue estimating and monitoring, examination and investigation of all matters related to the finances of the City, issuance of debt and financial reporting. The City Treasurer is responsible for the receipt, disbursement and investment of all monies accruing to the City, including the collection of property taxes. The City Attorney is responsible for all legal matters of the corporation, including furnishing legal opinions, drafting all legal documents and defending the City in any legal actions.

The City of Milwaukee provides a full range of municipal services, including police and fire protection, sanitation, health, culture and recreation, public works, conservation and development and administrative support services. Also included in the report are the enterprise operations of the Metropolitan Sewerage District User Charge, Parking, Port, Sewer Maintenance and Water Works. These activities are under the direct oversight responsibility of the Mayor and Common Council and constitute the primary governmental functions of the City of Milwaukee. In addition, entities for which the City has financial accountability or for which the nature and significance of their relationship with the City would cause these financial statements to be misleading or incomplete are a part of the reporting entity. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The following organizations are reported as discretely presented component units: Milwaukee Economic Development Corporation, City of Milwaukee Housing and Redevelopment Authorities and Neighborhood Improvement Development Corporation.

The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions of the annual budget adopted by the Common Council of the City of Milwaukee. Activities of the general, capital projects funds and certain special revenue, debt service and enterprise fund types (exclusive of the component units) are included in the City's annual budget. The component units' respective Boards approve their budgets. City departments are required to submit their annual budget requests for the ensuing year to the Mayor by the second Tuesday in May. The Comptroller is also required to provide a statement of anticipated revenues by this date. After all requests have been reviewed, the Mayor submits his proposed Executive Budget to the Common Council. The City Charter requires that this be done on or before September 28. The Common Council must complete its review and adopt the budget on or before November 14. Once adopted, Common Council approval is required to amend the total appropriations by a department, the legal level of control for each budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by object class (i.e. salaries, operating expenditures, equipment) for each department for the general fund and enterprise funds. Project life rather than the standard current fiscal year is utilized for capital funds and special revenue funds. The City of Milwaukee also maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Budget-to-actual comparisons are provided in the Required Supplemental Information Section of this report for the General Fund.

LOCAL ECONOMY

Geographically, Milwaukee consists of 96.9 square miles and is situated in the southeast corner of the State with Lake Michigan at its east boundary. It is an hour and thirty minutes east of its state capital, Madison. It is the 23rd largest city in the United States with a 2008 U.S. Census estimated population of 604,477. Milwaukee also is an international seaport. Due to its large population, it is the largest city in the State and also the only city of the First Class within the State of Wisconsin. The City represents approximately 40% of the population of the greater metropolitan area. Based on the last U.S. Census, the population in the four-county-retail-trade-area surrounding Milwaukee is 1.5 million and represents 28% of the population of the State of Wisconsin.

The City's economic structure reveals a diversified economy with strong service and manufacturing sectors. The service sector (service, finance, insurance, real estate and retail trade) employs over 69% of the workforce. Manufacturing firms employ 17% of the work force. The area is not dominated by any large employers. Less than two percent of the manufacturers have employment levels greater than 500. Less than one percent of the employers in finance, insurance and services have more than 500 employees.

CITY OF MILWAUKEE
LETTER OF TRANSMITTAL
FOR THE YEAR ENDED DECEMBER 31, 2009

Metropolitan area firms are engaged primarily in the manufacture of machinery. Contrary to Milwaukee's reputation as a brewery capital, less than one percent of the City's industrial outputs are related to brewing. In recent years, the metro region has a reputation as a center for precision manufacturing. It leads the nation in the production of industrial controls, X-ray equipment, steel foundry parts, and mining machinery.

Milwaukee is a major commercial shipping hub. Of vital importance to both the local and state economies is the Port of Milwaukee, a "shipping and receiving" point for international trade as well as the primary heavy-lift facility on the Great Lakes. A protected harbor permits year-round navigation through the port from three rivers in addition to Lake Michigan. With access to the eastern seaboard via the St. Lawrence Seaway and to the Gulf of Mexico through the Mississippi River, the Port of Milwaukee processes slightly under four million net tons of cargo annually and has helped the state maintain an export growth rate twice the national average. Both the Union Pacific Railroad and the Canadian Pacific Railway serve the Port, which is also served by convenient, non-congested access to the interstate highway system. Principal inbound commodities include cement, coal, machinery, steel, salt, limestone, asphalt, and crushed rock. The Port is also home to the U.S. Coast Guard, the U.S. Navy Reserve and the U.S. Army. The Harbor Commission's authority also includes the property of Milwaukee World Festivals, Inc., Pier Wisconsin and the Lake Express high speed ferry.

Economic development is encouraged through the growth of employment opportunities for the citizens of Milwaukee and supports private investment that grows the City's tax base. Four key approaches are utilized: 1) direct financial assistance to small businesses that helps clients take advantage of opportunities to increase sales and employment; 2) use of tax incremental financing to provide public infrastructure improvements or other assistance to encourage major private investments that will contribute significantly to the growth of the tax base, employment or availability of commercial services in underserved areas; 3) partnerships with organizations that represent businesses and employers to improve the business environment, either in a particular geographic area or a particular industry segment; and 4) management of projects that invest City resources to redevelop underutilized or vacant properties for eventual sale to private owners.

In addition to pursuing new business, the City takes an active role in guiding economic development to serve the community. The City manages a number of programs intended to assist in local business retention efforts, provide permit assistance to new businesses and seek out appropriate sites for these businesses. The City has recently established its 41st Business Improvement District and Tax Incremental District (TID) #72. Forty-eight TID's remain active. In addition, the City manages various Development Fund Projects to promote urban renewal throughout the City.

In December 2008, metro Milwaukee area moved up in rank from #18 to #16 as one of the top 20 areas for businesses, according to MarketWatch. Cities were ranked according to eight categories including number of local Fortune 1000 companies, population and job growth. Milwaukee outpaced such cities as St. Louis, Indianapolis, Los Angeles and Chicago.

Some of the City's noteworthy revitalization efforts were realized during 2009. In November, Republic Airways chose Milwaukee for a consolidation of its maintenance and call center operations; keeping 800 jobs here and adding 800 more. With the purchase of the former Tower Automotive site in late 2009, the City is moving forward to develop a high-quality industrial park of 84 acres where businesses will locate and create hundreds of permanent jobs. An initial success has already been achieved with the announced rehabilitation of a building on the Tower site to be used to function as a train manufacturing plant beginning in 2010. A Spanish firm, Talgo, will reconstruct the new plant which is expected to employ 80 full time positions initially, growing to about 125 when in full production. A second major success was recently announced by another Spanish firm, Ingeteam, – the construction of a 114,000 square foot factory to build wind turbines in the Menomonee River Valley. The expected January, 2011 workforce should total about 50-60 personnel, growing to an estimated 275 workers by 2015.

Milwaukee's 30th Street Industrial Corridor will be the City's next major redevelopment project. Using the experience gained in the ongoing redevelopment of the Menomonee River Valley, City officials want to spur manufacturing, light industrial, commercial and residential redevelopment in the corridor.

Tourism is also a major contributor to the local economy. Milwaukee's arts, entertainment, professional sports, restaurants, parks, conventions, and businesses attract about six million visitors a year. There are about 20 major annual festivals hosted in Milwaukee. Summerfest is promoted as the world's largest music festival and attracts about one million attendees each year. Some of Milwaukee's ethnic festivals include the largest Native American festival in the country, America's largest Polish festival, America's largest Italian festival, America's largest 3-day German festival and the largest Irish festival in the world.

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The educational opportunities in Milwaukee offer a wide variety of choices within the City. They include Alverno College, Cardinal Stritch University, Marquette University, Medical College of Wisconsin, Milwaukee Area Technical College, Milwaukee School of Engineering, Mount Mary College, University of Wisconsin-Milwaukee and Wisconsin Lutheran College.

The City remains in good financial condition, as is demonstrated by the financial statements and schedules included in this report. However, the City faces numerous fiscal challenges. To fund its municipal expenditures, the City relies heavily on property taxes and State Shared revenue. Comprising 74% of the total General Fund revenues for 2009, these two revenues, are strongly impacted by a weakened economy. A slumping housing market and home foreclosures translate directly to a drop in city-wide assessed property values and property tax collections. State Shared Revenue continues to remain stagnant. Several significant actions have been implemented in 2009 including 2010 budget adoption initiatives to address the impact of the current state of the economy. The General Fund Reserve for Tax Stabilization remained stable at \$42 million from 12/31/08 to 12/31/09. Moreover, that portion of the Reserve for Tax Stabilization available for future years increased from \$20 million at year-end 2008 to \$29 million at year-end 2009 (+45%). Also, major labor agreements have been negotiated having no wage increments throughout their two year terms. Several initiatives for 2010 have been implemented through the 2010 budget: 1) an overall City-wide reduction in authorized position level of 361 full time equivalent positions; 2) Increasing from two to four the number of mandatory furlough days for all employees (two furlough days for sworn Police personnel); 3) the property tax rate has been increased from \$8.09 to \$8.89 per \$1,000 of assessed valuation; 4) Existing City fees for solid waste, sewer maintenance, storm water and overnight parking permits have been substantially increased; and 5) a new lease agreement with World Festivals, Inc. will generate an additional \$3 million in City revenue.

ECONOMIC OUTLOOK

The U.S. Census Bureau estimated the City of Milwaukee's 2008 population at 604,477.

During 2009, the City's unemployment rate averaged approximately 11.1%; compared to the State of Wisconsin average of 8.5% and the United States average of 9.3% (as estimated by U.S. Department of Labor, Bureau of Labor Statistics).

Retaining the City's high "investment grade" bond ratings is of prime importance and serves to maintain low borrowing costs. The low costs of borrowing, both for capital and cash flow purposes, produces direct benefits to the taxpayer. The City continues to maintain high investment grade ratings of AA+ from Fitch; Aa1 from Moody's and AA from Standard & Poor's on the City's most recent 2010 General Obligation Bonds. These ratings have been maintained during the recent slow economic growth and continued frozen State aids. As the ratings indicate, the City's capacity to meet its financial commitments on outstanding obligations is strong. The rating agencies indicate that the ratings reflect a combination of moderate overall debt burden, rapid debt repayment, manageable capital needs, strong growth in assessed value, and a diverse tax base. The City also assists in keeping the overall debt burden affordable by controlling the level of annual debt issued.

The property tax rate for 2010 purposes is \$8.89 compared to \$8.09 per \$1,000 of assessed value for 2009, with the 2010 total City property tax levy of approximately \$246.8 million increased \$9.8 million compared to \$237 million in 2009. The estimated assessed value used for 2010 budget purposes decreased approximately 4.9% from the value used for the 2009 budget purposes. The property tax levy will provide \$90 million in revenue for the general city purposes budget in 2010 compared to \$123.7 million for 2009 general city purposes. The property taxes revenue reported in the General Fund was \$156.4 million for 2009 compared to \$141.6 million for 2008. Property taxes revenue funding as a portion of total General Fund budgetary expenditures for 2009 was 25.8% compared to 2008 of 23.6% as depicted in Exhibits E-1.

The City of Milwaukee Water Works is a municipally owned water utility regulated by the State of Wisconsin Public Service Commission (PSC). The PSC regulates the rates at which water is sold by the Milwaukee Water Works. A rate increase of 3.8% became effective in mid 2009 with a second rate increase of 25% on retail water sales is in the application stage for 2010.

The American Recovery and Reinvestment Act (ARRA) of 2009 was enacted in February 2009. ARRA will provide millions in additional grant funding to the City of Milwaukee. This funding will support the City's efforts to address crime and public safety, energy efficiency and environmental quality, infrastructure and transportation improvements, public health, and job creation and workforce development. Competition for ARRA funds is intense, with application amounts far

CITY OF MILWAUKEE
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exceeding available grant allocations. The City has convened an Economic Stimulus Task Force that will monitor and oversee the City's application for ARRA funding and report on the use of ARRA funds. The City has also created a website that explains how it is working to access and spend ARRA funds, part of the effort to create transparency and accountability in the program. The website will provide details on proposed spending plans and how funds are spent by City government. Some of the 2009 larger grant awards include \$15.7 million in Surface Transportation funding, \$10.3 million in Public Housing Capital fund, \$8 million in Workforce Investment grants, \$6.9 million in Homelessness Prevention and Rapid Re-Housing program and \$5.8 million in Energy Efficiency Block grant. In addition, \$21.5 million in Transportation Investment Generating Economic Recovery grant was awarded on February 17, 2010 and \$36 million in Neighborhood Stabilization Program awards was announced on January 14, 2010.

City fees established by the Common Council include sewer user fee, storm-water fee, solid-waste fee, sewer maintenance fee (which includes leaf pickup and street sweeping), snow and ice control fee and special garbage pickups (greater than four cubic yards). For 2010 the Solid Waste Fee increased from \$150.48 to \$170.16 a year for the average homeowner. The Sewer Maintenance Fee was raised from \$86 to \$95, The Storm Water Fee was raised from \$47 to \$56 per year. The Snow and Ice Control fee was reduced from \$35 to \$30 per year for the average homeowner. Also, to offset the cost of restoration of certain service levels in the 2010 budget, the Overnight Parking Permit Fee was increased from \$44 to \$55 per year. It should be noted that the change of these types of fees for service alleviates pressure on the tax levy, since the City's costs for providing these critical services is shifted away from the property tax levy and it more equitable spread onto all properties, including tax exempt properties.

In order to accelerate the City's maintenance and replacement of its nearly 1,000 miles of residential city streets, the Common Council implemented a \$20.00 Vehicle Registration Fee in 2008. This fee is added on to the State of Wisconsin's annual vehicle registration fee. This \$20.00 fee has generated more than \$6.1 million in 2009; and, in accordance with state law; the City can only use it for transportation purposes. The implementation of this fee serves a dual purpose. It will increase funding for street maintenance and replacement, while relieving property owners of expensive and unpopular special assessments.

MAJOR CAPITAL PROJECTS

The 2010 capital budget includes funds for various infrastructure and building projects. For 2010, the City capital improvements budget, not including enterprise funds and grants and aid funding, totals \$121.3 million, a decrease of 3.6% or \$4.5 million from 2009 budget of \$125.8 million. Funding of \$39.4 million for various tax incremental district and development projects comprises 32.5% of the total capital budget for 2010. The Department of Public Works budget for bridges (\$6.9 million), local street resurfacing/reconstruction (\$12 million), major streets (\$15.9 million), street lighting (\$7 million) and major equipment purchases (\$5.5 million) total \$47.3 million or approximately 39% of the total 2010 capital budget. With the continuing funding for the Foundation and Hollow Walk Project for City Hall (\$2.7 million, representing 2.2% of the City funded portion of the capital budget), these projects account for approximately 41% of the total 2010 capital budget. Other department's major capital projects include Police automated fingerprint identification system (\$2.3 million) and remodel administration building offices (\$1.3 million); Fire major capital equipment (\$2.8 million); and Library projects (\$4.1 million).

With the recent completion of the \$70 million City Hall Restoration Project, the City Hall Foundation and Hollow Walk Project which commenced in late 2009 will continue with the next phase of foundation and hollow walk repairs. Ongoing investigation has found significant foundation settling, particularly on the three sides of the northern half of the building. City Hall was built on a foundation of wood pilings as was common in the late 1890's. As pilings have deteriorated, settling has occurred. Work to repair and underpin the existing pile caps and install monitoring wells is necessary to correct this condition. In conjunction with the foundation work, the sidewalks, hollow sidewalk areas, and the associated interior walls will be repaired and restored. The 2008 capital budget included \$1.2 million to conduct a detailed evaluation to determine condition changes since the last analysis in mid-2004. The 2009 capital budget includes \$1.8 million to commence initial construction in late 2009 with \$2.7 million of additional funding in 2010 budget. Considerable project risk exists due to the large portion of the foundation that is buried and not directly observable. After work is complete, the building's foundation is expected to perform its support function into the long term future.

The 2010 capital projects budget includes \$6.9 million for bridge construction/reconstruction, an increase of \$.9 million compared to 2009. 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 with a rating below 50 are inspected annually. In 2008, 91.8% of the rated bridges had a sufficiency rating above 50. Currently, 12 bridges have sufficiency ratings less than 50. One of these bridges is currently under construction and another eight are included in the six year

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capital plan. The remaining six bridges are safe and operable, but non-safety related issues such as design in street and sidewalk capacity contribute to their lower sufficiency rating.

Street related activity of \$29.2 million in the 2010 budget (including new streets, resurfacing/reconstruction, alleys, sidewalks, street lightings, traffic controls, conduits and manholes) increased \$3.5 million; a 14% change from the 2009 budget of \$25.7 million.

The Water Works Enterprise Fund capital improvements budget for 2010 for water main replacement totals \$14.4 million; a 14.3% decrease from the 2009 budget of \$16.8 million; and will add 12.5 miles of water mains. The budget also allocates \$3.6 million for pump facility improvements.

CASH MANAGEMENT POLICIES AND PRACTICES

The City maintains a pooled cash and investment account that is available for use by all funds, except the Debt Service Fund, the Water Works Enterprise Fund and component entities which maintain separate cash and investments. Cash temporarily idle during the year and under the control of the City Treasurer was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and commercial paper (all of which are permissible under State Statutes). The average interest earnings rate for City funds invested by the City Treasurer was approximately 0.746% in 2009 as compared to 2.7% in 2008. The City continued to use the State of Wisconsin Local Government Investment Pool to provide flexibility for short-term investments while maintaining high standards of safety and liquidity. In 2009, the average daily investable balance was \$238.3 million as compared to \$218.2 million in 2008, a 9.2% increase. The investable balance generates interest earnings for the City, which is used to offset the property tax levy.

During 2009, the City continued its prudent use of financing techniques and investment instruments to maximize its investment return while meeting on-going cash flow needs. The City's use of cash flow borrowing in anticipation of State Shared and State Equalization Aid Revenues totaled \$344 million, compared to \$300 million in 2008. The financing was accomplished through two separate offerings -- \$116 million General Obligation Cash Flow Promissory Notes in March 2009 for City purposes and \$228 million School Revenue Anticipation Notes in August 2009 for school purposes. The timing of these offerings provided the City with an opportunity to earn additional interest on investments and still comply with the requirements of the Tax Reform Act of 1986. The second borrowing represented a joint effort with Milwaukee Public Schools to finance school operations on an interim basis pending its receipt of State Equalization Aids and is not a general obligation of the City.

In addition, the City will continue its use of the State of Wisconsin's Clean Water Fund to finance sewer maintenance capital projects which began in June 2007. Over \$14,850,848 of loans were obtained during 2009 with \$14,488,848 being immediately forgiven. The Clean Water Fund provides below market interest loans to communities to finance storm-water control projects. This financing strategy will save ratepayer's money, as Clean Water funding and General Obligation bonds have a lower interest rate than revenue bonds. General Obligation debt will finance sewer capital projects that do not qualify for the Clean Water Fund. Also, during 2009, \$61.8 million of commercial paper to finance various public improvement projects and fiscal requirements of the City was issued. New for 2009, the City issued Qualified School Construction Bonds, Series 2009-M6 on behalf of the Milwaukee Public Schools in the amount of \$12 million. This debt will be reimbursed by the Milwaukee Public Schools as the maturities come due.

RISK MANAGEMENT

The City is self-insured for workers' compensation, employee Basic Plan health and dental insurance, uninsured motorist motor vehicle coverage for City employees, and general liability claims. With certain exceptions, it is the policy of the City not to purchase commercial insurance against property or liability risks. Instead, the City has found it is more economical to manage its risk internally, setting aside funds as needed for estimated current claim settlements and judgments through annual and supplemental appropriations as needed. The City does purchase and maintain limited coverage for certain facilities and employee bonding. Indemnity and insurance protection is also required of City contractors, vendors, lessees and permit holders.

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ACKNOWLEDGEMENTS

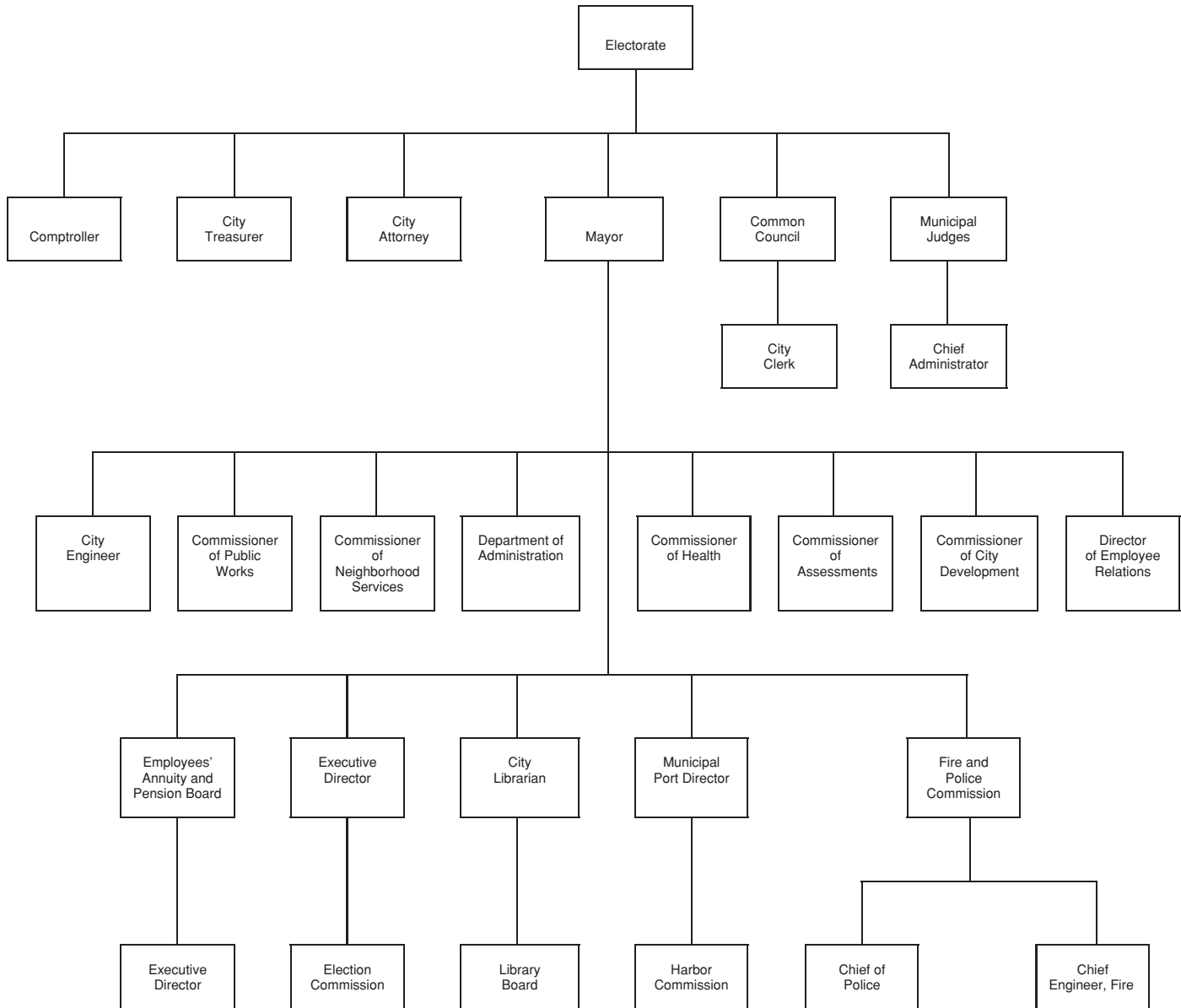
The Office of the Comptroller takes great pride in the preparation of this report. The professionalism, commitment and effort of each member of its General Accounting Division have made this presentation possible. The timely preparation of this report could not have been accomplished without the cooperation, dedication, and extensive involvement of the entire staff of the Office of the Comptroller and the able assistance of our independent auditors, KPMG LLP, as well as the accounting personnel of our component units. Special commendation and appreciation should be accorded to the dedicated staff of the Comptroller's Office in the preparation of this Comprehensive Annual Financial Report. In addition, I convey my appreciation to you and members of your respective staffs for your interest and support in planning and conducting the fiscal affairs of the City throughout the past year. The City will continue to remain fiscally sound through our cooperative efforts.

Very truly yours,



W. MARTIN MORICS
Comptroller

CITYOF MILWAUKEE
ORGANIZATION CHART
DECEMBER 31, 2009



CITY OF MILWAUKEE
NAMES OF PRINCIPAL OFFICIALS
DECEMBER 31, 2009

ELECTED

Mayor	Thomas M. Barrett
Comptroller	W. Martin Morics
City Treasurer	Wayne F. Whittow
City Attorney	Grant F. Langley
Municipal Judge	Derek C. Mosley
Municipal Judge	Phillip M. Chavez
Municipal Judge	Valarie A. Hill

COMMON COUNCIL

President	Willie L. Hines, Jr.
-----------------	----------------------

Aldermanic District

Alderman

First	Ashanti T. Hamilton
Second	Joseph L. Davis, Sr.
Third	Nik Kovac
Fourth	Robert J. Bauman
Fifth	James A. Bohl, Jr.
Sixth	Milele A. Coggs
Seventh	Willie C. Wade
Eighth	Robert G. Donovan
Ninth	Robert W. Puente
Tenth	Michael J. Murphy
Eleventh	Joseph A. Dudzik
Twelfth	James N. Witkowiak
Thirteenth	Terry L. Witkowski
Fourteenth	T. Anthony Zielinski
Fifteenth	Willie L. Hines, Jr.

FINANCE RELATED (Non-Elected)

Administration Director	Sharon D. Robinson
Budget & Management Director	Mark P. Nicolini
City Purchasing Director	Rhonda Kelsey
Commissioner of Assessments	Mary P. Reavey
Chief Information Officer	Nancy A. Olson

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KPMG LLP
777 East Wisconsin Avenue
Milwaukee, WI 53202-5337

Independent Auditors' Report

The Honorable Members
Common Council
City of Milwaukee, Wisconsin:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Milwaukee, Wisconsin (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Housing Authority of the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee, the Milwaukee Economic Development Corporation, and the Neighborhood Improvement Development Corporation, which represents 100% of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 19 through 34 and 96 through 98 are not required parts of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the



methods of measurement and presentation of this information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, miscellaneous financial data and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, miscellaneous financial data, and statistical section have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 30, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

KPMG LLP

Milwaukee, Wisconsin
July 30, 2010

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009

Within this section of the City of Milwaukee Comprehensive Annual Financial Report, the City's management provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2009. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. This *Management Discussion and Analysis* (MD&A) should be read in conjunction with the City's basic financial statements, which follow this discussion. Additional information is available in the letter of transmittal, which precedes Management's Discussion and Analysis. The MD&A focuses on the City's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

FINANCIAL HIGHLIGHTS

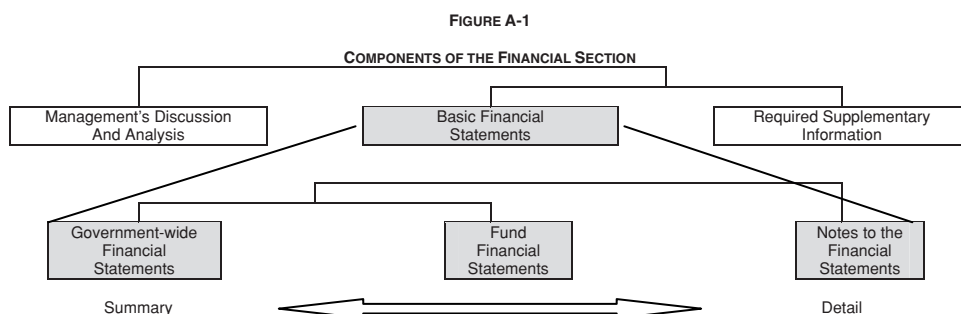
- The assets of the City of Milwaukee exceeded its liabilities at the close of fiscal year 2009 by \$929 million (net assets); \$248 million in governmental activities and \$681 million in business-type activities. Governmental activities' unrestricted assets are a deficit of \$283 million. This indicates that the City is financing long-term liabilities as they come due rather than when they are incurred. The City's net assets decreased 4% compared to the previous year of \$972 million.
- The vast majority of the City's net assets are capital assets, most of which do not generate revenues by their use or sale – Total net assets are comprised of the following:
 - Capital assets, including property and equipment, net of related debt and accumulated depreciation – \$1,018 million.
 - Restricted net assets, limited by constraints imposed externally such as debt covenants, grantors, laws, or regulations – \$175 million.
 - Unrestricted net assets – (\$264) million.
- The City's total 2009 year-end other post-employment benefits (OPEB) obligation is \$127 million; an increase of 63% from the 2008 obligation of \$78 million. The obligation is based on an actuarial valuation as of January 1, 2009, which indicates the actuarial accrued liability for benefits was \$960 million over a 30-year amortization period.
- Total liabilities of the City increased by \$91 million to \$1,735 million. The long-term portion of total liabilities (\$1,098 million) consists of \$127 million for OPEB, \$907 million for outstanding debt and \$64 million for compensated absences, claims, and judgments.
- City governmental expenses exceeded combined program revenues by \$689 million. General revenues and transfers of \$630 million resulted in a \$59 million decrease of net assets for the year. Business-type activities produced an increase of net assets of 2% over 2008, generating a \$16 million surplus in 2009.
- For governmental activities, program revenue supported 19% of the total expenses for 2009. Property taxes and other taxes represented 32% of the primary government's governmental activities' expenses, state aids for the General Fund equaled 32% and miscellaneous revenues and transfers supported 10% of the expenses. Expenses exceeded revenues and transfers by 7% in 2009.
- For business-type activities, program revenue supported 132% of the expenses for 2009; and, in total exceeded the expenses by \$56 million. Miscellaneous revenue net of transfers out reduced this excess to \$16 million for the year.
- The City's total governmental funds reported total ending fund balances of \$226 million this year. Compared to the prior year ending fund balance of \$203 million, an increase of \$23 million resulted by year end 2009; an 11% increase.
- The General Fund balance at year-end 2009 totaled \$71 million – a \$2 million reduction compared to 2008 (-3%). This ending Fund balance is about 10% of General Fund expenditures and transfers.
- The operating expenditures of the General Fund were \$18 million less than budgeted. This favorable variance is a result of savings from general government departments of \$15 million, public safety departments of \$2 million, and a combined savings of \$1 million in other departments. Savings included \$9.5 million from the wage supplement account due to delays in filling positions, two furlough days and savings on snow plowing operations due to the mild winter. In addition, savings of \$3.5 million were realized in the non-departmental account for contingencies, \$2 million in Police and other Public Safety departments' operating accounts and the remaining \$3 million from all other operating accounts of various departments.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2009

- General obligation bonds and notes payable increased by \$19 million during the current fiscal year from \$761 million to \$780 million. The key factors contributing to this increase were scheduled and early retirement of general obligation debt of \$281 million and the issuance of \$300 million in new general obligation bonds and notes for the continuing funding of capital projects and the issuance of debt on behalf of the Milwaukee Public Schools.
- The City issued General Obligation Cash-flow Promissory Notes for \$116 million in advance of receipt of the State Shared Revenues. With the receipt of these revenues, an amount equal to the debt was transferred to the Debt Service Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the City's basic financial statements. The basic financial statements consist of three components: (1) **Government-wide** financial statements, (2) **Fund** financial statements, (3) **Notes** to the financial statements. This report also includes other (4) **Required Supplementary Information**. Figure A-1 shows how the required parts of the annual report are arranged and relate to one another.



The basic financial statements include two kinds of statements that present different views of the City.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Proprietary fund statements offer short- and long-term financial information about the activities that the government operates like businesses, such as the water and the sewer maintenance systems.
 - Fiduciary fund statements provide information about the financial relationships—like various benefit plans for the City's employees—in which the City is solely a trustee or agent for the benefit of others to whom the resources belong.

A summary of the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain are depicted in table Figure A-2. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2009

FIGURE A-2
 MAJOR FEATURES OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

	Government-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the city for basic governmental services	The day-to-day operating activities of the city for business-type enterprises	Instances in which the City administers resources on behalf of others, such as employee benefits
Required financial statements	* Statement of net assets * Statement of activities	* Balance Sheet * Statement of revenues, expenditures and changes in fund balances	* Statement of net assets * Statement of revenues, expenses, and changes in net assets * Statement of cash flows	* Statement of fiduciary net assets * Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus, except agency funds do not have measurement focus
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; capital assets and long-term liabilities	All assets and liabilities, both financial and capital, short-term and long-term	All assets held in a trustee or agency capacity for others and all liabilities
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Government-wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the City's finances, in a manner similar to a private-sector business and include both long-term and short-term information about the City's financial status. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. All of the activities of the City, except those of a fiduciary nature, are included.

The two government-wide statements report the City's net assets and how they have changed. Net assets—the difference between the City's assets and liabilities—is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets indicate whether its financial health is improving or deteriorating. Other non-financial factors, such as changes in the property tax base and the condition of the roads are also needed to assess the overall health of the City.

The government-wide financial statements of the City of Milwaukee are reported into three categories on these statements—governmental activities, business-type activities, and component units. A total column for the City is also provided.

- The *governmental activities* include the basic services of the City including general government (administration), police, fire, public works, health, culture, and development services. Taxes and general revenues generally support these activities.
- The *business-type activities* include the private sector type activities such as the water, sewer user charge, sewer maintenance, parking, and port. User charges or fees primarily support these activities.
- The *component units* include four other entities in its report. The Housing Authority and the Redevelopment Authority of the City of Milwaukee, Milwaukee Economic Development Corporation and the Neighborhood Improvement Development Corporation. Although legally separate, these component units are important because the City has financial accountability responsibility.

Fund Financial Statements

The City's major funds begin with Exhibit A-1. The fund financial statements provide detailed information about the most significant funds; not the City as a whole. The accounts of the City are organized on the basis of funds. Each fund is a separate fiscal and accounting entity with a self-balancing set of accounts including assets, liabilities, equities, revenues and expenditures or expenses, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The City has three fund types: governmental and proprietary which use the modified accrual and the accrual methods of accounting, respectively, and fiduciary funds.

- **Governmental funds:** Most of the City's basic services are reported in governmental funds, which focus on the modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine if more or fewer financial resources are available to be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in the reconciliation at the bottom of the fund financial statements.
- **Proprietary funds:** Operations which are financed primarily by user charges or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control and other purposes. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.
- **Fiduciary funds:** The City is the trustee, or fiduciary, for its pension and other employee benefit trusts and various miscellaneous private purpose trusts. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets in Exhibits C-1, C-2 and H-1. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes which follow Exhibits 1 through D-2 provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information to demonstrate legal budgetary compliance for each major fund for which an annual budget is adopted. Required supplementary information is presented in Exhibit E-1. A *Schedule of Funding Progress* relating to retiree health and life insurance is depicted in Exhibit E-2.

