

2008 Comparative Revenue & Expenditure Report



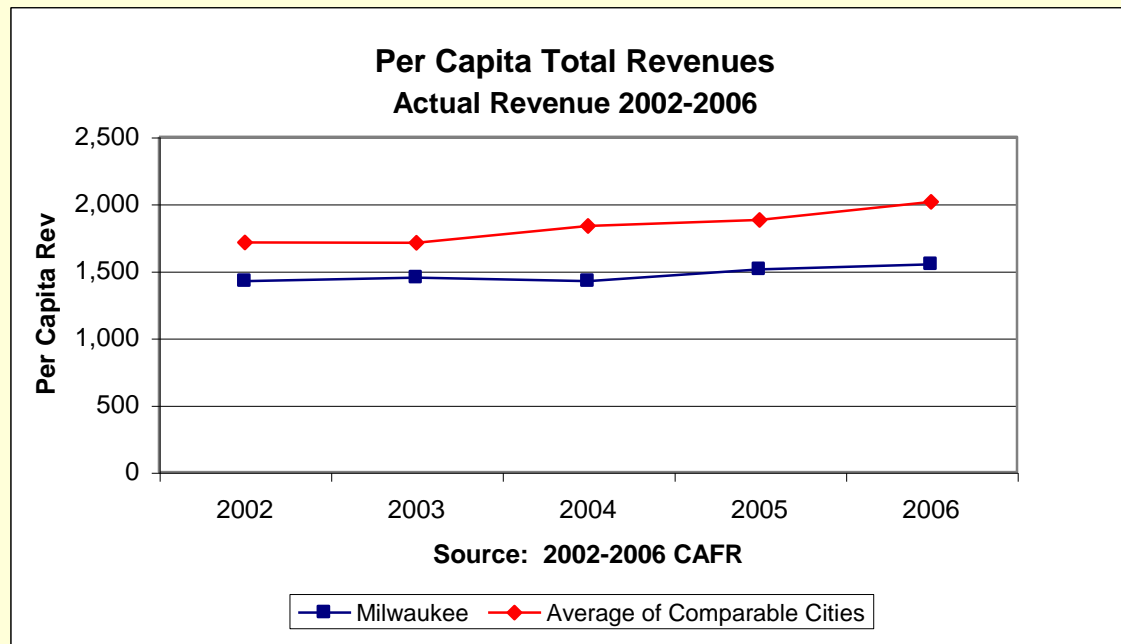
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Comptroller

Methodology

- 9 Peer Cities
- 2000 Census Population 300,000-900,000
- Economic Hub of Region
- Full Service Cities
- Not A City/County Blend
- 2006 Fiscal Year CAFR
- 5th year Comptroller has prepared the report

