

2016



Legislative Reference Bureau

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NEIGHBORHOOD SERVICES

2016 Proposed Plan and Executive Budget Review

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Last Updated: October 6, 2015

Version 8.1



\$21,920,171

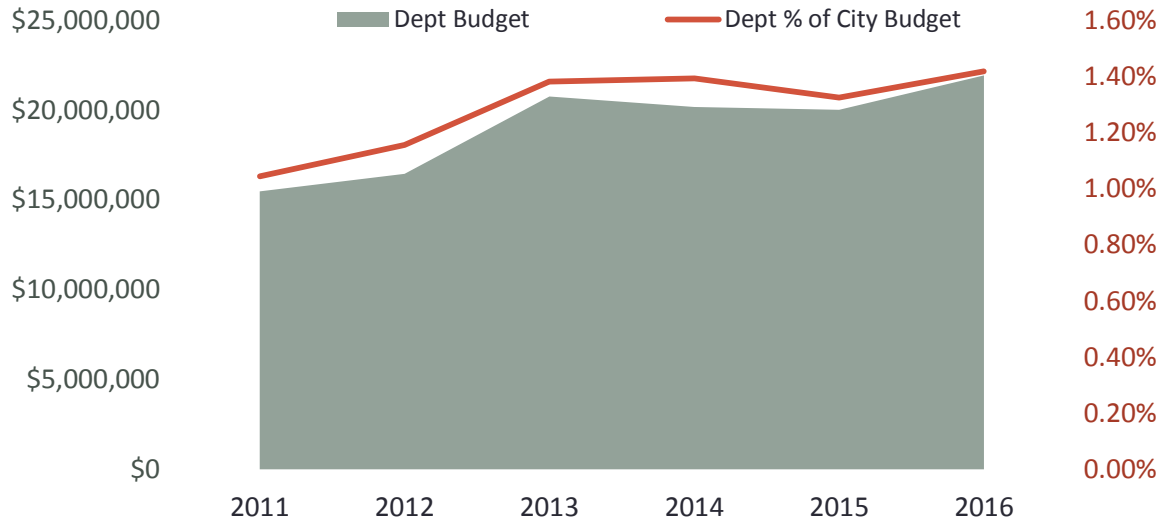
Proposed 2016 Budget

\$1,914,027

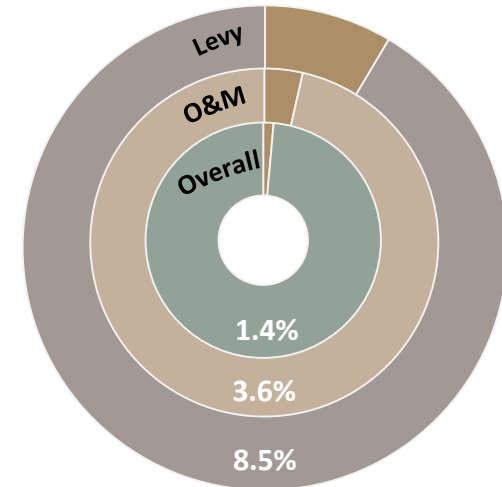
Change in Proposed Budget

9.6%

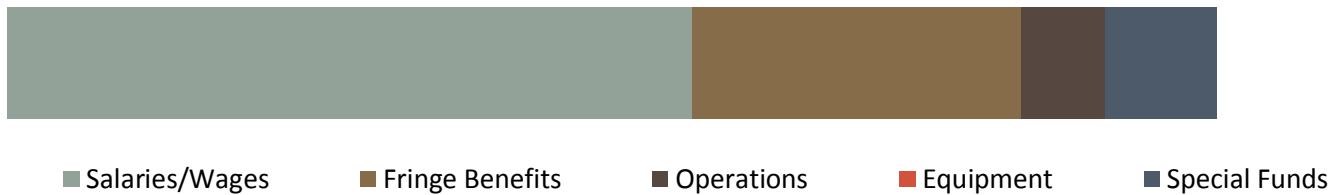
% Change in Proposed Budget



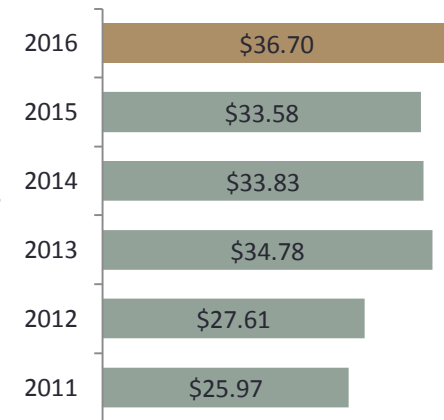
Departmental Budget Impact



Departmental Budget Appropriation Category



Budget per Capita



\$1,140,054

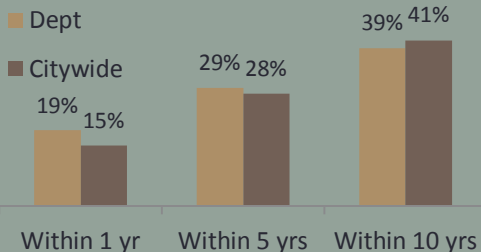
Base salary increase over 2015
Adopted Budget.