Combining and Individual Fund Statements and Schedules and Miscellaneous Financial Data

Combining schedules provide detail in connection with nonmajor governmental funds and nonmajor enterprise funds. Individual fund statements provide greater detail, presented as compared with the final amended budget for the General Fund, and each nonmajor special revenue fund. Capital Projects are also presented in detail by major category (i.e. streets, sewers) within the Miscellaneous Financial Data Section. See Exhibits F-1 through I-9.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole. The net assets and net expenses of governmental and business-type activities are depicted separately below. Table 1 focuses on the net assets and Table 2 focuses on the changes in net assets.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2009

Table 1
Summary of Statement of Net Assets
(Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2009	2008	2009	2008	2009
Current and other assets	\$ 796,030	\$ 839,138	\$ 109,611	\$ 99,970	\$ 905,641	\$ 939,108
Capital assets	955,475	929,995	755,598	795,192	1,711,073	1,725,187
Total assets	<u>1,751,505</u>	<u>1,769,133</u>	<u>865,209</u>	<u>895,162</u>	<u>2,616,714</u>	<u>2,664,295</u>
Long-term obligations	878,734	948,158	151,810	149,645	1,030,544	1,097,803
Other liabilities	565,616	572,852	48,277	64,488	613,893	637,340
Total liabilities	<u>1,444,350</u>	<u>1,521,010</u>	<u>200,087</u>	<u>214,133</u>	<u>1,644,437</u>	<u>1,735,143</u>
Net assets:						
Invested in Capital assets, net of related debt	559,343	367,061	607,122	650,478	1,166,465	1,017,539
Restricted	143,951	164,011	10,935	30,551	154,886	194,562
Unrestricted	(396,139)	(282,949)	47,065	-	(349,074)	(282,949)
Total net assets	<u>\$ 307,155</u>	<u>\$ 248,123</u>	<u>\$ 665,122</u>	<u>\$ 681,029</u>	<u>\$ 972,277</u>	<u>\$ 929,152</u>

Net assets of the City's governmental activities decreased 19% to \$248 million for 2009. These net assets are restricted as to use in the amount of \$164 million or are invested in capital assets in the amount of \$367 million (buildings, roads, bridges, etc) less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The unrestricted net assets deficit (\$283 million) at the end of the year does not mean that the City does not have adequate financial resources available to pay its bills next year. Instead, it is because the City's annual budgets do not include the full amounts needed to finance future liabilities arising from property and casualty claims, and to pay for unused employee vacation and sick days, and debt not issued for City capital assets. The City will include these amounts in future years' budgets as they come due.

The net assets of business-type activities increased 2% to \$681 million in 2009. The City generally can only use these net assets to finance the continuing operations of its specific enterprise activities.

Long-term obligations for governmental activities increased 8% and for business-type activities decreased 1% from 2008 due primarily to the issuance and retirement of long-term debt and the recording of the OPEB obligation.

Total assets, including capital assets increased \$47 million or 2% from 2008. Capital assets of the primary government decreased 3% from the previous year due to the allocation of completed projects in Construction in Progress to Buildings offset by the removal of original costs. For 2009, the Water Works and the Sewer Maintenance Funds have 92% of the City's total capital assets related to business-type activities. These are the City's two largest enterprise funds (business-type). The Water Works capital assets (49%) consist primarily of water mains and related water facilities and plants; and, the Sewer Maintenance Fund (43%) includes all the various sewer mains and connections.

Changes in net assets. City revenues less expenses yields the change in net assets. The City's total program and general revenues totaled \$754 million for the governmental activities. Of revenues, 36% comes from property and other taxes and 46% comes from intergovernmental revenues (state aids, federal and state grants). Charges for services category represents only 12% of the total revenues, and the remaining 6% coming from licenses, permits, fines and forfeits and miscellaneous other sources.

The City's governmental activity expenses cover a range of services, with 39% related to public safety (fire and police, neighborhood services). Program revenues generated only about 19% of the revenue needed to support the cost of governmental activities. General City revenues, taxes and State aids provide the remaining funds. Total governmental activities expenditures exceeded revenues and transfers by \$59 million (7%). However, business-type activities revenues exceeded its expenses by \$16 million (9%). Chart 1, Expenses and Program Revenues – Governmental Activities and Chart 2 Expenses and Program Revenues – Business-type Activities depict this comparison by major function.

CITY OF MILWAUKEE
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Table 2 and the narrative that follows consider the operations of governmental and business-type activities separately.

Table 2
Changes in Net Assets
(Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2009	2008	2009	2008	2009
Revenues:						
Program revenues:						
Charges for services	\$ 86,410	\$ 91,057	\$ 203,512	\$ 213,032	\$ 289,922	\$ 304,089
Operating grants and contributions	77,032	73,694	-	-	77,032	73,694
Capital grants and contributions	-	-	10,203	18,674	10,203	18,674
General revenues:						
Property taxes and other taxes	257,210	270,191	-	-	257,210	270,191
State aids for General Fund	271,100	272,337	-	-	271,100	272,337
Miscellaneous	61,949	47,217	979	120	62,928	47,337
Total revenues	<u>753,701</u>	<u>754,496</u>	<u>214,694</u>	<u>231,826</u>	<u>968,395</u>	<u>986,322</u>
Expenses						
General government	208,608	207,504	-	-	208,608	207,504
Public safety	314,935	331,409	-	-	314,935	331,409
Public Works	174,629	167,983	-	-	174,629	167,983
Health	20,830	22,995	-	-	20,830	22,995
Culture and recreation	20,639	22,901	-	-	20,639	22,901
Conservation and development	61,693	50,683	-	-	61,693	50,683
Capital contribution to						
Milwaukee Public Schools	6,474	5,153	-	-	6,474	5,153
Contributions	22,177	21,026	-	-	22,177	21,026
Interest on long-term debt	28,368	23,985	-	-	28,368	23,985
Water	-	-	64,562	67,946	64,562	67,946
Sewer Maintenance	-	-	29,167	34,847	29,167	34,847
Parking	-	-	25,078	24,659	25,078	24,659
Port of Milwaukee	-	-	4,182	3,811	4,182	3,811
Metropolitan Sewerage District User Charges.	-	-	40,219	44,545	40,219	44,545
Total expenses	<u>858,353</u>	<u>853,639</u>	<u>163,208</u>	<u>175,808</u>	<u>1,021,561</u>	<u>1,029,447</u>
Increase in net assets before transfers	(104,652)	(99,143)	51,486	56,018	(53,166)	(43,125)
Transfers	<u>38,052</u>	<u>40,111</u>	<u>(38,052)</u>	<u>(40,111)</u>	<u>-</u>	<u>-</u>
Increase in net assets	(66,600)	(59,032)	13,434	15,907	(53,166)	(43,125)
Net assets – Beginning	<u>373,755</u>	<u>307,155</u>	<u>651,688</u>	<u>665,122</u>	<u>1,025,443</u>	<u>972,277</u>
Net assets – Ending	<u>\$ 307,155</u>	<u>\$ 248,123</u>	<u>\$ 665,122</u>	<u>\$ 681,029</u>	<u>\$ 972,277</u>	<u>\$ 929,152</u>

Governmental Activities

Revenues for the City's governmental activities totaled \$754 million, while total expenses totaled \$854 million for 2009. All revenues, excluding transfers, are supporting 88% of the total expenses; 93% with transfers. Comparable data for 2008 indicates 88% of all revenues, excluding transfers supported the 2008 expenses and, 92% with transfers.

Property taxes represent 36% of the total revenues for 2009 compared to 34% for 2008; a 2% increase in this category. The increase in revenues is primarily due to an increase in collections; however, the City of Milwaukee's share of the Tax Rate increased eight cents (from \$8.01 in 2008 to \$8.09 in 2009 [per \$1,000 of Assessed Value]). State aids for the General Fund of \$272 million increased by \$1 million or 0.4% in 2009. The combined property taxes and State aids comprised approximately 72% of the total revenues for governmental funds in 2009 compared to 70% in 2008. Charges for services equaled 12% of the total revenues in 2009 compared to 11% in 2008.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental activities expenses decreased by \$5 million (0.6%) in 2009 to \$854 million. Expenses for general government, which comprise 24% of the total expenses, decreased 0.5% in 2009. Public safety expenses represent the largest category of governmental activities or 39% of the total expenses for 2009 which is an increase of 5% over 2008. Due to the mild snowfall during 2009, public works expenses decreased 4% over 2008.

Chart 1
2009 Expenses and Program Revenues - Governmental Activities

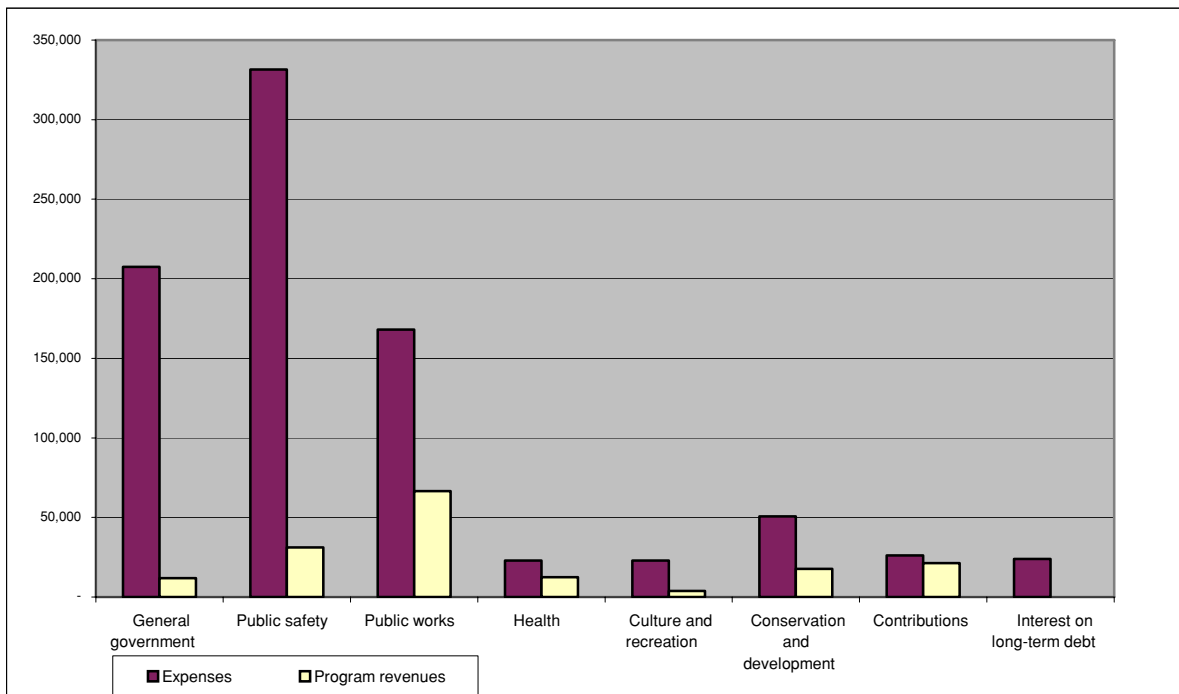


Table 3 presents the cost of each of the City's largest programs as depicted in the Chart 1 above, as well as each program's net costs (total cost less the revenues generated by the activities). General government includes most City departments, such as: Mayor, Common Council, Administration, Employee Relations, Municipal Court, City Attorney, Comptroller and Treasurer. Public safety includes Fire, Police and Neighborhood Services. "Net cost" shows the financial placed on the city taxpayers by each of these functions.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Table 3
Governmental Activities
(Thousand of Dollars)

	Total Cost of Services		Net Cost of Services	
	2008	2009	2008	2009
General government	\$ 208,608	\$ 207,504	\$ 194,038	\$ 195,668
Public safety	314,935	331,409	283,373	300,285
Public works	174,629	167,983	115,234	101,405
Health	20,830	22,995	9,556	10,496
Culture and recreation	20,639	22,901	17,120	19,094
Conservation and development	61,693	50,683	40,103	33,076
Contributions	28,651	26,179	7,119	4,879
Interest on long-term debt	28,368	23,985	28,368	23,985
Total Governmental Activities	<u>\$ 858,353</u>	<u>\$ 853,639</u>	<u>\$ 694,911</u>	<u>\$ 688,888</u>

The Table 3 above indicates that the cost of services not funded with direct program revenue for governmental activities decreased in 2009 to \$689 million from \$695 million in 2008 or 1% change. Because such a small portion of total costs are supported by program revenue, the remainder of the total costs of service must be funded by general City taxes and State aids.

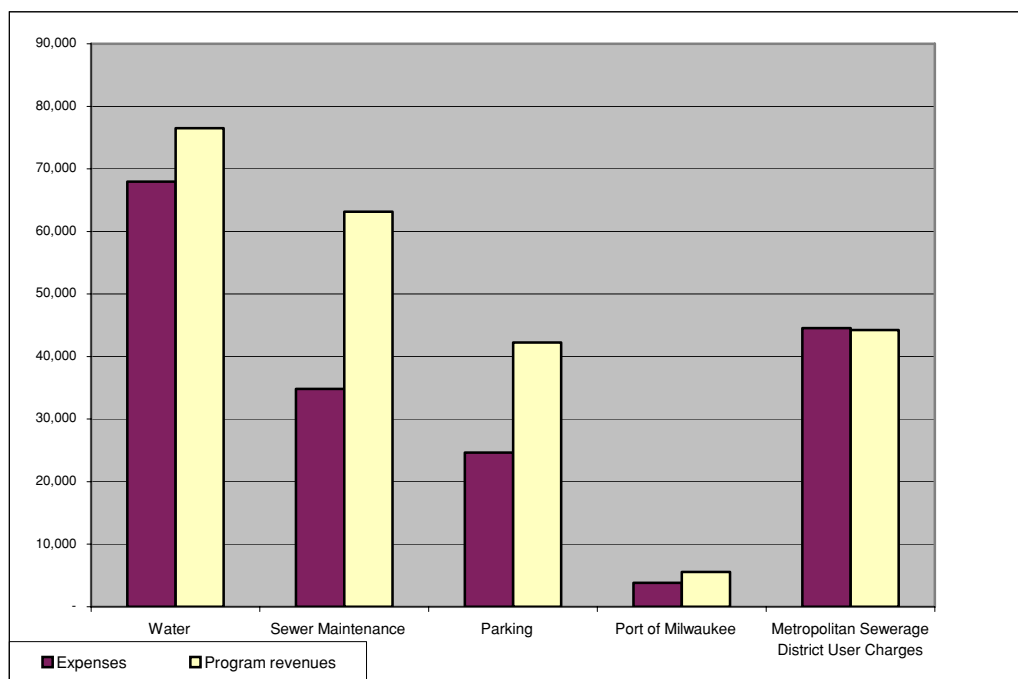
Business-type Activities

The three major enterprises or business-type activities for the City of Milwaukee are water services, sewer maintenance and parking operations. The Water Works had operating expenses of \$67 million and operating income of \$6 million. The Sewer Maintenance produced a net operating income of \$27 million after incurring expenses of \$21 million. The City parking facilities operating expenses during 2009 were \$24 million with net operating income of \$18 million.

Business-type revenues on Table 2 increased by \$17 million in 2009 compared to 2008, or 8%. Total expenses and transfers of all enterprise funds of the City increased \$15 million, from \$201 million in 2008 to \$216 million in 2009 (+7%). Overall, 2009 year-end Total Net Assets increased by \$16 million to \$681 million, or +2%.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Chart 2
2009 Expenses and Program Revenues - Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting consistent with finance related legal requirements and external government accounting standards..

Governmental Funds

Governmental Funds are reported in the fund based financial statements with a focus on the annual inflow and outflow of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. In particular, the Reserved for Tax Stabilization account in the General Fund serves as one useful measure of the City's net resources available for financing subsequent year's budget. This budgeted reserve is intended to help stabilize year-to-year fluctuations in the City property tax rate. Types of Governmental Funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

As the City completed 2009, its Governmental Funds (as presented in the balance sheet on Exhibit A-1) reported a combined fund balance of \$226 million, an increase of \$23 million or 11% over 2008. The General Obligation Debt Service Fund and the Public Debt Amortization Fund generated nearly \$18 million of this increase. Non-major governmental funds produced a positive change from operations of \$6 million. The Capital Projects Fund balance increased by about \$1 million, although the total Fund balance remains negative (\$36 million). This negative balance persists because the City of Milwaukee typically borrows to fund authorized capital projects only after expenditures for these projects. This practice minimizes City borrowing costs and facilitates compliance with Federal IRS regulations. Debt issued for capital projects totaled \$84 million in 2009 compared to \$125 million in 2008.

The total reserves of the General Fund decreased 2% to \$71 million from \$73 million in 2008. This decrease was due to a reduction in required reserves for encumbrances, carryovers and inventory. Of the total year-end 2009 General Fund fund balance of \$71 million, \$29 million is reserved and available for 2011 and subsequent years' budgets, compared to \$20 million at year-end 2008 (+45%).

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Chart 3 and 4 graphically depict spending by function and revenues by source for all governmental funds.

Chart 3
2009 City Spending by Function - Governmental Funds

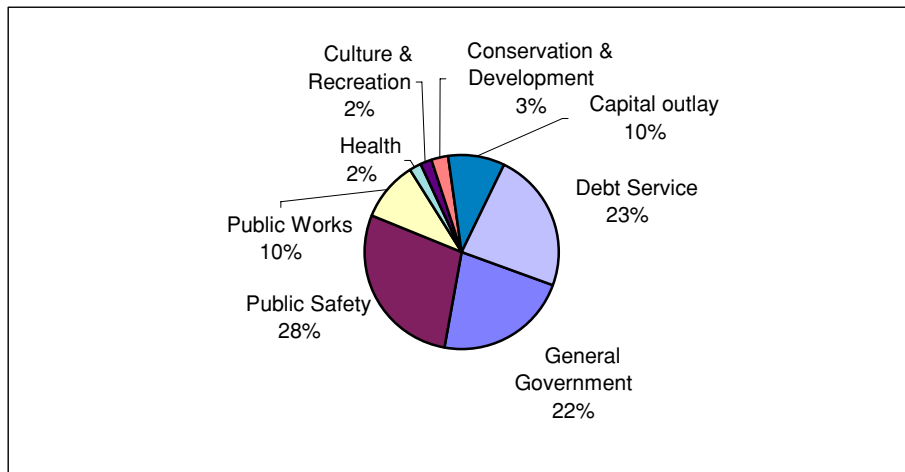
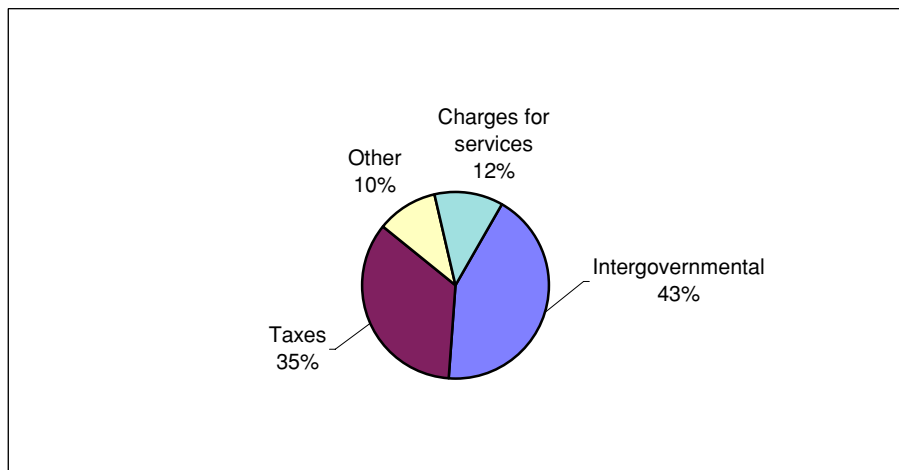


Chart 4
2009 Revenues by Source - Governmental Funds



Revenues for governmental functions overall totaled \$776 million in the fiscal year ended December 31, 2009 (+3%). Expenditures for governmental funds totaled \$1,024 million (+0.9%). Expenditures exceeded revenues by \$248 million. Other financing sources closed the gap, leaving a total net increase in governmental fund balances of \$23 million for the year compared to an increase of \$18 million in 2008. Other financing sources include, proceeds from issuance of debt, refunding payment and issuance premiums; transfers from enterprise funds; and receipt of loans receivable transferred from the Neighborhood Improvement Development Corporation component unit.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Major Governmental Funds

The General Fund is the City's primary operating fund and the largest funding source for day-to-day services. The fund balance of the General Fund decreased by \$2 million or 2%. Revenues and other financing sources totaled approximately \$744 million and expenditures and other financing uses totaled approximately \$746 million - detailed in Table 4 below. While revenues growth remained consistent with the prior year (increasing by 5% over 2008), expenditures increased by 1% over 2008, with expenditures exceeding revenues by 8%. Other Financing Sources (consisting of debt proceeds and transfers in from other funds), exceeded Other Financing Uses (consisting of transfers out to other funds) by \$45 million. This excludes the budgeted use of funds from the Reserve for Tax Stabilization account. Twenty-two million was budgeted from the Reserve for Tax Stabilization to fund the 2009 General Fund budget. This was a decrease of \$7 million from 2008.

Total General Fund revenues for 2009 totaled \$582 million. The largest revenue category is intergovernmental at \$272 million with 47% of the total revenue. The second largest revenue source is Property Taxes with \$156 million or 27%. Charges for Services, which includes revenues for services provided by City departments, comprises 16% or \$91 million. These three categories combined comprise 90% of the total revenues for 2009. The largest increase in revenues compared to 2008 was the Other category with a 55% increase.

The following table (Table 4) presents a summary of revenues and expenditures of the General Fund compared to prior year:

Table 4
General Fund
Summary of Revenues, Expenditures and Other Financing Sources and Uses
(Thousands of Dollars)

Revenues and Other Financing Sources				Expenditures and Other Financing Uses			
Revenues:	2008	2009	% Change	Expenditures:	2008	2009	% Change
Property taxes	\$ 141,573	\$ 156,410	10.5%	General government.....	\$ 221,023	\$ 222,809	0.8%
Other taxes	4,839	3,504	-27.6%	Public safety.....	266,370	276,060	3.6%
Licenses and permits	12,918	12,186	-5.7%	Public works.....	103,149	97,093	-5.9%
Intergovernmental	271,100	272,337	0.5%	Health.....	10,118	10,446	3.2%
Charges for services	86,410	91,057	5.4%	Culture and recreation	16,782	17,329	3.3%
Fines and forfeits	5,277	4,802	-9.0%	Conservation and			
Contributions received	21,532	21,300	-1.1%	development	3,456	4,230	22.4%
Other	12,864	19,967	55.2%		-	-	
Total Revenues	556,513	581,563	4.5%	Total Expenditures	620,898	627,967	1.1%
Other Financing Sources				Other Financing Uses			
Debt proceeds	91,600	119,000	29.9%	Transfers out	92,080	118,081	28.2%
Transfers in	47,019	43,834	-6.8%	Total Expenditures			
Total Revenues and				and other Financing			
Other Financing Sources .	695,132	744,397	7.1%	Uses	\$ 712,978	\$ 746,048	4.6%
Excess of Revenues							
over Expenditures	(64,385)	(46,404)	27.9%				
Net Change in							
Fund Balance	\$ (17,846)	\$ (1,651)	90.7%				

Beginning in 2006, the City began issuing General Obligation Cash-Flow Promissory Notes (rather than Revenue Anticipation Notes) in advance of receipt of the State Shared Revenues. For 2009, \$116 million was issued. With the adoption of the 2009 budget, an amount equal to the estimated debt principal and interest on this debt is appropriated to the General Obligation Debt Service Fund.

CITY OF MILWAUKEE
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The City maintains two separate debt service funds. The General Obligation Debt Service Fund accounts for resources accumulated and payments made for principal and interest on the City's outstanding general obligation debt. The Public Debt Amortization Fund is governed by State Statutes Section 67.101 whereby accumulated resources can be used for the retirement of the public debt. The General Obligation Debt Service Fund increased its fund balance from \$71 million to \$81 million or 14%. Total revenues of the General Obligation Debt Service increased from \$102 million 2008 to \$103 million in 2009. Revenues combined with *Other Financing Sources* totaled \$328 million; expenditures combined with *Other Financing Uses* totaled \$318 million; resulting in a *net increase in Fund Balance* for year end 2009 of \$10 million.

Capital Projects Funds are used to account for the financial resources segregated for the acquisition, construction, or repair of major capital facilities other than those financed by proprietary funds. At year end, 2009 showed a fund balance deficit of \$36 million (an increase in the fund balance of \$1 million compared to a fund balance deficit of \$37 million in 2008). In 2009, total debt proceeds amounted to \$84 million as compared to \$125 million in 2008, a 33% decrease. Total revenues decreased 15% from \$20 million to \$17 million; expenditures decreased from \$115 million to \$98 million or 14%. The issuance of bonds and notes during 2009 for capital purposes combined with revenues and transfers were sufficient to cover the current year's expenditures and also reduced the 2009 year end deficit in fund balance by \$1 million.

Proprietary Funds

The proprietary fund statements provide information on both short and long-term financial status, focusing on net assets and the change in net assets as a result of operations.

At the end of the fiscal year, the total unrestricted net assets for all enterprise funds were \$19 million. This was a decrease from \$47 million at December 31, 2008 or 59%. This decrease consists of \$14 million in Water Works, \$13 million in Sewer Maintenance, \$0.3 million in Parking and \$0.3 million in the nonmajor enterprise funds.

In 2009, operating revenues of the enterprise funds totaled \$212 million (+4%); total operating expenses increased to \$160 million in 2009 (+5%). The Water Works is the largest enterprise activity for the City, comprising approximately 34% of the total operating revenues. The Sewer Maintenance Fund comprises 23% of the total operating revenues. Both funds primarily bill customers based on water consumption. For 2009, Water Works operating revenues decreased 0.6% while Sewer Maintenance operating revenues increased 18%; all other enterprise funds combined increased by 3%. Water Works non-operating revenues for 2009 are mainly composed of interest income. Investment income decreased by 87%, or 582,000, from 2008. Other miscellaneous non-operating revenue also decreased from \$194,000 to \$63,000 in 2009. These miscellaneous revenues (fees for servicing of branch water mains and water tapping services) decreased 68% from 2008.

The Water Works incurred total expenses of \$68 million for 2009 compared to \$65 million for 2008. Excluding depreciation expense, operating expenses increased over the previous year by \$3 million or 7%. The non-operating expenses (interest expense) of the Water Works decreased by \$142,000 due to the declining principal balances on outstanding debt.

Excluding the Water Works, total operating expenses of all other enterprises funds increased 4% over 2008.

General Fund Budgetary Highlights

For the fiscal year ended December 31, 2009, the General Fund revenue budget exceeded actual revenues by \$2 million. Actual 2009 General Fund revenues also exceeded that of the prior year. General Fund actual revenues totaled \$560 million in 2009, a \$25 million (5%) increase over 2008. Property Taxes and Other Revenues increased by 10% and 55%, respectively. Noteworthy increases over 2008 actual revenue include a \$6 million increase in Other Revenue relating to the withdrawal of Employees' Retirement System funds to provide the required pension contribution and \$3 million (1/2 of total) in Vehicle Registration Fees received for various street maintenance expenses. Property Taxes increased nearly \$15 million due to a slight increase in the tax rate for City purposes of eight cents (from \$8.01 to \$8.09 per \$1,000 of Assessed Value). All other categories (Other Taxes, Licenses and permits, Intergovernmental, Charges for Services and Fines and forfeits) increased by over \$3 million or 0.9%. A major Other Revenue decrease was interest on investments, declining by \$3 million or 86%. The average interest earnings rate was 0.746% compared to 2.743% in 2008 with an increase in the average investable balance from \$218.2 million in 2008 to \$238.3 million in 2009.

The year 2009 also produced an unexpended budget surplus of \$18 million. The general government category contributed \$15 million; public safety had a surplus by \$2 million. Public works, health culture and recreation and conservation and development, in the aggregate, added nearly \$1 million. These savings included \$9.5 million from the wage supplement account due to delays in filling positions, two furlough days and savings on snow plowing operations due to the mild winter. In

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addition, savings of \$3.5 million was realized in the non-departmental account for departments' contingencies primarily earmarked for snow operations. The remaining savings of \$5 million was achieved with \$2 million from various Police operating accounts and \$3 million from all other operating accounts of various departments.

During 2009, the Common Council adopted four resolutions which increased the General Fund appropriations due to greater than anticipated revenues. These increased revenues provided departments an additional \$404,000 in appropriation authority.

The original budget for expenditures includes the adopted budget plus the encumbrances carried over from 2008 less the encumbrances carried over to 2010. The final budget includes the original budget as defined plus appropriations authorized for carryover from 2008 by the Common Council less those appropriations authorized for carryover to 2010. In addition, certain appropriations are budgeted in a general non-departmental account (i.e. contingency) and are only transferred from this account to specific departments during the year to expend after authorization by the Common Council. These appropriation adjustments are part of the final budget. As detailed in the Required Supplementary Information Section, Exhibit E-1 shows both the original 2009 General Fund expenditure budget of \$616 million and the final budget of \$625 million. This is a 4% increase over the final 2008 budget of \$600 million. The original General Fund revenue budget totaled \$563 million with the final budget increasing approximately \$99,000. This is a 5% increase over the final 2008 revenue budget of \$538 million.

The General Fund Schedule of Expenditures-Budget and Actual (Exhibit I-9) details current year expenditures by department.

The City's General Fund's beginning fund balance of \$73 million as reported on the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance differs from the General Fund's budgetary fund balance reported in the budgetary comparison schedule by the amount of the budgeted withdrawal from the Reserve for Tax Stabilization of \$22 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for governmental and business-type activities as of December 31, 2009 total \$1,725 million (net of accumulated depreciation). Capital assets include land, buildings, infrastructure, improvements other than buildings, machinery and equipment, furniture and furnishings, non-utility property, and construction in progress. The total increase in the City's capital assets for the current fiscal year was \$14 million or 0.8%. Governmental activities' capital assets decreased \$25 million or a 3% decrease from 2008. Business-type activities' capital assets increased \$40 million or 5% at the end of 2009. A schedule comparing the assets by type for 2008 and 2009 for both governmental and business-type activities is depicted in Table 5 below. The net change in assets as detailed in Note 4 reports that additions were \$79 million and deletions were \$104 million for 2009 for governmental activities. The Sewer Maintenance Fund had a net change in capital assets that resulted in an increase of \$31 million. Of the Sewer Maintenance Fund's net assets at year end, 99% relate to the sewer mains infrastructure. Infrastructure net assets of the Water Works Fund comprise 65% of its total net assets with 27% consisting of machinery and equipment. The total net change in all Water Works net assets was an increase of 3%.

Debt issued to finance tax incremental districts (TID) totals \$158 million outstanding at year end. The majority of these expenditures have no related assets for TID, so the net increase in TID debt reduces unrestricted net assets by an equal amount. In addition, debt issued for school purposes at year end was \$93 million. The Milwaukee Public Schools (MPS) is a separate governmental entity. By State Statute, MPS cannot issue its own debt. As a result, the City issues debt for school purposes. The City has the option of providing funds from its treasury or issue debt to finance school construction, operations and/or maintenance. The City chooses to issue debt. The MPS's assets are not an asset of the City and, as a result, capital expenditures for school purposes also reduce unrestricted net assets by an equal amount.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2009

Table 5
Capital Assets
 (net of depreciation)
(Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2009	2008	2009	2008	2009
Capital assets not being depreciated:						
Land	\$ 163,797	\$ 164,250	\$ 18,167	\$ 18,167	\$ 181,964	\$ 182,417
Construction in progress	123,768	40,839	61,966	18,095	185,734	58,934
Capital assets being depreciated:.....						
Buildings	194,782	257,076	85,421	89,407	280,203	346,483
Infrastructure	1,355,649	1,377,383	713,333	802,717	2,068,982	2,180,100
Improvements other than buildings	11,573	11,687	7,717	7,717	19,290	19,404
Machinery and equipment	162,573	164,265	212,266	215,306	374,839	379,571
Nonutility property	-	-	5,509	5,509	5,509	5,509
Accumulated depreciation	<u>(1,056,667)</u>	<u>(1,085,505)</u>	<u>(348,781)</u>	<u>(361,726)</u>	<u>(1,405,448)</u>	<u>(1,447,231)</u>
 Total	 <u>\$ 955,475</u>	 <u>\$ 929,995</u>	 <u>\$ 755,598</u>	 <u>\$ 795,192</u>	 <u>\$ 1,711,073</u>	 <u>\$ 1,725,187</u>

Debt

At year-end, the City had \$780 million in general obligation bonds and notes, \$48 million in State loans, and \$58 million in revenue bonds outstanding as itemized in Table 6.

New debt (excluding refunding bonds) issued for general obligation bonds and notes totaled \$234 million, of which \$6 million related to Water Works, Sewer Maintenance, and Parking Enterprises.

The City continues to maintain high investment grade ratings from the three major rating agencies. A rating of AA+ from Fitch Ratings, AA from Standard and Poor's Corporation, and Aa2 from Moody's Investors Service, Inc, were received on the City's February 2009 general obligation bond issues.

The City's gross general obligation debt per capita, excluding enterprise fund debt, was \$1,127 at the end of 2008 and \$1,155 at the end of 2009; an 8.6% increase from the prior year. As of December 31, 2009, the City's outstanding net general obligation debt for governmental activities was 2.09% of the City's total taxable value of property. (Statistical Section - Table 9) The legal debt limit is 7% of equalized property value, including Milwaukee Public Schools debt, which also is issued by the City. Excluding the 2% limit on School debt, the City has a 5% legal debt limit and has reached about 43.3% of this limit. The City issues general obligation notes to purchase a portion of General Fund delinquent taxes. During 2009, notes were issued in the amount of approximately \$24.7 million. Collections on these taxes and related interest will be used to meet the related debt service requirements.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2009

Table 6
Outstanding Debt
General Obligation and Revenue Bonds
(Thousand of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2009	2008	2009	2008	2009
General obligation bonds and notes (backed by the City)	\$ 725,670	\$ 742,752	\$ 34,970	\$ 36,803	\$ 760,640	\$ 779,555
State loans	-	-	49,653	48,002	49,653	48,002
Revenue bonds (backed by specific fee revenues)	-	-	61,170	57,515	61,170	57,515
Total	\$ 725,670	\$ 742,752	\$ 145,793	\$ 142,320	\$ 871,463	\$ 885,072

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND TAX RATE

The average unemployment rate within the city of Milwaukee for 2009 is 11%, three percentage points above that of 2008. City of Milwaukee per capita income for the most recent fiscal year available (2008) was \$36,880 - a 2.4% increase from 2007. The City's population over the last five years is depicted in the table below. This data is estimated from the Wisconsin Department of Revenue used in the distribution of State Shared Taxes and differs from the U.S. Census Bureau.

2005	592,765
2006	590,370
2007	590,190
2008	590,870
2009	584,000

The 2010 adopted City Budget is about \$1.4 billion with a General Fund budget of \$684 million. The General Fund budget increased 3% over the 2008 budget of \$667 million. In 2010, the City will expend \$120 million for health insurance and related costs compared to \$115 million budgeted for 2009, an increase of 4%. A major decrease from 2009 is the cost of salaries and wages. Recent and pending labor contract settlements and related constraints on cost of living rate increases, direct salaries, vacation pay, holiday pay and other salary constraints worked to reduce City personnel budgets for 2010. This decrease totals \$42 million below 2009 or a minus 9%. Estimated Full-time Equivalent (FTE) employment for all General Fund departments decreased by 361 FTE with the Police Department and the Fire Department showing a decrease of 177 and 64 FTE, respectively. The Department of Public Works decreased by 65 FTE's for 2010. The City reached agreements with its largest labor union (District Council (DC) 48) holding wage rates for 2010 and 2011 at 2009 levels, with progression steps not awarded. Also, the City increased mandatory furloughs to four furlough days for both 2010 and 2011.

Total property taxes levied for all funds of the City in 2009 for 2010 purposes increased \$.80 per thousand dollars of assessed valuation to a rate of \$8.89. The 2008 for 2009 rate increased \$.08 (from \$8.01 to \$8.09).