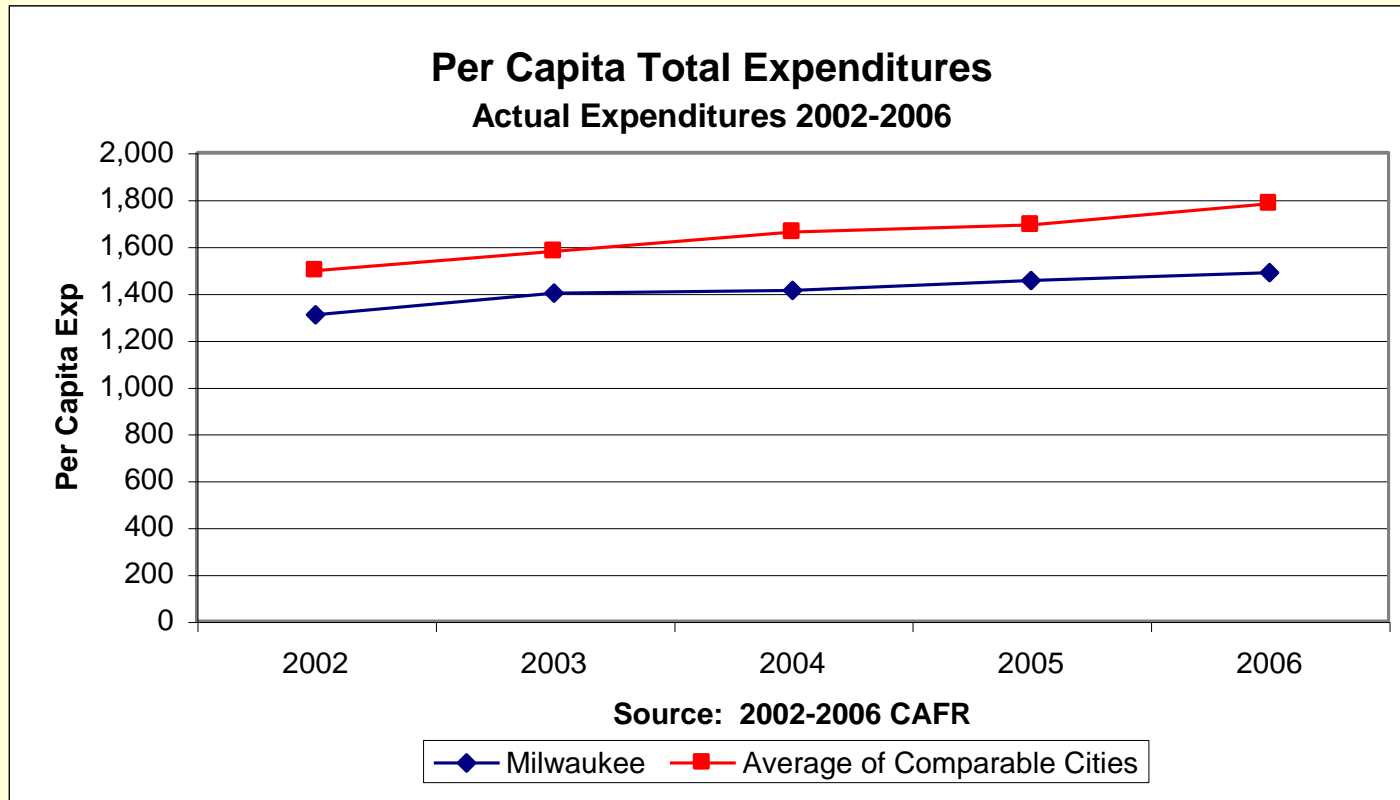
Emerging Trends

In this the 5th year of the report, some trends are beginning to emerge...



The gap in revenue between Milwaukee & peer cities is widening...

...as is the gap in expenditures.



Expenditures by Purpose

2006 Per Capita Expenditures by Purpose

	City of Milwaukee	Average of Comparable Cities	Variance Between Milwaukee and City Average	Milwaukee's Percentage Variance from City Average
Public Safety	\$576	\$621	(\$45)	-7%
Public Works	537	670	(133)	-20%
General Government	111	167	(56)	-34%
Conservation and Development **	112	126	(14)	-11%
Interest Expenses	54	68	(14)	-21%
Culture and Recreation	45	92	(47)	-51%
Health *	52	38	14	37%
Total Expenditures	\$1,487	\$1,782	(\$295)	-17%

* Only five cities including the City of Milwaukee report health expenditures.

** Nine cities including the City of Milwaukee report Conservation & Development expenditures

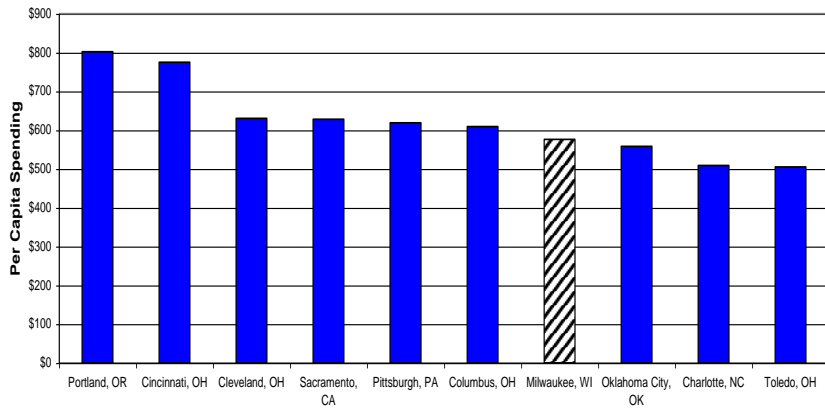
Source: 2006 CAFR

Expenditures

2006 Per Capita Expenditures Total Expenditures			Prior Year Ranking
	Amount		
Portland, OR	\$ 2,553		1
Cincinnati, OH	2,315		2
Pittsburgh, PA	1,908		3
Cleveland, OH	1,908		4
Sacramento, CA	1,823		5
Columbus, OH	1,662		6
Charlotte, NC	1,616		7
Milwaukee, WI	1,487		8
Oklahoma City, OK	1,291		9
Toledo, OH	1,248		10
Average of Comparable Cities	\$ 1,782		

