2007 PROPOSED PLAN AND EXECUTIVE BUDGET SUMMARY

CITY OF MILWAUKEE

STATE OF WISCONSIN

Department of Administration
Budget and Management Division

Tom Barrett
Mayor

Sharon Robinson
Administration Director

Mark Nicolini
Budget and Management Director

Budget and Management Staff

Thomas J. Bell
Joe'Mar Hooper
Crystal E. Ivy
Renee Joos
Jennifer Meyer-Stearns
Eric C. Pearson
Dore Marie Rozwadowski
David J. Schroeder
Erick D. W. Shambarger
Dennis Yaccarino

GUIDE TO BUDGET DOCUMENTS

PLAN AND BUDGET SUMMARY

A document containing an overview of economic conditions in Milwaukee; a fiscal summary of the 2007 budget; an economic forecast for Milwaukee; detailed narrative descriptions of each department's mission, services, outcome measures and related activities; and a summary of appropriations by expenditure category. This document is printed annually in proposed and final form as follows: the *Proposed Plan and Executive Budget Summary* contains the Mayor's Executive Budget as presented to the Common Council for review. The *Plan and Budget Summary* contains the budget as adopted by the Common Council.

BUDGET

The official City of Milwaukee line-item budget provides a listing of all appropriation accounts by department and is published after the final budget adoption.

SIX-YEAR CAPITAL PLAN

A presentation of the city's six year capital program. Includes details on planning, financing, infrastructure, and urban development undertakings involved in the capital plan and is published the spring following budget adoption.

2004 FISCAL OUTLOOK AND STRATEGIC PLAN

A strategic framework that guides policy decisions based on long term strategic goals and objectives.

To obtain copies of the: *Proposed Plan and Executive Budget Summary, Plan and Budget Summary, Budget, Six Year Capital Plan* and the *2004 Fiscal Outlook and Strategic Plan* contact the:

Budget and Management Division
City Hall - Room 307
200 East Wells Street
Milwaukee, Wisconsin 53202
(414) 286-3741
(414) 286-5475 (Fax)

or

Visit the Budget and Management website at:
www.city.milwaukee.gov

BUDGET AND PLANNING PROCESS

City Strategic Plan

Citywide Objectives
Citywide Strategies

↓

Unified Strategic Plans and Budget

Department Objectives
Department Strategies
Department Performance Measures
Department Annual Budget

↓

Annual Budget

Executive Budget

↓

Adopted City Budget

Calendar Date	Activity
January - March	Departments Prepare Plans, Objectives, and Performance Measures
Mid-March	Departments Receive Budget Materials
May 9*	Plans and Budget Requests Due
June and July	Mayor's Public Hearings on Plans and Budgets
July - September	Mayor's Executive Plan and Budget Review
September 26**	Plan and Budget Submitted to Common Council
Mid-October	Legislative Hearings
November 2 and 3	Finance and Personnel Committee Budget Amendment Days
November 10***	Common Council Action on Budget

* Second Tuesday in May
** Legal Deadline September 28
*** Legal Deadline November 14

ELECTED OFFICIALS

Mayor ..... Tom Barrett
City Attorney ..... Grant F. Langley
City Comptroller ..... W. Martin Morics
City Treasurer ..... Wayne F. Whittow

COMMON COUNCIL

President ..... Willie L. Hines, Jr.

DISTRICT	ALDERMEN
First	Ashanti Hamilton
Second	Joe Davis Sr.
Third	Michael S. D'Amato
Fourth	Robert J. Bauman
Fifth	James A. Bohl, Jr.
Sixth	Michael McGee, Jr.
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	Tony Zielinski
Fifteenth	Willie L. Hines, Jr.

MUNICIPAL JUDGES

Branch 1 ..... Valarie A. Hill
Branch 2 ..... Derek C. Mosley
Branch 3 ..... James A. Gramling, Jr.

TABLE OF CONTENTS

The 2007 City Budget: Value Improvement I

Budget Summary Tables

2007 Proposed Budget and Tax Rate Compared to Prior Year 1

Comparisons by Budget Section Between 2006 Adopted Budget and 2007 Requested vs 2007 Proposed Budgets, Revenues, Tax Levies and Resulting Changes 2

Property Tax Rate and Levy Comparison (Graphs) 5

General City Purposes Spending and Authorized Positions (Graphs) 6

Change in Positions: 2007 Proposed Budget vs. 2006 Adopted Budget 7

Estimated Full Time Equivalents by Department (O&M Funded) 8

Comparison of 2007 Proposed Expenditures and Funding Sources with Prior Years by Major Budget Sections and Subsections 9

Summary of Proposed Borrowing Authorizations (Including School Purposes) 14

City of Milwaukee Organization Chart 15

City Budgets Under the Control of the Common Council 17

Property Tax Supplemented Funds

A. General City Purposes 19

B. Provision for Employes' Retirement Fund 156

C. Capital Improvements 165

D. City Debt 175

E. Delinquent Tax Fund 181

F. Common Council Contingent Fund 182

Special Revenue Funds

G. Parking Fund 186

H. Grant and Aid Fund 191

I. Economic Development Fund 194

J. Water Works 196

K. Sewer Maintenance Fund 203

M. County Delinquent Tax Fund 208

Proposed Borrowing Authorizations (General Obligation Bonds or Short Term Notes) 209

Clarification of Intent 211

Tax Levy to Rate Conversion Table 213

Agencies and Funds (Budgets Not Under the Control of the Common Council)

Housing Authority of the City of Milwaukee (HACM) 43

Redevelopment Authority of the City of Milwaukee (RACM) 43

Milwaukee Economic Development Corporation (MEDC) 44

Neighborhood Improvement Development Corporation (NIDC) 44

ALPHABETICAL LISTING

2007 Proposed Budget and Tax Rate Compared to Prior Year 1

Administration, Department of 21
Annuity Contribution, Employer's Share 156
Assessor's Office 30

Board of Zoning Appeals (Special Purpose Account) 141
Budgets, Revenues, Tax Levies, and Resulting Changes, Comparisons by Budget Section, 2006/2007 2

Capital Improvements 165
Change in Positions 7
City Attorney 33
City Debt 175
Clarification of Intent 211
Common Council City Clerk 45
Common Council Contingent Fund 182
Comptroller 48
County Delinquent Tax Fund 208

Deferred Compensation Plan 163
Delinquent Tax Fund 181
Department of City Development 36

Economic Development Fund (Special Revenue Account) 194
Election Commission 52
Employee Health Care Benefits (Special Purpose Account) 139
Employee Relations, Department of 55
Employees' Retirement System 159
Estimated Full Time Equivalents 8
Expenditures and Funding Sources, Comparison of 2007 with Prior Years by Budget Sections 9

Fire and Police Commission 61
Fire Department 65
Fringe Benefit Offset 148

General City Purposes Spending (Graphs) 6
Grant and Aid Fund (Special Revenue Account) 191

Health Department 71
Housing Authority of the City of Milwaukee (HACM) 43

Library 83

Mayor's Office 87
Milwaukee Economic Development Corporation (MEDC) 44
Municipal Court 90