- \$824,486 - position changes
- \$315,589 – raises – appx. 3%

\$854,471

2016 projected reimbursable services performed by DNS for other City departments – up \$355,804 (71%) over 2015 adopted budget.

Retirement Eligible



10

Change in Positions

3.5%

% Change in Positions

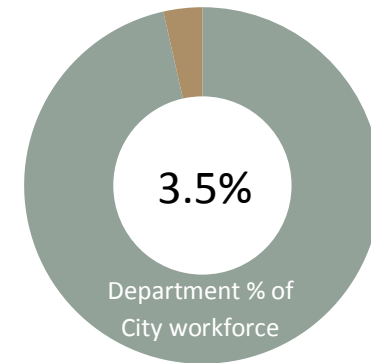
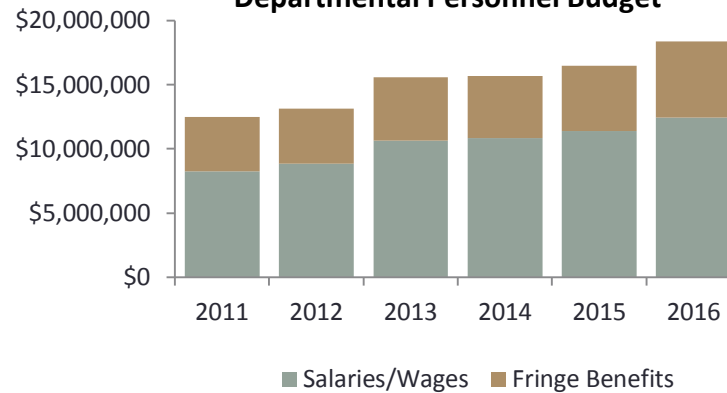
11

Current Vacancies

13

Voluntary Separations

Departmental Personnel Budget



Staffing Update

14 new positions - \$770,546 in base salaries, incl.:

- 5 Arena Development staff.
- 3 Mortgage Default Registry staff.
- 1 Fast-track *In Rem* Inspector.
- 1 Code Compliance Loan Processor.

4 positions eliminated – saving \$181,136, incl.:

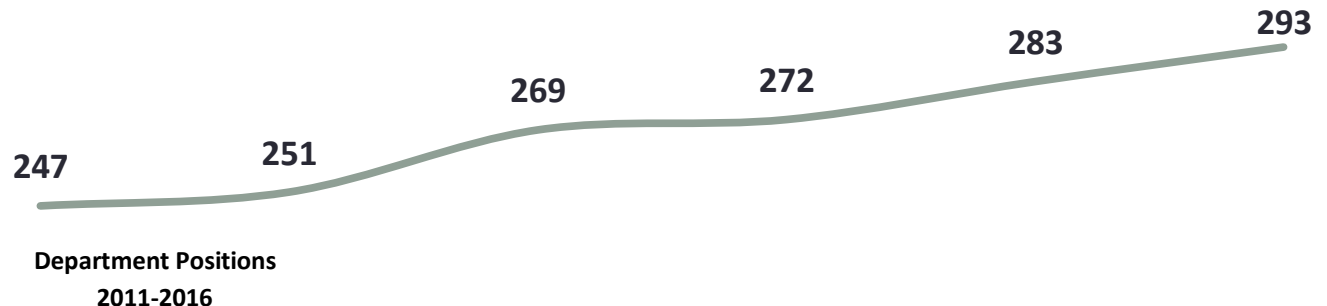
- 2 Information technology staff to ITMD.
- 1 Commercial Code Inspector.

Staffing Update

75 positions re-classified including:

- 51 Inspector II's to Inspector.
- 9 Code Enforcement Supervisors to District Code Enforcement Supervisors.
- 1 Administrative Assistant II to IV
- 2 Office Assistant III's to IV's.
- 12 other positions.

Total base salary cost - \$235,055



\$1 million

New arena permit fees and other charges maximum per agreement with the Bucks for DNS staff and services provided during development of the new arena.

21

Code Compliance Loans closed in 2015 totaling \$236,000

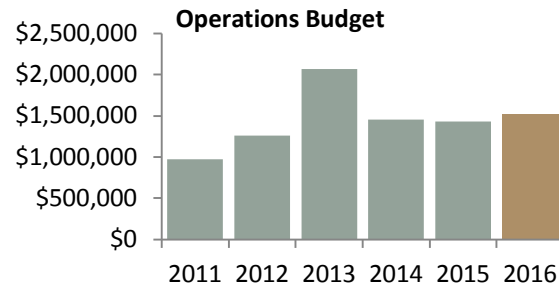
- 17 approved with an estimated total of \$204,000 to \$255,000.
- 8 applications on waiting list.

7%

The number of rental units receiving only a 1-year residential rental certificate due to multiple 80-10 violations in the expanded RRI program.