The total City property tax levy increased from \$237 million for 2009 to \$247 million for 2010 (+4%). The property tax levy will provide \$90 million for general City purposes in 2010. This represents a decrease of \$34 million from 2009 or -27%. The 2010 General City Purpose budget includes \$96 million in estimated revenue for City charges for services rendered, an increase of \$9 million. A City Solid Waste Fee is the largest revenue source in this category and is expected to generate \$32 million for 2010. This fee represents 34% of the total charges for services in the 2010 budget. The Street Sweeping and Leaf Collection Fee is expected to generate \$12 million for 2010 (+21%) This Fee now comprises 13% of the total charges for services for 2010 compared to 12% in 2009.

Estimated General City Purposes intergovernmental revenues, primarily from the State of Wisconsin, are projected to total \$271 million; a slight decrease of \$1 million from 2009.

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009

Revenue increases were also implemented in City enterprise funds for 2010 including the following: the Sewer Maintenance Fee was raised from \$86 to \$95, and the Storm Water Fee increased from \$47 to \$56. To offset the costs of certain service levels in the 2010 budget, the Council also raised the Overnight Parking Permit Fee from \$44 to \$55 per year.

The City remains in sound financial condition, as demonstrated by the financial statements and schedules included in this report. The General Fund Reserve for Tax Stabilization remained stable at \$42 million for both 12/31/08 and 12/31/09. Moreover, that portion of the Reserve for Tax Stabilization available for future years increased from \$20 million at year-end 2008 to \$29 million at year-end 2009 (+45%). With expected continuing limitations on State Shared Revenue, growing health care and post employment costs and other fiscal pressures, the City is taking action to restrain spending and increase revenues in 2010.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with an overview of the City's finances and to demonstrate the City's accountability for the taxes and other funding received. If you have questions about this report or need additional financial information, contact the City of Milwaukee, Office of the City Comptroller, Office, City Hall, 200 East Wells Street Room 404, Milwaukee, WI 53202.

**BASIC
FINANCIAL
STATEMENTS**

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

CITY OF MILWAUKEE
STATEMENT OF NET ASSETS
December 31, 2009
(Thousands of Dollars)

Exhibit 1

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 238,763	\$ 38,743	\$ 277,506	\$ 55,778
Investments	2,855	-	2,855	10,347
Receivables (net):				
Taxes	214,885	-	214,885	2,837
Accounts	27,981	42,774	70,755	-
Unbilled accounts	1,225	15,060	16,285	-
Special assessments	12,889	-	12,889	-
Notes and loans	65,554	-	65,554	89,124
Accrued interest	215	113	328	4,443
Due from component units	18,295	-	18,295	-
Due from primary government	-	-	-	410
Due from other governmental agencies	247,078	-	247,078	19,412
Inventory of materials and supplies	7,075	2,616	9,691	-
Inventory of property for resale	26	-	26	8,225
Prepaid items	254	40	294	926
Deferred charges	2,043	370	2,413	1,056
Other assets	-	254	254	451
 Total Noncapital Assets	 839,138	 99,970	 939,108	 193,009
Capital assets:				
Capital assets not being depreciated:				
Land	164,250	18,167	182,417	56,526
Construction in progress	40,839	18,095	58,934	3,179
Capital assets being depreciated:				
Buildings	257,076	89,407	346,483	488,043
Infrastructure	1,377,383	802,717	2,180,100	789
Improvements other than buildings	11,687	7,717	19,404	1,725
Machinery and equipment	164,265	215,306	379,571	3,509
Nonutility property	-	5,509	5,509	-
Accumulated depreciation	(1,085,505)	(361,726)	(1,447,231)	(244,430)
 Total Capital Assets	 929,995	 795,192	 1,725,187	 309,341
 Total Assets	 1,769,133	 895,162	 2,664,295	 502,350

Exhibit 1 (Continued)

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CITY OF MILWAUKEE
STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2009
 (Thousands of Dollars)

Exhibit 2

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 207,504	\$ 9,011	\$ 2,825	\$ -
Public safety	331,409	16,649	14,475	-
Public works	167,983	62,553	4,025	-
Health	22,995	1,078	11,421	-
Culture and recreation	22,901	1,482	2,325	-
Conservation and development	50,683	284	17,323	-
Capital contribution to Milwaukee Public				
Schools	5,153	-	-	-
Contributions	21,026	-	21,300	-
Interest on long-term debt	23,985	-	-	-
Total Governmental Activities	853,639	91,057	73,694	-
Business-type Activities:				
Water	67,946	73,132	-	3,353
Sewer Maintenance	34,847	48,199	-	14,975
Parking	24,659	42,245	-	-
Port of Milwaukee	3,811	5,212	-	346
Metropolitan Sewerage District				
User Charges	44,545	44,244	-	-
Total Business-type Activities	175,808	213,032	-	18,674
Total Primary Government	\$ 1,029,447	\$ 304,089	\$ 73,694	\$ 18,674
Component units:				
Housing Authority	\$ 92,230	\$ 20,366	\$ 50,727	\$ 13,677
Redevelopment Authority	18,131	5,497	5,543	4,140
Milwaukee Economic Development Authority	3,601	3,340	906	-
Neighborhood Improvement Development Corporation				
Corporation	1,783	888	372	-
Total Component Units	\$ 115,745	\$ 30,091	\$ 57,548	\$ 17,817

General revenues:

Property taxes and other taxes	
State aids for General Fund	
Miscellaneous	
Transfers	
Total General Revenues and Transfers	

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (195,668)		\$ (195,668)	
(300,285)		(300,285)	
(101,405)		(101,405)	
(10,496)		(10,496)	
(19,094)		(19,094)	
(33,076)		(33,076)	
(5,153)		(5,153)	
274		274	
(23,985)		(23,985)	
<u>(688,888)</u>		<u>(688,888)</u>	
-	\$ 8,539	8,539	
-	28,327	28,327	
-	17,586	17,586	
-	1,747	1,747	
-	(301)	(301)	
-	55,898	55,898	
<u>(688,888)</u>	<u>55,898</u>	<u>(632,990)</u>	
			\$ (7,460)
			(2,951)
			645
			<u>(523)</u>
			<u>(10,289)</u>
270,191	-	270,191	-
272,337	-	272,337	-
47,217	120	47,337	4,371
40,111	(40,111)	-	-
<u>629,856</u>	<u>(39,991)</u>	<u>589,865</u>	<u>4,371</u>
(59,032)	15,907	(43,125)	(5,918)
<u>307,155</u>	<u>665,122</u>	<u>972,277</u>	<u>313,848</u>
<u>\$ 248,123</u>	<u>\$ 681,029</u>	<u>\$ 929,152</u>	<u>\$ 307,930</u>

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**FUND
FINANCIAL
STATEMENTS**

CITY OF MILWAUKEE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit A-1

	General
ASSETS	
Assets:	
Cash and cash equivalents	\$ 46,884
Investments	141
Receivables (net):	
Taxes	141,577
Accounts	25,712
Unbilled accounts	1,225
Special assessments	-
Notes and loans	37
Accrued interest	145
Due from other funds	76,750
Due from component units	1,538
Due from other governmental agencies	441
Advances to other funds	12,036
Inventory of materials and supplies	6,801
Inventory of property for resale	26
Prepaid items	254
Total Assets	<u>\$ 313,567</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 21,345
Accrued expenses	32,183
Due to other funds	1,891
Due to component units	1
Due to other governmental agencies	-
Deferred revenue	186,791
Revenue anticipation notes payable	-
Advances from other funds	-
Total Liabilities	<u>242,211</u>
Fund Balances:	
Reserved for debt service	-
Reserved for delinquent taxes receivable	-
Reserved for economic development	-
Reserved for encumbrances, prepaids, and carryovers	21,919
Reserved for inventory	6,827
Reserved for mortgage trust	141
Reserved for environmental remediation	303
Reserved for tax stabilization - 2010	13,070
Reserved for tax stabilization - 2011 and subsequent years' budgets and advances to other funds	29,096
Unreserved:	
Undesignated	-
Special assessment (deficit)	-
Total Fund Balances	<u>71,356</u>
Total Liabilities and Fund Balances	<u>\$ 313,567</u>

The notes to the financial statements are an integral part of this statement.

General Obligation Debt Service	Public Debt Amortization	Capital Projects	Nonmajor Governmental Funds	Total
\$ 124,411	\$ 44,229	\$ 4,361	\$ 18,878	\$ 238,763
-	2,714	-	-	2,855
57,126	-	2,795	13,387	214,885
-	-	2,054	215	27,981
-	-	-	-	1,225
-	-	12,889	-	12,889
24,752	21,245	-	19,520	65,554
17	53	-	-	215
-	-	-	714	77,464
16,562	-	138	57	18,295
228,000	-	6,042	12,595	247,078
-	-	-	-	12,036
-	-	274	-	7,075
-	-	-	-	26
-	-	-	-	254
<u>\$ 450,868</u>	<u>\$ 68,241</u>	<u>\$ 28,553</u>	<u>\$ 65,366</u>	<u>\$ 926,595</u>
\$ 8	\$ -	\$ 8,366	\$ 5,246	\$ 34,965
6	-	295	280	32,764
3,269	-	21,509	7,305	33,974
-	-	262	147	410
-	-	-	355	355
138,805	-	22,570	9,749	357,915
228,000	-	-	-	228,000
-	-	12,036	-	12,036
<u>370,088</u>	<u>-</u>	<u>65,038</u>	<u>23,082</u>	<u>700,419</u>
80,780	68,241	-	14,849	163,870
-	-	-	10,830	10,830
-	-	-	829	829
-	-	2,017	-	23,936
-	-	274	-	7,101
-	-	-	-	141
-	-	-	-	303
-	-	-	-	13,070
-	-	-	-	29,096
-	-	(27,929)	15,776	(12,153)
-	-	(10,847)	-	(10,847)
<u>80,780</u>	<u>68,241</u>	<u>(36,485)</u>	<u>42,284</u>	<u>226,176</u>
<u>\$ 450,868</u>	<u>\$ 68,241</u>	<u>\$ 28,553</u>	<u>\$ 65,366</u>	<u>\$ 926,595</u>

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CITY OF MILWAUKEE
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS**
 DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit A-2

Fund balances - total governmental funds \$ 226,176

Amounts reported for governmental activities in the statement of net assets (Exhibit A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$	164,250	
Buildings, net of \$72,025 accumulated depreciation		185,051	
Infrastructure, net of \$911,616 accumulated depreciation		465,767	
Improvements other than buildings, net of \$7,731 accumulated depreciation		3,956	
Machinery and equipment, net of \$94,133 accumulated depreciation		70,132	
Construction in progress		<u>40,839</u>	
			929,995

Deferred charges for debt issuance costs are not available to pay for current-period expenditures and therefore are deferred in the funds. 2,043

Some revenues are deferred in the funds because they are not available to pay current period's expenditures.

Taxes to be collected after year-end	10,539		
Special assessments to be collected after year-end	11,627		
Other revenues to be collected after year-end	1,213		
Notes and loans receivable to repay long-term bonds and notes	<u>24,752</u>		
			48,131

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets.

Accrued interest payable	(10,064)		
Bonds and notes payable	(742,752)		
Deferred amount on refunding	4,000		
Unamortized premiums	(23,839)		
Compensated absences	(38,904)		
Net other postemployment benefits obligation	(122,944)		
Claims and judgments	<u>(23,719)</u>		
			<u>(958,222)</u>

Total net assets of governmental activities (Exhibit 1) **\$ 248,123**

CITY OF MILWAUKEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009
 (Thousands of Dollars)

Exhibit A-3

	General
Revenues:	
Property taxes	\$ 156,410
Other taxes	3,504
Special assessments	-
Licenses and permits	12,186
Intergovernmental	272,337
Charges for services	91,057
Fines and forfeits	4,802
Contributions received	21,300
Other	19,967
Total Revenues	<u>581,563</u>
Expenditures:	
Current:	
General government	222,809
Public safety	276,060
Public works	97,093
Health	10,446
Culture and recreation	17,329
Conservation and development	4,230
Capital outlay	-
Debt Service:	
Principal retirement	-
Interest	-
Bond issuance costs	-
Total Expenditures	<u>627,967</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(46,404)</u>
Other Financing Sources (Uses):	
General obligation bonds and notes issued	119,000
Proceeds current refunding	-
Payment current refunding	-
Loans receivable activities	-
Issuance premium	-
Transfers in	43,834
Transfers out	<u>(118,081)</u>
Total Other Financing Sources and Uses	<u>44,753</u>
Net Change in Fund Balances	(1,651)
Fund Balances - Beginning	<u>73,007</u>
Fund Balances - Ending	<u>\$ 71,356</u>

The notes to the financial statements are an integral part of this statement.

General Obligation Debt Service	Public Debt Amortization	Capital Projects	Nonmajor Governmental Funds	Total
\$ 70,606	\$ -	\$ 6,506	\$ 5,310	\$ 238,832
23,879	2,908	-	-	30,291
-	-	2,418	-	2,418
-	-	-	-	12,186
1,202	-	4,641	53,958	332,138
2,441	-	-	-	93,498
-	-	-	-	4,802
-	-	-	-	21,300
4,938	1,992	3,667	10,118	40,682
<u>103,066</u>	<u>4,900</u>	<u>17,232</u>	<u>69,386</u>	<u>776,147</u>
315	3	-	4,198	227,325
-	-	-	14,475	290,535
-	-	-	4,025	101,118
-	-	-	11,421	21,867
-	-	-	2,325	19,654
-	-	-	24,068	28,298
-	-	98,003	-	98,003
205,228	-	-	-	205,228
31,941	-	-	-	31,941
463	-	-	-	463
<u>237,947</u>	<u>3</u>	<u>98,003</u>	<u>60,512</u>	<u>1,024,432</u>
<u>(134,881)</u>	<u>4,897</u>	<u>(80,771)</u>	<u>8,874</u>	<u>(248,285)</u>
-	-	83,845	24,680	227,525
66,585	-	-	-	66,585
(71,800)	-	-	-	(71,800)
-	-	-	(250)	(250)
9,437	-	-	-	9,437
149,201	3,695	200	-	196,930
<u>(9,002)</u>	<u>(200)</u>	<u>(2,408)</u>	<u>(27,128)</u>	<u>(156,819)</u>
<u>144,421</u>	<u>3,495</u>	<u>81,637</u>	<u>(2,698)</u>	<u>271,608</u>
9,540	8,392	866	6,176	23,323
<u>71,240</u>	<u>59,849</u>	<u>(37,351)</u>	<u>36,108</u>	<u>202,853</u>
<u>\$ 80,780</u>	<u>\$ 68,241</u>	<u>\$ (36,485)</u>	<u>\$ 42,284</u>	<u>\$ 226,176</u>

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CITY OF MILWAUKEE
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
FOR THE YEAR ENDED DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit A-4

Net change in fund balances - total governmental funds (Exhibit A-3)		\$ 23,323
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$33,775) exceeded depreciation expense (\$47,702) in the current period less loss on disposals (\$11,553)		
		(25,480)
Notes and loans receivable to repay long-term bonds and notes		10,897
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenue in the funds.		
Taxes accrued in prior years	\$ 1,068	
Special assessments deferred revenue beginning of the year \$12,922 less deferred at end of the year \$11,627	(1,295)	
Other revenues deferred at year end	<u>1,213</u>	
		986
The issuance of long-term debt (bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued:		
Bonds and notes issued	(294,110)	
Issuance premiums	(9,437)	
Issuance costs	463	
Repayments:		
Principal retirement	277,028	
Amortization:		
Premiums	8,480	
Issuance costs	(470)	
Deferred amount on refunding	<u>(1,197)</u>	
		(19,243)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather as it accrues. The adjustment combines the net changes of the following balances.		
Compensated absences	(7,696)	
Net other postemployment benefits obligation	(47,239)	
Claims and judgments	4,747	
Accrued interest on bonds and notes	<u>673</u>	
		(49,515)
Changes in net assets of governmental activities (Exhibit 2)		<u><u>\$ (59,032)</u></u>

The notes to the financial statements are an integral part of this reconciliation.

CITY OF MILWAUKEE
STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
 DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit B-1

	Water Works	Sewer Maintenance	Parking	Nonmajor Enterprise Funds	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 6,565	\$ -	\$ 21,019	\$ -	\$ 27,584
Restricted cash and cash equivalents	667	1,823	-	-	2,490
Receivables (net):					
Accounts	14,092	14,675	718	13,289	42,774
Unbilled accounts	9,882	2,283	-	2,895	15,060
Accrued interest	4	109	-	-	113
Due from other funds	4,446	719	-	1,074	6,239
Due from other governmental agencies	-	-	-	-	-
Inventory of materials and supplies	2,616	-	-	-	2,616
Prepaid items	40	-	-	-	40
Deferred charges	-	370	-	-	370
Other assets	254	-	-	-	254
Total Current Assets	<u>38,566</u>	<u>19,979</u>	<u>21,737</u>	<u>17,258</u>	<u>97,540</u>
Noncurrent assets:					
Restricted cash and cash equivalents	-	8,669	-	-	8,669
Capital assets:					
Capital assets not being depreciated:					
Land	1,936	-	8,440	7,791	18,167
Construction in progress	15,635	16	2,435	9	18,095
Capital assets being depreciated:					
Buildings	24,135	-	51,788	13,484	89,407
Infrastructure	338,510	448,298	-	15,909	802,717
Improvements other than buildings	-	-	5,429	2,288	7,717
Machinery and equipment	202,027	4,419	4,068	4,792	215,306
Nonutility property	5,509	-	-	-	5,509
Accumulated depreciation	(193,770)	(111,415)	(34,793)	(21,748)	(361,726)
Net Capital Assets	<u>393,982</u>	<u>341,318</u>	<u>37,367</u>	<u>22,525</u>	<u>795,192</u>
Total Noncurrent Assets	<u>393,982</u>	<u>349,987</u>	<u>37,367</u>	<u>22,525</u>	<u>803,861</u>
Total Assets	<u>432,548</u>	<u>369,966</u>	<u>59,104</u>	<u>39,783</u>	<u>901,401</u>

Exhibit B-1 (Continued)

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CITY OF MILWAUKEE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009
 (Thousands of Dollars)

Exhibit B-2

	Water Works	Sewer Maintenance	Parking	Nonmajor Enterprise Funds	Total
Operating Revenues:					
Charges for Services:					
Water sales	\$ 59,051	\$ -	\$ -	\$ -	\$ 59,051
Statutory sewer user fee	-	-	-	42,878	42,878
Sewer maintenance fee	-	48,199	-	-	48,199
Rent	-	-	7,574	5,106	12,680
Fire protection service	6,421	-	-	-	6,421
Parking meters	-	-	4,653	-	4,653
Parking permits	-	-	3,165	-	3,165
Vehicle towing	-	-	5,471	-	5,471
Parking forfeitures	-	-	20,879	-	20,879
Other	7,597	-	3	1,366	8,966
Total Operating Revenues	<u>73,069</u>	<u>48,199</u>	<u>41,745</u>	<u>49,350</u>	<u>212,363</u>
Operating Expenses:					
Milwaukee Metropolitan Sewerage District charges ..	-	-	-	39,666	39,666
Employee services	-	8,522	7,857	1,901	18,280
Administrative and general	6,054	-	-	55	6,109
Depreciation	13,328	4,759	2,533	936	21,556
Transmission and distribution	22,483	-	-	3,450	25,933
Services, supplies, and materials	-	7,916	13,713	928	22,557
Water treatment	14,339	-	-	-	14,339
Water pumping	7,884	-	-	-	7,884
Billing and collection	2,819	-	-	1,274	4,093
Total Operating Expenses	<u>66,907</u>	<u>21,197</u>	<u>24,103</u>	<u>48,210</u>	<u>160,417</u>
Operating Income	<u>6,162</u>	<u>27,002</u>	<u>17,642</u>	<u>1,140</u>	<u>51,946</u>
Nonoperating Revenues (Expenses):					
Investment income	88	32	-	-	120
Grant Revenue	-	14,632	-	-	14,632
Interest expense	(1,039)	(3,552)	(556)	(146)	(5,293)
Gain (Loss) on disposal of fixed assets	-	-	-	-	-
Other	63	(10,098)	500	106	(9,429)
Total Nonoperating Revenues (Expenses)	<u>(888)</u>	<u>1,014</u>	<u>(56)</u>	<u>(40)</u>	<u>30</u>
Income before Contributions and Transfers.....	5,274	28,016	17,586	1,100	51,976
Capital contributions	3,353	343	-	346	4,042
Transfers in	-	-	-	670	670
Transfers out	<u>(9,440)</u>	<u>(9,300)</u>	<u>(19,940)</u>	<u>(2,101)</u>	<u>(40,781)</u>
Change in Net Assets	(813)	19,059	(2,354)	15	15,907
Total Net Assets - Beginning	<u>389,812</u>	<u>213,211</u>	<u>47,222</u>	<u>14,877</u>	<u>665,122</u>
Total Net Assets - Ending	<u>\$ 388,999</u>	<u>\$ 232,270</u>	<u>\$ 44,868</u>	<u>\$ 14,892</u>	<u>\$ 681,029</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MILWAUKEE
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit B-3

	Water Works	Sewer Maintenance	Parking	Nonmajor Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 67,381	\$ 45,406	\$ 41,005	\$ 48,808	\$ 202,600
Receipts from interfund services provided	5,408	-	-	-	5,408
Payments to suppliers	(22,063)	(7,244)	(13,902)	(45,001)	(88,210)
Payments to employees	(24,860)	(8,102)	(7,623)	(1,844)	(42,429)
Payments from other funds	-	15,078	-	1,714	16,792
Payments to other funds	(4,604)	-	-	(2,285)	(6,889)
Net Cash Provided by Operating Activities.....	<u>21,262</u>	<u>45,138</u>	<u>19,480</u>	<u>1,392</u>	<u>87,272</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Miscellaneous nonoperating revenue	63	14,632	-	-	14,695
Other nonoperating expenses	-	(10,098)	-	-	(10,098)
Transfers from other funds	-	-	-	670	670
Transfers to other funds	(9,440)	(9,300)	(19,940)	(2,101)	(40,781)
Net Cash Used for Noncapital Financing Activities	<u>(9,377)</u>	<u>(4,766)</u>	<u>(19,940)</u>	<u>(1,431)</u>	<u>(35,514)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital contributions	-	-	-	1,346	1,346
Proceeds from sale of bonds and notes	225	3,863	2,595	-	6,683
Acquisition of property, plant, and equipment	(20,530)	(35,196)	(1,314)	(642)	(57,682)
Retirement of bonds, notes, and revenue bonds	(2,905)	(5,020)	(1,722)	(508)	(10,155)
Interest paid	(1,114)	(3,734)	(571)	(157)	(5,576)
Other	-	-	500	-	500
Net Cash Used for Capital and Related Financing Activities	<u>(24,324)</u>	<u>(40,087)</u>	<u>(512)</u>	<u>39</u>	<u>(64,884)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	<u>119</u>	<u>(73)</u>	<u>-</u>	<u>-</u>	<u>46</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(12,320)	212	(972)	-	(13,080)
Cash and Cash Equivalents - Beginning	<u>19,552</u>	<u>10,280</u>	<u>21,991</u>	<u>-</u>	<u>51,823</u>
Cash and Cash Equivalents - Ending	<u>\$ 7,232</u>	<u>\$ 10,492</u>	<u>\$ 21,019</u>	<u>\$ -</u>	<u>\$ 38,743</u>

CITY OF MILWAUKEE
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit B-3 (Continued)

	Water Works	Sewer Maintenance	Parking	Nonmajor Enterprise Funds	Total
Cash and Cash Equivalents at Year-End Consist of:					
Unrestricted Cash	\$ 6,565	\$ -	\$ 21,019	\$ -	\$ 27,584
Restricted Cash	667	10,492	-	-	11,159
	<u>\$ 7,232</u>	<u>\$ 10,492</u>	<u>\$ 21,019</u>	<u>\$ -</u>	<u>\$ 38,743</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income	\$ 6,162	\$ 27,002	\$ 17,642	\$ 1,140	\$ 51,946
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	13,328	4,759	2,533	936	21,556
Changes in assets and liabilities:					
Receivables	(703)	(2,611)	(714)	(615)	(4,643)
Due from other funds	1,370	(182)	-	(540)	648
Due from other governmental agencies	-	-	-	73	73
Inventories	(285)	-	-	-	(285)
Prepaid items	408	-	-	-	408
Other assets	31	-	-	-	31
Accounts payable	519	672	(188)	371	1,374
Accrued liabilities	(387)	96	(3)	2	(292)
Net other postemployment benefits obligation	819	324	236	56	1,435
Due to other funds	-	15,078	-	(31)	15,047
Deferred revenue	-	-	(26)	-	(26)
Net Cash Provided by Operating Activities	<u>\$ 21,262</u>	<u>\$ 45,138</u>	<u>\$ 19,480</u>	<u>\$ 1,392</u>	<u>\$ 87,272</u>

Non-cash Activities:

During the year, water mains and related property, installed by others were deeded to the Water Works in the amount of \$3.4 million.

During the year, the Sewer Maintenance Fund removed infrastructure assets costing \$64,608 with a net value of \$0, and, received donated assets in the amount of \$342,482.

The notes to the financial statements are an integral part of this statement.

Exhibit C-1

The notes to the financial statements are an integral part of this statement.

CITY OF MILWAUKEE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009
 (Thousands of Dollars)

Exhibit C-2

	Pension and Other Employee Benefit Trusts	Private- Purpose Trusts
Additions		
Contributions:		
Plan members	\$ 1,331	\$ -
Private donations	-	2,564
Total Contributions	<u>1,331</u>	<u>2,564</u>
Investment earnings:		
Net appreciation in fair value of investments, dividends and interest	-	6
Total Additions	<u>1,331</u>	<u>2,570</u>
Deductions		
Benefits	1,280	-
Fees remitted from Trust	-	2,084
Other	-	1,401
Total Deductions	<u>1,280</u>	<u>3,485</u>
Change in Net Assets	51	(915)
Net Assets - Beginning	<u>351</u>	<u>5,950</u>
Net Assets - Ending	<u>\$ 402</u>	<u>\$ 5,035</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MILWAUKEE
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit D-1

	Housing Authority	Redevelopment Authority	Milwaukee Economic Development Corporation	Neighborhood Improvement Development Corporation	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 28,001	\$ 17,204	\$ 8,872	\$ 1,701	\$ 55,778
Investments	3,247	6,800	-	300	10,347
Receivables (net):					
Accounts	2,465	229	55	88	2,837
Notes and loans	33,264	19,247	36,261	352	89,124
Accrued interest	4,042	121	152	128	4,443
Due from primary government	-	382	28	-	410
Due from other governmental agencies	1,933	962	16,517	-	19,412
Inventory of property for resale	-	4,811	1,594	1,820	8,225
Prepaid items	878	48	-	-	926
Deferred charges	236	820	-	-	1,056
Other assets	<u>372</u>	<u>-</u>	<u>79</u>	<u>-</u>	<u>451</u>
Total Noncapital Assets	<u>74,438</u>	<u>50,624</u>	<u>63,558</u>	<u>4,389</u>	<u>193,009</u>
Capital assets:					
Capital assets not being depreciated:					
Land and land improvements	39,898	16,628	-	-	56,526
Construction in progress	3,179	-	-	-	3,179
Capital assets being depreciated:					
Buildings	394,102	93,941	-	-	488,043
Infrastructure	-	789	-	-	789
Improvements other than buildings	882	843	-	-	1,725
Machinery and equipment	3,311	-	198	-	3,509
Accumulated depreciation	<u>(236,076)</u>	<u>(8,201)</u>	<u>(153)</u>	<u>-</u>	<u>(244,430)</u>
Total Capital Assets, Net of Depreciation	<u>205,296</u>	<u>104,000</u>	<u>45</u>	<u>-</u>	<u>309,341</u>
Total Assets	<u>279,734</u>	<u>154,624</u>	<u>63,603</u>	<u>4,389</u>	<u>502,350</u>

CITY OF MILWAUKEE
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit D-1 (Continued)

	Housing Authority	Redevelopment Authority	Milwaukee Economic Development Corporation	Neighborhood Improvement Development Corporation	Total
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 5,669	\$ 3,185	\$ 2,226	\$ 19	\$ 11,099
Accrued expenses	4,879	8,224	-	-	13,103
Due to other governmental agencies	1,150	1,289	3	-	2,442
Deferred revenue	3,074	667	-	333	4,074
Other liabilities	<u>3,004</u>	<u>3,238</u>	<u>849</u>	<u>209</u>	<u>7,300</u>
Total Current Liabilities	<u>17,776</u>	<u>16,603</u>	<u>3,078</u>	<u>561</u>	<u>38,018</u>
Due to primary government:					
Due within one year	1,323	-	31	54	1,408
Due in more than one year	<u>-</u>	<u>15,436</u>	<u>1,451</u>	<u>-</u>	<u>16,887</u>
Total Due to Primary Government	<u>1,323</u>	<u>15,436</u>	<u>1,482</u>	<u>54</u>	<u>18,295</u>
Long-term obligations:					
Due within one year	4,494	-	-	-	4,494
Due in more than one year	<u>45,245</u>	<u>84,178</u>	<u>4,190</u>	<u>-</u>	<u>133,613</u>
Total Noncurrent Liabilities	<u>49,739</u>	<u>84,178</u>	<u>4,190</u>	<u>-</u>	<u>138,107</u>
Total Liabilities	<u>68,838</u>	<u>116,217</u>	<u>8,750</u>	<u>615</u>	<u>194,420</u>
NET ASSETS:					
Invested in capital assets, net of related debt	158,013	29,769	-	-	187,782
Restricted	5,099	4,395	8,095	1,052	18,641
Unrestricted	<u>47,784</u>	<u>4,243</u>	<u>46,758</u>	<u>2,722</u>	<u>101,507</u>
Total Net Assets	<u>\$ 210,896</u>	<u>\$ 38,407</u>	<u>\$ 54,853</u>	<u>\$ 3,774</u>	<u>\$ 307,930</u>

The notes to the financial statements are an integral part of this statement.

CITY OF MILWAUKEE
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit D-2

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Housing Authority				
Low income housing	\$ 92,230	\$ 20,366	\$ 50,727	\$ 13,677
Redevelopment Authority				
Prevention and elimination of blight	18,131	5,497	5,543	4,140
Milwaukee Economic Development Corporation				
Increase employment and expansion of business ..	3,601	3,340	906	-
Neighborhood Improvement Development Corp.				
Housing improvements	<u>1,783</u>	<u>888</u>	<u>372</u>	<u>-</u>
Total Component Units	<u>\$115,745</u>	<u>\$ 30,091</u>	<u>\$ 57,548</u>	<u>\$ 17,817</u>

General revenues:

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets - Beginning.....

Net Assets - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets				
Housing Authority	Redevelopment Authority	Milwaukee Economic Development Corporation	Neighborhood Improvement Development Corporation	Total
\$ (7,460)	\$ -	\$ -	\$ -	\$ (7,460)
-	(2,951)	-	-	(2,951)
-	-	645	-	645
<u>-</u>	<u>-</u>	<u>-</u>	<u>(523)</u>	<u>(523)</u>
<u>(7,460)</u>	<u>(2,951)</u>	<u>645</u>	<u>(523)</u>	<u>(10,289)</u>
<u>3,252</u>	<u>385</u>	<u>717</u>	<u>17</u>	<u>4,371</u>
<u>3,252</u>	<u>385</u>	<u>717</u>	<u>17</u>	<u>4,371</u>
(4,208)	(2,566)	1,362	(506)	(5,918)
<u>215,104</u>	<u>40,973</u>	<u>53,491</u>	<u>4,280</u>	<u>313,848</u>
<u>\$ 210,896</u>	<u>\$ 38,407</u>	<u>\$ 54,853</u>	<u>\$ 3,774</u>	<u>\$307,930</u>

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**NOTES
TO THE
FINANCIAL
STATEMENTS**

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements have been prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. Reporting Entity

The City of Milwaukee (the "City") was incorporated on January 31, 1846, and operates under a Council-Mayor form of government. These financial statements present the City (the primary government) and other organizations, including component units, for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The component units discussed below are legally separate organizations for which the elected officials of the City are accountable. The City is considered financially accountable if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization, or there is a potential for the organization to provide specific financial benefits to or burdens on the City. The City may be financially accountable if an organization is fiscally dependent on the primary government.

Discretely Presented Component Units

The component units columns in the government-wide financial statements includes the financial data of the City's component units. They are reported in a separate column to emphasize that they are legally separate from the City. The City has the following discretely presented component units:

Housing Authority - This entity is used to account for the Federal and State grants relating primarily to low-income housing and rental assistance programs. The entire governing board is appointed by the Mayor of the City. The daily operations of the Housing Authority of the City of Milwaukee (HACM) are managed by City employees.

Redevelopment Authority - The Redevelopment Authority of the City of Milwaukee (RACM) is responsible for activities related to the prevention and elimination of blighted conditions in the City. The City appoints all members of the Board and approves the budget.

Milwaukee Economic Development Corporation - The Milwaukee Economic Development Corporation (MEDC) is a non-profit organization formed to promote economic development within the City. The principal objective of the corporation is to benefit the community by fostering increased employment through expansion of business and industry within the metropolitan Milwaukee area. MEDC's primary source of funds is interest on loans originally granted through the City.

Neighborhood Improvement Development Corporation - The Neighborhood Improvement Development Corporation (NIDC) is a nonprofit organization established to promote reinvestment in both housing and commercial structures within the City. NIDC programs encourage private lending institutions and property owners to make improvements to the community's homes and businesses. Corporate officers of NIDC are provided by the City and daily operations are managed by City employees.

Financial statements of the individual component units can be obtained from their respective administrative offices. Addresses of the component units are as follows: HACM, 809 North Broadway, 3rd Floor, Milwaukee, Wisconsin 53202; RACM, 809 North Broadway, 2nd Floor, Milwaukee, Wisconsin 53202; MEDC, 809 North Broadway, 2nd Floor, Milwaukee, Wisconsin 53202; and NIDC, 841 North Broadway, Room 105, Milwaukee, Wisconsin 53202.

The basic financial statements exclude the accounts of the Wisconsin Center District, Milwaukee Public Schools, the Milwaukee Metropolitan Sewerage District, World Festivals Inc. ("Summerfest") and the Employees' Retirement System of the City of Milwaukee, because these entities operate with separate governing boards and do not meet the criteria established by the GASB Statement 14 as component units of the City. The Milwaukee Metropolitan Sewerage District (MMSD) is a special purpose municipal corporation created to provide sewerage treatment services in the Milwaukee metropolitan area. The City is responsible for paying usage charges within its jurisdiction. These amounts, in turn, are billed by the City to its water customers. The City has no equity interest in MMSD. Financial statements for MMSD can be obtained from its administrative office.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Related Organizations

Milwaukee Area Workforce Investment Board

The Milwaukee Area Workforce Investment Board (MAWIB) was established to provide job training, employment services, and workforce development within Milwaukee County. MAWIB acts as the recipient, dispenser, and administer of funding provided under the Workforce Development Act for Milwaukee County.

The Governor designated the Mayor of the City of Milwaukee as Milwaukee County's chief local elected officer for the Workforce Investment Act of 1998. The directors of the MAWIB are appointed by the Mayor in accordance with the Workforce Investment Act. The City is not legally obligated for any of MAWIB obligations or debt. The City is not entitled to access funds of the Milwaukee Area Workforce Investment Board.