Public Safety

2006 Per Capita Public Safety Expenditures



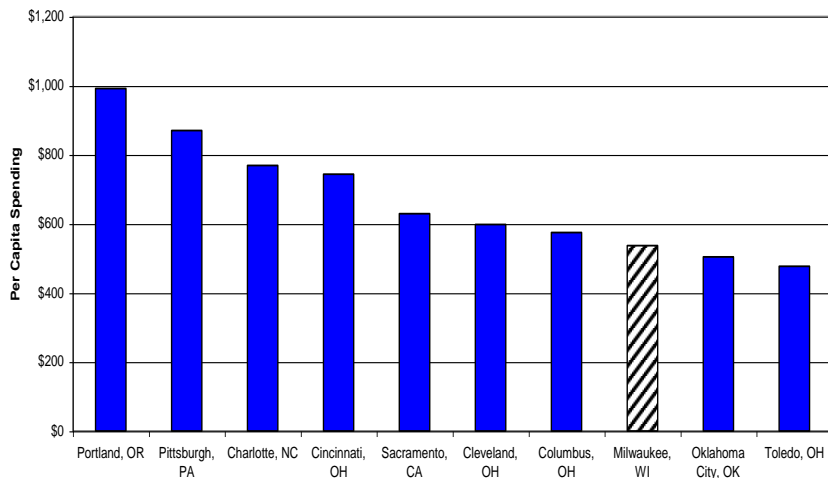
Source: 2006 CAFR

2006 Per Capita Expenditures
Public Safety

	Amount	Prior Year Ranking
Portland, OR	\$ 802	1
Cincinnati, OH	775	2
Cleveland, OH	630	4
Sacramento, CA	628	7
Pittsburgh, PA	619	3
Columbus, OH	609	5
Milwaukee, WI	576	6
Oklahoma City, OK	558	8
Charlotte, NC	509	10
Toledo, OH	505	9
Average of Comparable Cities	\$ 621	

Public Works

2006 Per Capita Public Works Expenditures

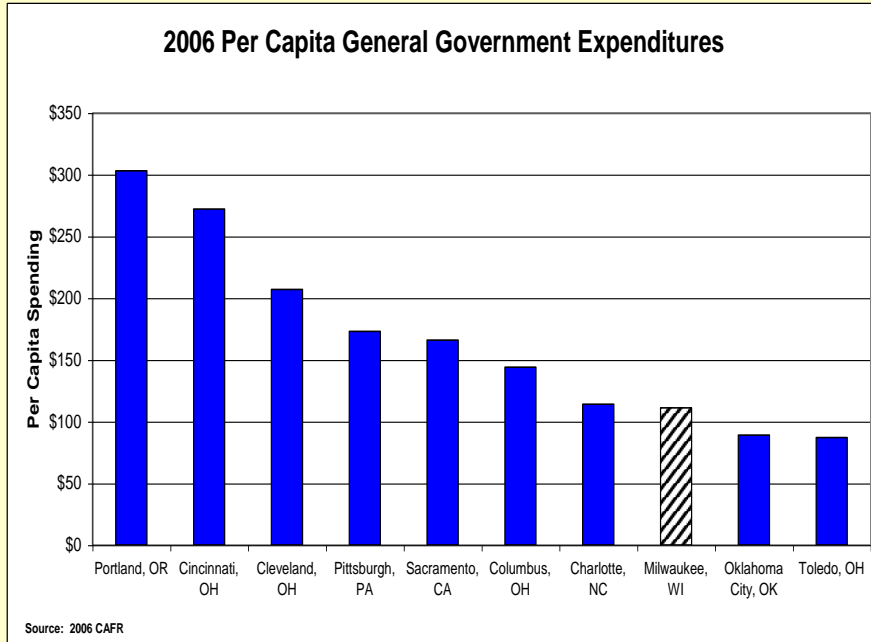


Source: 2006 CAFR

2006 Per Capita Expenditures
Public Works

	Amount	Prior Year Ranking
Portland, OR	\$ 992	1
Pittsburgh, PA	870	2
Charlotte, NC	769	3
Cincinnati, OH	744	4
Sacramento, CA	629	5
Cleveland, OH	598	6
Columbus, OH	575	7
Milwaukee, WI	537	8
Oklahoma City, OK	504	9
Toledo, OH	477	10
Average of Comparable Cities	\$ 670	