ALPHABETICAL LISTING (Continued)

Neighborhood Services, Department of....94
Neighborhood Improvement Development Corporation (NIDC)....44

Organization Chart, City of Milwaukee....15

Police Annuity and Benefit Fund....156
Police Department....101
Port of Milwaukee....109
Positions Ordinance, Reference....212
Property Tax Supplemented Funds Summary of Expenditures (Under Control of the Common Council)....17
Property Tax Rate and Levy Comparison (Graphs)....5
Proposed Borrowing Authorizations (General Obligation Bonds or Short Term Notes)....209
Provision for Employes' Retirement Fund (Pensions)....156
Public Works, Department of
- Administrative Services Division....112
- Infrastructure Services Division....116
- Operations Division (Buildings and Fleet, Forestry, and Sanitation)....124
- Parking Fund (Special Revenue Account)....186
- Sewer Maintenance Fund (Special Revenue Account)....203
- Water Works (Special Revenue Account)....196

Redevelopment Authority of the City of Milwaukee (RACM)....43
Revenues, Detailed Listing....153

Salary Ordinance, Reference....212
Social Security Tax....156
Source of Funds for General City Purposes....149
Special Purpose Accounts Analysis....135
Special Purpose Accounts Summary....143
Special Revenue Funds Summary....185
Summary of Proposed Borrowing Authorizations (Including School Purposes)....14

Tax Levy to Rate Conversion Table....213
Tax Stabilization Fund Withdrawal....155
The 2007 City budget: Value Improvement....I
Treasurer, City....145

Worker's Compensation (Special Purpose Account)....138

THE VALUE OF MILWAUKEE

Milwaukee exists because it possesses natural economic advantages, which cause people and businesses to concentrate in large and increasing numbers. As a result of the proximity and connectedness of Milwaukee's diverse people and enterprises, huge benefits flow - jobs are created, markets are formed and expanded, wealth is created, and surplus wealth leads to culture.

OUR VISION FOR MILWAUKEE

We want Milwaukee to become an even more desirable place to live and work. Our city's attributes include:

- Dynamic and accessible markets gainfully employing citizens;
- Safe, strong, and beautiful neighborhoods with well maintained housing and a healthy environment; and
- A flourishing culture recognized for its arts, recreation, museums, and institutions of education.

MISSION

City government is dedicated to controlling spending while giving residents and businesses the highest quality services possible. The city also works to create local, state, and federal policies (especially transportation, environmental, community development, and education policies) that enhance the natural advantage of Milwaukee. We are committed to:

- Making Milwaukee safer from crime to leverage tremendous opportunities for investment, quality of life, and personal well-being;
- Nurturing investment throughout Milwaukee to make the city an attractive place to own a home and operate a business;
- Strengthening the quality and enhancing the value of neighborhoods and housing;
- Developing Milwaukee's workforce as a competitive advantage to enable residents to qualify for quality jobs throughout the region and to make the region a more attractive location for new investment;
- Creating early childhood conditions that lead to success; and
- Providing for a healthy environment so that environmental conditions positively affect urban quality of life, public health, and economic competiveness.

THE 2007 CITY BUDGET: VALUE IMPROVEMENT

The 2007 City of Milwaukee Proposed Budget continues improved fiscal sustainability that began in 2006 with the initiation of the Mayor's three year budget plan. The city's structural fiscal improvement enables the 2007 proposed budget to respond to community needs within citizens' ability to pay. In short, this budget provides improved value to Milwaukeeans.

BACKGROUND

In 2005, Mayor Tom Barrett directed the city's Budget and Management Division to develop a three year budget plan to improve the city's budget sustainability through 2008. The Mayor believed that a planning perspective would help the city improve its fiscal prospects by defining multi-year structural problems and strategies for improvement, as opposed to relying on short term fixes that dealt only with annual budget shortfalls.

Budget sustainability describes a condition under which ongoing revenues are adequate to fund the current level of services. The absence of budget sustainability is termed a "structural imbalance". The 2006-2008 budget plan estimated a three year structural imbalance between baseline revenues and expenditures of approximately $166 million. In other words, had the city continued its expenditures according to existing service levels and operational practices within the established revenue structure, a cumulative shortfall of $166 million would have occurred over three years. This projection illustrated the challenge the city faced to achieve budget balance over the three year time frame.

In order to reduce the structural imbalance, the 2006 budget initiated several strategies that are directly focused on its major causes. The following table defines these causes; identifies the strategies developed to address the causes; and summarizes the status of strategy implementation.

STATUS OF 2006-2008 BUDGET PLAN ON REDUCING STRUCTURAL IMBALANCE

Cause of Structural Imbalance	Strategies to Address the Cause	Strategy Progress
State Shared Revenue Freeze: 2006 aid to Milwaukee is at the same level as it was in 1996. In inflation adjusted terms this represents a reduction of $71 million (-23%) to the city's largest revenue source.	(1) Diversify own source non-property tax revenues. (2) Continue to prioritize operating expenditures. (3) Improve service quality and productivity.	(1) The 2006 budget increased non-property tax/non-state aid general fund revenues by $18.4 million (14%) and established a Storm Water Fee ($13 million annually) within the Sewer Maintenance Fund. The 2007 Proposed Budget reflects an $8.6 million increase to "own source" revenues. (2) The 2006 adopted budget and 2007 proposed budget reduce O&M baseline department expenditures by a combined total of $20 million. (3) The Mayor has initiated an Accountability in Management (AIM) Program for all cabinet departments. Early results include reduced missed garbage collections; a modified approach to nuisance litter enforcement that will decrease time to mitigate violations; and improved capital project status reporting.
Debt service levy: since 1996 the city's debt service levy has grown 42%.	By 2008 limit new GO levy supported borrowing authorizations for city and school purposes to the approximate level of debt retirements (~ $57 million/year), adjusted annually for inflation.	The 2006 budget limited these authorizations to $67 million and the 2007 proposed budget limits them to $61 million, compared to $75 million in 2003.
Health Benefits: Between 1996 and 2006 budgets for employee health care benefits increased $56 million (+118%) compared to a decrease of $10 million (-2.4%) for department O&M funded budgets.	(1) Implement changes to Basic Plan rates and pharmaceutical benefit management. (2) Bargain structural changes to plan design that improve the sustainability of health benefits.	(1) Changes are estimated to reduce costs relative to the baseline trend by at least $14 million over 2006 and 2007. (2) The Administration has developed a collective bargaining strategy for 2007-08.

The above table demonstrates that the 2007 proposed budget continues progress on these strategies. If the 2007 proposed budget is adopted, the 2008 structural imbalance is projected to be $10-$15 million. However, the city must achieve additional structural improvements to its revenues and expenditures, especially employee health care benefits, in order to achieve a sustainable budget balance. Baseline improvements of approximately $12 million in the combined total of ongoing, growth-sensitive revenues and employee health care benefits by 2008 would move the city's budget to a much more sustainable position.

APPROACH TO 2007 BUDGET

Over the last two years the Mayor has implemented an extensive Public Involvement Program that provides for two-way communication between the city and citizens regarding budget priorities and fiscal issues. This program has involved approximately 200 people.