B. Basis of Presentation

Government-wide Statements. The government-wide statement of net assets and statement of activities report the overall financial activity of the City, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the City. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) fines, fees, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary are presented. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues and expenses are a result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of rents, sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting these criteria are reported as nonoperating expenses. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

General Obligation Debt – This fund accounts for the resources accumulated and payments made for principal and interest on the City's outstanding long-term general obligation debt.

Public Debt Amortization – This fund accounts for one-third of all interest on general City investments and interest on Fund investments for the retirement of debt. The Public Debt Amortization Fund is governed by Section 67.101 of the Wisconsin Statutes for the retirement of the public debt. See Note 7 for further discussion.

Capital Projects Fund – The Capital Projects Fund is used to account for the financial resources segregated for the acquisition or construction of major capital expenditures other than those financed by proprietary funds.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

The City reports the following major enterprise funds:

Water Works – All activities necessary to provide water services to residents of the City and outlying areas. Fund activities include administration, billing and collection, operations, maintenance and financing.

Sewer Maintenance – This fund accounts for the maintenance of the City's sewer system. Wisconsin State Statutes Section 66.0821, permit municipalities to implement sewer fees to recover the costs of operation, maintenance, repair, and depreciation of sewer collection and transportation facilities. Sewer maintenance costs are recovered through a user fee rather than through the property tax.

Parking – This fund accounts for revenues derived from parking meters, parking permits, rentals and leasing of parking facilities, and other revenues attributable to parking. The revenues are used to defray administrative and operational costs related to parking operations, and to acquire landscape and construct parking lots and structures.

Additionally, the City reports the following fiduciary fund types:

Pension and Other Employee Benefit Trusts – This fund accounts for resources for employee flexible spending plans.

Private Purpose Trust – These funds account for resources legally held in trust for use by various individuals, governmental entities, and nonpublic corporations. All resources of these funds, including any earnings on invested resources, may be used to support each trust's initiatives.

Agency – These funds account for taxes and deposits collected by the City, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

C. Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property tax revenue, grants, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. Taxes levied in 2009 that will be collected in 2010 are recorded as receivable and deferred revenue. Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Revenue from grants and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues, excluding property taxes, to be available if they are collected within 90 days of the end of the current year. Property taxes are considered to be available if they are collected within 60 days of the end of the current year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Significant revenue sources, which are susceptible to accrual include property taxes, state shared revenues, grants, contributions, and interest. All other revenue sources including licenses, permits, fines, and forfeits are considered to be measurable and available only when cash is received.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
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Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. The City also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

D. Cash and Cash Equivalents

For purposes of the statements of cash flows, all highly liquid investments (including restricted cash and investments) purchased with a maturity of three months or less are considered to be cash equivalents. The City manages a cash and investment pool to maximize return on funds while providing liquidity to meet day-to-day obligations. Each fund's equity in the City's investment pool is considered to be a cash equivalent, since the funds can deposit or effectively withdraw cash at anytime without prior notice or penalty. The Housing Authority considers amounts on deposit with fiscal agents to be investments and not cash equivalents due to their restrictive nature.

E. Investments

Investments, primarily consisting of fixed income securities, are reported at fair value based on quoted market prices. Commercial paper, which is short term, defined as having an original maturity of one year or less, and highly liquid is carried at amortized cost. Investment transactions are recorded on the trade date. Under Wisconsin Statutes, one-third of all interest on pooled cash and investments is allocated to the Public Debt Amortization Fund. The remaining two-thirds is credited to the General Fund. Each fund type's portion of pooled cash and investments is included in the cash and cash equivalents line on the Statement of Net Assets/Balance Sheet.

Wisconsin Statutes permit the City to invest funds not immediately needed in any of the following:

- Time deposits maturing within three years in any credit union, bank, savings bank, trust company, or savings and loan association, which are authorized to transact business in the State of Wisconsin.
- Bonds or securities issued or guaranteed by the Federal government.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the State of Wisconsin, as well as bonds issued by a local exposition district, a local professional baseball park district, or the University of Wisconsin Hospitals and Clinics Authority.
- Local Government Investment Pool - Investment Fund of the State of Wisconsin. The Local Government Pooled Investment Fund is an external investment pool administered by the State of Wisconsin. The fair value of the City's investment in the fund is the same as the value of the pooled shares. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of Section 25.50 of the Wisconsin Statutes.
- Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities.
- Any Security that matures or that may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating, which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors Service, Inc., or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
- Securities of open-end management investment companies or investment trusts (mutual funds) if the portfolio is limited to (a) bonds and securities issued by the federal government or a commission, board, or other instrumentality of the federal government, (b) bonds that are guaranteed as to principal and interest by the federal government or a commission, board, or other instrumentality of the federal government, and (c) repurchase agreements that are fully collateralized by these bonds or securities.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
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F. Property Taxes

Property taxes are recorded as receivables and deferred revenues in the taxing fund in the year levied because the taxes are restricted to funding the succeeding year's budget appropriations. Property tax payments received prior to year-end are also reflected in the taxing fund. Property taxes are recognized in the appropriate funds as revenues in the succeeding year when they are collected and available to finance City services. If not collected at year-end, the delinquent property taxes are reflected as receivables and deferred revenues. Delinquent property taxes and related interest are recognized as revenues when collected.

The allowance for uncollectible property taxes is based on an analysis of the delinquent property taxes and, in management's judgment, represents an amount adequate to provide for potential uncollectible taxes. The allowance is increased by provisions charged against revenues and is reduced by taxes receivable written off.

The City, through its Special Revenue Fund - Delinquent Tax, issues general obligation short-term promissory notes to finance the purchase of the most recent delinquent taxes from its General Fund. Collections on these delinquencies are used for the associated debt service requirements.

G. Accounts Receivable

Accounts receivables are presented net of allowances. The amount of the General Fund allowance as of December 31, 2009 is \$2,877,000.

H. Unbilled Services

Unbilled water and sewer services at year-end are recognized as revenues and receivables in the accompanying financial statements.

I. Special Assessments

Special assessments consist of capital projects constructed through non-special assessment debt. In governmental fund financial statements, special assessments are recorded as receivables and deferred revenues when the related capital outlays are made and are recorded as revenues when due and payable. In the government-wide financial statements, special assessments are recorded as receivables and capital contribution revenue when the capital outlays are made. All special assessments are due when billed and may be paid on an installment basis with interest. Special assessment receivables that become delinquent are added to the general tax roll. The method of enforcing collections is the same as for general city taxes with like force and effect.

J. Notes and Loan Receivables

The General Fund, the Special Revenue Fund - Community Development Block Grant, and Neighborhood Improvement Development Corporation hold notes and loans receivable from individuals, small businesses, and corporations in the Milwaukee area that are secured by primary or secondary security interests in real estate or other assets. The City periodically analyzes the collectibility of the notes and loans that are not insured and provides allowances as considered necessary. The amount of the allowance in the nonmajor governmental fund is \$9,543,000 as of December 31, 2009.

The City creates tax incremental districts (TID) to issue debt to fund redevelopment projects. Pursuant to a cooperation agreement between the City, the Redevelopment Authority of the City of Milwaukee (Authority), and the Milwaukee Economic Development Corporation (Corporation), the City provides the Authority and the Corporation with the funds necessary to carry out the loan to a private developer to finance the redevelopment projects. Loan repayments to the Authority and the Corporation from the private developer, including interest income as well as other project income, are transferred to the City until the City's loan has been repaid or the TID expires. The City reflects these loans as notes receivable and deferred revenue in governmental fund financial statements based on an amount estimated to be repaid from the Authority and the Corporation.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
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K. Inventories

Inventories of materials and supplies are stated at moving average cost, based upon perpetual recordkeeping systems and periodic cycle counts of quantities on hand. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories in governmental funds are reserved for in fund balance, because inventories are not expendable available financial resources.

L. Prepaid Items

Cash payments benefiting future periods have been recorded as prepaid items. They will be reflected as expenditures or expenses when incurred in the subsequent year. Prepaid items in governmental funds are reserved for in fund balance, because prepaids are not expendable available financial resources.

M. Capital Assets

Capital assets, which includes property, plant, and equipment, and infrastructure, are reported at cost or estimated historical cost. Contributed assets are reported at estimated fair value at the time received. General infrastructure assets, such as roads, bridges, curbs, gutters, streets, sidewalks, and drainage and lighting systems, acquired prior to January 1, 2002 are reported at estimated historical cost using deflated replacement cost. Capital assets are depreciated using the straight-line method. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Major capital outlays for capital assets of business-type activities are included as part of the capitalized value of the assets constructed. Interest expenses incurred during construction were not capitalized as part of the additions to capital assets.

Capitalization thresholds and the estimated useful lives for the City and component units are as follows:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Infrastructure	\$ 5,000	5-50 years
Land	5,000	N/A
Land Improvements	5,000	N/A
Site Improvements	5,000	3-50
Buildings	5,000	10-60
Building Improvements	5,000	10-45
Machinery and equipment	5,000	3-25
Works of Art, Historical Treasures	5,000	N/A

N. Pension Contributions

The employer's share of the annual contribution is recorded in the proprietary funds and government-wide financial statements as an expense when the liability is incurred and in the governmental funds as an expenditure when the liability is liquidated with expendable available financial resources.

O. Compensated Absences

The liability for compensated absences reported in the government-wide, proprietary, and fiduciary fund financial statements consists of unpaid, accumulated vacation, and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability has been calculated based on the employees' current salary level and include salary related costs (e.g. social security and Medicare tax). A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

City employees accrue sick leave in accordance with labor agreements or Section 350-37 of the Code of Ordinances.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
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P. Claims and Judgments

The liability for claims and judgments is reported in the government-wide, proprietary, and fiduciary fund financial statements when they are both probable and estimable. A liability for claims and judgments is reported in governmental funds only if they have matured (i.e. are due). The City accrues environmental remediation obligations when related liabilities are probable and reasonably estimable. These accruals generally are recognized no later than completion of a remedial feasibility study and are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

Q. Bond Premiums, Discounts, and Issuance Costs

In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The City records bond premiums for governmental fund types in the General Obligation Debt Service Fund.

R. Advance Refundings of Debt

In the government-wide and proprietary fund financial statements, gains and losses from advance refundings of debt resulting in defeasance are deferred and amortized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt using the effective interest method. Bonds payable are reported net of the applicable deferred amount.

S. Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for specific purposes.

T. Net Assets

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

U. Interfund Transactions

The City has the following types of interfund transactions:

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds. The noncurrent portions of long-term interfund loans receivable are reported as advances.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net assets.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursement is reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return, including payments in lieu of taxes, and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

V. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

W. New Accounting Pronouncements

In June, 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. The City will implement this Statement beginning with the year ending December 31, 2010; however, the City does not expect the implementation of the Statement to have a significant impact on its financial statements.

In June, 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The City will implement this Statement beginning with the year ending December 31, 2010; however, the City does not expect the implementation of the Statement to have a significant impact on its financial statements.

In February, 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes fund balance classifications that comprise a hierarchy primarily based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This Statement provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements. This Statement also clarifies the definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type. The City will implement this Statement beginning with the year ending December 31, 2011.

X. Reclassifications

Certain 2008 amounts have been reclassified to conform to the 2009 presentation.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

2. DEPOSITS AND INVESTMENTS

A. Primary Government

The description of the City's deposit and investment policy is discussed in Note 1 D and E.

As of December 31, 2009, the City's deposits and investments are as follows:

	Investment Maturities (in Years)				
	(Thousands of Dollars)				
	Fair Value	Less than 1	1-5	6-10	Credit Rating
Governmental and Business-type activities:					
Investment type					
Pooled Deposits and Investments	\$ 172,066	\$ 172,066	\$ -	\$ -	see below
Segregated Deposits and Investments					
Interest Checking	2,135	2,135	-	-	not rated
Wisconsin Local Government					
Investment Pool	94,777	94,777	-	-	not rated
U.S. Treasury strips	2,714	1,098	1,104	512	AAA
Treasuries (Fiscal Agent)	8,669	8,669	-	-	AAA
	<u>\$ 280,361</u>	<u>\$ 278,745</u>	<u>\$ 1,104</u>	<u>\$ 512</u>	
Fiduciary activities:					
Investment type					
Investments in the Pool	\$ 327,794	\$ 327,794	\$ -	\$ -	see below
Other Deposits	457	457	-	-	not rated
Segregated Deposits and Investments					
Wisconsin Local Government					
Investment Pool	11,413	11,413	-	-	not rated
U.S. Treasury strips	2,717	414	1,589	714	AAA
	<u>\$ 342,381</u>	<u>\$ 340,078</u>	<u>\$ 1,589</u>	<u>\$ 714</u>	

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

Pooled Deposits and Investments

The City maintains a cash and investment pool (Pool) that is available for use by all the funds, except for Debt Service Funds, Water Works Enterprise Fund, and component entities. Each fund's share of pooled cash and investments is included in the cash and cash equivalents line on the Statement of Net Assets/Balance Sheet.

As of December 31, 2009, the City had the following investments and maturities in the Pool:

	Investment Maturities (in Years)				
	(Thousands of Dollars)				
	Fair Value	Less than 1	1-5	6-10	Credit Rating
Pooled Deposits and Investments					
Bank Demand Deposits	\$ 32,634	\$ 32,634	\$ -	\$ -	not rated
Other Deposits	793	793	-	-	not rated
Deposits and Investments					
Interest Checking	376,328	376,328	-	-	not rated
Wisconsin Local Government					
Investment Pool	71,947	71,947	-	-	not rated
Government Money Market	108	108	-	-	AAA
Certificates of Deposits	18,050	18,050	-	-	not rated
	<u>\$ 499,860</u>	<u>\$ 499,860</u>	<u>\$ -</u>	<u>\$ -</u>	

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the City's deposits may not be returned. Per Common Council the City Treasurer shall require collateralization of certificates of time deposit (including interest checking) at financial institutions when the total amount of such certificates of deposit with any institution exceeds the combined insured limit of \$650,000. As of December 31, 2009, the City's bank balances of \$372,000 were subject to custodial credit risk as they were neither insured nor collateralized.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of an increase in interest rates. The City's investment policy does not explicitly limit investment maturities. However, the City manages its exposure to interest risk based on the anticipated cash flow needs of the City and limiting the amount of pooled investments to \$60,000,000 with maturities greater than one year.

Credit risk

Credit risk is the risk that the City will not recover its investments due to the ability of the counterparty to fulfill its obligations. Wisconsin Statutes expressly limit the City to invest in certain allowable investments as listed in Note 1. E. The City's investment policy generally does not further limit its investment choices.

B. Component Units

Deposits and Investments

Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for interest bearing accounts and \$100,000 for noninterest bearing accounts. An additional \$400,000 is covered by the State Deposit Guarantee Fund.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the Component Unit investments are exposed to losses as a result of increases in interest rates.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
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Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation.

The Component Units have the following investments on December 31, 2009:

	Investment Maturities (in Years)					
	(Thousands of Dollars)					
	Fair value	Less than 1	1-2	8-10	10 and greater	Credit Rating
Component Units:						
Local Government Investment Pool	\$ 21,516	\$ 21,516	-	-	-	not rated
U.S. Treasury Money Market Fund	9,052	9,052	-	-	-	Aaa
U.S. Agencies						
Government National Mortgage Association	798	11	-	787	-	Aaa
Certificates of Deposit	7,100	7,100	-	-	-	N/A
	<u>\$ 38,466</u>	<u>\$ 37,679</u>	<u>\$ -</u>	<u>\$ 787</u>	<u>\$ -</u>	

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the Component Units deposits may not be returned.

As of December 31, 2009 Component Units bank balances exposed to Custodial Credit Risk are as follows:

	Bank Balance	Uninsured and Uncollateralized
Housing Authority	\$ 10,451,419	\$ 1,035,237
Redevelopment Authority	11,223,071	197,225
Milwaukee Economic Development Corporation	8,164,045	1,176,037
Neighborhood Improvement Development Corporation	2,011,086	725,954

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty the component unit will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2009, the Redevelopment Authority had \$9,052,000 of investments exposed to custodial credit risk as uninsured and uncollateralized.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

3. PROPERTY TAXES

The City's property taxes are levied on or before December 31, on the assessed (taxable) value as of the prior January 1, for all general property located in the City. Taxes become a lien against the property upon filing the roll in the Office of the City Clerk. This generally takes place in December. The taxes are due January 31, but may be paid in ten monthly installments without interest from January through October. Foreclosure can be commenced after one year from date of delinquency.

The City purchases property taxes receivable from other taxing authorities at the unpaid amounts to facilitate the collection of the taxes. The purchases are a financing arrangement and are not included in property tax revenues. Also, delinquent water and sewer charges and special assessment receivables are transferred to the General Fund at the unpaid amounts.

At December 31, 2009, delinquent property taxes include delinquent sewer and water charges and special assessments by year levied, tax deeded property, and allowance for uncollectible taxes. These delinquent property taxes are reported as part of taxes receivable in the General Fund and Special Revenue Fund - Delinquent Tax and consist of the following:

	City Levy	Purchased Taxes Receivable	Total
	<i>(Thousands of Dollars)</i>		
2004 and prior	\$ 918	\$ 1,365	\$ 2,283
2005	391	596	987
2006	925	1,397	2,322
2007	3,321	5,027	8,348
2008	<u>11,513</u>	<u>18,355</u>	<u>29,868</u>
 Total delinquent property taxes receivable	 <u>\$ 17,068</u>	 <u>\$ 26,740</u>	 43,808
 Property taxes receivable on foreclosed property			 15,784
 Less: Allowance for uncollectible taxes			 <u>(17,231)</u>
 Net delinquent property taxes receivable, including tax deeded property			 <u>\$ 42,361</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	Balance 01-01-09	Additions	Deletions	Balance 12-31-09
		<i>(Thousands of Dollars)</i>		
Governmental activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 163,797	\$ 510	\$ 57	\$ 164,250
Construction in progress	<u>123,768</u>	<u>9,628</u>	<u>92,557</u>	<u>40,839</u>
Total capital assets not being depreciated	<u>287,565</u>	<u>10,138</u>	<u>92,614</u>	<u>205,089</u>
<i>Capital assets being depreciated:</i>				
Buildings	194,782	81,709	19,415	257,076
Infrastructure.....	1,355,649	23,941	2,207	1,377,383
Improvements other than buildings	11,573	195	81	11,687
Machinery and equipment	<u>162,573</u>	<u>10,349</u>	<u>8,657</u>	<u>164,265</u>
Total capital assets being depreciated	<u>1,724,577</u>	<u>116,194</u>	<u>30,360</u>	<u>1,810,411</u>
Less accumulated depreciation for:				
Buildings	74,784	5,468	8,227	72,025
Infrastructure	883,878	29,945	2,207	911,616
Improvements other than buildings	7,469	338	76	7,731
Machinery and equipment	<u>90,536</u>	<u>11,951</u>	<u>8,354</u>	<u>94,133</u>
Total accumulated depreciation	<u>1,056,667</u>	<u>47,702</u>	<u>18,864</u>	<u>1,085,505</u>
Total capital assets being depreciated, net	<u>667,910</u>	<u>68,492</u>	<u>11,496</u>	<u>724,906</u>
Government activity capital assets, net	<u>\$ 955,475</u>	<u>\$ 78,630</u>	<u>\$ 104,110</u>	<u>\$ 929,995</u>
Depreciation expense for governmental activities was charged to functions as follows:				
General government				\$ 350
Public safety				7,949
Public works				38,656
Health				221
Culture and recreation				<u>526</u>
Total				<u>\$ 47,702</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance 01-01-09	Additions	Deletions	Balance 12-31-09
Business-type activities		<i>(Thousands of Dollars)</i>		
Water Works				
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,936	\$ -	\$ -	\$ 1,936
Construction in progress	10,975	22,967	18,307	15,635
Total capital assets not being depreciated	<u>12,911</u>	<u>22,967</u>	<u>18,307</u>	<u>17,571</u>
<i>Capital assets being depreciated:</i>				
Buildings	21,292	2,994	151	24,135
Infrastructure	331,142	8,528	1,160	338,510
Machinery and equipment	201,582	6,785	6,340	202,027
Nonutility property	5,509	-	-	5,509
Total capital assets being depreciated	<u>559,525</u>	<u>18,307</u>	<u>7,651</u>	<u>570,181</u>
Less accumulated depreciation for:				
Buildings	14,663	721	803	14,581
Infrastructure	78,324	3,770	1,165	80,929
Machinery and equipment	94,906	8,837	6,471	97,272
Nonutility property	783	205	-	988
Total accumulated depreciation	<u>188,676</u>	<u>13,533</u>	<u>8,439</u>	<u>193,770</u>
Total capital assets being depreciated, net	<u>370,849</u>	<u>4,774</u>	<u>(788)</u>	<u>376,411</u>
Water Works capital assets, net	<u>383,760</u>	<u>27,741</u>	<u>17,519</u>	<u>393,982</u>
Sewer Maintenance				
<i>Capital assets not being depreciated:</i>				
Construction in progress	46,304	16	46,304	16
Total capital assets not being depreciated	<u>46,304</u>	<u>16</u>	<u>46,304</u>	<u>16</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	366,635	81,727	64	448,298
Machinery and equipment	4,320	99	-	4,419
Total capital assets being depreciated	<u>370,955</u>	<u>81,826</u>	<u>64</u>	<u>452,717</u>
Less accumulated depreciation for:				
Infrastructure	104,765	4,415	64	109,116
Machinery and equipment	1,955	344	-	2,299
Total accumulated depreciation	<u>106,720</u>	<u>4,759</u>	<u>64</u>	<u>111,415</u>
Total capital assets being depreciated, net	<u>264,235</u>	<u>77,067</u>	<u>-</u>	<u>341,302</u>
Sewer Maintenance capital assets, net	<u>310,539</u>	<u>77,083</u>	<u>46,304</u>	<u>341,318</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance 01-01-09	Additions	Deletions	Balance 12-31-09
		<i>(Thousands of Dollars)</i>		
Parking				
<i>Capital assets not being depreciated:</i>				
Land	\$ 8,440	\$ -	\$ -	\$ 8,440
Construction in progress	4,687	663	2,915	2,435
Total capital assets not being depreciated	13,127	663	2,915	10,875
<i>Capital assets being depreciated:</i>				
Buildings	50,645	1,143	-	51,788
Improvements other than buildings	5,429	-	-	5,429
Machinery and equipment	1,645	2,423	-	4,068
Total capital assets being depreciated	57,719	3,566	-	61,285
Less accumulated depreciation for:				
Buildings	28,003	2,047	-	30,050
Improvements other than buildings	3,394	218	-	3,612
Machinery and equipment	863	268	-	1,131
Total accumulated depreciation	32,260	2,533	-	34,793
Total capital assets being depreciated, net	25,459	1,033	-	26,492
Parking capital assets, net	38,586	1,696	2,915	37,367
Other business-type activities:				
<i>Capital assets not being depreciated:</i>				
Land	7,791	-	-	7,791
Construction in progress	-	9	-	9
Total capital assets not being depreciated	7,791	9	-	7,800
<i>Capital assets being depreciated:</i>				
Buildings	13,484	-	-	13,484
Infrastructure—port.....	15,556	368	15	15,909
Improvements other than buildings	2,288	-	-	2,288
Machinery and equipment	4,719	408	335	4,792
Total capital assets being depreciated	36,047	776	350	36,473
Less accumulated depreciation for:				
Buildings	6,796	259	-	7,055
Infrastructure—port.....	8,736	352	12	9,076
Improvements other than buildings	1,616	90	-	1,706
Machinery and equipment	3,977	235	301	3,911
Total accumulated depreciation	21,125	936	313	21,748
Total capital assets being depreciated, net	14,922	(160)	37	14,725
Other business-type activities, net	22,713	(151)	37	22,525
Business-type activity capital assets, net	\$ 755,598	\$ 106,369	\$ 66,775	\$ 795,192

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance 01-01-09	Additions	Deletions	Balance 12-31-09
		<i>(Thousands of Dollars)</i>		
Component Units				
<i>Capital assets not being depreciated:</i>				
Land	\$ 54,187	\$ 3,322	\$ 983	\$ 56,526
Construction in Progress	<u>2,301</u>	<u>2,808</u>	<u>1,930</u>	<u>3,179</u>
Total capital assets not being depreciated	<u>56,488</u>	<u>6,130</u>	<u>2,913</u>	<u>59,705</u>
<i>Capital assets being depreciated:</i>				
Buildings	480,524	9,689	2,170	488,043
Infrastructure	789	-	-	789
Improvements other than buildings	1,531	194	-	1,725
Machinery and equipment	<u>3,277</u>	<u>555</u>	<u>323</u>	<u>3,509</u>
Total capital assets being depreciated	<u>486,121</u>	<u>10,438</u>	<u>2,493</u>	<u>494,066</u>
Less accumulated depreciation for:				
Buildings	229,574	13,014	1,136	241,452
Infrastructure	13	27	-	40
Improvements other than buildings	207	117	-	324
Machinery and equipment	<u>2,704</u>	<u>229</u>	<u>319</u>	<u>2,614</u>
Total accumulated depreciation	<u>232,498</u>	<u>13,387</u>	<u>1,455</u>	<u>244,430</u>
Total capital assets being depreciated, net	<u>253,623</u>	<u>(2,949)</u>	<u>1,038</u>	<u>249,636</u>
Component units capital assets, net	<u>\$ 310,111</u>	<u>\$ 3,181</u>	<u>\$ 3,951</u>	<u>\$ 309,341</u>

5. DEFERRED REVENUE

Deferred revenue is recorded in the governmental funds for amounts not yet available and for resources received prior to being earned by the City. Related revenue is recognized when these amounts become available or when earned. The composition of the deferred revenue balances in the governmental funds as of December 31, 2009 is as follows:

	General	General Obligation Debt Service	Capital Projects	Nonmajor Governmental Funds	Total
		<i>(Thousands of Dollars)</i>			
Current property taxes	\$ 176,991	\$ 97,499	\$ 4,767	\$ -	\$ 279,257
Delinquent property taxes	7,982	-	-	2,557	10,539
Unearned revenue	1,818	-	6,176	7,036	15,030
Long-term receivables	-	41,306	-	156	41,462
Unbilled special assessments	<u>-</u>	<u>-</u>	<u>11,627</u>	<u>-</u>	<u>11,627</u>
Total	<u>\$ 186,791</u>	<u>\$ 138,805</u>	<u>\$ 22,570</u>	<u>\$ 9,749</u>	<u>\$ 357,915</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

6. SHORT-TERM DEBT

During 2009, the City issued and repaid \$116,000,000 of General Obligation Cash Flow Promissory Notes, Series 2009 R3 (G.O. CFNs). The G.O. CFNs were issued for the purpose of financing the City's operating budget on an interim basis pending receipt of State of Wisconsin shared revenue payments due in November, 2009.

As of December 31, 2008, the City had outstanding \$210,000,000 of short-term Revenue Anticipation Notes (RANs) on behalf of Milwaukee Public Schools. In 2009, the City repaid the outstanding balance and issued \$228,000,000 short-term RANs for the same purpose. The new notes bear interest at the rate of 2% and will mature on June 30, 2010. The liability and related receivable to repay the revenue anticipation notes are recorded in the Debt Service Fund.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

7. LONG-TERM OBLIGATIONS

A. Changes in Long-Term Obligations

Changes in long-term obligations for the year ended December 31, 2009 were as follows:

	Balance 01-01-09	Additions	Deductions	Balance 12-31-09	Amounts Due within One Year
	<i>(Thousands of Dollars)</i>				
Governmental activities:					
General obligation bonds and notes					
City	\$ 637,897	\$ 278,060	\$ 266,651	\$ 649,306	\$ 91,279
Milwaukee Public Schools	87,773	16,050	10,377	93,446	10,247
Deferred amount on refundings	(5,197)	-	(1,197)	(4,000)	-
Unamortized premiums	22,882	9,437	8,480	23,839	-
Compensated absences	31,208	9,792	2,096	38,904	3,011
Net other postemployment benefits obligation	75,705	74,005	26,766	122,944	-
Claims and judgments	28,466	10,233	14,980	23,719	4,436
Total governmental activities	<u>\$ 878,734</u>	<u>\$ 397,577</u>	<u>\$ 328,153</u>	<u>\$ 948,158</u>	<u>\$ 108,973</u>
Business-type activities					
Water Works					
General obligation bonds and notes	\$ 17,050	\$ 225	\$ 1,990	\$ 15,285	\$ 2,507
Deferred amount on refundings	(357)	-	(140)	(217)	-
Unamortized premiums	751	-	181	570	-
Revenue bonds	10,315	-	915	9,400	939
Compensated absences	1,108	1,701	1,561	1,248	1,248
Net other postemployment benefits obligation	1,581	1,932	1,113	2,400	-
Total Water Works	<u>30,448</u>	<u>3,858</u>	<u>5,620</u>	<u>28,686</u>	<u>4,694</u>
Sewer Maintenance					
General obligation bonds and notes	3,934	3,500	267	7,167	270
State Loans	49,653	362	2,013	48,002	2,061
Revenue bonds	50,855	-	2,740	48,115	2,840
Unamortized premiums	1,755	-	213	1,542	-
Net other postemployment benefits obligation	580	764	440	904	-
Total Sewer Maintenance	<u>106,777</u>	<u>4,626</u>	<u>5,673</u>	<u>105,730</u>	<u>5,171</u>
Parking					
General obligation bonds and notes	10,743	2,595	1,722	11,616	1,492
Deferred amount on refundings	(153)	-	(39)	(114)	-
Unamortized premiums	203	-	49	154	-
Net other postemployment benefits obligation	437	557	321	673	-
Total Parking	<u>11,230</u>	<u>3,152</u>	<u>2,053</u>	<u>12,329</u>	<u>1,492</u>
Other Enterprise Funds					
General obligation bonds and notes	3,243	-	508	2,735	430
Deferred amount on refundings	(36)	-	(9)	(27)	-
Unamortized premiums	51	-	12	39	-
Net other postemployment benefits obligation	97	131	75	153	-
Total Other Enterprise	<u>3,355</u>	<u>131</u>	<u>586</u>	<u>2,900</u>	<u>430</u>
Total business-type activities	<u>\$ 151,810</u>	<u>\$ 11,767</u>	<u>\$ 13,932</u>	<u>\$ 149,645</u>	<u>\$ 11,787</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance 01-01-09	New Issues	Repayments	Balance 12-31-09	Amounts Due within One Year
<i>(Thousands of Dollars)</i>					
Component Units					
Revenue bonds	\$ 97,199	\$ -	\$ 2,806	\$ 94,393	\$ 515
Unamortized discounts	(104)	-	(7)	(97)	-
Notes payable	40,719	5,068	4,523	41,264	3,647
Advance from other organizations	-	-	-	-	-
Compensated Absences.....	854	252	-	1,106	332
Net other postemployment benefits.....	991	562	112	1,441	-
Total component units	<u>\$ 139,659</u>	<u>\$ 5,882</u>	<u>\$ 7,434</u>	<u>\$ 138,107</u>	<u>\$ 4,494</u>

B. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the City and for Milwaukee Public Schools. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are secured by the full faith and unlimited taxing power of the City. The debt for governmental activities will be retired by future property tax levies and other resources accumulated in the Debt Service Funds. The debt for business-type activities (i.e. Water Works, Sewer Maintenance, Parking, and Port of Milwaukee Enterprise Funds) will be retired by revenues from those operations or, if the revenues are not sufficient, by future tax levies. During the year ended December 31, 2009, general obligation bonds totaling \$2,433,000 were issued. \$143,000 was issued to finance capital improvements, \$1,350,000 for school purposes and \$940,000 for business-type activities.

Use of Public Debt Amortization Fund for retirement of the public debt is governed by the Wisconsin Statutes. The Statutes provide that when total principal and accrued interest in the Public Debt Amortization Fund is substantially equal to the outstanding general obligation bonds and notes, the resources in the fund shall be applied to make annual interest and principal payments on that debt to maturity. The Statutes provide, in part, that "The Public Debt Commission may, however, at any time, apply the fund, not to exceed in any one year 40% of the balance in said fund on the preceding December 31, to acquire for cancellation general obligation bonds or notes prior to their maturity dates at prices not to exceed principal plus accrued interest to date of maturity, but the fund shall not be decreased below \$2,000,000 as a result of such purchases and cancellations." Principal sources of revenue are one-third of all interest on general City investments and interest on Fund investments. As authorized by the Statutes, the Public Debt Amortization Fund may purchase for investment or for cancellation, notes issued by the General Fund to fund operations.

Through 2009, \$148,100,647 has been borrowed and outstanding for forty-eight tax incremental districts (TID). Total debt service requirements associated with these debt issues amounts to \$185,480,436. Active Tax increments received through 2009 total \$150,858,554. In any year in which TID debt service requirements for the ensuing year are greater than total tax increments received, the shortfall is funded by the property tax levy.

Under the Wisconsin Statutes, the City is required, if requested by the Board of Milwaukee Public Schools, and if approved by referendum, to issue general obligation bonds to finance purchases of school sites and to construct or remodel school buildings. No such bonds are currently outstanding. The \$93,446,000 of Milwaukee Public School long-term debt outstanding at December 31, 2009 consists of a portion of the City's general obligation bonds and notes that has been designated for school purposes. Under the Wisconsin Statutes, the City has title to the land and buildings of the Milwaukee Public Schools. However, the City does not control the use of the assets or receive the proceeds upon disposition of the assets. At June 30, 2009, the historical costs of the land and buildings as reported by Milwaukee Public Schools was approximately \$995,883,000. These assets are excluded from the financial statements of the City.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

C. Revenue Bonds

The City issues revenue bonds to provide funds for water and sewer improvements. As such, they are not backed by the general credit or taxing powers of the City. During 2009, the City received loans from the State for the Clean Water Fund Program permitted under State Statutes to provide financial assistance for specific Sewer Maintenance Enterprise Fund projects for a total of \$362,000. The loans will be repaid from revenues of the Sewer Maintenance Enterprise Fund.

D. Notes Payable

The City issues installment notes to provide funds for various public improvement projects, cash flow for the school district, and purchases of delinquent taxes. During the year ended December 31, 2009, installment loans totaling \$41,612,000 were issued. \$12,352,000 was issued to finance capital improvements, \$2,700,000 for school purposes, \$1,880,000 for business-type activities and \$24,680,000 to purchase 2008's delinquent taxes.

During 2009, the City continued to issue General Obligation Commercial Paper Promissory Notes 2008 Program Series C2 totaling \$61,800,000. \$55,300,000 was issued to finance capital improvements, \$3,500,000 for business-type activities and \$3,000,000 for general fiscal requirements of the City. The notes are a direct general obligation of the City payable from taxes levied without limitation as to rate or amount. Following is a summary of the General Obligation Commercial Paper Promissory Notes issued (in thousands), which is included in the totals for the general obligation bonds and notes in the long-term obligation table in footnote 7(a) above:

Balance			Balance
01-01-09	Additions	Deletions	12-31-09
104,600	61,800	76,400	90,000

In order to provide a source for payment of the principal and interest on the General Obligation Commercial Paper Promissory Notes, on January 1, 2008, the City entered into an irrevocable letter of credit and reimbursement agreement with a bank. The letter of credit and reimbursement agreement has an authorized maximum draw of \$125 million, and expires on December 1, 2012. Each advance on the letter of credit is due and payable on the 60th day following the date of the draw; however, the agreement allows the bank to make a three-year term loan available upon each advance not repaid within 60 days, for which payments will begin one year after the date the term loan began. Principal payments on the term loan shall be made quarterly. Interest is required to be paid monthly, and the rate varies based on the period the advance is outstanding, as follows:

Period Outstanding	Interest Rate
30 days or less	Prime rate
31 days to 60 days	Prime rate plus 1%
Greater than 60 days (term loan)	Prime rate plus 2%

Further, under the terms of the letter of credit agreement, the City has agreed to meet various covenants, which includes maintaining an above investment grade rating on its outstanding indebtedness. As of December 31, 2009, the City had no outstanding draws on the letter of credit.