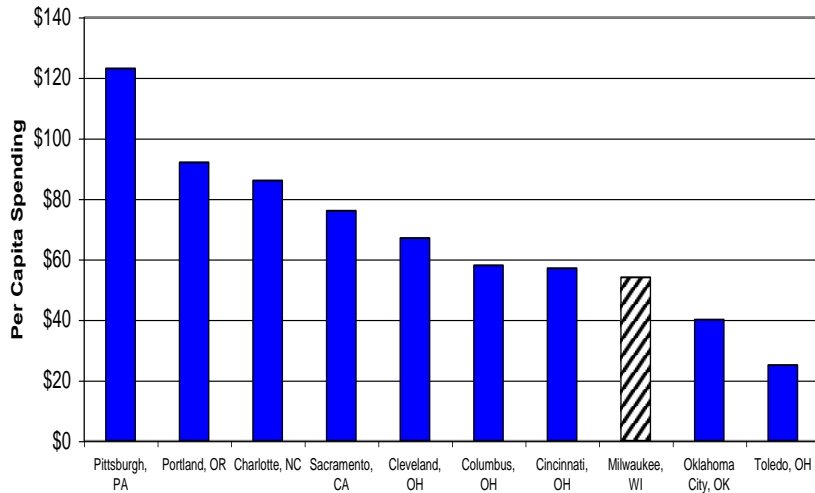
General Government



2006 Per Capita Expenditures General Government		
	Amount	Prior Year Ranking
Portland, OR	\$ 303	1
Cincinnati, OH	272	2
Cleveland, OH	207	3
Pittsburgh, PA	173	4
Sacramento, CA	166	5
Columbus, OH	144	7
Charlotte, NC	114	8
Milwaukee, WI	111	6
Oklahoma City, OK	89	10
Toledo, OH	87	9
Average of Comparable Cities	\$ 167	

Debt Service

2006 Per Capita Interest Expense



Source: 2006 CAFR

Per Capita Expenditures
Interest Expense

	Amount	Prior Year Ranking
Pittsburgh, PA	\$ 123	1
Portland, OR	92	2
Charlotte, NC	86	3
Sacramento, CA	76	6
Cleveland, OH	67	5
Columbus, OH	58	7
Cincinnati, OH	57	4
Milwaukee, WI	54	8
Oklahoma City, OK	40	9
Toledo, OH	25	10
Average of Comparable Cities	\$ 68	