Three lessons have emerged from these sessions:

- Participants believe city services support the quality of life and the well-being of their families and neighborhoods.

- Generally speaking, these participants perceive city services to be a moderately good value, although typically they rank the *importance* of the services higher than their evaluation of their *quality*.

- Participants doubt whether the city and its employees have adjusted to challenging economic circumstances as thoroughly as employees in the private sector have had to do.

The 2006 budget emphasized improvements to the city's revenue structure as a key element in improving budget year sustainability. As the aforementioned table illustrates, these revenue improvements have had a significant impact by reducing the structural imbalance to a more manageable level. However, this structural improvement came at a price, as the 2006 cost of city services to the typical residential homeowner increased by more than 10%.

The Mayor will emphasize moderate cost of service increases over the next two years. Specifically, the goal is to limit the increased cost of city services to the typical residential homeowner to 3% on an annual basis. This compares to projected regional Personal Income Growth (PIG) of 5.3% for 2007.

The 2007 proposed budget meets this goal of a moderate cost impact. The Budget and Management Division projects that the typical residential property owner will experience a 3.1% increase in the cost of city services. This cost includes the increased tax levy and all city service components of the Municipal Services Bill (the exact amount of the increase depends on State Public Service Commission action on the Water Works rate case). The budget has carefully prioritized expenditures, as department spending is limited to an increase of about 2.5%, or approximately ½ the amount necessary to continue the current level of services and modes of service delivery.

Just as importantly, the expenditure side of the budget provides Milwaukeeans with value for their money by addressing community needs and making service improvements. The following discussion categorizes new initiatives and important service improvements according to five key outcomes that the Mayor has established as focal points for city services.

KEEPING MILWAUKEE SAFE FROM CRIME

The 2007 proposed budget makes a major commitment to the Police Department in an effort to reduce crime in the city. The Mayor has proposed an increased strength level of 40 Police Officers relative to 2006 levels. This 3% increase in patrol staff strength will allow the department to allocate more time to proactive and community oriented strategies, without sacrificing calls for service response time. The 2007 proposed budget provides for the

largest Police "sworn personnel" strength level since 2000, and also represents the most significant annual increase in sworn strength since 1996.

The 2007 proposed budget also includes increased funding for Police overtime ($2.4 million); funding for up to 15 Community Service Officer positions and 13 part time advanced Police Service Specialists; and increased funding ($253,000) for critical Police equipment. The funding for Community Service Officers and Police Service Specialists will enable the department to allocate more Patrol Officers and Detectives to activities that are directly related to fighting crime.

The 2007 proposed budget continues funding for the City Attorney's Community Prosecution Unit and for Department of Neighborhood Services staff that coordinate their activities with Police and City Attorney efforts. This commitment recognizes the importance of comprehensive neighborhood oriented strategies to fight crime.

The 2007 proposed budget also enhances Police accountability through several initiatives. Accountability is an essential component of an effective Police strategy because it helps win citizen support for crime fighting efforts. These accountability initiatives include:

- Staffing and funding ($714,400) for a renewed Fire and Police Commission. The Commission will have the resources and budgetary independence to become a more effective agent in reviewing the outcomes of citizen complaint investigations. The Commission will also become a more effective agent for review of Police policy and operational practices.

- Staffing and funding ($216,300) for implementation of the new Wisconsin Incident Based Reporting System (WIBRS). The federal government has mandated the use of WIBRS, which will provide for more complete and detailed crime reporting. WIBRS will support more thorough evaluation of Police strategies and provide a comprehensive picture for the community to understand changes in crime.

NURTURE INVESTMENT THROUGHOUT THE CITY

The 2007 proposed budget contains several initiatives that will help Milwaukee continue to attract residential and commercial investment. In recent years investment in the city has helped generate a substantial increase in economic activity, as evidenced by an overall property value increase of more than 14% in 2006. These initiatives generate impacts from the neighborhood to regional levels. Important examples include:

- Borrowing authority for Tax Increment Finance (TIF) projects of more than $70 million. This funding will allow for the completion of several projects that have already been initiated, including the relocation of the Manpower Corporate Headquarters to Milwaukee and several neighborhood initiatives such as Bronzeville and the 20th Street and Walnut Housing Project. The Department of City Development will continue to be aggressive in identifying development prospects. Funding is provided for the redevelopment of the Pabst Brewery and for infrastructure at the Veterans Administration site.

- City funding increases of $2 million for local streets, $1.5 million for street lighting, $1.5 million for sewers, and $.4 million for water mains. Investments in basic infrastructure allow for development to occur and support reinvestment by owners in their homes and businesses.

- Increased commitments to Port infrastructure and equipment replacement. The Port's integral role in intermodal transportation supports regional economic competitiveness as international trade and energy costs play an increasingly important role in investment and business location decisions.

- Funding for Villard Avenue redevelopment planning that will support existing efforts of the local Business Improvement District and community based organizations.

The city will also support additional affordable housing efforts through two new initiatives. The 2007 proposed budget includes $250,000 which will be available to "buy out" existing Habitat for Humanity mortgages and to help renovate and construct new affordable housing units. In addition, the Mayor proposes that one-half of the city's share of excess tax revenues in closed Tax Incremental Districts (TIDs) will be deposited in a new Housing Development Challenge Fund. Excess revenue from closed Tax Incremental Districts will be available the year after each TID is closed in the next ten years. The fund also will accept private contributions. Projects that can demonstrate a dollar-for-dollar match by contributions from non-city sources will be eligible to apply for grants from the fund. This approach could generate as much as $3.8 million over the next ten years in city and match funding for affordable housing.

The 2007 proposed budget also addresses fire prevention and fire cause reduction. This includes Phase 1 of a new Fire Cause Investigation Unit in the Fire Department. This unit will work closely with the Police Department to determine the causes of fire and to resolve cases of arson. This unit's work will lead to improved fire prevention and education programs. As a result, investments in property will become more secure from the threat of fire damage and arson.

WORKFORCE AND YOUTH DEVELOPMENT

Workforce quality has moved to the forefront of regional economic development challenges. It has become evident that the availability of able workers at all occupational levels has become the most important competitive factor. The 2007 proposed budget addresses this challenge in several innovative ways:

- The city will work with business firms to develop training initiatives, when feasible, in conjunction with private investment that includes support from city financial assistance programs such as Tax Increment Finance and the city's Development Fund.

- The 2007 proposed budget builds on the success of recent summer youth employment initiatives. The proposed budget includes funding for a Youth Development Coordinator who will serve as a liaison to the business community regarding jobs and economic development, and work year round with the private sector, non-profit community, and local universities to develop new opportunities for youth in the city.

- The city will work closely with the federal government to ensure that the new Job Corps campus on Milwaukee's northwest side will include curriculum and training that meets the needs of regional employers. The Milwaukee Job Corps will provide career training for about 300 young people, create 75 permanent on-campus jobs, and infuse $10 million annually into the local economy.