E. Qualified Schools Construction Bonds Payable

During the year ended December 31, 2009, the City issued Qualified Schools Construction Bonds totaling \$12,000,000 to finance schools construction projects which is included in the totals for the general obligation bonds and notes in the long-term obligation table in footnote 7(a) above.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

F. Debt Service Requirements

The maturities of the outstanding principal and related interest requirements are as follows:

Year	General Obligation Debt		Revenue Bonds Payable		Total Debt Service
	Principal	Interest	Principal	Interest	
(Thousands of Dollars)					
Governmental activities					
2010	\$ 101,526	\$ 28,828	\$ -	\$ -	\$ 130,354
2011	72,874	24,979	-	-	97,853
2012	64,290	21,775	-	-	86,065
2013	60,545	18,797	-	-	79,342
2014	55,000	15,916	-	-	70,916
2015-2019	288,547	44,789	-	-	333,336
2020-2024	83,369	8,779	-	-	92,148
2025-2029	16,601	169	-	-	16,770
Total	<u>\$ 742,752</u>	<u>\$ 164,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 906,784</u>
Business-type activities					
Water Works					
2010	\$ 2,507	\$ 762	\$ 939	\$ 236	\$ 4,444
2011	2,981	643	964	211	4,799
2012	2,506	502	989	185	4,182
2013	2,116	367	1,015	158	3,656
2014	2,301	258	1,042	131	3,732
2015-2019	2,799	226	4,451	239	7,715
2020-2024	75	9	-	-	84
Total	<u>\$ 15,285</u>	<u>\$ 2,767</u>	<u>\$ 9,400</u>	<u>\$ 1,160</u>	<u>\$ 28,612</u>
Sewer Maintenance					
2010	\$ 270	\$ 176	\$ 4,901	\$ 3,399	\$ 8,746
2011	272	165	5,053	3,226	8,716
2012	273	153	5,213	3,039	8,678
2013	293	141	5,390	2,837	8,661
2014	296	129	5,578	2,621	8,624
2015-2019	4,932	415	31,207	9,559	46,113
2020-2024	831	63	27,491	3,313	31,698
2025-2029	-	-	11,284	515	11,799
Total	<u>\$ 7,167</u>	<u>\$ 1,242</u>	<u>\$ 96,117</u>	<u>\$ 28,509</u>	<u>\$ 133,035</u>
Parking					
2010	\$ 1,492	\$ 526	\$ -	\$ -	\$ 2,018
2011	1,424	460	-	-	1,884
2012	1,268	395	-	-	1,663
2013	1,146	337	-	-	1,483
2014	1,127	283	-	-	1,410
2015-2019	3,541	757	-	-	4,298
2020-2024	1,618	160	-	-	1,778
Total	<u>\$ 11,616</u>	<u>\$ 2,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,534</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

Year	General Obligation Debt		Revenue Bonds Payable		Total Debt Service
	Principal	Interest	Principal	Interest	
(Thousands of Dollars)					
Other Enterprise					
2010	\$ 430	\$ 133	\$ -	\$ -	\$ 563
2011	429	111	-	-	540
2012	388	89	-	-	477
2013	350	70	-	-	420
2014	341	52	-	-	393
2015-2019	696	87	-	-	783
2020-2024	101	6	-	-	107
Total	<u>\$ 2,735</u>	<u>\$ 548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,283</u>
Total Component Units					
2010	\$ 3,648	\$ 1,336	\$ 515	\$ 713	\$ 6,212
2011	141	1,249	535	689	2,614
2012	149	1,240	795	660	2,844
2013.....	159	1,230	990	630	3,009
2014.....	171	1,218	1,195	598	3,182
2015-2019	6,265	5,821	6,715	2,414	21,215
2020-2024	2,390	5,073	19,953	1,325	28,741
2025-2029	262	4,803	40,670	613	46,348
2030-2034.....	365	4,702	23,025	133	28,225
2035-2039	2,299	4,119	-	-	6,418
2040-2044	4,904	3,226	-	-	8,130
2045-2049	16,946	1,602	-	-	18,548
2050-2054	2,330	765	-	-	3,095
2055-2059.....	1,235	450	-	-	1,685
Total	<u>\$ 41,264</u>	<u>\$ 36,834</u>	<u>\$ 94,393</u>	<u>\$ 7,775</u>	<u>\$ 180,266</u>

G. Debt Limit

Wisconsin Statutes limit direct general obligation borrowing in the amount equivalent to 7% of the equalized valuation of taxable property. The Statutes further provide that within the 7% limitation, borrowing for school construction purposes may not exceed 2% of the equalized valuation and borrowing for general city purposes may not exceed 5% of the equalized valuation. At December 31, 2009, the City's legal debt margin was \$1,559,252,000. Of this amount, \$645,150,000 was for school purposes and \$914,102,000 was for City purposes.

H. Refundings

During February 2009, the City issued General Obligation Promissory Notes, Series 2009 N1 with a par amount of \$51,568,000 and interest rates from 2.5% to 5% and Corporate Purpose Bonds, Series 2009 B2 with a par amount of \$15,017,000 and interest rates from 4% to 5%. The current refunding of \$71,800,000 General Obligation Commercial Paper Promissory Notes will provide long-term financing for temporary borrowing.

In prior years, the City defeased certain general obligation bonds by placing the proceeds from new general obligation bonds in an irrevocable trust to provide all future debt service payments on the bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. At December 31, 2009, \$108,855,000 of bonds outstanding are considered defeased, which includes debt defeased during the current year.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

I. Conduit Debt

From time to time, the City has issued revenue bonds in order to provide financing to private sector entities for the purpose of acquiring, constructing, or rehabilitating housing units and for retiring the existing debt associated with housing units. These obligations are primarily secured by mortgage or revenue agreements on the associated projects and, together with the interest obligation, are payable solely by the developers from leased rentals and other funds or revenues. In addition, these obligations do not constitute indebtedness of the City, as the City has no responsibility for the debt beyond the resources provided by related leases or loans. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The aggregate amount of all revenue bonds outstanding at December 31, 2009 is approximately \$47,996,000 for the City and \$579,000,000 for RACM.

8. RETIREMENT PLANS

Pension Benefits

Plan Description – The City makes contributions to the Employees' Retirement System of the City of Milwaukee (the "System"), a cost-sharing multiple-employer defined benefit pension plan, on behalf of all eligible City employees. The System provides retirement, disability, and death benefits to plan members and beneficiaries. The City Charter assigns the authority to establish and amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Employees' Retirement System of the City of Milwaukee, 200 East Wells Street, Room 610, Milwaukee, WI 53202.

Funding Policy – Plan members are required to contribute, or have contributed on their behalf, a percentage of their annual earnable compensation equal to 5.5%, 7%, 7%, and 7% for general City employees, police officers, firefighters, and elected officials, respectively. New hires who are not sworn police/fire must pay 1.6% of pensionable earnings for 8 years to fund the cost of benefit escalators due to the Global Pension Settlement. The City is required to contribute the actuarially determined amount. The City Charter assigns the authority to establish and amend contribution requirements. The City's contributions to the System for the years ending December 31, 2009, 2008, and 2007, were \$19,294,000, \$23,532,000, and \$23,330,000, respectively, equal to the required contributions on behalf of the plan members for each year.

Other Postemployment Benefits

The City provides other postemployment benefits (OPEB) to its retirees for health and life insurance.

Plan Description. The City provides a single-employer defined benefit healthcare plan and life insurance administered by both the City and Milwaukee's Employee Retirement System (MERS). The City provides medical insurance benefits for substantially all retirees in accordance with terms set forth in labor contracts or by Common Council resolution. Retirees are eligible to enroll in any of the group plans offered by the City. Aside from the Basic Plan, this includes a Health Maintenance Organization (HMO) plan currently offered to active employees. The City provides full health insurance coverage to general City employees who retire at age 55, but less than age 65, with 30 years of creditable service or at age 60, but less than age 65, with 15 years of creditable service until the age of 65. Management employees retiring beginning in 2004 at age 55, but less than 65, pay a portion of health insurance the same as active management employees. In accordance with a "percentage formula" as provided in labor agreements, the City provides between 65% and 100% of the cost of the Basic Plan coverage for firefighters and police officers who retire with 25 years of creditable service and having attained at least the age of 52 but less than 60. Upon reaching the age of 60 but prior to the age of 65, the City provides full health insurance coverage for firefighters and police officers with single enrollment status. The City contribution for firefighters and police officers between the ages of 60 and 65 with family enrollment status is the greater of 100% of the cost of single enrollment in the Basic Plan or an amount determined using the "percentage formula." The "percentage formula" used to determine the City contribution in the labor agreements is based on the amount of unused sick leave at retirement.

After attaining the age of 65 and having completed a minimum of 15 years of creditable service, all retirees are eligible to enroll in a "subsidized plan" for medical insurance. Under this plan, the City contributes 25% of the base rate toward retirees enrolled in the Basic Plan, while the retiree pays 75% of the base rate and 100% of the major medical rate. For those retirees enrolled in an HMO, the City contributes a 25% subsidy of the applicable HMO premium.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

In addition to medical insurance, the City allows its employees to continue life insurance coverage under the Group Life Insurance Plan offered to active employees in accordance with Section 350-25 of the Code of Ordinances. The base amount of coverage for general City employees is equal to the employee's annual basic salary to the next higher thousand dollars. The base amount of coverage for firefighters and police officers is equal to one and one-half the employee's annual basic salary to the next higher thousand dollars.

General City employees retiring at age 55 or older with 20 years of service or at age 60 regardless of years of service and covered under the group life insurance plan at retirement are eligible to continue coverage at the level on the date prior to their date of retirement. Firefighters and police officers retiring at age 52 or older with 20 years of service or at age 57 regardless of years of service and covered under the group life insurance plan at retirement are eligible to continue coverage up to their base amount of coverage on the date prior to their date of retirement. Prior to age 65, all retirees are required to pay the full premium rates as established by the insurance carrier, less an adjustment for estimated dividends. The rates established are group rates applied consistently to all employees, without regard to age or health. Upon reaching the age of 65, those retirees still part of the group life plan have their coverage reduced in accordance with the reduction schedule in effect on their last day physically at work, with the City assuming all future premiums.

Funding Policy. The contribution of plan members and the City are established and may be amended by the City. The required contribution for medical, and life insurance for retirees is based on a pay-as-you-go financing. Medical benefits provided through the basic health care plan are self-insured. For 2009, the City paid approximately \$27,613,000 and \$1,102,000, respectively, toward medical and life insurance for retirees.

Annual OPEB Cost and Net OPEB Obligation. The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45 *Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan (pay-as-you basis), and the changes in the City's net OPEB obligation:

ARC	\$ 76,855,000
Interest on Net OPEB Obligation	3,528,000
Adjustment to ARC	<u>(2,994,000)</u>
Annual OPEB Cost	77,389,000
Contribution made	<u>28,715,000</u>
Increase in net OPEB Obligation	48,674,000
Net OPEB obligation - beginning of year	<u>78,400,000</u>
Net OPEB obligation - end of year	<u>\$ 127,074,000</u>

The City annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Annual Cost and Net OPEB Liability

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2007	\$ 67,600,000	43.5%	\$ 38,200,000
12/31/2008	73,100,000	45.0%	78,400,000
12/31/2009	77,389,000	37.1%	127,074,000

Funded Status and Funding Progress. As of January 1, 2009, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$959,562,000, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$959,562,000. The covered payroll (annual payroll of active employees covered by the plan) was \$419,811,000 and the ratio of the UAAL to the covered payroll was 229 percent.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions. The retiree healthcare valuation was based on the projected unit credit (PUC) cost method. The PUC method produces an explicit normal cost and actuarial accrued liability. The normal cost and actuarial accrued liability are directly proportional to the employee's service. That is, the normal cost equals the present value of future benefits divided by projected service at retirement, and the actuarial accrued liability equals the present value of benefits multiplied by the ratio of service at valuation date to projected service at retirement. Depending on the demographic characteristics of the current group and new entrants in the future, this method could produce stable annual costs, in the aggregate, when expressed as a percentage of pay.

The OPEB valuation uses a discount rate assumption of 4.5% based on the City's projected short-term investment rate of return. The healthcare cost trends rate is 9% initially, and reduced by decrements to the ultimate rate of 4.5% after 10 years. The actuarial assumption for wage inflation is 3.5%. The amortization of the unfunded actuarial accrued liability is based on a level percentage of pay over a 30-year open amortization period.

Terminal Leave Payments

Upon retirement, employees receive a portion of their unused sick leave as terminal leave, in accordance with labor contracts and Section 350-38 of the Code of Ordinances. Firefighters whose normal hours of work exceed 40 hours per week receive between \$45 and \$65 for each work shift equivalent of unused sick leave. Firefighters whose normal hours of work average 40 hours per week receive between \$21 and \$30 for each work shift equivalent of unused sick leave. Police officers receive payment for up to 55 days of unused sick leave at base pay. Management pay plan employees are entitled to payment of 30% of unused sick leave (maximum 960 hours) plus one-half of the sick leave days accumulated during the last twelve months of service for up to six additional days for a total maximum of 42 days at the rate of pay at retirement. Substantially all remaining City employees receive up to 30 days for unused sick leave as terminal leave, although some bargaining units receive slightly different benefits in accordance with related labor agreements. In 2009, approximately \$8,657,000 was paid for sick leave from all funds. At December 31, 2009, accumulated sick leave earned but not taken totaled approximately \$175,212,000 determined on the basis of current salary rates.

Terminal leave pay is funded on a pay-as-you-go basis and provided for in the salary budgets of the respective departments annually. In 2009, terminal leave payments totaled \$2,096,000 to employees retiring during the year. As of December 31, 2009, the City has accrued approximately \$20,748,000 in the government-wide statements for future terminal leave payments. This amount is included under the unfunded compensated absences of \$38,904,000 with the remainder accrued vacation leave of \$18,156,000.

9. FUND EQUITY

Reserved for Tax Stabilization and Advances to Other Funds

The Reserved for Tax Stabilization, \$42,166,000 at December 31, 2009, is governed by the City's Code of Ordinances. This reserve includes an amount for advances of \$12,036,000 from the general fund to the capital projects fund. The general fund has advanced this amount to fund special assessment projects. The availability of the \$12,036,000 for Tax Stabilization is contingent upon future collection of the special assessments receivable. All General Fund appropriation balances not encumbered or carried over are reserved for tax stabilization in subsequent years. The total amount that can be withdrawn from the Reserved for Tax Stabilization in any one year is an amount that prevents an increase of more than 3% in the City's property tax rate, as defined, and is anticipated to be available as of April 15 of the year covered by the budget. Such amount must be included in the adopted budget, which requires a majority affirmative vote of the Common Council. Fund withdrawals not needed to stabilize the tax rate can be made for up to 50% of the available balance, but require a three-fourths affirmative vote of the Common Council.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

Fund deficit

The Capital Projects Fund had a deficit fund balance of \$36,485,000 as of December 31, 2009, which is the result of expending funds for construction in advance of issuing general obligation bonds. The City plans to eliminate the fund deficit through the issuance of general obligation bonds in 2010.

10. INTERFUND RECEIVABLE AND PAYABLE BALANCES AND NET TRANSFERS

The individual interfund receivable and payable balances at December 31, 2009:

		Due From					
		General Fund	Nonmajor Governmental Funds	Water Works	Sewer Maintenance Fund	Nonmajor Enterprise Funds	Total
		(Thousands of Dollars)					
Due To	General Fund	\$ -	\$ 714	\$ 1,177	\$ -	\$ -	\$ 1,891
	General Obligation Debt	-	-	3,269	-	-	3,269
	Capital Projects	21,509	-	-	-	-	21,509
	Nonmajor Governmental Funds	7,305	-	-	-	-	7,305
	Water Works	7,699	-	-	719	1,074	9,492
	Sewer Maintenance	27,958	-	-	-	-	27,958
	Nonmajor Enterprise Funds ...	<u>12,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,279</u>
	Totals	<u>\$ 76,750</u>	<u>\$ 714</u>	<u>\$ 4,446</u>	<u>\$ 719</u>	<u>\$ 1,074</u>	<u>\$ 83,703</u>

Balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, and (4) funds overdraw their share of pooled cash or when there are transactions between funds where one fund does not participate in the City's pooled cash.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

Interfund transfers for the year ended December 31, 2009 were as follows:

Funds Transferred To	Fund Transferred From	Amount	Purpose
General Fund	General Obligation Debt	\$ 4,642	Funding for debt payments
	Nonmajor Governmental Funds	8,260	Subsidize uncollected property taxes
	Nonmajor Governmental Funds	7	Grant variance closeouts
	Water Works	9,440	Payment in Lieu of taxes
	Parking	1,252	Payment in Lieu of taxes
	Parking	18,132	Subsidy for operations
	Nonmajor Enterprise Funds	2,101	Excess earnings of Port
	Subtotal General Fund	<u>43,834</u>	
General Obligation Debt	General	116,000	Funding for cash flow debt
	General	2,076	Funding for debt payments
	Capital Projects	2,408	Tax Incremental District closeouts
	Nonmajor Governmental Funds	18,861	Funding for debt payments
	Sewer Maintenance	9,300	Subsidy for operations
	Parking	556	Subsidy for operations
	Subtotal Debt Service	<u>149,201</u>	
Public Debt Amortization	General Obligation Debt	<u>3,695</u>	Funding for debt payments
	Subtotal Public Debt Amortization	<u>3,695</u>	
Capital Projects	Public Debt Amortization	<u>200</u>	Subsidy for operations
	Subtotal Capital Projects	<u>200</u>	
Nonmajor Enterprise	General Fund	5	Subsidy for operations
	General Obligation Debt	<u>665</u>	Funding for debt payments
	Subtotal Nonmajor Proprietary	<u>670</u>	
	Total Interfund Transfers	<u>\$ 197,600</u>	

Transfers are used to (1) move revenues from the fund that statute or budget requires collection from to the fund that statute or budget required to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

11. BALANCES BETWEEN THE CITY AND COMPONENT UNITS

Balances due to and due from component units as of December 31, 2009:

Component Unit Payable	Primary Government's Receivable <i>(Thousands of Dollars)</i>
Due from HACM for reimbursable expenditures	\$ 1,323
Due from HACM for payment in lieu of taxes	
Due from RACM for loans issued to developers for the purpose of renovations and improvements to existing parcels of real estate	15,111
Due from RACM for reimbursable expenditures	326
Due from MEDC for tax incremental district loans	1,482
Due from NIDC for home and Community Development Block grants	48
Due from NIDC for reimbursements for expenditures	<u>5</u>
Total	<u>\$ 18,295</u>

Component Unit Receivable	Primary Government's Payable <i>(Thousands of Dollars)</i>
Due to RACM for tax incremental projects.....	\$ 123
Due to RACM for urban renewal projects.....	139
Due to RACM Community Development Block grants and Home grants.....	120
Due to MEDC Community Development Block grants and Home grants.....	<u>28</u>
Total	<u>\$ 410</u>

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

12. OPERATING LEASES

The City is the lessor for various properties under operating lease agreements expiring at various dates through 2009 and beyond. Certain leases contain provisions for possible renewal at term of the lease.

Scheduled minimum lease payments for years ending December 31 are as follows:

Year	Amount
<i>(Thousands of Dollars)</i>	
2010	\$ 5,447
2011	4,520
2012	4,202
2013	4,212
2014	3,529
2015-2019	14,050
2020-2024	6,472
2025-2029	2,851
2030 and beyond	<u>7,121</u>
Total	<u>\$ 52,404</u>

13. COMMITMENTS AND CONTINGENCIES

Claims and Other Legal Proceedings

The City is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employee or natural disaster. With certain exceptions, it is not the policy of the City to purchase commercial insurance for the risks of losses to which it is exposed. Instead, the City believes it is more economical to manage its risks internally and set aside funds as needed for reasonably estimated current claim settlements and unfavorable judgments through annual appropriations and supplemental appropriations. Current settlements are paid from the General Fund and recorded as expenditures when paid in the fund based statements. The liabilities are recorded in the government-wide financial statements.

Under Wisconsin Statutes, the amount recoverable by any person for any damages, injuries, or death in any action founded on fact against the City, agencies, officials, officers, or employees cannot exceed \$50,000, with certain exceptions.

The City is self-insured for workers' compensation, health insurance (basic plan), uninsured motorist motor vehicle coverage for City employees, and general liability. Liabilities are reported when it is probable that a loss can be reasonable estimated. These losses include an estimate of claims that have been incurred but not reported. Liabilities are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other economic and social factors. Claims are paid from the General Fund and recorded as expenditures when paid in the fund based financial statements. The liabilities are recorded in the government-wide financial statements.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

The liabilities recorded as long-term debt in the government-wide financial statements at December 31, 2009 are as follows:

General liability claims	\$ 11,395,000
Workers' compensation claims	7,765,000
Unemployment claims	1,018,000
Health insurance claims	2,043,000
Pollution remediation obligation.....	1,498,000

Changes in the balances of claim liabilities during the past two years are as follows:

	2008	2009
Beginning of year liability	\$ 25,021,000	\$ 28,466,000
Current year claims and changes in estimates	11,245,000	10,233,000
Claim payments	<u>(7,800,000)</u>	<u>(14,980,000)</u>
End of year liability	<u>\$ 28,466,000</u>	<u>\$ 23,719,000</u>

The Milwaukee Police Association (MPA) alleged that The Milwaukee Employees' Retirement System (ERS) was prohibited by City ordinance from spending more than \$3 million to purchase and install a computer information system. It is estimated that the total cost of ERS information system is approximately \$25 million. The MPA suit was subsequently voluntarily dismissed in 2005 and a clone case was brought by the Milwaukee Police Supervisors Organization (MPSO). Another union, the Association of Law Enforcement Allied Services Personnel (ALEASP), has joined the lawsuit as a plaintiff. The dispute in the case is over the interpretation of the section of the City ordinance that transferred all administrative, operational, and investment expenses for the City to ERS. On November 11, 2009, each defendant filed its motion for summary judgment.

On October 24, 2004, a claimant attended a party in the city that was hosted by a Milwaukee police officer and a number of other police officers had been invited. At some point, a number of the off-duty officers became involved in an altercation with the claimant who alleges that he was beaten for no reason and he did suffer severe injuries. The off-duty officers claim that they became involved with the claimant only after they suspected that he had stolen a badge from one of them. They also claim that the claimant resisted their efforts to obtain physical control of him. On-duty police were also called to the scene and claimant alleges that they, too, used excessive force on him and failed to stop the use of excessive force by those off-duty officers who were striking him. In addition to issues concerning the cause of the altercation, its actual participants, and its course, there is a substantial question of whether the off-duty officers involved in the matter were acting within the scope of their employment. All proceedings had been stayed pending the outcome of criminal trials. The county prosecutor charged three of the off-duty officers with crimes, but in April 2006 two were found not guilty and the jury could not reach a final verdict as to one charge against the third. Federal authorities indicted eight officers, with civil rights violations, and those cases, proceeded to trial in July 2007. Three of the officers were found guilty and one was acquitted. The other four officers entered into plea agreements. Now that all criminal trials have concluded, the court approved a discovery period. Discovery, including expert testimony, has been extended through November 1, 2010 and dispositive motions are due December 31, 2010.

Environmental Liabilities

The nature and sources of the City's pollution remediation obligation are asbestos abatement, underground storage tanks, PBC pollution, and contaminated properties. The probability-weighted expected cash flow measurement technique is used in determining the amount of liability. This involves determining a range of probabilities or likelihoods that different probable outlays will be necessary and calculating a weighted average of these outlays. There is a potential for changes in the estimated pollution remediation obligation due to third-party contracts and City labor costs changes, amendments to regulatory requirements and rules, and previously unknown conditions. The estimated costs of \$563,000 to address PBC pollution could increase if the Environment Protection Agency (EPA) does not approve the City's proposed cleanup methods. The EPA could require the City to do additional testing and remediation, resulting in greater costs to the City. The City qualifies for the State of Wisconsin *Municipal Liability Exemption Program* for contaminated properties. As long as the City is protective of human health environment, clean up is not required. The City generally cleans up contaminated properties based on remediation grants awarded to the City. The City does not expect to receive any non-grant revenues from insurance or other parties to reduce the City's liability for pollution remediation.

CITY OF MILWAUKEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

During 2009, the City spent \$306,000 in pollution remediation-related activities. At December 31, 2009, the City has an outstanding liability of \$1.5 million related to pollution remediation obligations.

The City is exposed to numerous environmental liabilities, the most significant of which relate to seven landfills. Two of the seven landfills have been closed. Of the remaining four landfills that are no longer accepting waste, the Wisconsin Department of Natural Resources has imposed closure requirements on the North College Avenue Site, which the City substantially closed during 2000. The Hartung landfill, which is used exclusively for clean fill, is expected to be closed within three years. The City has accrued \$690,000 in the government-wide financial statement, as part of general liability claims, for landfill closure related to the four sites. These amounts are based upon what it would cost to perform all closure activities in 2001. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Cost's*, establishes requirements for disclosure of closure and postclosure requirements for all municipal solid waste landfills receiving solid waste after October 9, 1991. The City's landfills have not accepted waste of this type since 1976 and is therefore not required to accrue for closure and postclosure care in accordance with GASB Statement No. 18.

Construction Commitments

The governmental activities and the Water Works Fund (enterprise) have construction commitments of \$31,633,000 and \$7,060,155, respectively, for various capital improvement projects at December 31, 2009.

Intergovernmental grants

Intergovernmental awards received by the City are subject to audit and adjustment by the funding agency or their representatives. If grant revenues are received for expenditures, which are subsequently disallowed, the City may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying financial statements at December 31, 2009.

14. SUBSEQUENT EVENTS

On February 19, 2010, the City issued \$137,565,000 of general obligation short-term promissory notes for the purpose of financing various public improvement projects of the City. The notes mature on February 1 of each year beginning 2011 until 2020. Interest is payable on February 1 and August 1 commencing August 1, 2010.

On February 19, 2010, the City issued \$7,970,000 of general obligation corporate purpose bonds for the purpose of financing various public improvement projects of the City. These bonds mature on February 1 of each year beginning 2021 until 2027. Interest is payable on February 1 and August 1 commencing August 1, 2010.

On April 15, 2010, the City issued \$147,000,000 of general obligation cash flow promissory notes financing the City's operating budget until the receipt of State shared revenues. These notes mature on December 15, 2010 with interest.

On April 15, 2010, the City issued \$49,420,000 of general obligation corporate purpose bonds for the purpose of financing various public improvement projects of the City. These bonds mature on May 1 of each year beginning 2011 until 2027. Interest is payable on May 1 and November 1 commencing November 1, 2010.

On June 15, 2010, the City issued \$37,300,000 of general obligation corporate purpose bonds (Qualified School Construction Bonds) for the purpose of financing schools construction projects. These bonds mature on February 15, 2027. Interest is payable on February 15 and August 15 commencing August 15, 2010.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

CITY OF MILWAUKEE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit E-1

	Budgeted Amounts		Actual -	Variance
	Original	Final	Amounts	Positive
	Budget	Budget	Budgetary	(Negative)
			Basis	
Revenues:				
Property taxes	\$ 164,629	\$ 164,629	\$ 156,410	\$ (8,219)
Other taxes	5,103	5,103	3,504	(1,599)
Licenses and permits	13,138	13,138	12,186	(952)
Intergovernmental	272,252	272,252	272,337	85
Charges for services	83,328	83,427	91,057	7,630
Fines and forfeits	5,593	5,593	4,802	(791)
Other	18,530	18,530	19,967	1,437
Total Revenues	562,573	562,672	560,263	(2,409)
Expenditures:				
Current:				
General government	223,306	217,243	202,066	15,177
Public safety	270,389	278,323	276,060	2,263
Public works	91,925	97,448	97,093	355
Health	10,233	10,486	10,446	40
Culture and recreation	16,743	17,330	17,329	1
Conservation and development	3,896	4,665	4,230	435
Total Expenditures	616,492	625,495	607,224	18,271
Deficiency of Revenues over Expenditures	(53,919)	(62,823)	(46,961)	15,862
Other Financing Sources (Uses):				
General obligation bonds and notes issued	-	3,000	119,000	116,000
Transfers in	31,746	36,389	43,834	7,445
Transfers out	-	(5)	(118,081)	(118,076)
Contributions received	27,698	28,003	21,300	(6,703)
Contributions used	(27,627)	(27,888)	(20,743)	7,145
Use of fund balance - reserved for tax stabilization ...	22,379	22,379	22,379	-
Total Other Financing Sources and Uses	54,196	61,878	67,689	5,811
Net Change in Fund Balance	277	(945)	20,728	21,673
Fund Balance - Beginning (Excludes Reserved for Tax Stabilization)	50,628	50,628	50,628	-
Fund Balance - Ending	\$ 50,905	\$ 49,683	\$ 71,356	\$ 21,673

Explanation of Differences of Budget to GAAP:

For budget purposes, the fund balance - reserved for tax stabilization is reflected as other financing sources whereas for accounting purposes, it is reflected as part of fund balance. The difference between the fund balance on a GAAP basis compared with budget basis is \$22.379 million at January 1, 2009.

Contributions received and used for budget purposes are reported as other financing sources, but for GAAP are considered to be revenues and expenditures.

See accompanying independent auditors' report.

CITY OF MILWAUKEE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
 FOR THE YEAR ENDED DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit E-2

Retiree Health and Life Insurance

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2007	-	\$ 806,300,000	\$ 806,300,000	0.0%	\$ 412,731,863	195.4%
7/1/2008	-	880,700,000	880,700,000	0.0%	425,360,370	207.0%
1/1/2009	-	959,562,000	959,562,000	0.0%	419,811,361	228.6%

See accompanying independent auditors' report.

CITY OF MILWAUKEE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2009

Budgets and Budgetary Accounting

City departments are required to submit their annual budget requests for the ensuing year to the Mayor by the second Tuesday in May. The Department of Administration, Division of Budget and Management Analysis, acting as staff for the Mayor, reviews the request in detail with the departments during June and July. After all of the requests have been reviewed, the Mayor submits his proposed Executive Budget to the Common Council. The City Charter requires that this be done on or before September 28. The Common Council must complete its review and adopt the budget on or before November 14. Once adopted, Common Council approval is required to amend the total appropriations by a department, the legal level of control for each budget. During the year, various amendments were made to the budget including carryovers of appropriations and encumbrances, and internal transfers.

Annual budgets are legally adopted by the Common Council for some but not all governmental funds. Annual budgets are not adopted for Special Revenue Fund - Delinquent Tax, Debt Service Fund - Public Debt Amortization and Capital Projects Funds. The Debt Service Fund - General Obligation Debt uses a non-appropriated budget. Budgets for Capital Projects Funds are prepared for the project life, rather than for the standard current fiscal year. Therefore, project appropriations for these budgets lapse at the conclusion of the project. All other appropriations lapse at the end of the current fiscal year. Governmental funds for which annual budgets have been adopted are included in the accompanying Required Supplementary Information Budgetary Comparison Schedule and in the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.

Schedule of Funding Progress – Actuarial Methods and Assumptions

Valuation date	January 1, 2009
Actuarial cost method	Projected unit credit
Amortization method	Level-dollar
Amortization period	30 years (open)
Actuarial assumptions:	
Investment rate of return	4.5%
Projected salary increases	3.5%
Health care inflation rate	20.4% initial HMO
	7.7% initial Basic Plan
	4.5% ultimate

**COMBINING
AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

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Nonmajor Governmental Funds

Nonmajor funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Grant and Aid Projects – This fund is used to account for Federal and State grants whose proceeds are legally restricted to expenditures for specific purposes and which are not accounted for in other special revenue funds.

Community Development Block Grant – The Community Development Block Grant Program receives annual grants pursuant to the Federal Housing and Community Development Act of 1974. This fund also includes amounts received under the Section 108 Loan Program. The City's Department of Administration is responsible for the planning, execution and evaluation of the Program.

Delinquent Tax – This fund was established as a reserve against uncollected delinquent property taxes. Fund resources, consisting initially of bond proceeds, are used to purchase delinquent property taxes from the General Fund. Collections on these purchased receivables and related interest thereon are transferred to the General Obligation Debt Service Fund to provide for the related debt service requirements.

Economic Development Fund – This fund provides expenditure authority for owner financed economic development in commercial areas, including the Business Improvement District program.

CITY OF MILWAUKEE
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit F-1

	Grant and Aid Projects	Community Development Block Grant	Delinquent Tax	Economic Development	Total Nonmajor Governmental Funds
ASSETS					
Assets:					
Cash and cash equivalents	\$ 3,200	\$ -	\$ 14,849	\$ 829	\$ 18,878
Receivables (net):					
Taxes	-	-	13,387	-	13,387
Accounts	115	100	-	-	215
Notes and loans	16,997	2,523	-	-	19,520
Due from other funds	-	714	-	-	714
Due from component units	40	17	-	-	57
Due from other governmental agencies	10,959	1,636	-	-	12,595
Total Assets	\$ 31,311	\$ 4,990	\$ 28,236	\$ 829	\$ 65,366
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 3,298	\$ 1,948	\$ -	\$ -	\$ 5,246
Accrued expenses	163	117	-	-	280
Due to other funds	7,305	-	-	-	7,305
Due to component units	-	147	-	-	147
Due to other governmental agencies	255	100	-	-	355
Deferred revenue	7,036	156	2,557	-	9,749
Total Liabilities	18,057	2,468	2,557	-	23,082
Fund Balances:					
Reserved for debt service	-	-	14,849	-	14,849
Reserved for delinquent taxes receivable ..	-	-	10,830	-	10,830
Reserved for economic development	-	-	-	829	829
Unreserved, undesignated	13,254	2,522	-	-	15,776
Total Fund Balances	13,254	2,522	25,679	829	42,284
Total Liabilities and Fund Balances	\$ 31,311	\$ 4,990	\$ 28,236	\$ 829	\$ 65,366
<i>See accompanying independent auditors' report.</i>					

CITY OF MILWAUKEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009
 (Thousands of Dollars)

Exhibit F-2

	Grant and Aid Projects	Community Development Block Grant	Delinquent Tax	Economic Development	Total Nonmajor Governmental Funds
Revenues:					
Property taxes	\$ -	\$ -	\$ 5,310	\$ -	\$ 5,310
Intergovernmental	36,324	17,634	-	-	53,958
Other	-	-	3,281	6,837	10,118
Total Revenues	36,324	17,634	8,591	6,837	69,386
Expenditures:					
Current:					
General government	-	2,825	1,373	-	4,198
Public safety	11,848	2,627	-	-	14,475
Public works	3,530	495	-	-	4,025
Health	11,421	-	-	-	11,421
Culture and recreation	962	1,363	-	-	2,325
Conservation and development	7,001	10,322	-	6,745	24,068
Total Expenditures	34,762	17,632	1,373	6,745	60,512
Excess (deficiency) of Revenues over Expenditures	1,562	2	7,218	92	8,874
Other Financing Sources (Uses):					
General obligation bonds and notes issued .	-	-	24,680	-	24,680
Loans receivable activities.....	(734)	484	-	-	(250)
Transfers out	(7)	-	(27,121)	-	(27,128)
Total Other Financing Sources and Uses	(741)	484	(2,441)	-	(2,698)
Net Change in Fund Balances	821	486	4,777	92	6,176
Fund Balances - Beginning	12,433	2,036	20,902	737	36,108
Fund Balances - Ending	\$ 13,254	\$ 2,522	\$ 25,679	\$ 829	\$ 42,284

See accompanying independent auditors' report.