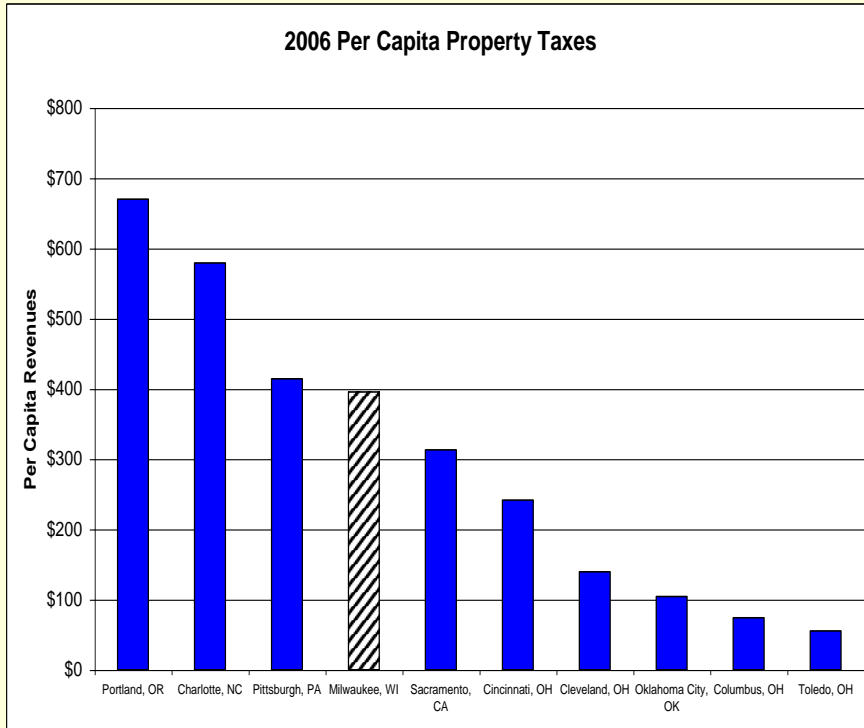
Revenues

2006 Per Capita Municipal Revenues

	City of Milwaukee	Average of Comparable Cities	Variance: Milwaukee vs Average City	% Variance Milwaukee vs Average City
Property Taxes	\$395	\$299	\$96	32%
Other Local Taxes	0	482	(482)	
Total Local Taxes	\$395	\$781	(\$386)	-49%
Grants & Aids	\$579	\$442	\$137	31%
Total Local Taxes and Intergovernmental Aids	974	1,223	(249)	-20%
Charges for Services	425	680	(255)	-38%
Other Revenues	150	113	37	33%
Total	\$1,549	\$2,016	(\$467)	-23%

Source: 2006 CAFR

Property Taxes

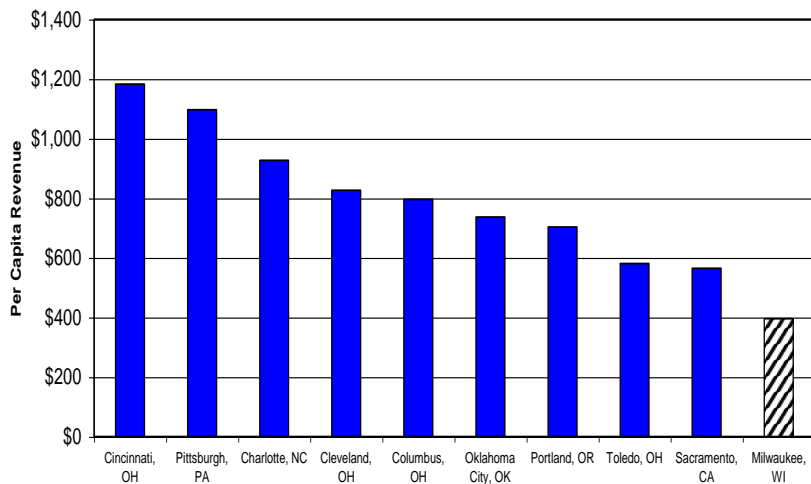


2006 Per Capita Revenues *		
Property Taxes		
	Amount	Prior Year Ranking
Portland, OR	\$ 670	1
Charlotte, NC	579	2
Pittsburgh, PA	414	3
Milwaukee, WI	395	4
Sacramento, CA	313	5
Cincinnati, OH	241	6
Cleveland, OH	140	7
Oklahoma City, OK	104	8
Columbus, OH	74	9
Toledo, OH	55	10
Average of Comparable Cities	\$ 299	

