

# 2024 Proposed Budget Overview

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## 2024 Proposed Executive Budget

Finance & Personnel Committee  
Budget Hearing: September 29, 2023  
Prepared By: Nik Kovac, Budget Director

# 2024 Budget

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1. Total Proposed 2024 Budget: \$1.92 billion
  - Proposed Tax Levy-Supported Budget: \$1.42 billion
  - General City Purposes (GCP) Budget: \$699.2 million
2. Total Proposed Tax Levy of \$317.4 million
3. Non-Tax Levy-supported Budget: \$499.3 million
  - Enterprise funds: \$321.8 million
  - Grant & Aid Fund: \$166.9 million
  - County Delinquent Tax Fund: \$10.6 million

# 2024 Proposed Budget “Bottom Line”

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1. Total Budget up 11.9%, GCP up 9.3% from 2023
  - Both changes primarily due to new revenue from Act 12
2. Total tax levy +2.0% (\$6.2 million)
3. Tax rate = \$9.46 (+\$0.30)
4. Major User Fees +2% (\$1.3 million)

# Proposed 2024 Budget Impact on Typical Household

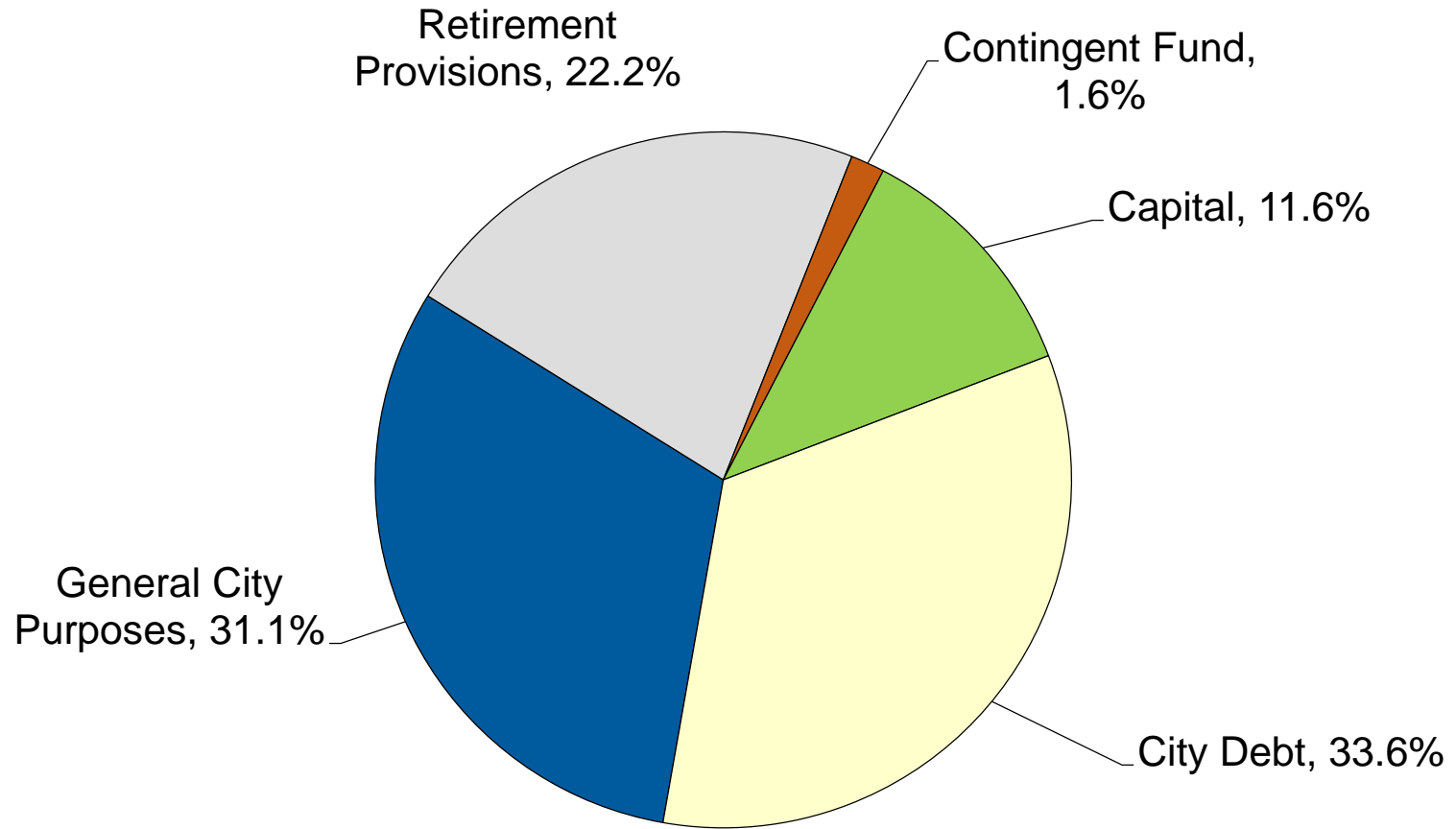
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## Typical Household Impact