- The proposed budget includes $75,000 and a recommended CDBG reprogramming allocation of $125,000 for a new Drivers Licensure and Employment Initiative. The program will reduce a significant barrier to employment for many residents. Currently thousands of manufacturing employment opportunities exist in the region. However, these jobs are decentralized at multiple locations throughout a four county area, and are impractical to access through public transit. This initiative will combine practical assistance to persons seeking license reinstatement with advocacy for changes in state laws that cause license revocation and revocation for non-driving offenses. The city funding is expected to leverage funding resources from multiple sources.

IMPROVEMENT OF EARLY CHILDHOOD CONDITIONS

Children are Milwaukee's most precious resource. City government plays a role in establishing conditions that will help our children become successful adults. This is especially important to the significant proportion of Milwaukee's children who live in economically disadvantaged households. The 2007 proposed budget will improve early childhood conditions through the following:

- Continuation of lead abatement efforts that use a combination of city and grant funding. The city's efforts have decreased the percentage of children aged 0-5 with elevated blood lead levels from 40% in 1995 to 8%.

- Implementation of a new partnership between the city and the private sector for infant mortality reduction. The efforts of the Mayor and the Health Department have led to a contribution of $500,000 from Columbia/St. Mary's. The Health Department will implement intense case management services to approximately 80 mothers. This initiative, combined with the Comprehensive Home Visiting Grant, will also provide important information about how the city can best direct its funding to reduce infant mortality. The Columbia/St. Mary's funding will also support creation of a Center for Health Equity, which will exert leadership in reducing disparities among ethnic groups regarding health outcomes.

- Implementation of a new School Readiness Immunization Initiative ($108,000) to improve the immunization rates of young children in Milwaukee. The initiative's goal is to ensure that children have completed the primary immunization series by the time they start school.

ENVIRONMENTAL PROTECTION

Environmental conditions have cross cutting impacts that affect numerous interests, including public health, economic development, and neighborhood conditions. The 2007 proposed budget will protect our environment through a variety of traditional and innovative investments. These include:

- A new cooperative approach involving the Departments of Public Works (DPW) and Neighborhood Services (DNS) in the resolution of nuisance litter violations. This initiative was developed through the Mayor's Accountability in Management (AIM) program. Its goal is to remove all nuisance litter within three days of commencement of an enforcement action, compared to 7 to 14 days under the existing process.

- An increase in total sewer capital funding of $1.5 million. Rehabilitation of sewer assets is essential to protecting Milwaukee's water resources.

- Initiation of a three year Sustainable Boulevard Plan. Funding of $500,000 per year will enable the city to direct boulevard plantings more cost effectively, while allowing for an increase to the city's tree canopy.

CONCLUSION

The Mayor's three year budget plan has enabled substantial progress towards ongoing sustainability. The 2007 proposed budget provides the community with enhanced value for the money it pays to city government. This should help build confidence among Milwaukeeans in city government as it continues to deal with its fiscal challenges.

The city needs to continue its work towards improved structural budget conditions. The 2007 proposed budget makes additional progress towards reduced borrowing, expenditure control, and revenue diversification. This improvement is expected to continue through 2008. Key challenges that remain include redesign of health care benefits so that employees and the city share responsibility for sustainable cost control, and improvement of the city's fiscal relationship with state government.

2007 PROPOSED BUDGET AND TAX RATE COMPARED TO PRIOR YEAR

PURPOSE OF EXPENDITURE AND FUNDING SOURCE	2006 ADOPTED BUDGET	2007 PROPOSED BUDGET	CHANGE 2007 MINUS 2006 ADOPTED	2006 ADOPTED	2007 PROPOSED	CHANGE 2007 MINUS 2006 ADOPTED
A. GENERAL CITY PURPOSES						
1. Budget (Expend. Auth.)	$536,449,052	$550,819,091	$14,370,039			
2. Non Tax Levy Funding	437,640,452	455,141,562	17,501,110			
3. Tax Levy Funding	98,808,600	95,677,529	-3,131,071	$4.06	$3.47	$-0.59
B. EMPLOYEE RETIREMENT						
1. Budget (Expend. Auth.)	$63,713,789	$70,104,208	$6,390,419			
2. Non Tax Levy Funding	23,326,076	28,989,286	5,663,210			
3. Tax Levy Funding	40,387,713	41,114,922	727,209	$1.66	$1.49	$-0.17
C. CAPITAL IMPROVEMENTS						
1. Budget (Expend. Auth.)	$164,863,924	$152,098,140	$-12,765,784			
2. Non Tax Levy Funding	156,234,871	142,741,140	-13,493,731			
3. Tax Levy Funding	8,629,053	9,357,000	727,947	$0.35	$0.34	$-0.01
D. CITY DEBT						
1. Budget (Expend. Auth.)	$125,541,827	$131,976,403	$6,434,576			
2. Non Tax Levy Funding	66,816,591	64,548,714	-2,267,877			
3. Tax Levy Funding	58,725,236	67,427,689	8,702,453	$2.41	$2.45	$0.04
E. DELINQUENT TAX						
1. Budget (Expend. Auth.)	$1,000,000	$1,000,000	$0			
2. Non Tax Levy Funding	0	0	0			
3. Tax Levy Funding	1,000,000	1,000,000	0	$0.04	$0.04	$0.00
F. CONTINGENT FUND						
1. Budget (Expend. Auth.)	$5,500,000	$5,500,000	$0			
2. Non Tax Levy Funding	0	0	0			
3. Tax Levy Funding	5,500,000	5,500,000	0	$0.23	$0.20	$-0.03
SUBTOTAL (A+B+C+D+E+F)						
1. Budget (Expend. Auth.)	**$897,068,592**	**$911,497,842**	**$14,429,250**			
2. Non Tax Levy Funding	**684,017,990**	**691,420,702**	**7,402,712**			
3. Tax Levy Funding	**213,050,602**	**220,077,140**	**7,026,538**	**$8.75**	**$7.99**	**$-0.76**
G. PARKING FUND						
1. Budget (Expend. Auth.)	$49,271,593	$47,454,606	$-1,816,987			
2. Non Tax Levy Funding	49,271,593	47,454,606	-1,816,987			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
H. GRANT AND AID						
1. Budget (Expend. Auth.)	$79,020,376	$74,433,047	$-4,587,329			
2. Non Tax Levy Funding	79,020,376	74,433,047	-4,587,329			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
I. DEVELOPMENT FUND						
1. Budget (Expend. Auth.)	$10,534,254	$5,975,307	$-4,558,947			
2. Non Tax Levy Funding	10,534,254	5,975,307	-4,558,947			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
J. WATER DEPARTMENT						
1. Budget (Expend. Auth.)	$107,370,974	$117,409,842	$10,038,868			
2. Non Tax Levy Funding	107,370,974	117,409,842	10,038,868			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
K. SEWER MAINTENANCE FUND						
1. Budget (Expend. Auth.)	$58,920,730	$63,887,171	$4,966,441			
2. Non Tax Levy Funding	58,920,730	63,887,171	4,966,441			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
M. COUNTY DELINQUENT TAXES FUND						
1. Budget (Expend. Auth.)	$9,000,000	$9,855,000	$855,000			
2. Non Tax Levy Funding	9,000,000	9,855,000	855,000			
3. Tax Levy Funding	0	0	0	$0.00	$0.00	$0.00
SUBTOTAL (G+H+I+J+K+M)						
1. Budget (Expend. Auth.)	**$314,117,927**	**$319,014,973**	**$4,897,046**			
2. Non Tax Levy Funding	**314,117,927**	**319,014,973**	**4,897,046**			
3. Tax Levy Funding	**0**	**0**	**0**	**$0.00**	**$0.00**	**$0.00**
TOTAL (A thru M)						
1. Budget (Expend. Auth.)	**$1,211,186,519**	**$1,230,512,815**	**$19,326,296**			
2. Non Tax Levy Funding	**998,135,917**	**1,010,435,675**	**12,299,758**			
3. Tax Levy Funding	**213,050,602**	**220,077,140**	**7,026,538**	**$8.75**	**$7.99**	**$-0.76**

Tax Rates and Assessed Value 2007 proposed rate column is based on an estimated assessed value of $27,540,335,618 as of September 14, 2006.