* Source: 2006 CAFR

Local Taxes

2006 Per-Capita Total Local Taxes



Source: 2006 CAFR

2006 Per Capita Revenues *

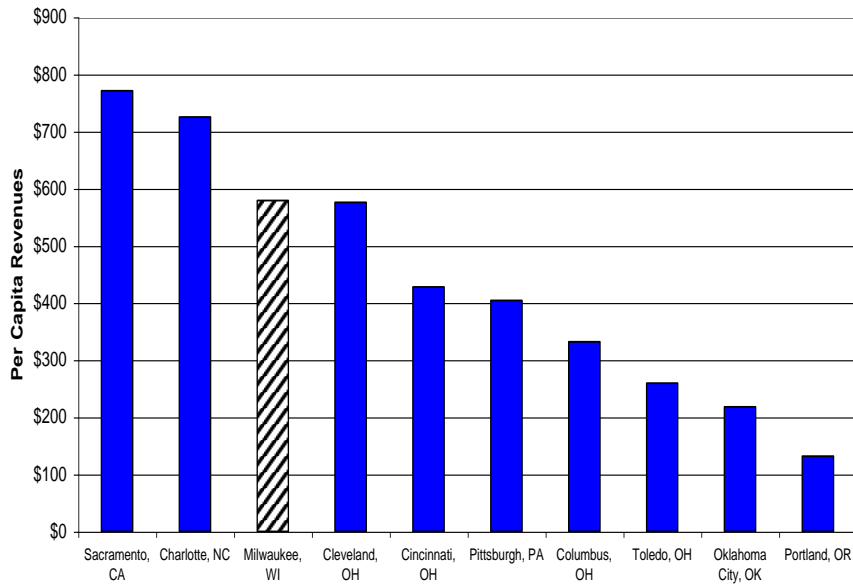
Local Taxes

	Amount	Prior Year Ranking
Cincinnati, OH	\$ 1,182	1
Pittsburgh, PA	1,096	2
Charlotte, NC	927	3
Cleveland, OH	826	4
Columbus, OH	796	5
Oklahoma City, OK	737	6
Portland, OR	703	7
Toledo, OH	580	8
Sacramento, CA	564	9
Milwaukee, WI	395	10
Average of Comparable Cities	\$ 781	

* Source: 2006 CAFR

Intergovernmental Aids

2006 Per Capita Intergovernmental Aid

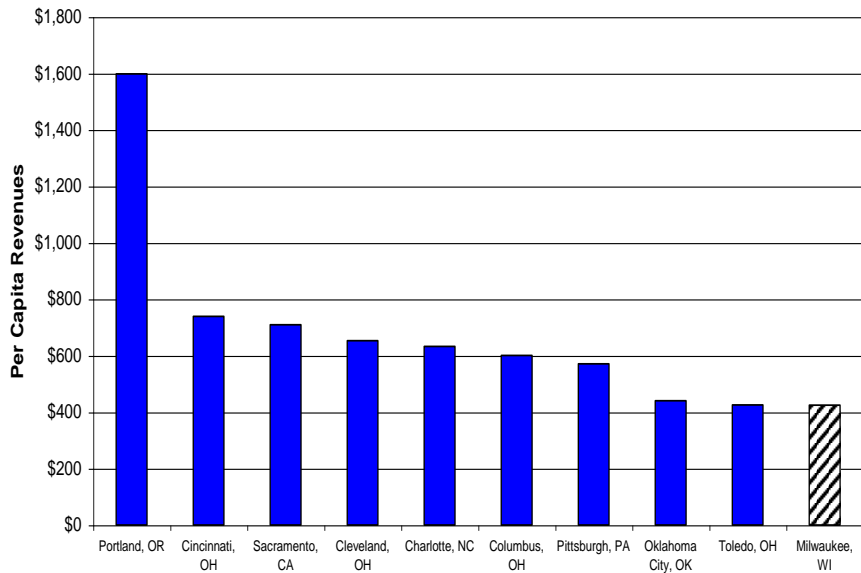


2006 Per Capita Revenues
Intergovernmental Aids

	Amount	Prior Year Ranking
Sacramento, CA	\$ 771	1
Charlotte, NC	725	3
Milwaukee, WI	579	2
Cleveland, OH	576	4
Cincinnati, OH	428	9
Pittsburgh, PA	404	5
Columbus, OH	332	6
Toledo, OH	260	7
Oklahoma City, OK	218	8
Portland, OR	132	10
Average of Comparable Cities	\$ 442	

Charges For Services

2006 Per Capita Charges for Services



Source: 2006 CAFR

2006 Per Capita Revenues

Charges for Services

	Amount	Prior Year Ranking
Portland, OR	\$ 1,598	1
Cincinnati, OH	739	2
Sacramento, CA	710	3
Cleveland, OH	653	5
Charlotte, NC	632	4
Columbus, OH	601	6
Pittsburgh, PA	571	7
Oklahoma City, OK	440	9
Toledo, OH	426	8
Milwaukee, WI	425	10
Average of Comparable Cities	\$ 680	

Capital Replacement Cycles

- Measures City's overall capital maintenance effort.
- Looks at whether repair and replacement efforts matches an infrastructure asset's "life expectancy".
- Replacement cycles are a better measure of infrastructure maintenance than comparative public works expenditures.