- Tax Levy: + \$50.09\*
- Municipal Services Bill: +\$10.73
- Net Impact: + \$60.82

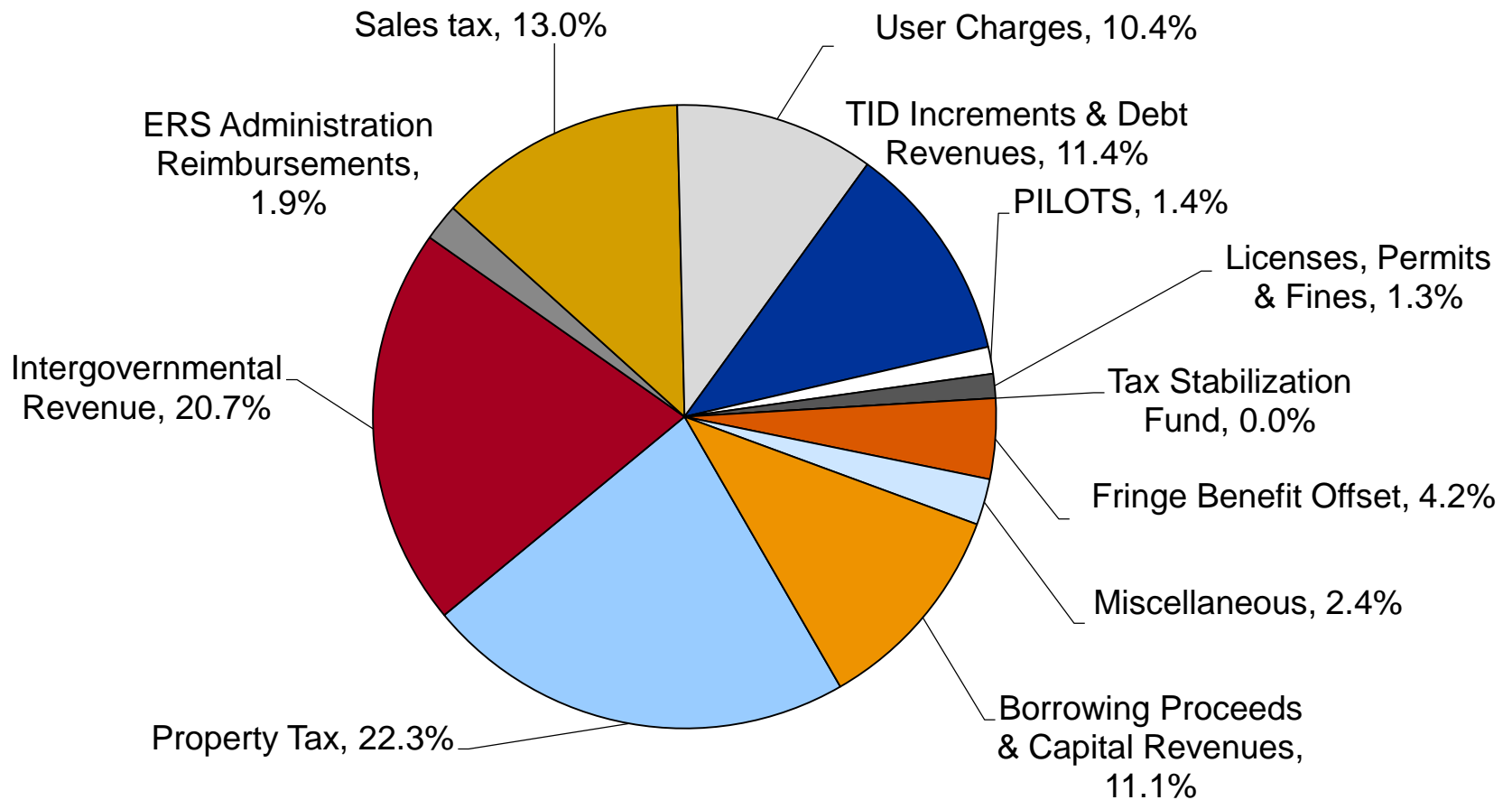
**\*Based on the median residential value of \$144,900 for 2022 and \$145,600 for 2023**