COMPARISONS BY BUDGET SECTION
BETWEEN 2006 ADOPTED, 2007 REQUESTED BUDGETS VERSUS 2007 PROPOSED BUDGET
BUDGETS, REVENUES, TAX LEVIES, AND RESULTING CHANGES

	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
A. General City Purposes					
Appropriations					
Salaries and Wages	$322,118,444	$332,654,282	$330,839,124	$8,720,680	$-1,815,158
Fringe Benefits	118,455,278	121,906,407	121,507,468	3,052,190	-398,939
Operating Expenditures	58,519,001	57,640,767	59,251,642	732,641	1,610,875
Equipment Purchases	6,552,657	6,540,885	6,251,542	-301,115	-289,343
Special Funds	149,258,950	162,570,393	154,476,783	5,217,833	-8,093,610
Fringe Benefit Offset	-118,455,278	-121,906,407	-121,507,468	-3,052,190	398,939
Total Appropriations	$536,449,052	$559,406,327	$550,819,091	$14,370,039	$-8,587,236
Funding Sources					
General City Revenues	$421,312,452	$426,918,120	$431,966,562	$10,654,110	$5,048,442
Tax Stabilization Fund Withdrawal	16,328,000	16,328,000	23,175,000	6,847,000	6,847,000
Property Tax Levy	98,808,600	116,160,207	95,677,529	-3,131,071	-20,482,678
Total Revenues	$536,449,052	$559,406,327	$550,819,091	$14,370,039	$-8,587,236
B. Employee Retirement					
Total Appropriations	$63,713,789	$70,092,601	$70,104,208	$6,390,419	$11,607
Funding Sources					
Non-Property Tax Revenue	$23,326,076	$28,918,386	$28,989,286	$5,663,210	$70,900
Property Tax Levy	40,387,713	41,174,215	41,114,922	727,209	-59,293
Total Revenues	$63,713,789	$70,092,601	$70,104,208	$6,390,419	$11,607
C. Capital Improvements					
Total Capital Improvements Program					
Appropriations	$164,863,924	$168,348,790	$152,098,140	$-12,765,784	$-16,250,650
Funding Sources					
1. Borrowing (General Obligation)					
a. New	$82,530,072	$67,680,290	$57,501,490	$-25,028,582	$-10,178,800
b. Carryover	($95,227,090)	($88,099,468)	($88,099,468)	($-7,127,622)	($0)
2. Borrowing (Tax Incremental Districts)					
a. New	$58,000,000	$64,400,000	$70,280,000	$12,280,000	$5,880,000
b. Carryover	($33,525,914)	($71,151,734)	($71,151,734)	($37,625,820)	($0)
3. Special Assessments (Internal Borrowing)					
a. New	$2,804,799	$4,536,000	$2,759,650	$-45,149	$-1,776,350
b. Carryover	($17,029,740)	($19,151,639)	($19,151,639)	($2,121,899)	($0)
4. Cash Financed					
a. From Revenues					
1. New	$12,900,000	$12,200,000	$12,200,000	$-700,000	$0
2. Carryover	(0)	(0)	(0)	(0)	(0)
b. From Tax Levy	8,629,053	19,532,500	9,357,000	727,947	-10,175,500
c. Total Cash Financed	$21,529,053	$31,732,500	$21,557,000	$27,947	$-10,175,500
Total Revenues (Capital Improvements)	$164,863,924	$168,348,790	$152,098,140	$-12,765,784	$-16,250,650
D. City Debt					
Total Appropriations (Includes Borrowing for Milwaukee Public Schools)	$125,541,827	$135,401,403	$131,976,403	$6,434,576	$-3,425,000
Funding Sources					
Revenues	$33,523,231	$31,109,490	$32,609,490	$-913,741	$1,500,000
TID Increments	18,804,333	16,965,898	16,965,898	-1,838,435	0
Delinquent Tax Revenue	14,489,027	14,973,326	14,973,326	484,299	0
Property Tax Levy	58,725,236	72,352,689	67,427,689	8,702,453	-4,925,000
Total Revenues	$125,541,827	$135,401,403	$131,976,403	$6,434,576	$-3,425,000