Capital Replacement Cycles

City Infrastructure Assets

Streets

- Major streets – 351 miles
- Local streets – 942.1 miles
- Alleys – 416 miles

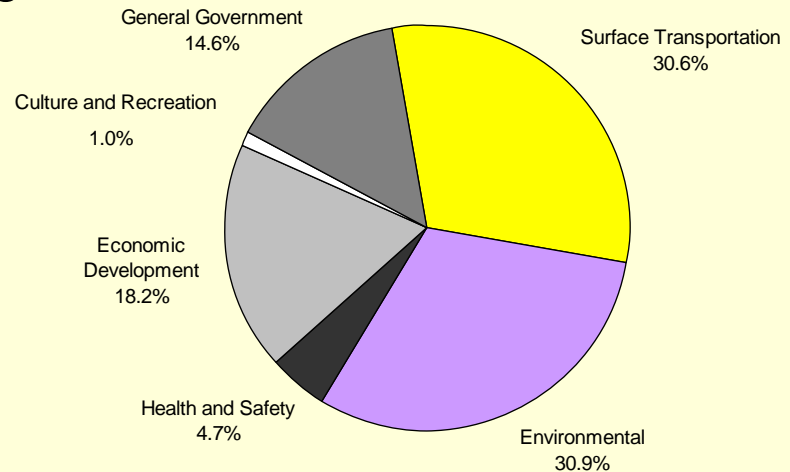
Sewers

- Storm Sewers – 956 miles
- Sanitary Sewers – 935 miles
- Combined Sewers – 548 miles

Capital Replacement Cycles

- Infrastructure is only a portion of the City's overall Capital Plan
- 61% of City's Capital Plan goes towards surface transportation and environmental purpose.
- Surface Transportation
 - Bridges
 - Streets
 - Alleys
- Environmental
 - Predominately sewers

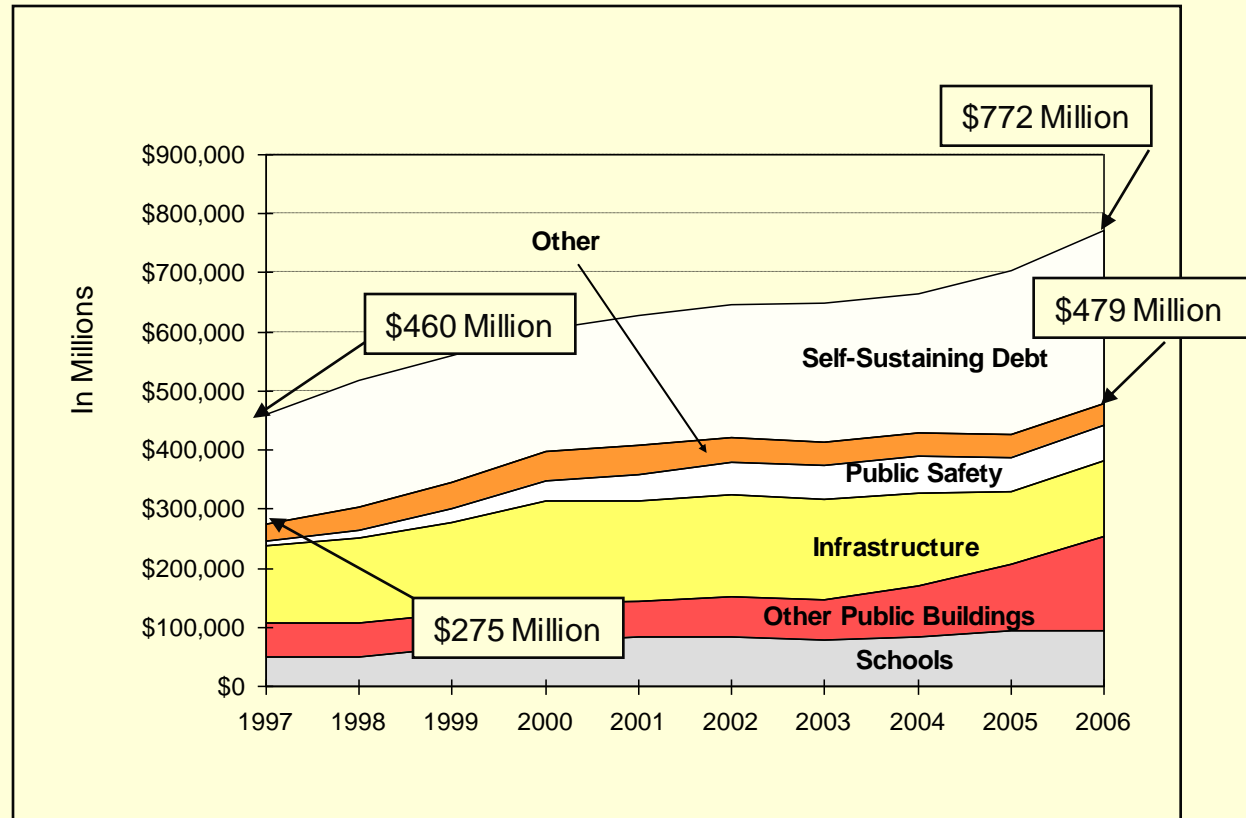
2006 - 2011 Capital Improvements Budget
by Function