# 2024 Proposed Tax Levy: Distribution by Budget Section



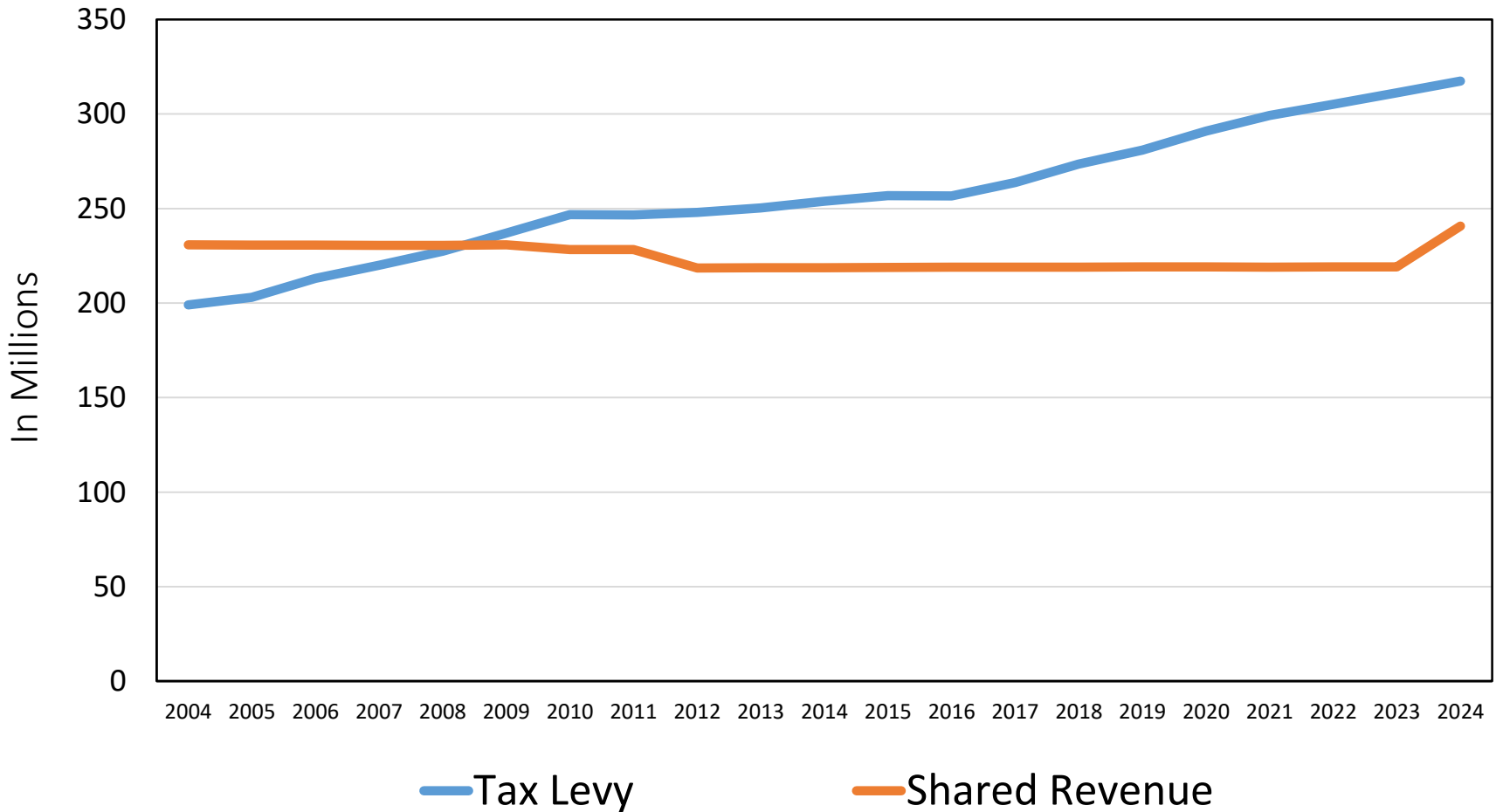
*The total 2024 proposed tax levy is \$317.4 million.*