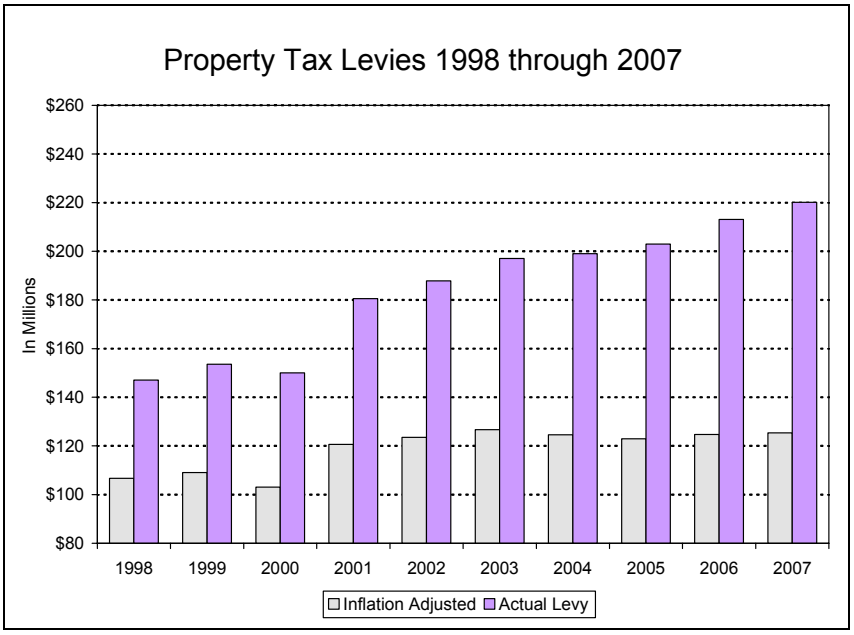
	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
E. Delinquent Tax					
Total Appropriations	$1,000,000	$1,000,000	$1,000,000	$0	$0
Funding Sources					
Total Revenue (Property Tax Levy)	$1,000,000	$1,000,000	$1,000,000	$0	$0
F. Common Council Contingent Fund					
Total Appropriations	$5,500,000	$5,500,000	$5,500,000	$0	$0
Funding Sources					
Total Revenue (Property Tax Levy)	$5,500,000	$5,500,000	$5,500,000	$0	$0
Subtotals (Items A through F)					
City Budget Appropriations (Excluding Special Revenue Accounts)	$897,068,592	$939,749,121	$911,497,842	$14,429,250	$-28,251,279
Less: Non-Property Tax Revenues	684,017,990	684,029,510	691,420,702	7,402,712	7,391,192
Property Tax Levies	$213,050,602	$255,719,611	$220,077,140	$7,026,538	$-35,642,471
Special Revenue Accounts (Items G through M)					
G. Parking					
Total Appropriations	$49,271,593	$47,834,606	$47,454,606	$-1,816,987	$-380,000
Funding Sources					
Current Revenues	$18,032,857	$18,429,388	$18,429,388	$396,531	$0
Capital Improvements from Reserves	5,000,000	5,000,000	5,000,000	0	0
Withdrawal from Reserves	5,158,736	3,830,218	3,830,218	-1,328,518	0
Citation Revenue and Processing	19,000,000	19,600,000	19,600,000	600,000	0
New Borrowing	2,080,000	975,000	595,000	-1,485,000	-380,000
Carryover Borrowing	($1,935,369)	($3,681,369)	($3,681,369)	($1,746,000)	(0)
Total Revenues	$49,271,593	$47,834,606	$47,454,606	$-1,816,987	$-380,000
H. Grant and Aid					
Total Appropriations	$79,020,376	$72,603,054	$74,433,047	$-4,587,329	$1,829,993
Funding Sources					
Grantor Share	$79,020,376	$72,603,054	$74,433,047	$-4,587,329	$1,829,993
Total Revenues	$79,020,376	$72,603,054	$74,433,047	$-4,587,329	$1,829,993
I. Economic Development					
Total Appropriations	$10,534,254	$5,975,307	$5,975,307	$-4,558,947	$0
Funding Sources					
Business Improvement District Assessment	$5,784,254	$5,975,307	$5,975,307	$191,053	$0
Excess TID Revenues	4,750,000	0	0	-4,750,000	0
Total Revenues	$10,534,254	$5,975,307	$5,975,307	$-4,558,947	$0
J. Water Works					
Appropriations					
Operating Budget	$60,504,974	$62,038,566	$62,069,842	$1,564,868	$31,276
Capital Improvements Program	20,120,000	28,940,500	25,140,500	5,020,500	-3,800,000
Debt Service (Principal and Interest)	7,226,000	5,659,000	5,659,000	-1,567,000	0
Capital Funding from Retained Earnings	19,520,000	28,340,500	24,540,500	5,020,500	-3,800,000
Total Appropriations	$107,370,974	$124,978,566	$117,409,842	$10,038,868	$-7,568,724
Funding Sources					
Current Operating Revenues	$67,485,733	$65,286,353	$66,849,681	$-636,052	$1,563,328
Non-Operating Revenues	8,616,000	9,564,000	9,564,000	948,000	0
Use of Retained Earnings	31,269,241	50,128,213	40,996,161	9,726,920	-9,132,052
Total Revenues	$107,370,974	$124,978,566	$117,409,842	$10,038,868	$-7,568,724

	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
K. Sewer Maintenance					
Appropriations					
Operating Budget	$35,420,730	$39,194,082	$39,387,171	$3,966,441	$193,089
Capital Improvements Program	23,500,000	24,500,000	24,500,000	1,000,000	0
Total Appropriations	$58,920,730	$63,694,082	$63,887,171	$4,966,441	$193,089
Funding Sources					
Sewer User Fee	$27,600,000	$22,854,474	$23,605,260	$-3,994,740	$750,786
Storm Water Management Fee	6,575,552	13,795,000	13,451,392	6,875,840	-343,608
Charges for Services	198,818	211,122	211,122	12,304	0
Miscellaneous	294,928	281,864	281,864	-13,064	0
Retained Earnings	751,432	2,051,622	1,837,533	1,086,101	-214,089
Proceeds from Borrowing	23,500,000	24,500,000	24,500,000	1,000,000	0
Carryover Borrowing	(35,203,500)	(49,909,500)	(49,909,500)	(14,706,000)	(0)
Total Revenues	$58,920,730	$63,694,082	$63,887,171	$4,966,441	$193,089
M. County Delinquent Taxes					
Appropriations					
Operating Budget	$9,000,000	$9,855,000	$9,855,000	$855,000	$0
Total Appropriations	$9,000,000	$9,855,000	$9,855,000	$855,000	$0
Funding Sources					
Operating Revenue	$9,000,000	$9,855,000	$9,855,000	$855,000	$0
Total Revenues	$9,000,000	$9,855,000	$9,855,000	$855,000	$0
Subtotals Special Revenue Account Budgets (Items G through M)					
Total Budgets	$314,117,927	$324,940,615	$319,014,973	$4,897,046	$-5,925,642
Total Revenues (Non-Property Tax)	$314,117,927	$324,940,615	$319,014,973	$4,897,046	$-5,925,642
Grand Totals (Items A through M)					
Budget Appropriations	$1,211,186,519	$1,264,689,736	$1,230,512,815	$19,326,296	$-34,176,921
Less: Non-Property Tax Revenues	$998,135,917	$1,008,970,125	$1,010,435,675	$12,299,758	$1,465,550
Property Tax Levies	$213,050,602	$255,719,611	$220,077,140	$7,026,538	$-35,642,471

Note: All adopted budgets for the governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance reserved for tax stabilization. For budget purposes, the fund balance reserved for tax stabilization is reflected as other financing sources. However, for accounting purposes it is reflected as part of the overall fund balance.

PROPERTY TAX RATE AND LEVY COMPARISON

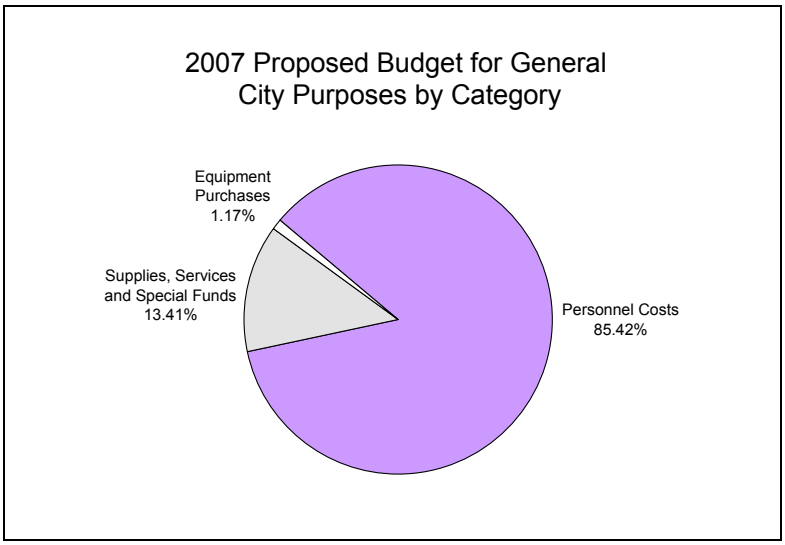
The graphs below show property tax rates and levies for the City of Milwaukee from 1998 through the 2007 proposed budget. The 2007 proposed tax rate of $7.99 is $0.76 lower than the 2006 rate of $8.75. The 2007 proposed tax levy of $220.1 million totals an increase of $7 million from the 2006 levy of $213.1 million. Since 1998, the property tax rate has decreased by $2.00, from $9.99 in 1998 to the 2007 proposed rate of $7.99. During this same period, the "real" or inflation adjusted property tax levy has increased $18.7 million.