CITY OF MILWAUKEE Exhibit F-3
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GRANT AND AID PROJECTS
 FOR THE YEAR ENDED DECEMBER 31, 2009
(Thousands of Dollars)

	Amended Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 36,515	\$ 36,324	\$ (191)
Expenditures:			
Current:			
Public safety	12,299	11,848	451
Public works	3,530	3,530	-
Health	11,631	11,421	210
Culture and recreation	1,060	962	98
Conservation and development	7,995	7,001	994
Total Expenditures	36,515	34,762	1,753
Excess of Revenues over (under) Expenditures	-	1,562	1,562
Other Financing Sources (Uses):			
Loans receivable activities	-	(734)	(734)
Transfers out	-	(7)	(7)
Net Change in Fund Balance	-	821	821
Fund Balance - Beginning	-	12,433	12,433
Fund Balance - Ending	\$ -	\$ 13,254	\$ 13,254

See accompanying independent auditors' report.

CITY OF MILWAUKEE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT
 FOR THE YEAR ENDED DECEMBER 31, 2009
 (Thousands of Dollars)

Exhibit F-4

	Amended Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 17,634	\$ 17,634	\$ -
Expenditures:			
Current:			
General government	2,825	2,825	-
Public safety	2,627	2,627	-
Public works	495	495	-
Health	-	-	-
Culture and recreation	1,363	1,363	-
Conservation and development	10,322	10,322	-
Total Expenditures	17,632	17,632	-
Excess of Revenues over (under) Expenditures	2	2	-
Other Financing Sources (Uses):			
Loans receivable activities	484	484	-
Fund Balance - Beginning	2,036	2,036	-
Fund Balance - Ending	\$ 2,522	\$ 2,522	\$ -

See accompanying independent auditors' report.

CITY OF MILWAUKEE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT
 FOR THE YEAR ENDED DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit F-5

	Amended Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Revenues:			
Other	\$ 7,143	\$ 6,837	\$ (306)
Expenditures:			
Current:			
Conservation and development	7,179	6,745	\$ 434
Excess of Revenues over (under) Expenditures	(36)	92	128
Fund Balance - Beginning	737	737	-
Fund Balance - Ending	\$ 701	\$ 829	\$ 128

See accompanying independent auditors' report.

Nonmajor Enterprise Funds

Enterprise Funds are used to account for operations that provide services which are financed primarily by user charges, or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes.

Port of Milwaukee – All activities necessary to operate and maintain the Port of Milwaukee and other related harbor activities are accounted for in this fund.

Metropolitan Sewerage District User Charge – The Metropolitan Sewerage District User Charge Fund is used to account for sewerage treatment charges by the Milwaukee Metropolitan Sewerage District to the City on a “wholesale” user charge basis and the subsequent billing by the City to customers on a “retail” basis. The City adds administrative expense to the District’s charges and includes the sewer user charges on the quarterly water bills.

CITY OF MILWAUKEE
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit G-1

	Port of Milwaukee	Metropolitan Sewerage District User Charge	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Receivables (net):			
Accounts	\$ 955	\$ 12,334	\$ 13,289
Unbilled accounts	-	2,895	2,895
Due from other funds	-	1,074	1,074
Due from other governmental agencies	-	-	-
Total Current Assets	<u>955</u>	<u>16,303</u>	<u>17,258</u>
Noncurrent assets:			
Capital assets:			
Capital assets not being depreciated:			
Land	7,791	-	7,791
Construction in progress	9	-	9
Capital assets being depreciated:			
Buildings	13,484	-	13,484
Infrastructures	15,909	-	15,909
Improvements other than buildings	2,288	-	2,288
Machinery and equipment	4,792	-	4,792
Accumulated depreciation	<u>(21,748)</u>	<u>-</u>	<u>(21,748)</u>
Total Noncurrent Assets	<u>22,525</u>	<u>-</u>	<u>22,525</u>
Total Assets	<u>23,480</u>	<u>16,303</u>	<u>39,783</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	123	9,365	9,488
Accrued expenses	178	2	180
Accrued interest payable	44	-	44
Due to other funds	176	12,103	12,279
General obligation debt payable - current	<u>430</u>	<u>-</u>	<u>430</u>
Total Current Liabilities	<u>951</u>	<u>21,470</u>	<u>22,421</u>
Noncurrent Liabilities:			
General obligation debt	2,317	-	2,317
Other post employment benefits obligation	<u>153</u>	<u>-</u>	<u>153</u>
Total Noncurrent Liabilities	<u>2,470</u>	<u>-</u>	<u>2,470</u>
Total Liabilities	<u>3,421</u>	<u>21,470</u>	<u>24,891</u>
NET ASSETS:			
Invested in capital assets, net of related debt	19,778	-	19,778
Unrestricted	<u>281</u>	<u>(5,167)</u>	<u>(4,886)</u>
Total Net Assets (Accumulated Deficit)	<u>\$ 20,059</u>	<u>\$ (5,167)</u>	<u>\$ 14,892</u>
<i>See accompanying independent auditors' report.</i>			

CITY OF MILWAUKEE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009
 (Thousands of Dollars)

Exhibit G-2

	Port of Milwaukee	Metropolitan Sewerage District User Charge	Total Nonmajor Enterprise Funds
Operating Revenues:			
Charges for Services:			
Statutory sewer user fee	\$ -	\$ 42,878	\$ 42,878
Rent	5,106	-	5,106
Other	-	1,366	1,366
Total Operating Revenues	<u>5,106</u>	<u>44,244</u>	<u>49,350</u>
Operating Expenses:			
Milwaukee Metropolitan Sewerage District Charges	-	39,666	39,666
Employee services	1,801	100	1,901
Administrative and general	-	55	55
Depreciation	936	-	936
Transmission and distribution	-	3,450	3,450
Services, supplies and materials	928	-	928
Billing and collection	-	1,274	1,274
Total Operating Expenses	<u>3,665</u>	<u>44,545</u>	<u>48,210</u>
Operating Income (Loss)	<u>1,441</u>	<u>(301)</u>	<u>1,140</u>
Nonoperating Revenues (Expenses):			
Interest expense	(146)	-	(146)
Other	<u>106</u>	<u>-</u>	<u>106</u>
Total Nonoperating Revenues (Expenses)	<u>(40)</u>	<u>-</u>	<u>(40)</u>
Income (Loss) before Contributions and Transfers	1,401	(301)	1,100
Capital contributions	346	-	346
Transfers in	670	-	670
Transfers out	<u>(2,101)</u>	<u>-</u>	<u>(2,101)</u>
Change in Net Assets	316	(301)	15
Total Net Assets (Accumulated Deficit) - Beginning	<u>19,743</u>	<u>(4,866)</u>	<u>14,877</u>
Total Net Assets (Accumulated Deficit) - Ending	<u>\$ 20,059</u>	<u>\$ (5,167)</u>	<u>\$ 14,892</u>

See accompanying independent auditors' report.

CITY OF MILWAUKEE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit G-3

	Port of Milwaukee	Metropolitan Sewerage District User Charge	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 6,420	\$ 42,388	\$ 48,808
Payments to suppliers	(1,537)	(43,464)	(45,001)
Payments to employees	(1,746)	(98)	(1,844)
Payments from other funds	-	1,714	1,714
Payments to other funds	(1,745)	(540)	(2,285)
Net Cash Provided by Operating Activities	<u>1,392</u>	<u>-</u>	<u>1,392</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	670	-	670
Transfers to other funds	(2,101)	-	(2,101)
Net Cash Used for Noncapital Financing Activities	<u>(1,431)</u>	<u>-</u>	<u>(1,431)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital contributions	1,346	-	1,346
Acquisition of property, plant and equipment	(642)	-	(642)
Retirement of bonds, notes and revenue bonds	(508)	-	(508)
Interest paid	(157)	-	(157)
Other	-	-	-
Net Cash Used for Capital and Related Financing Activities	<u>39</u>	<u>-</u>	<u>39</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents - Beginning	-	-	-
Cash and Cash Equivalents - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 1,441	\$ (301)	\$ 1,140
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	936	-	936
Changes in assets and liabilities:			
Receivables	1,241	(1,856)	(615)
Due from other funds	-	(540)	(540)
Due from other governmental agencies	73	-	73
Accounts payable	(610)	981	371
Accrued liabilities	56	2	58
Due to other funds	(1,745)	1,714	(31)
Deferred revenue	-	-	-
Net Cash Provided by Operating Activities	<u>\$ 1,392</u>	<u>\$ -</u>	<u>\$ 1,392</u>
<i>See accompanying independent auditors' report.</i>			

Agency Funds

These funds account for taxes and deposits collected by the City, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

CITY OF MILWAUKEE
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009
 (Thousands of Dollars)

Exhibit H-1

	Balance 01-01-09	Additions	Deductions	Balance 12-31-09
BOARD OF SCHOOL DIRECTORS FUND				
ASSETS				
Cash and cash equivalents	\$ 221,393	\$ 1,449,163	\$ 1,441,660	\$ 228,896
Taxes receivable	-	154,918	154,918	-
Total Assets	\$ 221,393	\$ 1,604,081	\$ 1,596,578	\$ 228,896
LIABILITIES				
Due to Other Governmental Agencies:				
Milwaukee School Board	\$ 221,393	\$ 1,449,163	\$ 1,441,660	\$ 228,896
PROPERTY TAX FUND				
ASSETS				
Cash and cash equivalents	\$ 104,053	\$ 228,038	\$ 225,948	\$ 106,143
Taxes Receivable	-	121,730	121,730	-
Total Assets	\$ 104,053	\$ 349,768	\$ 347,678	\$ 106,143
LIABILITIES				
Due to Other Governmental Agencies:				
State of Wisconsin	\$ 21	\$ 5,638	\$ 5,623	\$ 36
Milwaukee County	59,211	124,428	122,977	60,662
Menomonee Falls School District	-	185	185	-
Milwaukee Area District Board of Vocational Technical & Adult Education	26,307	57,561	57,022	26,846
Milwaukee Metropolitan Sewerage District	18,514	40,192	40,107	18,599
Waukesha County	-	34	34	-
Total Liabilities	\$ 104,053	\$ 228,038	\$ 225,948	\$ 106,143
PAYROLL DEDUCTIONS FUND				
ASSETS				
Cash and cash equivalents	\$ 151	\$ 1,270	\$ 1,230	\$ 191
LIABILITIES				
Accounts payable	\$ 151	\$ 1,270	\$ 1,230	\$ 191
<i>See accompanying independent auditors' report.</i>				

CITY OF MILWAUKEE
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2009
 (Thousands of Dollars)

Exhibit H-1 (Continued)

	Balance 01-01-09	Additions	Deductions	Balance 12-31-09
FEES, PENALTIES AND SALES TAX FUND				
ASSETS				
Cash and cash equivalents	<u>\$ 390</u>	<u>\$ 3,827</u>	<u>\$ 3,833</u>	<u>\$ 384</u>
LIABILITIES				
Accounts payable	\$ -	\$ 87	\$ 87	\$ -
Due to Other Governmental Agencies:				
State of Wisconsin	351	3,024	2,991	384
Milwaukee County	<u>39</u>	<u>716</u>	<u>755</u>	<u>-</u>
Total Liabilities	<u>\$ 390</u>	<u>\$ 3,827</u>	<u>\$ 3,833</u>	<u>\$ 384</u>
OTHER				
ASSETS				
Cash and cash equivalents	<u>\$ 1,161</u>	<u>\$ 13,310</u>	<u>\$ 13,151</u>	<u>\$ 1,320</u>
LIABILITIES				
Accounts payable	<u>\$ 1,161</u>	<u>\$ 13,310</u>	<u>\$ 13,151</u>	<u>\$ 1,320</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 327,148	\$ 1,695,608	\$ 1,685,822	\$ 336,934
Receivables:				
Taxes	<u>-</u>	<u>276,648</u>	<u>276,648</u>	<u>-</u>
Total Assets	<u>\$ 327,148</u>	<u>\$ 1,972,256</u>	<u>\$ 1,962,470</u>	<u>\$ 336,934</u>
LIABILITIES				
Accounts payable	\$ 1,312	\$ 14,667	\$ 14,468	\$ 1,511
Due to other governmental agencies	<u>325,836</u>	<u>1,680,941</u>	<u>1,671,354</u>	<u>335,423</u>
Total Liabilities	<u>\$ 327,148</u>	<u>\$ 1,695,608</u>	<u>\$ 1,685,822</u>	<u>\$ 336,934</u>
<i>See accompanying independent auditors' report.</i>				

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**MISCELLANEOUS
FINANCIAL
DATA**

Exhibit I-1

[illegible]

CITY OF MILWAUKEE
COMBINED SCHEDULE OF CASH AND CASH EQUIVALENTS AND INVESTMENTS - PRIMARY GOVERNMENT
 DECEMBER 31, 2009
 (Thousands of Dollars)

Exhibit I-2

Cash and Cash Equivalents:	
Cash	\$ 33,722
Local Government Pooled - Investment Fund	178,137
Institutional Money Market Fund	108
Cash with Fiscal Agent	8,690
Certificates of Deposit	<u>396,514</u>
Total Cash and Cash Equivalents	\$ 617,171
Investments:	
Treasury Notes, Bills and Agencies	5,430
Other	<u>141</u>
Total Investments	<u>5,571</u>
Total Cash and Cash Equivalents and Investments	<u>\$ 622,742</u>

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Total
Cash and Cash Equivalents and Investments - Fund:				
General	\$ 46,884	\$ 141	\$ -	\$ 47,025
General Obligation Debt Service	124,411	-	-	124,411
Public Debt Amortization	44,229	2,714	-	46,943
Capital Projects	4,361	-	-	4,361
Nonmajor Governmental Funds	18,878	-	-	18,878
Water Works	6,565	-	667	7,232
Sewer Maintenance	-	-	10,492	10,492
Parking	21,019	-	-	21,019
Nonmajor Enterprise Funds	-	-	-	-
Pension and Other Employee Benefit Trusts	402	-	-	402
Private-Purpose Trusts	2,158	2,887	-	5,045
Agency Funds	<u>336,934</u>	<u>-</u>	<u>-</u>	<u>336,934</u>
Total Cash and Cash Equivalents and Investments - Fund	<u>\$ 605,841</u>	<u>\$ 5,742</u>	<u>\$ 11,159</u>	<u>\$ 622,742</u>

See accompanying independent auditors' report.

CITY OF MILWAUKEE
DEBT SERVICE REQUIREMENTS TO MATURITY -
GENERAL OBLIGATION BONDS AND NOTES
DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit I-3

Year	Bridges		Economic Development		Finance Real and Personal Property Tax Receivables	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,860	\$ 717	\$ 21	\$ 1	\$ 22,799	\$ 959
2011	1,685	624	2	1	8,446	475
2012	1,588	541	2	-	3,902	263
2013	1,484	464	2	-	2,696	149
2014	1,351	390	1	-	1,775	65
2015	1,337	324	1	-	890	14
2016	1,105	259	-	-	-	-
2017	954	209	-	-	-	-
2018	7,868	145	-	-	-	-
2019	743	104	-	-	-	-
2020	556	75	-	-	-	-
2021	740	45	-	-	-	-
2022	296	24	-	-	-	-
2023	193	15	-	-	-	-
2024	193	8	-	-	-	-
2025	184	1	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
Totals	22,137	3,945	29	2	40,508	1,925
Total Requirements	<u>\$26.082</u>		<u>\$31</u>		<u>\$42.433</u>	

See accompanying independent auditors' report.

Fire		Grant and Aid Improvements - City Share		Harbor	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 2,367	\$ 838	\$ 62	\$ 10	\$ 430	\$ 133
2,350	731	62	7	429	111
2,330	623	39	5	388	89
2,303	517	39	3	350	70
2,290	407	15	1	341	52
1,601	313	15	1	314	36
1,281	244	7	-	142	21
1,639	174	-	-	95	14
2,796	108	-	-	75	10
790	70	-	-	70	6
319	43	-	-	44	4
309	27	-	-	44	2
309	12	-	-	9	-
42	3	-	-	4	-
42	1	-	-	-	-
4	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>20,772</u>	<u>4,111</u>	<u>239</u>	<u>27</u>	<u>2,735</u>	<u>548</u>
<u>\$24,883</u>		<u>\$266</u>		<u>\$3,283</u>	

CITY OF MILWAUKEE
DEBT SERVICE REQUIREMENTS TO MATURITY -
GENERAL OBLIGATION BONDS AND NOTES
DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit I-3 (Continued)

Year	Industrial Land Bank		Lakefront Development		Library	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 14	\$ 1	\$ 2	\$ -	\$ 1,047	\$ 357
2011	2	-	-	-	895	308
2012	1	-	-	-	852	266
2013	1	-	-	-	877	224
2014	1	-	-	-	829	182
2015	1	-	-	-	602	144
2016	-	-	-	-	594	116
2017	-	-	-	-	534	88
2018	-	-	-	-	1,320	60
2019	-	-	-	-	307	44
2020	-	-	-	-	252	30
2021	-	-	-	-	195	20
2022	-	-	-	-	145	12
2023	-	-	-	-	86	7
2024	-	-	-	-	86	2
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
Totals	20	1	2	-	8,621	1,860
Total Requirements	<u>\$21</u>		<u>\$2</u>		<u>\$10,481</u>	

See accompanying independent auditors' report.

Local Improvement Projects/ Special Assessments		Milwaukee Exposition and Convention Center and Arena		Parking	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 1,370	\$ 579	\$ 7	\$ 1	\$ 1,492	\$ 526
1,160	517	1	-	1,424	460
958	467	1	-	1,268	395
1,137	410	1	-	1,146	337
1,045	353	-	-	1,127	283
677	308	-	-	1,016	231
2,421	273	-	-	850	183
2,130	173	-	-	628	142
2,073	86	-	-	556	113
23	1	-	-	491	88
-	-	-	-	449	66
-	-	-	-	377	46
-	-	-	-	364	29
-	-	-	-	255	15
-	-	-	-	173	4
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,994</u>	<u>3,167</u>	<u>10</u>	<u>1</u>	<u>11,616</u>	<u>2,918</u>
<u>\$16,161</u>		<u>\$11</u>		<u>\$14,534</u>	

CITY OF MILWAUKEE
DEBT SERVICE REQUIREMENTS TO MATURITY -
GENERAL OBLIGATION BONDS AND NOTES
 DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit I-3 (Continued)

Year	Playgrounds/ Recreational Facilities		Police		Public Buildings	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,364	\$ 354	\$ 5,458	\$ 1,573	\$ 17,116	\$ 7,161
2011	1,195	296	4,807	1,302	16,592	6,408
2012	954	247	4,894	1,070	15,583	5,682
2013	1,041	203	4,248	850	15,534	4,983
2014	996	155	3,257	641	14,827	4,261
2015	815	112	3,363	492	14,014	3,579
2016	677	78	1,974	336	13,373	2,946
2017	508	49	1,803	242	11,001	2,375
2018	2,327	24	2,162	155	21,537	1,860
2019	317	8	817	103	9,641	1,413
2020	-	-	387	74	7,135	1,019
2021	-	-	531	51	8,039	662
2022	-	-	343	34	3,846	402
2023	-	-	282	21	3,758	240
2024	-	-	282	10	2,935	93
2025	-	-	175	1	1,187	7
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
Totals	10,194	1,526	34,783	6,955	176,118	43,091
Total Requirements	<u>\$11,720</u>		<u>\$41,738</u>		<u>\$219,209</u>	

See accompanying independent auditors' report.

Resource Recovery			Schools		Sewer Maintenance	
Principal	Interest		Principal	Interest	Principal	Interest
\$ 5	\$ -		\$ 10,247	\$ 4,037	\$ 270	\$ 176
1	-		9,857	3,536	272	165
1	-		8,730	3,068	273	153
-	-		8,107	2,636	293	141
-	-		7,544	2,237	296	129
-	-		6,512	1,886	299	115
-	-		8,542	1,567	302	101
-	-		6,228	1,170	277	88
-	-		5,375	865	3,777	63
-	-		4,706	612	277	48
-	-		3,837	401	277	35
-	-		497	211	277	21
-	-		497	189	277	7
-	-		497	167	-	-
-	-		270	148	-	-
-	-		12,000	142	-	-
-	-		-	-	-	-
-	-		-	-	-	-
<u>7</u>	<u>-</u>		<u>93,446</u>	<u>22,872</u>	<u>7,167</u>	<u>1,242</u>
<u>\$7</u>			<u>\$116,318</u>		<u>\$8,409</u>	

CITY OF MILWAUKEE
DEBT SERVICE REQUIREMENTS TO MATURITY -
GENERAL OBLIGATION BONDS AND NOTES
DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit I-3 (Continued)

Year	Sewers		Streets		Tax Incremental Districts	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 5,874	\$ 1,858	\$ 9,466	\$ 3,538	\$ 20,147	\$ 6,043
2011	5,350	1,572	8,045	3,094	10,291	5,418
2012	5,138	1,316	7,740	2,718	9,637	4,921
2013	4,578	1,061	7,151	2,363	9,725	4,441
2014	4,328	834	6,314	2,018	8,753	3,958
2015	3,758	625	5,638	1,729	8,401	3,539
2016	2,827	436	4,862	1,463	8,064	3,104
2017	1,763	295	4,238	1,233	9,914	2,691
2018	1,781	208	31,020	956	41,456	1,914
2019	740	157	2,498	816	8,033	1,367
2020	683	124	2,239	704	7,069	983
2021	851	86	4,285	538	7,204	631
2022	704	54	3,528	385	5,280	325
2023	488	31	3,397	252	3,485	110
2024	368	15	3,297	118	535	13
2025	368	2	2,245	13	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
Totals	39,599	8,674	105,963	21,938	157,994	39,458
Total Requirements	<u>\$48,273</u>		<u>\$127,901</u>		<u>\$197,452</u>	

See accompanying independent auditors' report.

Urban Renewal		Water		Total Requirements	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 2,300	\$ 801	\$ 2,507	\$ 762	\$ 106,225	\$ 30,425
2,133	690	2,981	643	77,980	26,358
1,940	588	2,506	502	68,725	22,914
1,621	493	2,116	367	64,450	19,712
1,674	414	2,301	258	59,065	16,638
1,500	332	1,691	148	52,445	13,928
1,032	259	997	59	49,050	11,445
582	208	36	8	42,330	9,159
2,525	176	37	6	126,685	6,749
514	151	38	5	30,005	4,993
363	130	15	3	23,625	3,691
801	100	15	3	24,165	2,443
727	69	15	2	16,340	1,544
598	44	15	1	13,100	906
568	21	15	-	8,764	433
438	3	-	-	16,601	169
-	-	-	-	-	-
-	-	-	-	-	-
19,316	4,479	15,285	2,767	779,555	171,507
<u>\$23.795</u>		<u>\$18.052</u>		<u>\$951.062</u>	

Exhibit I-4

Year	Principal	Interest	Total Requirements
2010	939	236	1,175
2011	964	211	1,175
2012	989	185	1,174
2013	1,015	158	1,173
2014	1,042	131	1,173
2015	1,069	104	1,173
2016	1,098	75	1,173
2017	1,127	45	1,172
2018	<u>1,157</u>	<u>15</u>	<u>1,172</u>
	<u>\$ 9,400</u>	<u>\$ 1,160</u>	<u>\$ 10,560</u>

See accompanying independent auditors' report.

Note: Water Revenue bond coverage on Series SDWL - 1, 2, 3, 4 and 5 for 2009 consisted of gross revenues plus interest income in the amount of \$73,157, less operating expenses (excluding depreciation but including the payment in lieu of taxes) of \$63,019. As a result, the net revenue available for debt service was \$10,138. Debt service requirements consisted of \$1,175 for 2009. At the end of the year, bond coverage computes to 8.63.

CITY OF MILWAUKEE
**DEBT SERVICE REQUIREMENTS TO MATURITY - SEWERAGE SYSTEM REVENUE
AND DISCLOSURE OF BOND COVERAGE**
(Thousands of Dollars)

Exhibit I-5

Year	Revenue Bonds		State Loans (Revenue Bonds)		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	2,840	2,274	2,061	1,125	4,901	3,399
2011	2,940	2,151	2,113	1,075	5,053	3,226
2012	3,050	2,015	2,163	1,024	5,213	3,039
2013	3,175	1,865	2,215	972	5,390	2,837
2014	3,310	1,703	2,268	918	5,578	2,621
2015	3,465	1,539	2,322	863	5,787	2,402
2016	3,625	1,361	2,378	807	6,003	2,168
2017	3,800	1,170	2,435	749	6,235	1,919
2018	3,975	975	2,494	690	6,469	1,665
2019	4,160	776	2,553	629	6,713	1,405
2020	4,360	564	2,615	567	6,975	1,131
2021	4,565	341	2,677	504	7,242	845
2022	2,375	168	2,742	439	5,117	607
2023	2,475	54	2,807	372	5,282	426
2024	-	-	2,875	304	2,875	304
2025	-	-	2,944	235	2,944	235
2026	-	-	3,014	163	3,014	163
2027	-	-	3,086	90	3,086	90
2028	-	-	2,237	27	2,237	27
2029	-	-	3	-	3	-
	<u>\$ 48,115</u>	<u>\$ 16,956</u>	<u>\$ 48,002</u>	<u>\$ 11,553</u>	<u>\$ 96,117</u>	<u>\$ 28,509</u>

See accompanying independent auditors' report.

Note: Sewerage System Revenue Bonds coverage consisted of gross revenues plus interest income in the amount of \$48,231 less operating expenses (excluding depreciation) of \$16,438. As a result, the net revenue available for debt service was \$31,793. Debt service requirements consisted of \$5,126 for 2009. At the end of the year, bond coverage computes to 6.20.

CITY OF MILWAUKEE
SCHEDULE OF ACCOUNT BALANCES
CAPITAL PROJECTS BY PURPOSE
 DECEMBER 31, 2009
 (Thousands of Dollars)

Exhibit I-6

	Bridges	Special Projects	Fire Department	Library	Playgrounds & Recreation
ASSETS					
Assets:					
Cash and cash equivalents	\$1,544	\$ 730	\$ -	\$ -	\$ -
Receivables (net):					
Taxes	-	50	-	-	-
Accounts	-	-	-	-	-
Special Assessments	-	-	-	-	-
Due from component units	-	-	-	-	-
Due from other governmental agencies	99	-	-	-	3
Inventory of materials and supplies	-	-	-	-	-
Total Assets	<u>\$1,643</u>	<u>\$ 780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 721	\$ 2	\$ 173	\$ 950	\$ 148
Accrued expenses	44	-	-	1	5
Due to other funds	-	-	73	321	286
Due to component units	-	-	-	-	-
Deferred revenue	-	85	-	-	-
Advances from other funds	-	-	-	-	-
Total Liabilities	<u>765</u>	<u>87</u>	<u>246</u>	<u>1,272</u>	<u>439</u>
Fund Balance:					
Reserved for encumbrances, prepaids, and carryovers	878	693	-	-	-
Reserved for inventory	-	-	-	-	-
Unreserved:					
Undesignated	-	-	(246)	(1,272)	(436)
Special assessment (deficit)	-	-	-	-	-
Total Fund Balance	<u>878</u>	<u>693</u>	<u>(246)</u>	<u>(1,272)</u>	<u>(436)</u>
Total Liabilities and Fund Balance	<u>\$1,643</u>	<u>\$ 780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>
See accompanying independent auditors' report.					

Police Department	Public Buildings	Sewers	Urban Renewal	Streets	Tax Incremental Districts	Special Assessments	Total
\$ 374	\$ 1,466	\$ -	\$ 247	\$ -	\$ -	\$ -	\$ 4,361
172	141	-	103	-	2,329	-	2,795
-	-	161	-	1,893	-	-	2,054
-	-	-	-	-	-	12,889	12,889
-	-	-	-	-	138	-	138
-	-	-	-	5,940	-	-	6,042
-	-	274	-	-	-	-	274
<u>\$ 546</u>	<u>\$ 1,607</u>	<u>\$ 435</u>	<u>\$ 350</u>	<u>\$ 7,833</u>	<u>\$ 2,467</u>	<u>\$ 12,889</u>	<u>\$ 28,553</u>
\$ 449	\$ 885	\$ 115	\$ 469	\$ 3,190	\$ 1,191	\$ 73	\$ 8,366
5	36	-	-	189	15	-	295
-	-	1,926	5,035	685	13,183	-	21,509
-	-	-	139	-	123	-	262
293	240	22	175	6,154	3,974	11,627	22,570
-	-	-	-	-	-	12,036	12,036
<u>747</u>	<u>1,161</u>	<u>2,063</u>	<u>5,818</u>	<u>10,218</u>	<u>18,486</u>	<u>23,736</u>	<u>65,038</u>
-	446	-	-	-	-	-	2,017
-	-	274	-	-	-	-	274
(201)	-	(1,902)	(5,468)	(2,385)	(16,019)	-	(27,929)
-	-	-	-	-	-	(10,847)	(10,847)
<u>(201)</u>	<u>446</u>	<u>(1,628)</u>	<u>(5,468)</u>	<u>(2,385)</u>	<u>(16,019)</u>	<u>(10,847)</u>	<u>(36,485)</u>
<u>\$ 546</u>	<u>\$ 1,607</u>	<u>\$ 435</u>	<u>\$ 350</u>	<u>\$ 7,833</u>	<u>\$ 2,467</u>	<u>\$ 12,889</u>	<u>\$ 28,553</u>

CITY OF MILWAUKEE
**SCHEDULE OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCE -
 CAPITAL PROJECTS BY PURPOSE**
 FOR THE YEAR ENDED DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit I-7

	Bridges	Special Projects	Fire Department	Library	Playgrounds & Recreation
Revenues:					
Property taxes	\$ -	\$ 25	\$ -	\$ -	\$ 640
Special Assessments	-	-	-	-	-
Intergovernmental	468	-	-	-	90
Other	<u>520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>988</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>730</u>
Expenditures:					
Capital outlay	<u>5,188</u>	<u>28</u>	<u>2,667</u>	<u>2,264</u>	<u>3,507</u>
Excess (deficiency) of Revenues over Expenditures	<u>(4,200)</u>	<u>(3)</u>	<u>(2,667)</u>	<u>(2,264)</u>	<u>(2,777)</u>
Other Financing Sources (Uses):					
General obligation bonds and notes issued	7,000	-	2,000	1,115	2,075
Transfers in	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>7,000</u>	<u>-</u>	<u>2,000</u>	<u>1,115</u>	<u>2,075</u>
Net Change in Fund Balance	2,800	(3)	(667)	(1,149)	(702)
Fund Balance (Deficit) - Beginning	<u>(1,922)</u>	<u>696</u>	<u>421</u>	<u>(123)</u>	<u>266</u>
Fund Balance (Deficit) - Ending	<u>\$ 878</u>	<u>\$ 693</u>	<u>\$ (246)</u>	<u>\$ (1,272)</u>	<u>\$ (436)</u>

See accompanying independent auditors' report.

Police Department	Public Buildings	Sewers	Urban Renewal	Streets	Tax Incremental Districts	Special Assessments	Schools Financing	Total
\$ 160	\$ 439	\$ -	\$ 500	\$ -	\$ 4,742	\$ -	\$ -	\$ 6,506
-	-	-	-	-	-	2,418	-	2,418
-	-	-	-	4,083	-	-	-	4,641
<u>-</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>534</u>	<u>2,573</u>	<u>-</u>	<u>-</u>	<u>3,667</u>
<u>160</u>	<u>439</u>	<u>40</u>	<u>500</u>	<u>4,617</u>	<u>7,315</u>	<u>2,418</u>	<u>-</u>	<u>17,232</u>
<u>1,401</u>	<u>12,335</u>	<u>335</u>	<u>7,369</u>	<u>31,352</u>	<u>14,400</u>	<u>1,107</u>	<u>16,050</u>	<u>98,003</u>
<u>(1,241)</u>	<u>(11,896)</u>	<u>(295)</u>	<u>(6,869)</u>	<u>(26,735)</u>	<u>(7,085)</u>	<u>1,311</u>	<u>(16,050)</u>	<u>(80,771)</u>
1,000	13,792	500	2,052	28,261	10,000	-	16,050	83,845
-	-	-	200	-	-	-	-	200
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,408)</u>	<u>-</u>	<u>-</u>	<u>(2,408)</u>
<u>1,000</u>	<u>13,792</u>	<u>500</u>	<u>2,252</u>	<u>28,261</u>	<u>7,592</u>	<u>-</u>	<u>16,050</u>	<u>81,637</u>
(241)	1,896	205	(4,617)	1,526	507	1,311	-	866
<u>40</u>	<u>(1,450)</u>	<u>(1,833)</u>	<u>(851)</u>	<u>(3,911)</u>	<u>(16,526)</u>	<u>(12,158)</u>	<u>-</u>	<u>(37,351)</u>
<u>\$ (201)</u>	<u>\$ 446</u>	<u>\$ (1,628)</u>	<u>\$ (5,468)</u>	<u>\$ (2,385)</u>	<u>\$ (16,019)</u>	<u>\$ (10,847)</u>	<u>\$ -</u>	<u>\$ (36,485)</u>

CITY OF MILWAUKEE
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit I-8

	Final Budget	Actual	Variance - Favorable (Unfavorable)
Property Taxes:			
General	\$ 128,741	\$ 120,522	\$ (8,219)
Provision for Employees' Retirement	35,888	35,888	-
Total Property Taxes	<u>164,629</u>	<u>156,410</u>	<u>(8,219)</u>
Other Taxes:			
Payment in lieu of taxes	1,302	1,038	(264)
Interest on city tax certificates and other taxes	<u>3,801</u>	<u>2,466</u>	<u>(1,335)</u>
Total Other Taxes	<u>5,103</u>	<u>3,504</u>	<u>(1,599)</u>
Licenses and Permits:			
Licenses:			
Business and occupational	4,804	4,802	(2)
Other	79	119	40
Permits:			
Building	6,697	5,800	(897)
Zoning	281	323	42
Other	<u>1,277</u>	<u>1,142</u>	<u>(135)</u>
Total Licenses and Permits	<u>13,138</u>	<u>12,186</u>	<u>(952)</u>
Intergovernmental:			
State Shares Revenues:			
State shared taxes	238,481	237,924	(557)
Local street aids	27,269	27,167	(102)
Payment for municipal services	2,225	2,079	(146)
Other	<u>4,277</u>	<u>5,167</u>	<u>890</u>
Total Intergovernmental	<u>272,252</u>	<u>272,337</u>	<u>85</u>
Charges for Services:			
General government	8,928	9,011	83
Public safety	15,748	16,649	901
Public works	55,454	62,553	7,099
Health	1,421	1,078	(343)
Culture and recreation	1,414	1,482	68
Conservation and development	<u>462</u>	<u>284</u>	<u>(178)</u>
Total Charges for Services	<u>83,427</u>	<u>91,057</u>	<u>7,630</u>
Fines and Forfeits:			
Court and contract forfeitures	5,593	4,790	(803)
Other	-	12	12
Total Fines and Forfeits	<u>5,593</u>	<u>4,802</u>	<u>(791)</u>
Other:			
Interest on temporary investments	3,600	500	(3,100)
Miscellaneous	<u>14,930</u>	<u>19,467</u>	<u>4,537</u>
Total Other	<u>18,530</u>	<u>19,967</u>	<u>1,437</u>
Total	<u>\$ 562,672</u>	<u>\$ 560,263</u>	<u>\$ (2,409)</u>
<i>See accompanying independent auditors' report.</i>			

CITY OF MILWAUKEE
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(Thousands of Dollars)

Exhibit I-9

		2009 Actual				
	Final Budget	Salaries and Wages	Other Operating Costs	Equipment	Total	Variance - Favorable (Unfavorable)
General Government:						
Zoning Appeals	\$ 246	\$ 186	\$ 37	\$ -	\$ 223	\$ 23
Mayor	925	801	38	-	839	86
Common Council - City Clerk	6,802	5,219	1,207	107	6,533	269
Municipal Court	3,216	2,161	1,011	21	3,193	23
City Attorney	11,403	4,817	6,361	91	11,269	134
Administration	7,332	4,956	2,164	16	7,136	196
Employee Relations	113,772	3,122	110,345	9	113,476	296
Election Commission	1,078	474	601	-	1,075	3
Comptroller	32,577	3,369	19,619	1	22,989	9,588
City Treasurer	3,010	1,523	1,335	3	2,861	149
Assessor's Office	3,562	3,086	427	-	3,513	49
Employee's Retirement	19,148	144	18,592	-	18,736	412
Interest Expense	4,642	-	4,642	-	4,642	-
Pension Reserve Fund	5,581	-	5,581	-	5,581	-
Non-departmental - unallocated ..	3,949	-	-	-	-	3,949
Total General Government	217,243	29,858	171,960	248	202,066	15,177
Public Safety:						
Fire and Police Commission	803	630	69	6	705	98
Fire Department	81,355	75,654	4,793	908	81,355	-
Police Department	183,994	167,614	11,879	2,391	181,884	2,110
Neighborhood Services	12,171	8,697	3,356	63	12,116	55
Total Public Safety	278,323	252,595	20,097	3,368	276,060	2,263
Public Works:						
General Office	3,490	2,810	636	39	3,485	5
Infrastructure	23,710	15,117	8,374	101	23,592	118
Operations	70,248	40,382	27,769	1,865	70,016	232
Total Public Works	97,448	58,309	36,779	2,005	97,093	355
Health	10,486	8,545	1,885	16	10,446	40
Culture and Recreation:						
Public Library	17,330	13,153	2,399	1,777	17,329	1
Conservation and Development:						
Department of City Development .	4,665	2,991	1,239	-	4,230	435
Total	\$ 625,495	\$365,451	\$ 234,359	\$ 7,414	\$ 607,224	\$ 18,271

See accompanying independent auditors' report.