# City of Milwaukee 2024 Revenue Sources: Tax Levy Supported Budget



*The total 2024 proposed tax levy supported budget is \$1.42 billion.*

# City Tax Levy vs. State Shared Revenue



# Increased Pension Costs

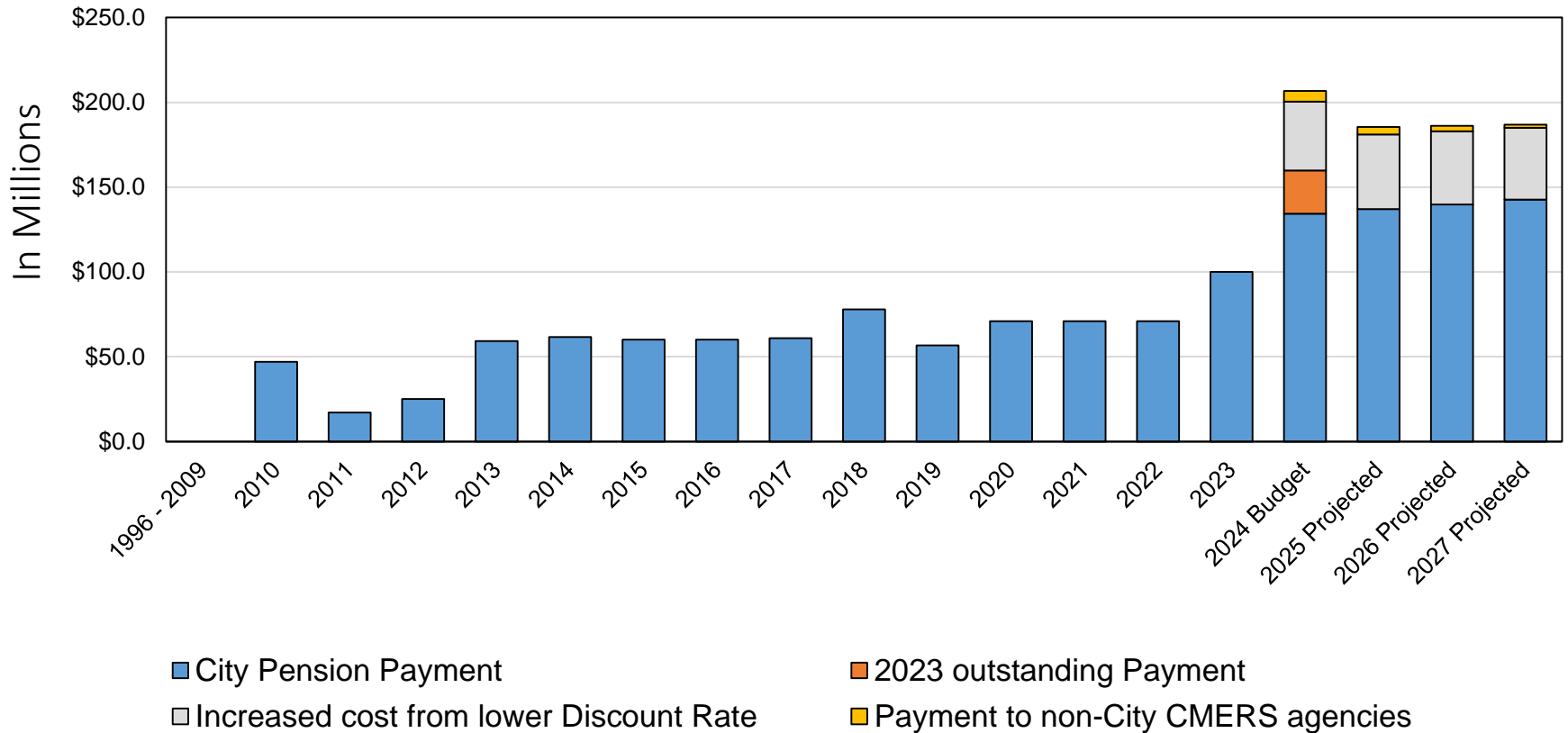
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- \$25.5M of “catch-up” pension payment from 2023 (caused by timing of actuarial valuation)
- \$175M new 2024 pension payment – an increase of \$75M from 2023
- \$6.3M distributed to non-City CMERS agencies for normal cost increases (mandated by Act 12 to be funded with sales tax revenues)