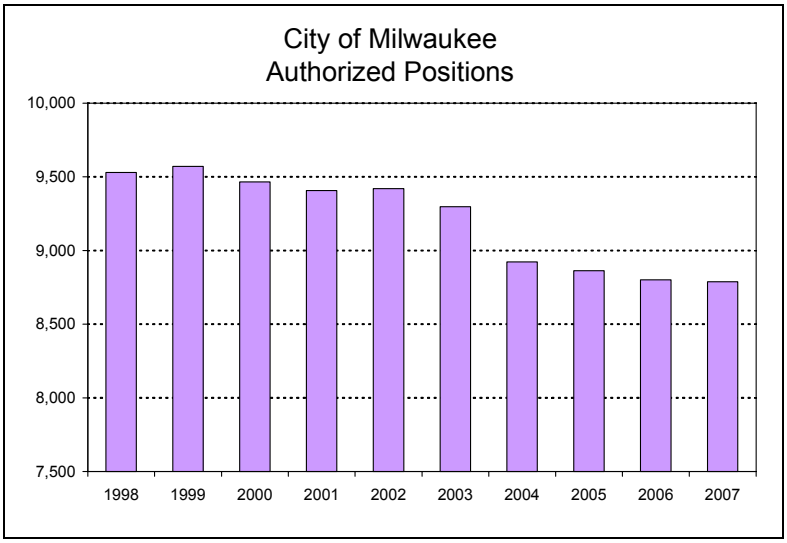
GENERAL CITY PURPOSES SPENDING

The pie chart below depicts the proportions of general city purposes spending allocated to Personnel Costs (85.42%), Supplies, Services, and Special Funds (13.41%), and Equipment Purchases (1.17%) in the 2007 proposed budget.

It should be noted that the 2007 proposed budget funds approximately $8.6 million of major equipment purchases in the capital budget.



The following bar graph indicates changes in authorized positions from 1998 to 2007. Funding for personnel costs (which include salary and wages) relates directly to the number of positions authorized citywide. Excluding temporary and seasonal staff, the 2007 proposed budget reflects a net decrease of 13 positions from 2006 levels (8,801 in 2006 to 8,788 in 2007).



CHANGE IN POSITIONS
2007 Proposed Budget vs 2006 Adopted and 2007 Requested Budgets

	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
General City Purposes					
Administration, Department of	103	105	105	2	0
Assessor's Office	58	60	60	2	0
City Attorney	64	64	64	0	0
City Development, Department of	261	254	255	-6	1
Common Council City Clerk	102	110	110	8	0
Comptroller's Office	67	67	66	-1	-1
Election Commission	110	66	36	-74	-30
Employee Relations, Department of	93	92	83	-10	-9
Fire and Police Commission	0	0	15	15	15
Fire Department	1,151	1,151	1,155	4	4
Health Department	326	325	337	11	12
Library	402	380	398	-4	18
Mayor's Office	14	14	14	0	0
Municipal Court	44	44	44	0	0
Neighborhood Services, Department of	224	227	228	4	1
Police Department	2,961	2,972	2,986	25	14
Port of Milwaukee	30	30	31	1	1
Public Works, Department of (Total)	(2,422)	(2,346)	(2,378)	(-44)	(32)
Administrative Services Division	65	64	64	-1	0
Infrastructure Services Division	703	680	687	-16	7
Operations Division	1,654	1,602	1,627	-27	25
Special Purpose Account - BOZA	11	11	11	0	0
Treasurer's Office	59	59	59	0	0
General City Purposes Total	**8,502**	**8,377**	**8,435**	**- 67**	**58**
General City Purposes Total*	**8,399**	**8,318**	**8,406**	**7**	**88**
Pensions					
Deferred Compensation	2	2	2	0	0
Employees' Retirement System	48	49	49	1	0
Policemen's Annuity and Benefit Fund	1	0	0	-1	0
Pensions Total	**51**	**51**	**51**	**0**	**0**
Parking Fund	129	128	128	-1	0
Sewer Maintenance Fund	199	190	189	-10	-1
Water Works	355	345	346	-9	1
Subtotal Budgeted Positions	**9,236**	**9,091**	**9,149**	**- 87**	**58**
Less Temporary Positions	435	391	361	-74	-30
Total Budgeted Positions	**8,801**	**8,700**	**8,788**	**- 13**	**88**

*Does not include Election Commissioners and Election Commission Temporary Office Assistants (103 positions in 2006 and 29 positions in 2007) due to staffing fluctuations between election and non-election years.

ESTIMATED FULL TIME EQUIVALENTS
O&M Funded

	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
General City Purposes					
Administration, Department of	64.17	61.55	64.04	-0.13	2.49
Assessor's Office	48.55	48.55	48.55	0.00	0.00
City Attorney	58.40	58.40	58.40	0.00	0.00
City Development, Department of	45.13	44.54	45.54	0.41	1.00
Common Council City Clerk	92.90	94.15	94.15	1.25	0.00
Comptroller's Office	52.24	51.24	50.24	-2.00	-1.00
Election Commission*	7.00	9.25	8.16	1.16	-1.09
Employee Relations, Department of	59.05	58.36	53.86	-5.19	-4.50
Fire and Police Commission	0.00	0.00	7.50	7.50	7.50
Fire Department	1,167.12	1,156.81	1,134.82	-32.30	-21.99
Health Department	167.55	153.25	156.99	-10.56	3.74
Library	330.00	309.74	325.96	-4.04	16.22
Mayor's Office	12.50	12.50	12.50	0.00	0.00
Municipal Court	39.50	39.50	39.50	0.00	0.00
Neighborhood Services, Department of	167.58	167.58	167.58	0.00	0.00
Police Department	2,654.81	2,616.73	2,817.46	162.65	200.73
Port of Milwaukee	18.00	30.00	19.00	1.00	-11.00
Public Works, Department of (Total)	(1,075.37)	(1,004.02)	(1,033.23)	(-42.14)	(29.21)
Administrative Services Division	52.18	51.45	51.45	-0.73	0.00
Infrastructure Services Division	244.90	230.28	234.95	-9.95	4.67
Operations Division	778.29	722.29	746.83	-31.46	24.54
Special Purpose Accounts	3.00	3.00	3.00	0.00	0.00
Treasurer's Office	29.93	29.26	29.26	-0.67	0.00
General City Purposes Total	**6,092.80**	**5,948.43**	**6,169.74**	**76.94**	**221.31**
Pensions					
Deferred Compensation	2.00	2.00	2.00	0.00	0.00
Employees' Retirement System	40.00	40.50	40.50	0.50	0.00
Policemen's Annuity and Benefit Fund	0.50	0.00	0.00	-0.50	0.00
Pensions Total	**42.50**	**42.50**	**42.50**	**0.00**	**0.00**
Parking Fund	126.75	125.75	125.75	-1.00	0.00
Sewer Maintenance Fund	113.71	111.65	110.65	-3.06	-1.00
Water Works	373.04	363.16	362.66	-10.38	-0.50
Grand Total	**6,748.80**	**6,591.49**	**6,811.30**	**62.50**	**219.81**

*Election Commission does not include Temporary Office Assistants (12.16 FTEs in 2006 and 2.86 FTEs in 2007) due to staffing fluctuations between election and non-election years.