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CITY OF MILWAUKEE
NET ASSETS BY COMPONENT

Table 1

LAST EIGHT YEARS

(Accrual Basis of Accounting) (Thousands of Dollars)

	Fiscal Year				
	2002	2003	2004	2005	2006
Governmental activities					
Invested in capital assets,					
net of related debt	\$ 392,967	\$ 420,357	\$ 444,873	\$ 492,841	\$ 500,045
Restricted	135,885	104,600	110,417	109,149	115,803
Unrestricted	(97,970)	(99,195)	(159,507)	(196,677)	(200,581)
Total governmental activities net assets ...	<u>430,882</u>	<u>425,762</u>	<u>395,783</u>	<u>405,313</u>	<u>415,267</u>
Business-type activities					
Invested in capital assets,					
net of related debt	506,502	518,861	529,213	560,899	554,966
Restricted	3,715	26,329	8,123	8,383	8,748
Unrestricted	<u>67,505</u>	<u>58,061</u>	<u>89,077</u>	<u>63,657</u>	<u>82,725</u>
Total business-type activities net assets ...	<u>577,722</u>	<u>603,251</u>	<u>626,413</u>	<u>632,939</u>	<u>646,439</u>
Primary government					
Invested in capital assets,					
net of related debt	899,469	939,218	974,086	1,053,740	1,055,011
Restricted	139,600	130,929	118,540	117,532	124,551
Unrestricted	<u>(30,465)</u>	<u>(41,134)</u>	<u>(70,430)</u>	<u>(133,020)</u>	<u>(117,856)</u>
Total primary government net assets	<u>\$ 1,008,604</u>	<u>\$ 1,029,013</u>	<u>\$ 1,022,196</u>	<u>\$ 1,038,252</u>	<u>\$ 1,061,706</u>
	Fiscal Year				
	2007	2008	2009		
Governmental activities					
Invested in capital assets,					
net of related debt	\$ 558,328	\$ 559,343	\$ 367,061		
Restricted	116,516	143,951	164,011		
Unrestricted	<u>(298,676)</u>	<u>(396,139)</u>	<u>(282,949)</u>		
Total governmental activities net assets ...	<u>376,168</u>	<u>307,155</u>	<u>248,123</u>		
Business-type activities					
Invested in capital assets,					
net of related debt	581,594	607,122	650,478		
Restricted	9,528	10,935	11,159		
Unrestricted	<u>60,566</u>	<u>47,065</u>	<u>19,392</u>		
Total business-type activities net assets ...	<u>651,688</u>	<u>665,122</u>	<u>681,029</u>		
Primary government					
Invested in capital assets,					
net of related debt	1,139,922	1,166,465	1,017,539		
Restricted	126,044	154,886	175,170		
Unrestricted	<u>(238,110)</u>	<u>(349,074)</u>	<u>(263,557)</u>		
Total primary government net assets	<u>\$ 1,027,856</u>	<u>\$ 972,277</u>	<u>\$ 929,152</u>		

Note: The city began to report accrual information when it implemented GASB Statement No. 34 in 2002.

CITY OF MILWAUKEE
CHANGES IN NET ASSETS
 LAST EIGHT YEARS
(Accrual Basis of Accounting) (Thousands of Dollars)

Table 2

	Fiscal Year			
	2002	2003	2004	2005
Expenses				
Governmental Activities				
General government	\$ 159,681	\$ 166,270	\$ 177,761	\$ 180,975
Public safety	229,167	257,207	241,027	263,852
Public works	132,198	137,693	150,591	155,048
Health	22,125	24,679	27,251	27,036
Culture and recreation	22,924	19,520	29,014	19,931
Conservation and development	50,828	64,197	57,967	57,245
Capital contribution to Milwaukee Public Schools	18,725	8,904	15,686	18,002
Contributions	20,378	22,499	20,582	25,465
Interest on long-term debt	29,908	26,981	24,159	22,589
Total Governmental Activities Expenses.....	<u>685,934</u>	<u>727,950</u>	<u>744,038</u>	<u>770,143</u>
Business-type Activities				
Water	52,821	56,554	54,030	58,230
Sewer Maintenance	24,214	26,440	24,361	26,096
Parking	21,893	21,438	22,283	22,369
Other activities	33,924	34,936	34,214	34,789
Total Business-type Activities	<u>132,852</u>	<u>139,368</u>	<u>134,888</u>	<u>141,484</u>
Total Primary Government Expenses	<u>818,786</u>	<u>867,318</u>	<u>878,926</u>	<u>911,627</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	14,411	10,822	10,460	11,049
Public safety	8,081	8,348	13,153	13,888
Public works	31,652	32,777	33,305	35,382
Health	877	890	911	693
Culture and recreation	2,308	2,366	2,412	1,808
Conservation and development	420	511	584	590
Operating grants and contributions	89,217	94,646	82,664	87,718
Total Governmental Activities Program Revenues.....	<u>146,966</u>	<u>150,360</u>	<u>143,489</u>	<u>151,128</u>
Business-type Activities				
Charges for services				
Water	74,300	74,136	71,579	71,903
Sewer Maintenance	28,007	32,657	30,959	31,072
Parking	37,735	39,279	41,470	38,961
Other activities	33,416	34,363	33,631	36,395
Capital grants and contributions	1,108	2,053	2,236	1,850
Total Business-type Activities Program Revenues.....	<u>174,566</u>	<u>182,488</u>	<u>179,875</u>	<u>180,181</u>
Total Primary Government Program Revenues	<u>321,532</u>	<u>332,848</u>	<u>323,364</u>	<u>331,309</u>
Net (Expense)/Revenue				
Governmental Activities	(538,968)	(577,590)	(600,549)	(619,015)
Business-type Activities	41,714	43,120	44,987	38,697
Total primary government net expense	<u>(497,254)</u>	<u>(534,470)</u>	<u>(555,562)</u>	<u>(580,318)</u>

Note: The city began to report accrual information when it implemented GASB Statement No. 34 in 2002.

Table 2 (continued)

Fiscal Year			
2006	2007	2008	2009
\$ 179,647	\$ 204,724	\$ 208,608	\$ 207,504
263,608	297,711	314,935	331,409
154,644	157,701	174,629	167,983
27,316	23,102	20,830	22,995
21,506	21,298	20,639	22,901
66,092	70,025	61,693	50,683
14,028	2,788	6,474	5,153
25,412	21,915	22,177	21,026
32,131	30,536	28,368	23,985
<u>784,384</u>	<u>829,800</u>	<u>858,353</u>	<u>853,639</u>
58,074	62,064	64,562	67,946
26,605	29,928	29,167	34,847
22,609	24,025	25,078	24,659
35,603	37,927	44,401	48,356
<u>142,891</u>	<u>153,944</u>	<u>163,208</u>	<u>175,808</u>
<u>927,275</u>	<u>983,744</u>	<u>1,021,561</u>	<u>1,029,447</u>
12,174	12,408	12,589	9,011
13,522	15,121	17,998	16,649
44,722	45,855	53,348	62,553
667	798	644	1,078
1,892	1,888	1,443	1,482
551	426	388	284
<u>91,271</u>	<u>75,074</u>	<u>77,032</u>	<u>73,694</u>
<u>164,799</u>	<u>151,570</u>	<u>163,442</u>	<u>164,751</u>
69,636	72,808	73,731	73,132
34,261	37,756	40,724	48,199
40,736	39,730	43,961	42,245
35,489	37,199	45,096	49,456
7,780	6,062	10,203	18,674
<u>187,902</u>	<u>193,555</u>	<u>213,715</u>	<u>231,706</u>
<u>352,701</u>	<u>345,125</u>	<u>377,157</u>	<u>396,457</u>
(619,585)	(678,230)	(694,911)	(688,888)
<u>45,011</u>	<u>39,611</u>	<u>50,507</u>	<u>55,898</u>
<u>(574,574)</u>	<u>(638,619)</u>	<u>(644,404)</u>	<u>(632,990)</u>

CITY OF MILWAUKEE
CHANGES IN NET ASSETS
 LAST EIGHT YEARS
(Accrual Basis of Accounting) (Thousands of Dollars)

Table 2 (continued)

	Fiscal Year			
	2002	2003	2004	2005
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes	\$ 207,944	\$ 213,014	\$ 217,762	\$ 224,918
State aids for General Fund	283,068	284,565	273,865	272,875
Miscellaneous	57,999	56,815	56,321	82,796
Special item - receipt of loans receivable	-	-	-	14,325
Transfers	11,151	18,073	22,622	33,631
Total Governmental Activities	<u>560,162</u>	<u>572,467</u>	<u>570,570</u>	<u>628,545</u>
Business-type Activities				
Miscellaneous	686	482	797	1,460
Transfers	(11,151)	(18,073)	(22,622)	(33,631)
Total Business-type Activities	<u>(10,465)</u>	<u>(17,591)</u>	<u>(21,825)</u>	<u>(32,171)</u>
Total Primary Government	<u>549,697</u>	<u>554,876</u>	<u>548,745</u>	<u>596,374</u>
Change in Net Assets				
Governmental Activities	21,194	(5,123)	(29,979)	9,530
Business-type Activities	31,249	25,529	23,162	6,526
Total Primary Government	<u>\$ 52,443</u>	<u>\$ 20,406</u>	<u>\$ (6,817)</u>	<u>\$ 16,056</u>

Note: The city began to report accrual information when it implemented GASB Statement No. 34 in 2002.

Table 2 (continued)

Fiscal Year			
2006	2007	2008	2009
\$ 236,043	\$ 243,654	\$ 257,210	\$ 270,191
272,417	272,539	271,100	272,337
87,510	84,042	61,949	47,217
-	-	-	-
<u>33,569</u>	<u>36,483</u>	<u>38,052</u>	<u>40,111</u>
<u>629,539</u>	<u>636,718</u>	<u>628,311</u>	<u>629,856</u>
2,058	2,121	979	120
<u>(33,569)</u>	<u>(36,483)</u>	<u>(38,052)</u>	<u>(40,111)</u>
<u>(31,511)</u>	<u>(34,362)</u>	<u>(37,073)</u>	<u>(39,991)</u>
<u>598,028</u>	<u>602,356</u>	<u>591,238</u>	<u>589,865</u>
9,954	(41,512)	(66,600)	(59,032)
<u>13,500</u>	<u>5,249</u>	<u>13,434</u>	<u>15,907</u>
<u>\$ 23,454</u>	<u>\$ (36,263)</u>	<u>\$ (53,166)</u>	<u>\$ (43,125)</u>

CITY OF MILWAUKEE
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST EIGHT YEARS
(Modified Accrual Basis of Accounting) (Thousands of Dollars)

Table 3

	Fiscal Year			
	2002	2003	2004	2005
Revenues:				
Property taxes	\$ 183,697	\$ 197,499	\$ 198,938	\$ 205,205
Other taxes	16,579	16,336	19,284	20,461
Special assessments	4,053	4,482	4,665	4,651
Licenses and permits	10,814	10,883	11,530	13,374
Intergovernmental	356,730	362,778	337,058	355,406
Charges for services	63,726	61,478	66,409	68,762
Fines and forfeits	5,210	6,115	5,647	5,893
Contributions received	21,107	22,499	22,236	25,187
Other	26,806	24,040	24,811	32,333
Total Revenues	<u>688,722</u>	<u>706,110</u>	<u>690,578</u>	<u>731,272</u>
Expenditures:				
Current:				
General government	183,046	189,789	203,331	209,446
Public safety	227,416	259,379	241,100	262,934
Public works	92,028	91,406	93,047	92,701
Health	22,219	24,696	27,365	26,970
Culture and recreation	20,893	19,031	19,736	19,162
Conservation and development	40,113	38,519	34,629	32,079
Capital outlay	93,515	107,829	104,842	138,839
Debt Service:				
Principal retirement	76,046	73,696	68,618	81,206
Interest	28,980	28,250	28,620	29,593
Bond issuance costs	1,104	542	411	887
Total Expenditures	<u>785,360</u>	<u>833,137</u>	<u>821,699</u>	<u>893,817</u>
Excess (deficiency) of Revenues over Expenditures	(96,638)	(127,027)	(131,121)	(162,545)
Other Financing Sources (Uses):				
General obligation bonds and notes issued	101,838	81,901	89,331	126,828
Refunding bonds issued	138,044	16,563	-	28,112
Payment to refunded bond escrow agent	(150,999)	(17,648)	-	(30,492)
Payment - current refunding	-	-	-	-
Loans receivable activities	-	-	-	-
Issuance premium	19,313	6,589	10,467	13,692
Capital lease	-	563	-	-
Transfers in	47,776	50,318	57,312	71,699
Transfers out	(36,625)	(32,245)	(34,690)	(38,068)
Total Other Financing Sources and Uses.....	<u>119,347</u>	<u>106,041</u>	<u>122,420</u>	<u>171,771</u>
Special Item:				
Receipt of loans receivable	-	-	-	14,325
Net Change in Fund Balances	<u>\$ 22,709</u>	<u>\$ (20,986)</u>	<u>\$ (8,701)</u>	<u>\$ 23,551</u>
Debt service as a percentage of noncapital expenditures	<u>14.7%</u>	<u>13.2%</u>	<u>12.6%</u>	<u>13.6%</u>

Note: The city began to report accrual information when it implemented GASB Statement No. 34 in 2002.

Table 3 (Continued)

Fiscal Year			
2006	2007	2008	2009
\$ 214,833	\$ 221,082	\$ 227,637	\$ 238,832
20,910	20,867	27,746	30,291
3,823	3,542	3,631	2,418
13,729	13,704	12,918	12,186
345,078	336,870	333,345	332,138
84,191	79,754	88,224	93,498
5,541	5,800	5,277	4,802
25,807	22,270	21,532	21,300
44,169	43,990	33,563	40,682
<u>758,081</u>	<u>747,879</u>	<u>753,873</u>	<u>776,147</u>
206,581	225,893	224,444	227,325
267,669	268,456	279,934	290,535
90,539	97,778	109,196	101,118
27,782	22,288	20,748	21,867
20,409	19,714	18,858	19,654
34,801	30,954	31,796	28,298
145,095	127,336	114,825	98,003
146,721	152,077	181,102	205,228
34,798	35,360	33,637	31,941
484	78	147	463
<u>974,879</u>	<u>979,934</u>	<u>1,014,687</u>	<u>1,024,432</u>
(216,798)	(232,055)	(260,814)	(248,285)
215,763	102,928	237,368	227,525
1,785	-	-	66,585
-	-	-	(71,800)
(1,819)	-	-	-
1,007	4,975	(518)	(250)
8,033	2,129	3,694	9,437
-	-	-	-
139,533	145,447	201,073	196,930
<u>(105,964)</u>	<u>(108,964)</u>	<u>(163,021)</u>	<u>(156,819)</u>
<u>258,338</u>	<u>146,515</u>	<u>278,596</u>	<u>271,608</u>
-	-	-	-
<u>\$ 41,540</u>	<u>\$ (85,540)</u>	<u>\$ 17,782</u>	<u>\$ 23,323</u>
<u>20.5%</u>	<u>20.7%</u>	<u>22.5%</u>	<u>22.7%</u>

CITY OF MILWAUKEE
FUND BALANCES, GOVERNMENTAL FUNDS
 LAST EIGHT YEARS
(Modified Accrual Basis of Accounting) (Thousands of Dollars)

Table 4

	Fiscal Year				
	2002	2003	2004	2005	2006
General Fund					
Reserved	\$ 86,010	\$ 89,981	\$ 87,036	\$ 85,227	\$ 105,175
All Other Governmental Funds					
Reserved	\$ 161,094	\$ 135,708	\$ 135,777	\$ 148,440	\$ 171,682
Unreserved, reported in:					
Capital projects funds	(11,897)	(11,468)	(13,116)	(15,093)	(14,400)
Nonmajor governmental funds	-	-	(4,177)	10,497	8,154
Total all other governmental funds	\$ 149,197	\$ 124,240	\$ 118,484	\$ 143,844	\$ 165,436
	Fiscal Year				
	2007	2008	2009		
General Fund					
Reserved	\$ 90,853	\$ 73,007	\$ 71,356		
All Other Governmental Funds					
Reserved	\$ 90,812	\$ 154,448	\$ 177,820		
Unreserved, reported in:					
Capital projects funds	(12,951)	(39,071)	(38,776)		
Nonmajor governmental funds	16,357	14,469	15,776		
Total all other governmental funds	\$ 94,218	\$ 129,846	\$ 154,820		

Note: The city began to report accrual information when it implemented GASB Statement No. 34 in 2002.

CITY OF MILWAUKEE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
(Thousands of Dollars)

Table 5

Budget Year	Real Estate			Personal Property		
	Residential Property	Commercial Property	Manufacturing Property	Machinery Tools Patterns	Furniture Fixtures & Equipment	All Other
2000	9,163,659	5,103,186	633,182	205,861	566,871	101,091
2001	10,292,623	5,612,522	741,472	218,677	621,414	96,287
2002	10,358,671	5,716,180	717,831	215,683	597,457	93,962
2003	12,027,395	6,176,332	765,130	205,531	593,878	97,989
2004	12,938,633	6,493,805	729,858	187,208	560,426	99,587
2005	14,301,662	6,903,490	733,600	178,275	558,290	97,103
2006	16,116,818	7,547,715	721,966	185,601	541,831	108,218
2007	18,211,504	8,498,283	740,265	212,808	577,964	114,128
2008	18,753,915	8,950,205	726,692	220,073	578,674	144,790
2009	19,173,233	9,483,547	772,960	219,741	631,263	150,908
Budget Year	Total Taxable Assessed Value			Total Direct Tax Rate	Estimated Actual Taxable Value	Ratio of Total Assessed to Total Estimated Actual Value
2000	15,773,850			9.69	16,701,225	94.4
2001	17,582,995			10.49	17,344,251	101.4
2002	17,699,784			10.87	19,453,830	90.9
2003	19,866,255			10.15	20,298,387	97.9
2004	21,009,517			9.73	21,730,754	96.7
2005	22,772,420			9.19	23,491,774	96.9
2006	25,222,149			8.75	26,256,714	96.1
2007	28,354,952			7.99	30,226,985	93.8
2008	29,374,373			8.00	31,887,192	92.1
2009	30,431,675			8.09	32,257,525	94.4
Source:	The Assessed Values are established by the City of Milwaukee Assessor's Office and are used to calculate property taxes. The Estimated Actual (Equalized) Values are provided by the State Supervisor of Assessments. State law requires all assessments to be within 10% of the equalized value ratio at lease once every four year period.					
Note:	Beginning with the year 2002, property is reassessed each year. Prior to 2002 property was reassessed every two years.					

CITY OF MILWAUKEE
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN YEARS
(Rate per \$1,000 of assessed value)

Table 6

	Budget Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
City Direct Rates (A)										
City of Milwaukee	\$ 9.12	\$ 9.86	\$ 10.22	\$ 9.51	\$ 9.22	\$ 8.52	\$ 8.08	\$ 7.28	\$ 7.46	\$ 7.59
Allocation of Debt Service incurred for Schools	<u>0.57</u>	<u>0.63</u>	<u>0.65</u>	<u>0.64</u>	<u>0.51</u>	<u>0.64</u>	<u>0.67</u>	<u>0.71</u>	<u>0.55</u>	<u>0.50</u>
Total Direct Rate	9.69	10.49	10.87	10.15	9.73	9.16	8.75	7.99	8.01	8.09
Overlapping Rates (B)										
Milwaukee School Board	8.95	8.81	9.11	8.55	8.12	8.84	8.35	7.48	7.96	8.75
Less: allocation of Debt Service in City rate	<u>(0.57)</u>	<u>(0.63)</u>	<u>(0.65)</u>	<u>(0.64)</u>	<u>(0.51)</u>	<u>(0.64)</u>	<u>(0.67)</u>	<u>(0.71)</u>	<u>(0.55)</u>	<u>(0.50)</u>
Total School Rate	8.38	8.18	8.46	7.91	7.61	8.20	7.68	6.77	7.41	8.25
Milwaukee Area District Board of Vocational, Technical and Adult Education	2.16	2.00	2.23	2.05	2.04	2.00	1.96	1.89	1.92	1.94
County of Milwaukee	5.82	5.46	5.91	5.20	4.94	4.70	4.43	4.18	4.22	4.20
State of Wisconsin	0.21	0.20	0.22	0.20	0.21	0.21	0.20	0.19	0.19	0.18
Milwaukee Metropolitan Sewerage District	<u>1.80</u>	<u>1.68</u>	<u>1.87</u>	<u>1.74</u>	<u>1.64</u>	<u>1.59</u>	<u>1.48</u>	<u>1.39</u>	<u>1.39</u>	<u>1.37</u>
Total Tax Rate (C)	<u>\$ 28.06</u>	<u>\$ 28.01</u>	<u>\$ 29.56</u>	<u>\$ 27.25</u>	<u>\$ 26.17</u>	<u>\$ 25.86</u>	<u>\$ 24.50</u>	<u>\$ 22.41</u>	<u>\$ 23.14</u>	<u>\$ 24.03</u>

(A) State law prohibits the City from raising property taxes more than 2% plus 60% growth of new development.

(B) Overlapping rates are those of local and county governments that apply to property owners within the City of Milwaukee.

(C) Tax rates were constructed considering the provision of the tax incremental district law. The application of these rates to the applicable assessed values will provide a tax yield higher than the levy.

Table 7

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CITY OF MILWAUKEE
PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN YEARS
(Thousands of Dollars)

Table 8

Budget Year	Taxes Levied for the Fiscal Year (Original Levy)	Purchased and Adjustments (A)	Total Adjusted Levy	Collected for the Levy Year (B)		Collections		Total Collections to Date	
				Current Tax Collections	Percent Original Levy Collected	Purchased Delinquents Original Levy Year (C)	Total Adjusted Levy in Subsequent Years	Amount	Percentage of Adjusted Levy
2000	\$ 177,438	\$ 16,890	\$ 194,328	\$ 172,451	97.19%	\$ 8,555	\$ 13,185	\$ 194,191	99.93%
2001	211,311	19,306	230,617	206,173	97.57	13,621	10,719	230,513	99.96
2002	222,708	19,678	242,386	217,242	97.55	13,599	11,338	242,179	99.91
2003	234,485	20,419	254,904	228,345	97.38	12,918	13,433	254,696	99.92
2004	240,643	22,420	263,063	235,012	97.66	15,497	11,936	262,445	99.77
2005	248,267	22,885	271,152	242,587	97.71	14,992	12,664	270,243	99.67
2006	261,685	24,476	286,161	255,823	97.76	15,664	13,574	285,061	99.62
2007	265,319	30,891	296,210	257,350	97.00	18,581	17,793	293,724	99.16
2008	286,180	39,104	325,284	277,119	96.83	23,952	15,713	316,784	97.39
2009	276,186	37,390	313,576	265,691	96.20	18,018	-	283,709	90.48
(A)	This column includes adjustments. The City purchases delinquent taxes from the other units (Milwaukee County, Metropolitan Sewerage District, State, Milwaukee Area Technical College and Milwaukee Public Schools).								
(B)	Tax collections begin in December for the succeeding Budget Year								
(C)	Collections of (A) in the year purchased.								
(D)	State law limits levy increases to 2% of economic development for general city purposes.								

CITY OF MILWAUKEE
RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN YEARS
(Dollars in Thousands, except per capita)

Table 9

Governmental Activities						
	General	Less:		Estimated	Percentage	
	Obligation	Amounts		Actual	of Total	
	Bonds	Available		Taxable	Taxable	
	and	in Debt		Value of	Value of	Per
<u>Year</u>	<u>Notes</u>	<u>Service Fund</u>	<u>Total</u>	<u>Property</u>	<u>Property</u>	<u>Capita</u>
2000	\$ 522,503	\$ 30,436	\$ 492,067	\$ 16,701,225	2.95%	\$ 812.57
2001	566,429	42,137	524,292	17,344,251	3.02%	880.41
2002	591,155	40,466	550,689	19,453,830	2.83%	924.04
2003	598,275	35,365	562,910	20,298,387	2.77%	945.68
2004	618,988	43,807	575,181	21,730,754	2.65%	968.45
2005	664,285	44,207	620,078	23,491,774	2.64%	1,046.08
2006	733,327	52,284	681,043	26,256,714	2.59%	1,153.59
2007	669,404	56,778	612,626	30,226,985	2.03%	1,038.01
2008	725,670	59,849	665,821	31,887,192	2.09%	1,126.85
2009	742,752	68,241	674,511	32,257,525	2.09%	1,154.98
Business-Type Activities						
	General		State		Percentage	
	Obligation		Loans		of	
	Bonds		(Revenue	Total	Personal	Per
	and	Revenue	Bonds)	Primary	Income (A)	Capita (A)
<u>Year</u>	<u>Notes</u>	<u>Bonds</u>		<u>Government</u>		
2000	\$ 82,737	\$ 16,773	\$ -	\$ 591,577	2.23%	\$ 976.89
2001	76,954	45,124	-	646,370	2.30%	1,085.41
2002	68,394	44,426	-	663,509	2.31%	1,113.35
2003	61,807	76,528	-	701,245	2.41%	1,178.08
2004	53,943	74,690	-	703,814	2.36%	1,185.03
2005	46,125	71,476	-	737,679	2.39%	1,244.47
2006	74,135	68,150	-	823,328	2.53%	1,394.60
2007	58,936	64,711	14,369	750,642	2.20%	1,271.86
2008	34,970	61,170	49,653	811,614	2.31%	1,373.59
2009	36,803	57,515	48,002	816,831	not available	1,398.87
Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements and in the Miscellaneous Financial Data Section.						
(A)	See Table 13 for personal income and population data					

CITY OF MILWAUKEE
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years
(Thousand of Dollars)

Table 10

	Fiscal Year				
	2000	2001	2002	2003	2004
Debt limit	\$ 1,214,098	\$ 1,361,768	\$ 1,420,887	\$ 1,521,153	\$ 1,644,424
Total net debt applicable to limit	<u>574,804</u>	<u>601,246</u>	<u>619,083</u>	<u>624,717</u>	<u>629,124</u>
Legal debt margin	<u>\$ 639,294</u>	<u>\$ 760,522</u>	<u>\$ 801,804</u>	<u>\$ 896,436</u>	<u>\$ 1,015,300</u>
Total net debt applicable to the limit as a percentage of debt limit ...	47.34%	44.15%	43.57%	41.07%	38.26%

	Fiscal Year				
	2005	2006	2007	2008	2009
Debt limit	\$ 1,837,970	\$ 1,837,970	\$ 2,115,889	\$ 2,232,103	\$ 2,258,027
Total net debt applicable to limit	<u>666,203</u>	<u>755,178</u>	<u>671,562</u>	<u>689,401</u>	<u>698,775</u>
Legal debt margin	<u>\$ 1,171,767</u>	<u>\$ 1,082,792</u>	<u>\$ 1,444,327</u>	<u>\$ 1,542,702</u>	<u>\$ 1,559,252</u>
Total net debt applicable to the limit as a percentage of debt limit ...	36.25%	41.09%	31.74%	30.89%	30.95%

CITY OF MILWAUKEE
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years
(Thousand of Dollars)

Table 10 (continued)

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed Value		<u>\$ 30,431,675</u>
Equalized Value		<u>32,257,525</u>
Debt Limit 7% of Equalized Value		2,258,027
Amount of Debt Applicable to Debt Limit:		
General Obligation bonds	\$ 400,169	
General Obligation notes	342,583	
Parking bonds and notes	11,616	
Harbor bonds and notes	2,735	
Water Works bonds	15,285	
Sewer Maintenance bonds and notes...	7,167	
Water Works revenue bonds	9,400	
Sewer revenue bonds	<u>48,115</u>	
Total Debt		\$ 837,070
Deduct:		
Assets in Debt Service Funds	80,780	
Water Works revenue bonds (A)	9,400	
Sewer revenue bonds	<u>48,115</u>	
Total Deductions		<u>138,295</u>
Total Amount of Debt Applicable to Debt Limit		<u>698,775</u>
Legal Debt Margin		<u>\$ 1,559,252</u>

(A) The Water Revenue Bonds and Sewer Revenue Bonds are payable only from the income and revenues derived from the operations of the water system and sewer system, respectively. These bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or provision.

Note: State Statutes (67.03 and 119.49) limit direct general obligation borrowing in the amount equivalent to 7% of the equalized valuation of taxable property. However, it may be reduced in any year by the amount of any surplus money in the debt service fund. The statutes further provide that within the 7% limitation, borrowing for school construction purposes may not exceed 2% of the equalized valuation and borrowing for general city purposes may not exceed 5% of the equalized valuation. The legal debt margin as of December 31, 2009 was \$645,150 for school purposes and \$914,102 for general purposes.

CITY OF MILWAUKEE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2009
(Thousands of Dollars)

Table 11

Name of Government Unit	Net Debt Outstanding	Percentage Applicable to City of Milwaukee (C)	City of Milwaukee's Share of Debt
Debt Repaid with property taxes			
Direct Debt:			
City of Milwaukee (A)	\$ 657,575	100%	\$ 657,575
Overlapping Debt:			
Milwaukee Area Technical College District	81,980	38.57	31,585
County of Milwaukee	730,822	48.50	350,795
Milwaukee Metropolitan Sewerage Area (B)	892,726	48.17	<u>430,026</u>
Total Direct and Overlapping Debt			<u>\$ 1,469,981</u>
Sources: Estimated Actual (Equalized) Values used to estimate applicable percentages provided by the State Supervisor of Assessments. Debt outstanding data provided by each governmental unit.			
Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Milwaukee. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.			
(A) Excludes \$47,996 of Industrial Revenue Bonds. Includes debt incurred to finance Milwaukee School Board construction.			
(B) Includes \$611,286 low interest loan from the State of Wisconsin Clean Water Fund, supported by the full faith and credit of the District.			
(C) The percentage of overlapping debt applicable is estimated using estimated actual (equalized) property values. Applicable percentages were estimated by determining the portion of the City's equalized value.			

CITY OF MILWAUKEE
PLEDGED-REVENUE COVERAGE
 LAST TEN YEARS
(Thousands of Dollars)

Table 12

Water Revenue Bonds							
Year	Gross Revenues	Debt Coverage Expenses	Net Available Revenue	Debt Service		Total Debt Service	Coverage
				Principal	Interest		
2000	\$63,188	\$ 42,046	\$ 21,142	\$ 787	\$ 446	\$ 1,233	17.15
2001	62,328	41,824	20,504	744	433	1,177	17.42
2002	74,245	37,948	36,297	763	414	1,177	30.84
2003	74,161	42,072	32,089	782	394	1,176	27.29
2004	71,546	47,884	23,662	803	373	1,176	20.12
2005	72,661	51,953	20,708	824	352	1,176	17.61
2006	71,149	51,365	19,784	846	330	1,176	16.82
2007	74,211	55,514	18,697	868	307	1,175	15.91
2008	74,207	58,960	15,247	891	284	1,175	12.98
2009	73,157	63,019	10,138	915	260	1,175	8.63
Sewer Revenue Bonds							
Year	Gross Revenues	Debt Coverage Expenses	Net Available Revenue	Debt Service		Total Debt Service	Coverage
				Principal	Interest		
2001	\$18,899	\$ 14,093	\$ 4,806	\$ -	\$ 113	\$ 113	42.53
2002	28,307	15,283	13,024	-	1,357	1,357	9.60
2003	32,792	14,722	18,070	1,000	1,340	2,340	7.72
2004	31,279	13,557	17,722	1,035	2,827	3,862	4.59
2005	31,390	15,022	16,368	2,390	2,762	5,152	3.18
2006	34,630	14,834	19,796	2,480	2,667	5,147	3.85
2007	38,170	17,747	20,423	2,570	2,575	5,145	3.97
2008	41,033	16,334	24,699	2,650	2,487	5,137	4.81
2009	48,231	16,438	31,793	2,740	2,386	5,126	6.20
Note: Water Revenue Bonds issued in 1998. Sewer Revenue bonds issued in 2001 and 2003. Details regarding the City's outstanding debt can be found in the notes to the financial statements. Gross revenues include nonoperating interest income. Operating expenses do not include interest, depreciation, or amortization expenses, but does include the transfer for Payment in Lieu of Taxes.							