# Pension Contribution History

## Escalating Pension Costs

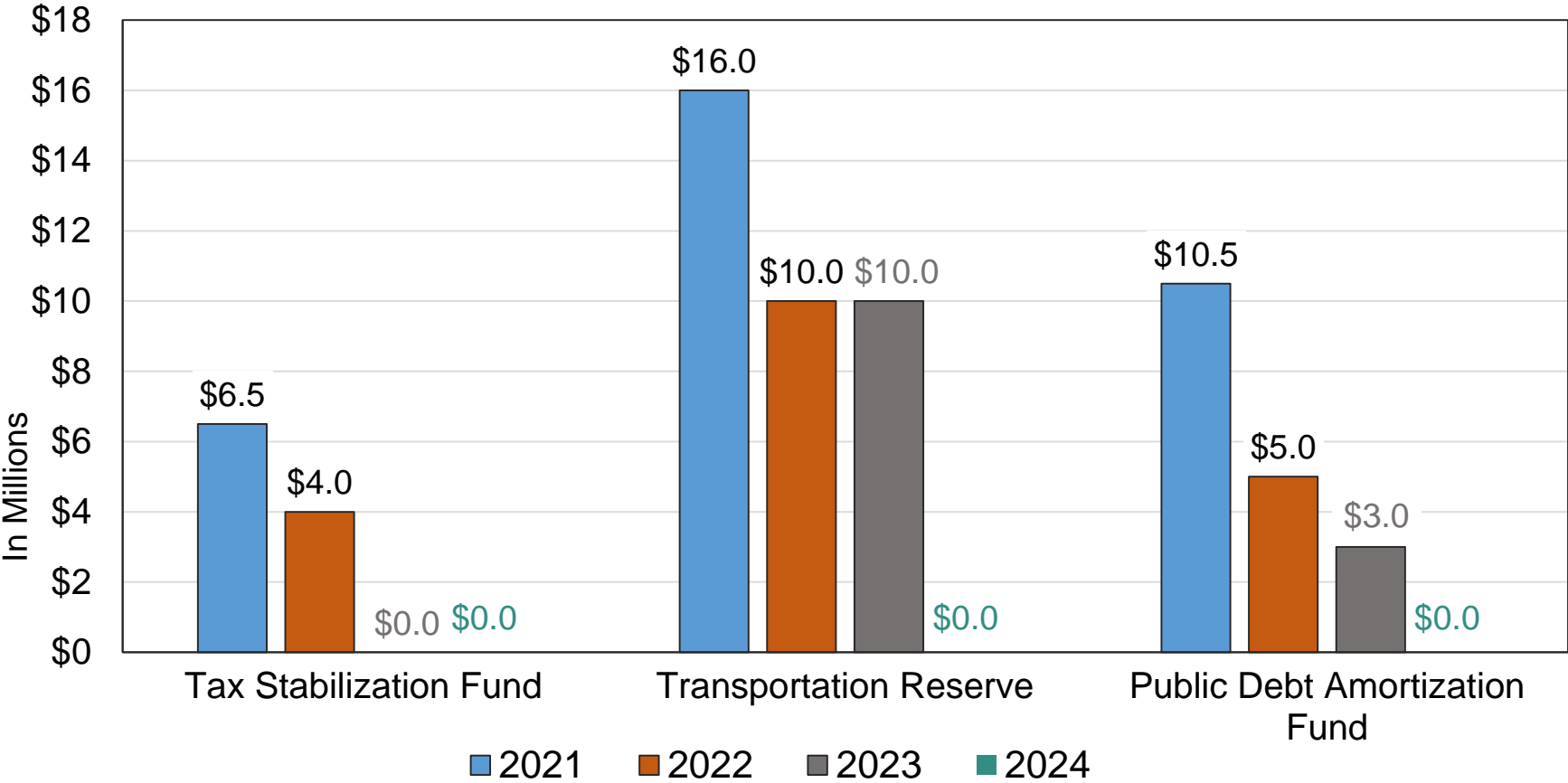


# Other Increased Costs

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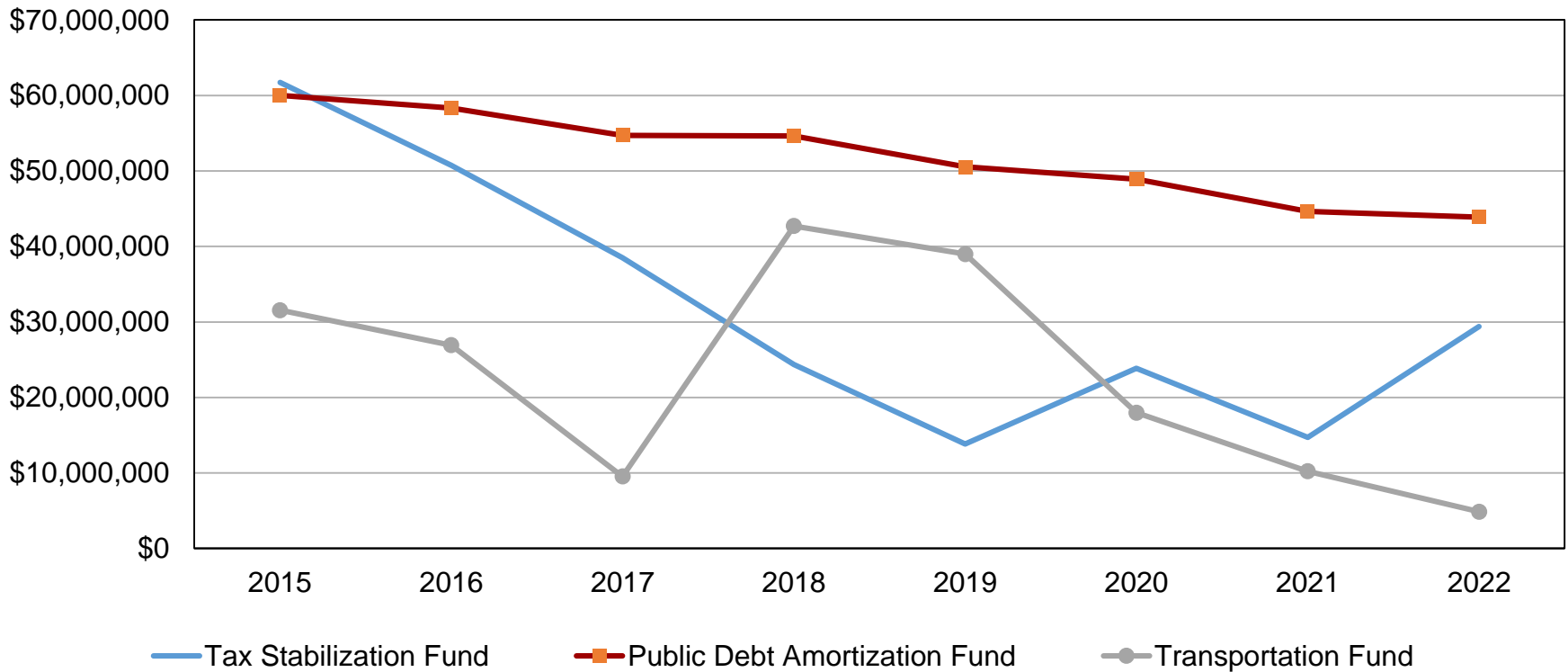
- Salary reclasses/retitles/equity placements
- Stabilizing reserve funds
- Cash-financing previously deferred capital projects
- No service cuts
- Increasing sworn staff to comply with Act 12
- Increasing funding for the Office of Equity and Inclusion (OEI) and the Office of African-American Affairs (OAAA)