Capital Replacement Cycles

Debt for infrastructure is consistently around \$150 million.

The City's debt has grown from \$275 million in tax levy supported debt to \$479 million.



Capital Replacement Cycles

- The term “Capital Replacement Cycle” is used to discuss the amount of time between the creation of an infrastructure asset and the need for it to be replaced, understanding that there is periodic maintenance performed to help prolong the asset’s useful life.
- This year’s report included local streets, alleys and bridges. Future reports will include other infrastructure assets.
- The estimated useful life of local streets averages 40 to 60 years. *
- The estimated useful life of alleys averages 50 to 60 years. *
- The estimated useful life of bridges is 50 years. *

* Source: City of Milwaukee’s former Capital Improvements Committee

Local Streets

Miles of Streets	942.1
Book Value @ 12/31/2006	\$807,726,177
Accumulated Depreciation	<u>\$582,496,365</u>
Net Book Value	\$225,229,812

Estimated Useful Life (Years)	60.0
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	<u>5 YR AVG</u>	<u>3 YR AVG</u>	<u>1 YR AVG</u>
Estimated Replacement Value	\$982,800,740	\$850,299,772	\$906,336,565
Average Preservation Effort (Miles)	5.9	7.5	5.9
Estimated Cost per Mile	\$1,043,202	\$902,558	\$962,039
Replacement Cycle (Years)	159.7	126.2	159.7
Ratio Replacement to Useful Life	2.7	2.1	2.7

Alleys

Miles of Alleys	414.2		
Book Value @ 12/31/2006	\$11,809,222		
Accumulated Depreciation	<u>\$4,482,855</u>		
Net Book Value	\$7,326,367		
Estimated Useful Life (Years)	60		
	<u>5 YR AVG</u>	<u>3 YR AVG</u>	<u>1 YR AVG</u>
Estimated Replacement Value	\$433,260,505	\$505,036,537	\$391,950,858
Average Preservation Effort (Miles)	1.8	1.9	1.2
Estimated Cost per Mile	\$1,046,018	\$1,219,306	\$946,284
Replacement Cycle (Years)	232.5	217.2	354.0
Ratio Replacement to Useful Life	3.9	3.6	5.9

Bridges

Number of City Maintained Bridges	203		
Total Square Feet	2,630,876		
Book Value @ 12/31/2006	\$205,163,758		
Accumulated Depreciation	<u>\$55,210,830</u>		
Net Book Value	\$149,952,928		
Estimated Useful Life (Years)	50		
	<u>5 YR AVG</u>	<u>3 YR AVG</u>	<u>1 YR AVG</u>
Estimated Replacement Value	\$311,743,988	\$312,949,472	\$257,781,445
Average Preservation Effort (Sq Ft)	28,609	30,019	32,542
Estimated Cost per Square Ft	\$118	\$119	\$98
Replacement Cycle (Years)	92.0	87.6	80.8
Ratio Replacement to Useful Life	1.8	1.8	1.6

Conclusions

- City Services appear to be priced competitively.
- Fewer local revenue options in Wisconsin & no local taxing options.
- Wisconsin model centralizes sales/use tax collections and redistributes those taxes.
- As for capital infrastructure, there simply aren't enough dollars or contractors available to keep up with the City's infrastructure needs.
- Result: With few revenue options, local governments end up relying on Property Tax.



QUESTIONS AND DISCUSSION

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