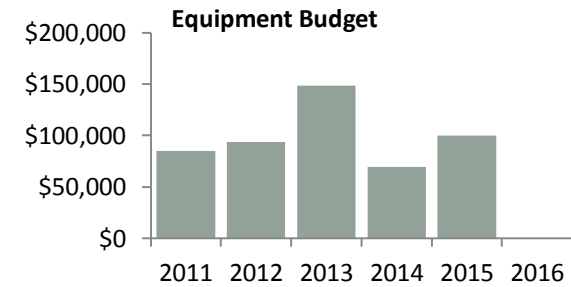
-22%

2,377 properties were registered as in foreclosure proceedings in 2014 – down 652 properties (22%) from 2013 and down 2,166 properties (47%) since 2012.



6% | 8% | 10% | 7% | 7% | 7%

Operations percent of department budget



1% | 1% | 1% | 0% | 0% | 0%

Equipment percent of department budget

Arena Development Staffing

The 2016 budget authorizes 5 positions dedicated to providing services for the development of the Bucks arena at a total annual cost of \$506,903 including fringes. Staff includes a plan examiner, 3 inspectors (construction, electrical and plumbing) and one office assistant.

Residential Mortgage Default Registry

Lenders must register residential properties with loans in default, and inspect registered properties every 60 days. The registration allows DNS to direct additional attention to registered properties which often have blighting consequences on a neighborhood.

Accelerated *In Rem* Tax Foreclosure

Neighborhood Services estimates it will need a minimum of 1.3 FTE's to service the 250 additional *in rem* tax foreclosures expected in 2016.

Properties in Lender Foreclosure

Neighborhood Services performed 16,794 exterior inspections of properties registered under the Residential Property Pending Foreclosure program in 2014, down 3,752 inspections (18%) from 2013. As these properties make their way through the foreclosure process, DNS inspects them every 30 to 90 days depending on the overall condition of the neighborhood. There is a one-time \$300 registration fee.

4,000

Expected registration on the Residential Mortgage Default Registry – 2,000 projected to ultimately wind up in lender foreclosure.

\$6.75 million

2016 projected re-inspection fee revenues, up \$250,000 (4%) from 2014 actual fee revenues.

53,013

Vacant building inspections were performed in 2014 on 7,536 vacant properties (3,046 registered).

\$27.9 Million

Projected 2016 revenue – virtually unchanged from actual 2014.

Residential Rental Inspection Program

Residential rental certificates are permanently required for 622 buildings (2014) with 1,375 rental units in the Lindsay Heights neighborhood and the area surrounding UW-Milwaukee. DNS issues 4-year and 1-year certificates based on code compliance. In 2014, 95% of certificates issued were 4-year certificates.

Property Demolition

\$2.35 million 2016 demolition budget exceeds the 2015 adopted budget of \$1.3 million by more than a million dollars (76%). DNS projects 493 properties will have open “raze orders” at year-end 2015.

Demolition & Raze Order Backlog

2016’s \$2.35 million proposed demolition budget will likely provide demolition funding for only 157 (based on \$15,000 per demolition) of the 493 properties projected to have raze orders at year-end 2015, possibly leaving more than 300 properties with raze orders un-demolished after a yearlong wait.

“Profits” Down \$2.1 million (26%)

Projected 2016 “profit” – the excess of department revenue over costs – is down \$2.1 million or 26% due to:

- \$1.8 million increase in costs.
- \$363,867 decline in revenues.

New Data System Delayed

Enterprise Land Management System rollout delayed to 1st quarter of 2016. Not on time but expected within \$2.5 to \$3.35 million budget.

Career Ladder Program

\$350,000 allocated in the 2016 Budget for “other” salary adjustments for personnel meeting achievement and training goals in the department’s Career Ladder Program, which is designed to improve staff retention by creating a clear career path for personnel advancement.

Code Compliance Loan Program

2016's \$500,000 budget is unchanged from 2015, which was fully subscribed. Fewer loans are expected for 2016 because expected personnel costs are to be funded with the 2016 allocation, effectively reducing funds available for loans to \$400,000. These loans, capped at \$15,000, allow low-income residents to finance DNS-ordered repairs. Loans are not due and payable until changes in property ownership occur.

Vacant Building Registration

The exteriors of Milwaukee's 7,536 (2014) vacant buildings (3,046 registered) are inspected every 30 days and the interiors every 6 months. Fees to register properties are \$250 per 6-month vacant period. Code violation penalties start at \$250, and increase by \$250 for each 6-month period the violation remains uncured, to a maximum of \$1,250. In 2014, approximately 4,500 vacant properties were not registered.

Revenues	2011	2012	2013	2014	'15 Adopted	'16 Proposed
Licenses & Permits	\$6,728,263	\$7,121,091	\$7,523,384	\$8,507,550	\$7,570,000	\$8,323,200
Charges For Services	13,898,047	16,378,419	18,167,364	18,225,511	17,977,000	18,484,000
Intergovernmental	1,044,286	1,100,257	1,061,053	1,163,727	1,080,000	1,100,000
Total	\$21,670,596	\$24,599,768	\$26,751,801	\$27,896,788	\$26,627,000	\$27,907,200