# 2024 Budget Reserve Use Compared to Prior Three Years

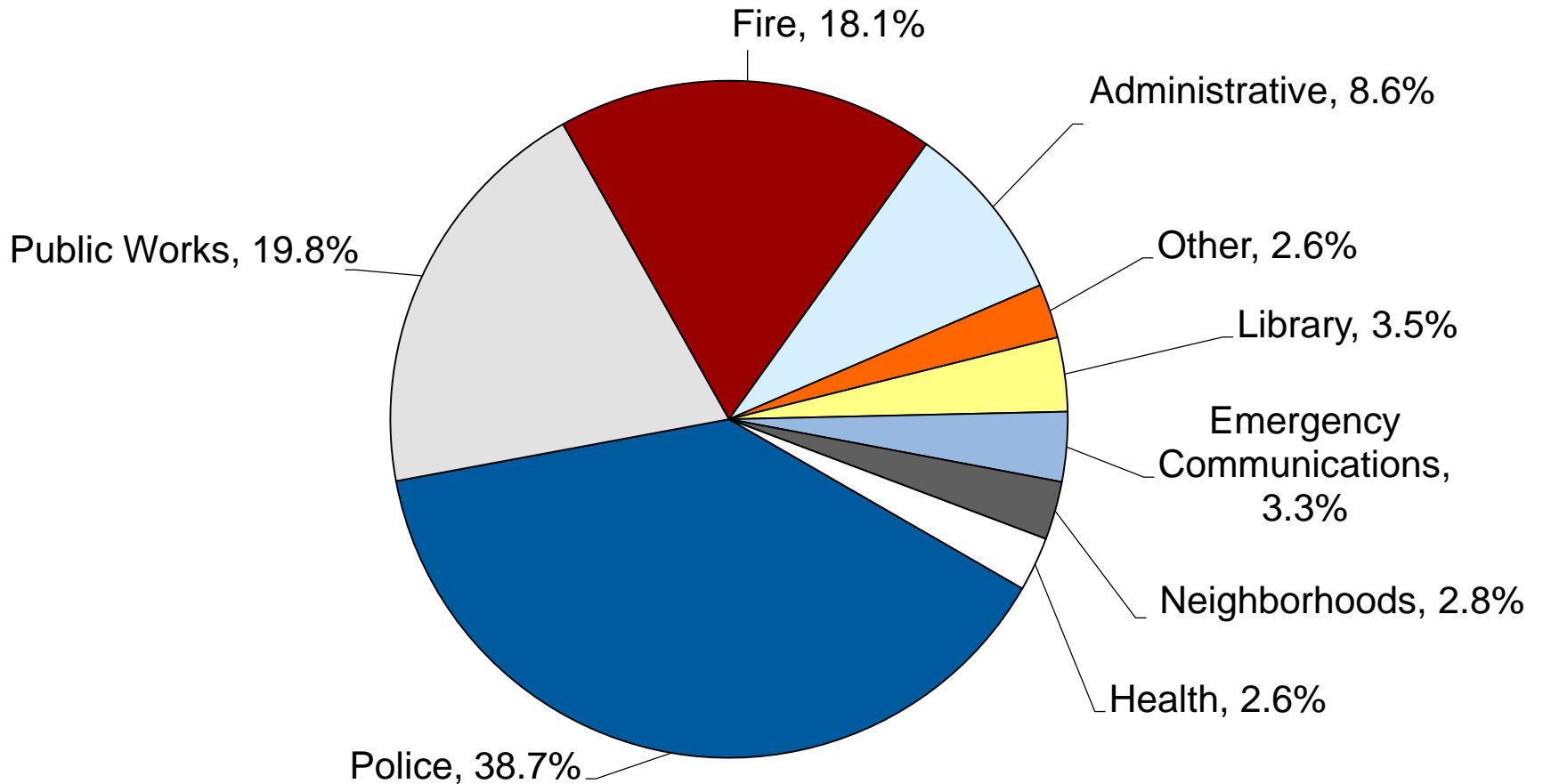


# Diminishing Reserves

## Reserve Fund Balances History



# 2024 Proposed Departmental Budgets: Expenditures



*Note: The above percentages are derived from the \$699M GCP budget with the \$110M in ARPA funding for salaries and fringe benefits factored back in to each category, so the total budget of \$809M does not match the subtotals in our budget tables, but the percentages better reflect the actual proportionate costs of each service.*