CITY OF MILWAUKEE
DEMOGRAPHIC AND ECONOMIC STATISTICS,
 LAST TEN CALENDAR YEARS

Table 13

Year	Population (A)	County of Milwaukee		Median Age (D)	School Enrollment (E)	Unemployment Rate (F)
		Personal Income (Thousands of Dollars (B))	Per Capita Income (C)			
2000	605,572	26,959,514	28,688	30.6	103,541	5.9
2001	595,508	28,574,888	30,265	30.6	103,397	7.4
2002	595,958	29,330,490	30,927	30.6	103,464	8.9
2003	595,245	29,889,605	31,427	30.6	103,769	7.9
2004	593,920	30,600,378	32,134	30.6	102,309	6.8
2005	592,765	31,392,845	33,001	30.6	100,262	6.5
2006	590,370	33,341,148	35,008	30.6	97,509	6.5
2007	590,190	34,284,550	36,006	30.6	87,360	6.5
2008	590,870	35,182,312	36,880	36.0	85,369	7.9
2009	584,000	Not available	Not available	36.0	82,444	11.0
(A)	The December 31, 2000 through 2009 populations are estimated from the Wisconsin Department of Revenue used in the distribution of State Shared Taxes. 2008 and 2009 is from the Wisconsin Department of Administration estimates. (The population data differs from the Census Bureau.)					
(B)	Personal income is from the Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce. Personal income includes all of Milwaukee County because a substantial portion of the County is made up of the City of Milwaukee.					
(C)	Per capita personal income is from the Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce and includes all of Milwaukee County because a substantial portion of the County is made up of the City of Milwaukee.					
(D)	Median age of the population is determined only during a census. These figures represent the data collected by 2000 Regular Census.					
(E)	Annual School Census by Board of School Directors. Represents Public Schools only.					
(F)	State of Wisconsin, Department of Workforce Development.					

CITY OF MILWAUKEE
PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago

Table 14

Employer	2009 Estimates (1)			2000		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Aurora Health Care	21,570	1	5.12%	10,566	2	2.31%
U.S. Government (Excludes Zablocki V.A. Medical Center)	11,100	2	2.64%	6,353	5	1.39%
Milwaukee Public Schools	10,943	3	2.60%	11,352	1	2.48%
Wheaton Franciscan Healthcare	9,371	4	2.23%			
Wal-Mart Stores	7,682	5	1.82%			
City of Milwaukee	7,307	6	1.74%	7,700	3	1.68%
Roundy's Supermarkets	6,800	7	1.62%			
Quad Graphics	6,600	8	1.57%			
GE Healthcare	6,000	9	1.43%			
Kohl's Corp.	5,920	10	1.41%			
Milwaukee County				7,310	4	1.60%
Covenant Health Care				5,552	6	1.21%
Wisconsin Electric Power Company				5,372	7	1.17%
M&I Marshall & Ilsley				4,957	8	1.08%
Allen-Bradley (now Rockwell)				4,200	9	0.92%
Briggs and Stratton				3,948	10	0.86%
	<u>93,293</u>		<u>22.18%</u>	<u>67,310</u>		<u>14.69%</u>
(1) Reflects full-time equivalent employees.						
Note: Data includes all of Milwaukee County.						
Source: The 2010 Business Journal Book of Lists. City from internal records.						
The 2000 data was from the Department of Administration January 2001 survey. Wisconsin Department of Workforce Development quarterly report of "Employment and Wages".						
Total employment data (2000 = 458,091) (2009 = 420,938) from the State of Wisconsin Workforce Development.						

CITY OF MILWAUKEE
CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAMS - ADOPTED BUDGET POSITIONS
 LAST TEN YEARS

Table 15

Functions/Programs	Adopted budgeted positions for the year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government	803	748	747	727	685	678	673	692	696	694
Temporary - Election Commission	1,711	1,338	103	65	103	63	103	29	104	11
Public Safety										
Fire										
Fire Fighting Force	1,077	1,077	1,075	1,079	1,039	1,033	1,007	1,077	1,001	985
Civilians	63	66	66	67	64	74	75	75	75	79
Police										
Law Enforcement	2,138	2,135	2,130	2,134	2,149	2,155	2,159	2,156	2,156	2,144
Civilian	554	546	582	576	563	564	567	613	606	616
School Crossing Guards	241	241	241	241	241	241	241	241	241	241
Neighborhood Services	277	280	288	216	223	227	224	228	229	229
Public Works										
Administrative Services	71	73	71	69	64	65	65	64	63	63
Infrastructure Services	801	786	783	783	728	711	703	698	696	707
Operations	1,820	1,824	1,814	1,755	1,619	1,606	1,588	1,577	1,530	1,557
Sanitation emergency	500	500	500	500	250	-	-	-	-	-
Winter relief	262	262	262	237	159	74	66	66	66	66
Health	374	368	377	367	359	345	326	337	312	306
Culture and recreation	446	447	449	445	409	409	402	398	396	377
Conservation and development	300	287	271	325	252	238	236	232	220	193
Youth initiative positions	-	-	-	-	-	-	25	25	25	25
Water	412	400	388	382	363	363	355	346	346	348
Sewer Maintenance	190	191	193	209	198	198	199	189	179	172
Parking	99	125	128	128	128	128	129	128	129	129
Port of Milwaukee	<u>35</u>	<u>35</u>	<u>35</u>	<u>34</u>	<u>33</u>	<u>29</u>	<u>30</u>	<u>31</u>	<u>35</u>	<u>35</u>
Subtotal	12,174	11,729	10,503	10,339	9,629	9,201	9,173	9,202	9,105	8,977
Less: General Government										
Temporary - Election Commission	<u>(1,711)</u>	<u>(1,338)</u>	<u>(103)</u>	<u>(65)</u>	<u>(103)</u>	<u>(63)</u>	<u>(103)</u>	<u>(29)</u>	<u>(104)</u>	<u>(11)</u>
Total Budgeted Positions	<u>10,463</u>	<u>10,391</u>	<u>10,400</u>	<u>10,274</u>	<u>9,526</u>	<u>9,138</u>	<u>9,070</u>	<u>9,173</u>	<u>9,001</u>	<u>8,966</u>

Source: Budget Office. Firefighters and Law Enforcement from Departmental reports.

Note: Beginning in 2004 Fire auxiliary positions were unfunded and therefore excluded. After 2001 temporary poll workers are no longer considered City employees.

**CITY OF MILWAUKEE
OPERATING INDICATORS BY FUNCTIONS/PROGRAMS
LAST TEN YEARS**

Table 16

Functions/Programs	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government										
Investment portfolio return	6.14%	4.12%	1.70%	1.20%	1.50%	3.00%	4.78%	5.09%	2.74%	0.75%
Courtroom cases			114,978	131,117	137,432	116,388	114,949	110,130	102,721	112,765
Public safety										
Police										
Dispatched assignments						292,927	297,286	286,535	266,577	254,044
Traffic citations	100,612	132,732	141,464	146,210	108,346	98,044	93,369	95,327	120,618	114,447
Homicide clearance rates	80.99%	83.46%	78.70%	79.44%	80.68%	71.31%	71.84%	83.80%	92.96%	83.00%
Fire										
Number of medical emergency assists						51,091	51,862	52,735	53,898	53,047
Number of fires extinguished						2,662	2,527	2,438	2,073	1,930
Civilian fire deaths						12	16	14	6	7
Building Inspection										
Complaints reported	33,443	33,985	30,096	31,479	31,284	34,078	34,431	33,576	34,161	35,940
Orders issued	33,306	42,144	41,762	44,042	44,564	55,443	54,976	52,729	51,760	66,559
Public Works										
Major streets paving (miles)	6.74	11.31	4.63	6.72	3.32	5.94	7.81	4.01	13.01	5.40
Asphalt patching/pot holes (tons)	9,409	10,360	10,500	10,459	10,236	10,014	10,344	10,560	14,900	10,700
Refuse tonnage	302,565	323,577	314,795	322,613	335,033	317,122	312,451	292,775	310,517	298,780
Recycling tonnage	29,137	28,544	27,270	26,101	25,802	25,483	25,300	23,716	22,937	21,862
Health										
Food inspections	4,805	4,920	4,622	4,420	4,113	4,889	5,153	4,972	4,721	5,005
Immunizations	29,756	26,912	23,490	18,941	15,302	22,794	27,444	26,700	30,449	46,838
Culture and Recreation										
Library hours of operation	36,229	36,229	36,229	35,842	36,552	33,339	33,218	34,302	34,372	32,608
Collections size	2,969,977	3,017,395	3,022,382	3,062,142	3,104,911	3,030,281	3,018,232	2,828,429	2,848,244	2,756,141
Public computers	449	454	454	474	488	481	495	490	505	505
Conservation and Development										
Jobs created	4,653	545	514	1,193	2,037	2,466	3,494	2,354	1,073	366
Jobs retained	1,813	2,203	1,925	1,321	14,108	2,775	9,182	2,092	2,103	888
New housing units						1,538	982	1,037	196	527
Water										
Millions gallons sold	41,730	40,813	39,970	36,473	37,237	38,439	35,486	35,049	34,085	33,341
Population served	833,322	831,850	831,979	830,719	833,112	852,857	849,981	858,920	857,816	867,599
Sewer Maintenance										
Sewer service backups	76	46	58	59	32	43	40	42	47	28
Street flooding complaints	5,538	4,428	2,728	2,500	1,724	4,143	4,810	3,366	7,238	3,690
Parking										
Citations issued	772,508	1,217,168	1,075,501	1,002,923	1,113,620	929,714	932,346	906,423	880,859	885,802
Vehicle tows	27,790	31,646	31,541	29,728	29,333	26,799	31,659	36,273	34,898	31,516
Port										
Metric tonnage total	2,509,752	2,927,447	2,724,231	2,654,876	2,923,364	3,424,827	3,481,541	3,568,929	2,931,125	2,910,515

Sources: Various city departments

Ten years of data was not available for all operating indicators, but will be accumulated as it becomes available.

CITY OF MILWAUKEE
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAMS
 LAST TEN YEARS

Table 17

Functions/Programs	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety										
Police										
Stations	7	7	7	7	7	7	7	7	8	8
Lock-up facilities	6	7	7	7	7	7	7	7	7	7
Patrol vehicles	496	514	495	498	503	482	485	478	521	533
Patrol motorcycles	55	57	57	57	59	59	57	57	57	57
Fire Stations	36	36	36	36	36	36	36	36	36	36
Public Works										
Streets - paved	1,417	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418
Streets - unpaved	15	14	14	14	14	15	15	15	15	15
Alleys	415	416	416	416	416	415	415	415	415	415
Street lights	6,692	66,419	66,861	67,065	67,294	67,427	67,742	67,447	67,709	67,798
Alley lights	8,766	8,790	8,787	8,792	8,803	8,803	8,917	8,790	8,925	8,931
Garbage/snow trucks	205	205	198	195	199	188	173	172	187	188
Health										
Health centers	5	5	5	5	5	5	5	3	3	3
Culture and Recreation										
Playgrounds, playfields, tot lots, recreation centers	277	277	277	277	277	277	277	277	277	276
Libraries	13	13	13	13	13	13	13	13	13	13
Water										
Miles of mains	1,952	1,953	1,954	1,956	1,960	1,961	1,964	1,966	1,967	1,955
Hydrants	19,594	19,623	19,730	19,734	19,758	19,754	19,780	19,632	19,824	19,811
Million gallons pumped	45,419	44,997	46,253	46,102	44,309	44,560	41,862	41,873	40,848	39,617
Million gallons consumed	41,730	40,813	39,915	39,435	37,289	38,401	35,486	35,050	34,085	33,341
Miles of Sewers										
Storm	950	953	955	956	955	956	956	958	959	960
Sanitary	932	934	935	934	935	935	935	938	939	940
Combined	546	546	547	548	547	548	547	547	547	547
Parking										
Parking lots	51	51	52	51	51	48	46	45	45	45
Parking structures	6	6	4	4	4	4	4	5	5	5
Port										
Cargo terminals	6	6	6	6	6	6	6	6	6	6
Rental warehouses and buildings	4	4	4	4	5	5	5	5	5	5
Ferry terminal					1	1	1	1	1	1
Cranes and forklifts	13	13	13	11	11	11	10	10	10	10
Vessel berths	13	13	13	13	13	13	13	13	13	13

Sources: Various city departments

Note: No capital asset indicators are available for the general government function.

NOTICES SENT TO FOR FILE NUMBER: 100540
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100512 **Version:** 0

Type: Communication-Report **Status:** In Committee

File created: 9/1/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Communication from the Office of the Comptroller transmitting the 2000 Inventory Reserve Report for the year ended December 31, 2009.

Sponsors: THE CHAIR

Indexes: COMPTROLLER, REPORTS AND STUDIES

Attachments: Report, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number

100512

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Communication from the Office of the Comptroller transmitting the 2000 Inventory Reserve Report for the year ended December 31, 2009.

Drafter

Office of the Comptroller

BL

8/25/10



Office of the Comptroller

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

August 25, 2010

The Honorable Common Council
City of Milwaukee
City Hall – Room 205
Milwaukee, WI 53202

RE: Inventory Reserve Report

Dear Council Members:

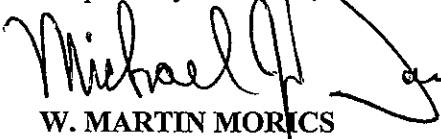
Section 304-29-4-f of the Milwaukee Code requires that the Comptroller provide the Common Council with a separate report of adjustments for inventory reserve made to the Reserve for Tax Stabilization. Attached is a copy of the *Schedule of Inventory Balances and Adjustments to the Inventory Reserve and Reserve for Tax Stabilization* for fiscal year end 2009.

Inventory items are purchased and retained as assets of the City of Milwaukee. Since inventory items are not recorded as expenditures of the City until they are used by an operating department they are reserved and segregated as a portion of the Tax Stabilization Balance.

The attached schedule details returns (decreases in inventory) and withdrawals (increases in inventory) from the Reserve for Tax Stabilization for the individual inventory accounts. This schedule indicates a net decrease to the Reserve for Tax Stabilization of \$421,216.36 for the year 2009.

This office will gladly assist with any general questions regarding this schedule; however, detailed questions pertaining to individual balances may be better directed to appropriate departments.

Respectfully submitted,

 **DEPUTY**
W. MARTIN MORICS
Comptroller

WMM:BL:

Attachments (2)

- Communication Resolution
- Schedule of Inventory Balances

File: 09 inventory report to council

Room 404, City Hall, 200 East Wells Street, Milwaukee, Wisconsin 53202 - 3566 Phone: (414) 286-3321, Fax: (414) 286-3281

City of Milwaukee
General Fund 0001
 Schedule of Inventory Balances
 and Adjustments to the Inventory Reserve
 and Reserve for Tax Stabilization

Inventory Account	Account Description	Reserve/Inventory	Reserve/Inventory	DR/(CR) Reserve for Inventory
		Balance	Balance	
		01/01/09	12/31/09	
141101	DPW-Infrastructure Electrical Service	4,179,480.38	3,624,673.76	554,806.62
141103	DPW-Tower Facility Warehouse	48,836.45	43,615.61	5,220.64
141111	DOA-MPR Paper	80,953.73	82,718.37	(1,764.64)
141113	DPW-Fleet Warehouse 5450	1,114,718.11	1,159,222.92	(44,504.81)
141114	DPW-Sanitation Salt Inventory	1,797,817.72	1,890,358.97	(92,541.25)
		\$7,221,806.39	\$6,800,589.63	\$421,216.76

Office of the Comptroller:
 WMM: BL:
 05-03-10

NOTICES SENT TO FOR FILE NUMBER: 100512
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100566 **Version:** 0

Type: Communication **Status:** In Committee

File created: 9/1/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Communication from the Office of the Comptroller transmitting the 2008 Accounts Receivable Activity Report for the year ended December 31, 2008.

Sponsors: THE CHAIR

Indexes: COMPTROLLER, REPORTS AND STUDIES

Attachments: Cover Letter, Report, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number

100566

Version

Original

Reference

Sponsor

Title

Communication from the Office of the Comptroller transmitting the 2008 Accounts Receivable Activity Report for the year ended December 31, 2008.

Drafter

Office of the Comptroller

PN

09/01/10

August 31, 2010

To the Honorable, The Common Council
City of Milwaukee

Dear Council Members:

Re: Annual Accounts Receivable
Activity Report

Pursuant to Charter Ordinance 304 3.3., attached is the 2008 report of miscellaneous accounts receivable activity by department. Page one of the report recaps activity during 2008 for prior year's billings still outstanding at the beginning of the year. Page two recaps all current year (2008) activity.

During 2008 departments issued 4,464 invoices for a total of \$18,120,548.89. The report reflects \$11,321,607.80 of receivables outstanding at December 31, 2008. Of this amount, \$8,142,555.13 represents the balance of current year billings outstanding and \$3,179,052.67 represents the balance from all prior years' activity.

The Police Department's prior year balances consist of 1998 and prior year's ambulance billings to Milwaukee County. Negotiations are still in process.

Very truly yours,

W. Martin Morics
Comptroller

WMM: PN

REF: Accounts Receivable
Common Council Letter 2008

CITY OF MILWAUKEE - OFFICE OF THE COMPTROLLER
MISCELLANEOUS ACCOUNTS RECEIVABLE ACTIVITY

For 2007 and Prior Years
For the Year Ended December 31, 2008

DEPARTMENT	Prior Balance 1/1/2008	Cancelled Uncollectible	Billing Adjustments	Adjusted Balance	Amounts Paid	Balance 12/31/2008
City Clerk	\$ 151,368.17	\$ -	\$ -	\$ 151,368.17	\$ 151,368.17	\$ -
City Attorney	78,308.91	-	-	78,308.91	78,308.91	-
City Development	297,427.83	-	-	297,427.83	-	297,427.83
Comptroller	257,523.82	-	-	257,523.82	198,031.20	59,492.62
DER - Employee Benefits	848,267.93	-	-	848,267.93	848,242.93	25.00
DER - Personnel	50,581.54	-	-	50,581.54	-	50,581.54
DOA - Information Systems	21,070.16	-	-	21,070.16	17,629.00	3,441.16
DOA - Standards & Procurement	-	-	-	-	-	-
DOA - Intergovernmental Relations Division	-	-	-	-	-	-
DOA - Administration	-	-	-	-	-	-
Fire Department	87,816.58	34,583.49	-	53,233.09	3,759.26	49,473.83
Health Department	192,720.45	-	570.00	192,150.45	135,999.08	56,151.37
Library	-	-	-	-	-	-
Police Department	1,644,748.68	-	-	1,644,748.68	4,311.40	1,640,437.28
Port of Milwaukee	1,602,080.26	8,334.00	18,668.93	1,575,077.33	965,438.87	609,638.46
DPW - ADMIN	1,998,388.45	348,099.72	28,622.48	1,621,666.25	1,209,282.67	412,383.58
Treasurer	7,524.14	-	-	7,524.14	7,524.14	-
TOTALS	\$ 7,237,826.92	\$ 391,017.21	\$ 47,861.41	\$ 6,798,948.30	\$ 3,619,895.63	\$ 3,179,052.67

**CITY OF MILWAUKEE - OFFICE OF THE COMPTROLLER
MISCELLANEOUS ACCOUNTS RECEIVABLE ACTIVITY**

For the Current Year (2008)

For the Year Ended December 31, 2008

DEPARTMENT	Invoices Issued	Amounts Billed	Cancelled Uncollectible	Billing Adjustments	Adjusted Balance	Amounts Paid	Balance 12/31/08	Total Balance Including Prior Years 12/31/08
City Clerk	15	\$ 157,650.00	\$ -	\$ -	\$ 157,650.00	\$ 97,883.00	\$ 59,767.00	\$ 59,767.00
City Attorney	10	180,297.85	-	28,408.34	151,889.51	151,889.51	-	-
City Development	-	-	-	-	-	-	-	297,427.83
Comptroller	41	392,286.09	-	-	392,286.09	256,658.57	135,627.52	195,120.14
DER - Employee Benefits	54	7,619,251.42	-	-	7,619,251.42	3,246,134.28	4,373,117.14	4,373,142.14
DER - Personnel	-	-	-	-	-	-	-	50,581.54
DOA - Information Systems	4	76,977.00	-	-	76,977.00	57,732.75	19,244.25	22,685.41
DOA - Standards & Procurement	-	-	-	-	-	-	-	-
DOA - Intergovernmental Relations Division	-	-	-	-	-	-	-	-
DOA - Administration	-	-	-	-	-	-	-	-
Fire Department	15	234,848.85	50,659.28	-	184,189.57	97,027.08	87,162.49	136,636.32
Health Department	974	207,517.22	-	102,261.08	105,256.14	69,071.72	36,184.42	92,335.79
Library	-	-	-	-	-	-	-	-
Police Department	127	54,548.60	-	-	54,548.60	43,286.36	11,262.24	1,651,699.52
Port of Milwaukee	905	6,060,600.12	-	40,207.82	6,020,392.30	4,395,697.59	1,624,694.71	2,234,333.17
DPW - Admin	2,314	3,118,292.44	124,627.22	32,005.19	2,961,660.03	1,176,422.67	1,785,237.36	2,197,620.94
Treasurer	5	18,279.30	-	-	18,279.30	8,021.30	10,258.00	10,258.00
Totals	4,464	\$ 18,120,548.89	\$ 175,286.50	\$ 202,882.43	\$ 17,742,379.96	\$ 9,599,824.83	\$ 8,142,555.13	\$ 11,321,607.80

Total Amts paid
prior and current

249,251.17
230,198.42
-
454,689.77
4,094,377.21
-
75,361.75
-
-
-
100,786.34
205,070.80
-
47,597.76
5,361,136.46
2,385,705.34
15,545.44
-
13,219,720.46

NOTICES SENT TO FOR FILE NUMBER: 100566
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100567 **Version:** 0

Type: Communication **Status:** In Committee

File created: 9/1/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Communication from the Office of the Comptroller transmitting the 2009 Accounts Receivable Activity Report for the year ended December 31, 2009.

Sponsors: THE CHAIR

Indexes: COMPTROLLER, REPORTS AND STUDIES

Attachments: Cover Letter, Report, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number

100567

Version

Original

Reference

Sponsor

Title

Communication from the Office of the Comptroller transmitting the 2009 Accounts Receivable Activity Report for the year ended December 31, 2009.

Drafter

Office of the Comptroller

PN

09/01/10

August 31, 2010

To the Honorable, The Common Council
City of Milwaukee

Dear Council Members:

Re: Annual Accounts Receivable
Activity Report

Pursuant to Charter Ordinance 304 3.3., attached is the 2009 report of miscellaneous accounts receivable activity by department. Page one of the report recaps activity during 2009 for prior year's billings still outstanding at the beginning of the year. Page two recaps all current year (2009) activity.

During 2009 departments issued 5,137 invoices for a total of \$20,079,094.08. The report reflects \$11,394,927.37 of receivables outstanding at December 31, 2009. Of this amount, \$7,939,292.13 represents the balance of current year billings outstanding and \$3,455,635.24 represents the balance from all prior years' activity.

The Police Department's prior year balances consist of 1998 and prior year's ambulance billings to Milwaukee County. Negotiations are still in process.

Very truly yours,

W. Martin Morics
Comptroller

WMM: PN

REF: Accounts Receivable
Common Council Letter 2009

**CITY OF MILWAUKEE - OFFICE OF THE COMPTROLLER
MISCELLANEOUS ACCOUNTS RECEIVABLE ACCOUNT**

For 2008 and Prior Years

For the Year Ended December 31, 2009

DEPARTMENT	Prior Balance 1/1/2009	Cancelled Uncollectible	Billing Adjustments
City Clerk	\$ 59,767.00	\$ -	\$ -
City Attorney	-	-	-
City Development	297,427.83	-	-
Comptroller	195,120.14	-	-
DER - Employee Benefits	4,373,142.14	-	-
DER - Personnel	50,581.54	-	-
DOA - Information Systems	22,685.41	3,441.16	-
DOA - Standards & Procurement	-	-	-
DOA - Intergovernmental Relations Division	-	-	-
DOA - Administration	-	-	-
Fire Department	136,636.32	-	-
Health Department	92,335.79	-	7,185.50
Library	-	-	-
Police Department	1,651,699.52	-	-
Port of Milwaukee	2,234,333.17	-	-
DPW - ADMIN	2,197,620.94	469,824.58	-
Treasurer	10,258.00	-	-
TOTALS	\$ 11,321,607.80	\$ 473,265.74	\$ 7,185.50

ROLLER
ACTIVITY

C
|

Adjusted Balance	Amounts Paid	Balance 12/31/2009	DEPARTMENT	Invoices Issued	Amounts Billed
\$ 59,767.00	\$ 59,767.00	\$ -	City Clerk	41	\$ 109,332.00
-	-	-	City Attorney	16	356,797.95
297,427.83	-	297,427.83	City Development	-	-
195,120.14	163,990.88	31,129.26	Comptroller	44	466,269.73
4,373,142.14	3,236,693.97	1,136,448.17	DER - Employee Benefits	73	8,387,753.76
50,581.54	-	50,581.54	DER - Personnel	-	-
19,244.25	19,244.25	-	DOA - Information Systems	14	156,946.70
-	-	-	DOA - Standards & Procurement	-	-
-	-	-	DOA - Intergovernmental	-	-
-	-	-	Relations Division	-	-
-	-	-	DOA - Administration	-	-
136,636.32	87,028.10	49,608.22	Fire Department	13	244,222.71
85,150.29	29,773.92	55,376.37	Health Department	934	236,381.54
-	-	-	Library	-	-
1,651,699.52	11,262.24	1,640,437.28	Police Department	69	29,256.12
2,234,333.17	2,152,206.41	82,126.76	Port of Milwaukee	793	6,183,875.09
1,727,796.36	1,615,296.55	112,499.81	DPW - Admin	3,133	3,891,738.14
10,258.00	10,258.00	-	Treasurer	7	16,520.34
\$ 10,841,156.56	\$ 7,385,521.32	\$ 3,455,635.24	Totals	5,137	\$ 20,079,094.08

ITY OF MILWAUKEE - OFFICE OF THE COMPTROLLER
MISCELLANEOUS ACCOUNTS RECEIVABLE ACTIVITY

For the Current Year (2009)

For the Year Ended December 31, 2009

					Total Balance Including Prior Years 12/31/09
Cancelled Uncollectible	Billing Adjustments	Adjusted Balance	Amounts Paid	Balance 12/31/09	
\$ -	\$ -	\$ 109,332.00	\$ 108,927.00	\$ 405.00	\$ 405.00
-	31,056.26	325,741.69	287,859.85	37,881.84	37,881.84
-	-	-	-	-	297,427.83
-	-	466,269.73	304,458.38	161,811.35	192,940.61
-	-	8,387,753.76	3,699,648.77	4,688,104.99	5,824,553.16
-	-	-	-	-	50,581.54
-	-	156,946.70	62,739.00	94,207.70	94,207.70
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	97,203.00	147,019.71	104,943.58	42,076.13	91,684.35
-	40,595.71	195,785.83	149,908.70	45,877.13	101,253.50
-	-	-	-	-	-
-	-	29,256.12	29,256.12	-	1,640,437.28
-	38,278.38	6,145,596.71	5,233,932.78	911,663.93	993,790.69
66,809.73	34,362.30	3,790,566.11	1,848,155.71	1,942,410.40	2,054,910.21
-	-	16,520.34	1,666.68	14,853.66	14,853.66
\$ 66,809.73	\$ 241,495.65	\$ 19,770,788.70	\$ 11,831,496.57	\$ 7,939,292.13	\$ 11,394,927.37

Total Amts paid
prior and current

168,694.00
287,859.85
-
468,449.26
6,936,342.74
-
81,983.25
-
-
-
-
191,971.68
179,682.62
-
40,518.36
7,386,139.19
3,463,452.26
11,924.68
-
19,217,017.89

NOTICES SENT TO FOR FILE NUMBER: 100567
Finance & Personnel Committee

[illegible]



Legislation Details (With Text)

File #: 100163 **Version:** 1

Type: Ordinance **Status:** In Committee

File created: 5/25/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: A substitute ordinance to further amend the 2010 offices and positions in the City Service.

Sponsors: THE CHAIR

Indexes: POSITIONS ORDINANCE

Attachments: Technical Correction Request from DER

Date	Ver.	Action By	Action	Result	Tally
5/25/2010	0	COMMON COUNCIL	ASSIGNED TO		
9/14/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
9/15/2010	1	CITY CLERK	DRAFT SUBMITTED		

Number

100163

Version

Substitute 1

Reference

090458

Sponsor

THE CHAIR

Title

A substitute ordinance to further amend the 2010 offices and positions in the City Service.

Analysis

This substitute ordinance changes positions in the following departments:

Health Department, Assessor's Office, Department of Public Works, Infrastructure Services Division and Water Works, Police Department and Department of Administration

Body

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 1 of ordinance File Number 090458 relative to offices and positions in the City Service is hereby amended as follows:

Under "Health Department", change footnote (BB) to read as follows:

"To expire 9/30/11 unless the Refugee Health Screening Grant is extended," and change footnote (SSS) as follows:

"To expire 9/30/11 unless the Project LAUNCH Grant is extended," and create footnote (M) to read as follows:

"To expire 1/06/11 unless the Public Health 101 Grant from the UW-Milwaukee School of Public Health is extended," and delete one position of "Public Health Research & Policy Director (X)(Y)(K)" and add one position of "Public Health Research & Policy Director (X)(Y)(K)(M)."

Under "Disease Control and Environmental Health Services Division, Sexually Transmitted Disease Clinic", delete one position of "Communicable and Infectious Disease Program Supervisor (X)(Y)" and add one position of "Communicable and Infectious Disease Program Manager (X)(Y)."

Under "Assessor's Office, Assessment Division, Real Property", add two positions of "Senior Property Appraiser (0.5 FTE)."

Under "Department of Public Works-Infrastructure Services Division, Facilities Development and Management Section, Architecture Planning and Decision Unit", delete one position of "Recreational Facilities Coordinator" and add one position of "Facilities Project Coordinator."

Under "Department of Public Works, Water Works, Business Organization, Accounting Services Section", add one position of "Water Revenue Collections Supervisor."

Under "Police Department, Administration Services Decision Unit, Administration Bureau, Human Resources Division, Medical Section", delete one position of "Administrative Lieutenant of Police (M)" and add one position of "Health and Safety Officer"; under "Administration Bureau, Safety Division, Facilities Services Section", delete one position of "Fleet Maintenance Supervisor" and add one position of "Police Fleet Manager."

Under "Department of Administration - Community Development Grants Administration Division", add the footnote designation "(B)(X)(Y)" to the position of "Business Services Specialist- NSP."

Part 2. Section 7 of ordinance File Number 090458 relative to offices and positions in the City Service is hereby amended as follows:

Add “Capital Improvements Committee” and “Skywalk Design Committee.”

Part 3. All ordinances or parts of ordinances contravening the provisions of this ordinance are hereby repealed.

Part 4. The provisions of all other parts of this ordinance are deemed to be in force and effect from and after the first day of the first pay period following passage and publication.

Part 5. This ordinance will take effect and be in force from and after its passage and publication.

Drafter
City Clerk's Office
tb



Department of Employee Relations

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Brady
Employee Benefits Director

Troy M. Hamblin
Labor Negotiator

MEMORANDUM

TO: Tobie Black, Staff Assistant
Finance and Personnel Committee
Office of the City Clerk

FROM: Andrea Knickerbocker 
Human Resources Manager
Department of Employee Relations

Date: September 9, 2010

Re: Administrative Correction to the Positions Ordinance

The Finance Committee approved File Number 091647 on May 19, 2010 which included a Job Evaluation Report for a new position in the Department of Administration-Community Development Grants Administration. The footnote designation letters "(B) (X) (Y)" were inadvertently not included for the new position of Business Services Specialist-NSP. Please amend the Positions Ordinance as follows:

In the Positions Ordinance, under Department of Administration – Community Development Grants Administration Division, add the footnote designation "(B) (X) (Y)" to the position of "Business Services Specialist-NSP."



Legislation Details (With Text)

File #: 091484 **Version:** 1

Type: Ordinance **Status:** In Committee

File created: 3/2/2010 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:**

Effective date:

Title: A substitute ordinance to further amend the 2010 rates of pay of offices and positions in the City Service.

Sponsors: THE CHAIR

Indexes: SALARY ORDINANCE

Attachments: Proposed Sub A

Date	Ver.	Action By	Action	Result	Tally
3/2/2010	0	COMMON COUNCIL	ASSIGNED TO		
4/1/2010	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
4/6/2010	1	CITY CLERK	DRAFT SUBMITTED		
4/8/2010	1	FINANCE & PERSONNEL COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0
9/14/2010	1	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		

Number

091484

Version

Substitute 1

Reference

090457

Sponsor

THE CHAIR

Title

A substitute ordinance to further amend the 2010 rates of pay of offices and positions in the City Service.

Analysis

This substitute ordinance changes the rates of pay in the following departments:

Health Department

Body

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 2 of ordinance File Number 090457 relative to rates of pay of offices and positions in the City Service is hereby amended as follows:

Under Salary Grade 007, add the title "Health Program Manager - PLAN."

Part 2. All ordinances or parts of ordinances contravening the provisions of this ordinance are hereby repealed.

Part 3. The provisions of all other parts of this ordinance are deemed to be in force and effect from and after its passage and publication.

Part 4. This ordinance will take effect and be in force from and after its passage and publication.

Drafter

City Clerk's Office

TJM

4/6/10

..Number

091484

..Version

Proposed Substitute A

..Reference

090457

..Sponsor

THE CHAIR

..Title

A substitute ordinance to further amend the 2010 rates of pay of offices and positions in the City Service.

..Analysis

This substitute ordinance changes the rates of pay in the following departments:

Municipal Court, Health Department, Department of Public Works, Infrastructure Services Division and Water Works, and Police Department

..Body

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 5 of ordinance File Number 090457 relative to rates of pay of offices and positions in the City Service is hereby amended as follows (Effective August 5, 2010):

Under Pay Range 400, add the footnote designation “3/” after the title Court Services Assistant I and add footnote 3/ to read as follows:

“Effective August 5, 2010, employees employed in the Municipal Court shall be eligible to receive an additional \$1.00 per hour while performing interpreter duties for court proceedings from Spanish to English and vice versa.”

Under Pay Range 410, add the footnote designation “9/” after the title Court Services Assistant II and add footnote 9/ to read as follows:

“Effective August 5, 2010, employees employed in the Municipal Court shall be eligible to receive an additional \$1.00 per hour while performing interpreter duties for court proceedings from Spanish to English and vice versa.”

Under Pay Range 445, add the footnote designation “4/” after the title Accounting Assistant II and add footnote 4/ to read as follows:

“Effective August 5, 2010, employees employed in the Municipal Court shall be eligible to receive an additional \$1.00 per hour while performing interpreter duties for court proceedings from Spanish to English and vice versa.”

Part 2. Section 2 of ordinance File Number 090457 relative to rates of pay of offices and positions in the City Service is hereby amended as follows:

Under Salary 05, delete the title “Fleet Maintenance Supervisor.”

Under Salary Grade 06, add the title “Water Revenue Collections Supervisor.”

Under Salary Grade 07, delete the title “Communicable and Infectious Disease Program Supervisor” and add the title “Police Fleet Manager.”

Under Salary Grade 09, add the title “Communicable and Infectious Disease Program Manager.”

Part 3. Section 9 of ordinance File Number 090457 relative to rates of pay of offices and positions in the City Service is hereby amended as follows:

Under Pay Range 607, delete the title “Recreational Facilities Coordinator” and add the title “Facilities Project Coordinator.”

Part 4. All ordinances or parts of ordinances contravening the provisions of this ordinance are hereby repealed.

Part 5. The provisions of Part 1 of this ordinance are deemed to be in force and effect from and after August 5, 2010.

The provisions of all other parts of this ordinance are deemed to be in force and effect from and after its passage and publication.

Part 6. This ordinance will take effect and be in force from and after its passage and publication.

..Drafter
City Clerk's Office
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