# Service Increase Highlights

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1. 1% increase (15 officers) in MPD average sworn strength
2. 1 fire engine restored to service, 1 new ambulance added to service (increase of 6 daily FF staffing)
3. \$793K increase to OEI up to a total of \$1.55 million
4. \$628K increase to OAAA up to a total of \$1.05 million
5. Annual demolitions doubled (from 90 to 180)
6. Local road investments at highest level in a decade, with a focus on safety and green infrastructure

# ARPA Re/Allocation

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- Overview:

- \$17.5 million removed from ARPA program budgets and reallocated to salaries and fringes in 2024 budget
- \$92.7 million previously unallocated ARPA allocated to salaries and fringes in 2024 budget
- \$17.3 levy funds continue to support ARPA programs in 2024, providing more flexibility and removing spending deadlines

# ARPA Re/Allocation

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- Why now?
  - Ensures compliance with federal allocation deadlines
  - Certain programs are complete, and have budget excess
  - Other programs can now project expenses with more certainty - and expect budget excess
  - Direct pandemic responses no longer as necessary
  - Federal guidance has changed, making some early budgeted expenses noncompliant (primarily 2025 and 2026 salaries)



# ARPA Re/Allocation

| <b>Proposed ARPA Budget Reductions</b> |   |                       |                         |
|--|---|-----------------------|-------------------------|
| <b>Department</b>                      | <b>Project</b>  | <b>Current Budget</b> | <b>Budget Reduction</b> |
| City Clerk                             | Language Translation Services                         | \$300,000             | \$196,064               |
| City Clerk                             | 53206 Survey  | \$15,655              | \$1,008                 |
| City Clerk                             | Big Clean   | \$469,978             | \$350,654               |
| DCD                                    | In Rem Initiative / Homes MKE                         | \$15,000,000          | \$497,867               |
| DCD/DNS                                | 2024 Housing Programs                                 | \$4,700,000           | \$4,700,000             |
| DNS                                    | Demolition, Deconstruction, and Site Restoration      | \$5,200,000           | \$1,328,026             |
| DOA                                    | Administrative Services (Grant monitoring and admin.) | \$1,960,000           | \$350,000               |
| DOA                                    | Early Childhood Education                             | \$315,687             | \$11,533                |
| DPW                                    | Lighting Circuit Reliability Improvement              | \$19,500,000          | \$268,800               |
| DPW                                    | Community Supported Traffic Safety Improvements       | \$6,000,000           | \$54,297                |
| Health                                 | City of Milwaukee COVID-19 Response and Recovery      | \$13,300,000          | \$6,913,451             |
| Health                                 | Public Health O&M                                     | \$5,223,635           | \$820,692               |
| Health                                 | Lead Hazard Reduction                                 | \$25,316,942          | \$1,650,902             |
| Library                                | COVID-19 Public Health                                | \$300,000             | \$6,829.69              |
| OAAA                                   | Improving OAAA Service Access                         | \$400,000             | \$366,476               |
| <b>Total:</b>                          |   |                       | <b>\$17,516,599.69</b>  |

Program continues through levy or capital support in 2024

Program has realized, or projects, a budget surplus

Program budgeted for salaries in 2025-26, which are noncompliant expenses

# ARPA → One Milwaukee Fund

| <b>One Milwaukee Fund Program</b>   | <b>Department</b> | <b>Amount</b> |
|---|-------------------|---------------|
| <b>City of Milwaukee Diversity, Equity, Inclusion, and African American Affairs</b> | DOA - OAAA, OEI   | \$400,000     |
| <b>Housing and Home Ownership</b>   |                   |               |
| In Rem Property   | DCD               | \$400,000     |
| Strong Homes Loans  | DCD               | \$1,000,000   |
| Down Payment Assistance   | DCD               | \$2,000,000   |
| Targeted Demolition   | DPW               | \$1,782,531   |
| <b>Multilingual Access to City Resources</b>  | City Clerk        | \$196,064     |
| <b>Lead Hazard Reduction</b>  | MHD               | \$2,092,222   |
| <b>Citizen-Led Transformational Grants Fund</b>                                     |                   | \$5,000,000   |