COMPARISON OF 2006 ADOPTED EXPENDITURES AND FUNDING SOURCES WITH PRIOR YEARS BY MAJOR BUDGET SECTIONS AND SUBSECTIONS

SECTION 1. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

	2004 ACTUAL** EXPENDITURES	2005 ACTUAL** EXPENDITURES	2006 ADOPTED BUDGET	2007 PROPOSED BUDGET	CHANGE 2007 PROPOSED VERSUS 2006 ADOPTED
A. General City Purposes					
1. Budgets for General City Purposes					
Administration, Department of	$7,998,615	$7,213,765	$7,723,828	$7,848,579	$124,751
Assessor's Office	4,501,820	4,694,234	4,654,643	4,776,668	122,025
City Attorney	6,367,139	7,190,965	6,833,434	6,797,710	-35,724
City Development, Department of	3,695,495	3,091,483	3,535,712	3,511,344	-24,368
City Treasurer	2,937,217	2,922,604	2,885,733	2,885,100	-633
Common Council City Clerk	7,238,575	7,945,561	7,829,179	8,073,062	243,883
Comptroller	4,984,094	5,568,607	6,428,104	5,578,279	-849,825
Election Commission	2,080,850	1,267,805	1,815,237	1,303,878	-511,359
Employee Relations, Department of	5,256,559	5,645,947	5,603,394	5,038,022	-565,372
Fire and Police Commission	0	0	0	714,417	714,417
Fire Department	88,222,946	99,015,868	88,705,238	95,582,151	6,876,913
Health Department	13,671,002	14,240,505	13,808,572	13,676,315	-132,257
Library	22,366,753	22,364,568	23,952,284	22,810,154	-1,142,130
Mayor's Office	912,009	1,194,358	1,165,922	1,212,958	47,036
Municipal Court	3,227,846	3,356,279	3,370,945	3,380,984	10,039
Neighborhood Services, Department of	12,916,303	13,944,852	14,125,791	13,809,436	-316,355
Police Department	191,737,240	208,749,187	206,999,935	214,132,388	7,132,453
Port of Milwaukee	2,999,248	3,477,511	3,882,471	4,224,941	342,470
Public Works Department (Total)	(108,012,037)	(112,115,706)	(107,724,436)	(108,291,090)	(566,654)
Administrative Services Division	4,656,013	4,717,193	4,811,231	4,827,996	16,765
Infrastructure Services Division	23,448,108	24,642,135	23,131,188	23,457,499	326,311
Operations Division	79,907,916	82,756,378	79,782,017	80,005,595	223,578
Special Purpose Accounts	109,660,671 *	121,735,617 *	143,859,472	148,679,083	4,819,611
Fringe Benefit Offset	-99,250,084	-120,103,869	-118,455,278	-121,507,468	-3,052,190
Total Budgets for General City Purposes	$499,536,335 **	$525,631,553 **	$536,449,052	$550,819,091	$14,370,039

* Special Purpose Account expenditures do not include wage supplement funding these funds are reflected in departmental expenditures.

2. Source of Funds for General City Purposes					
Revenues					
Taxes and Payment in Lieu of Taxes	$12,611,768	$12,464,360	$14,061,000	$12,518,100	$-1,542,900
Licenses and Permits	11,529,853	13,374,620	11,018,822	11,638,750	619,928
Intergovernmental Revenue	273,865,873	272,874,520	272,233,000	273,032,000	799,000
Charges for Services	65,227,245	67,191,547	73,572,831	76,139,312	2,566,481
Fines and Forfeitures	5,634,941	5,884,753	5,206,000	5,206,000	0
Miscellaneous Revenue	23,722,068	29,613,005	27,960,799	32,422,400	4,461,601
Fringe Benefits	17,430,354	22,580,701	17,250,000	21,000,000	3,750,000
Cost Recovery	0	0	10,000	10,000	0
Total Revenues	$410,022,102	$423,983,506	$421,312,452	$431,966,562	$10,654,110
Tax Stabilization Fund Withdrawals	$16,870,000	$16,621,000	$16,328,000	$23,175,000	$6,847,000
Property Tax Levy	86,733,738	93,839,022	98,808,600	95,677,529	-3,131,071
Total Financing for General City Purposes	$513,625,840	$534,443,528	$536,449,052	$550,819,091	$14,370,039
B. Employees' Retirement					
1. Budgets for Employees' Retirement					
Firemen's Pension Fund					
Pension Contribution	$220,821	$197,630	$232,000	$138,000	$-94,000
Lump Sum Supplement Contribution	497,200	400,000	350,000	300,000	-50,000
Policemen's Pension Fund					
Pension Contribution	$975,773	$0	$295,975	$307,582	$11,607
Administration	94,323	92,381	99,497	0	-99,497
Lump Sum Supplement Contribution	500,000	0	0	0	0

	2004 ACTUAL** EXPENDITURES	2005 ACTUAL** EXPENDITURES	2006 ADOPTED BUDGET	2007 PROPOSED BUDGET	CHANGE 2007 PROPOSED VERSUS 2006 ADOPTED
Employees' Retirement Fund					
Pension Contribution	$0	$19,914	$21,550	$25,000	$3,450
Administration	19,826,339	23,343,873	20,976,648	26,677,643	5,700,995
Employers' Share of Employees' Annuity Contribution	21,785,004	22,809,607	22,975,200	23,700,000	724,800
Annuity Contribution Employer's Reserve Fund	5,450,000	0	0	0	0
Social Security					
Social Security Tax	$16,541,822	$16,531,718	$17,350,500	$17,540,000	$189,500
Former Town of Lake Employees' Retirement Fund					
Pension Contribution	$13,470	$8,673	$8,700	$8,700	$0
Former Town of Lake Firemen's Retirement Fund					
Pension Contribution	$175,631	$0	$0	$0	$0
Deferred Compensation	$900,978	$951,036	$1,403,719	$1,407,283	$3,564
Total Budgets for Employees' Retirement	$66,981,361 **	$64,354,832 **	$63,713,789	$70,104,208	$6,390,419
2. Source of Funds for Employees' Retirement					
Fringe Benefits Pension	$774,542	$962,986	$1,033,127	$1,035,200	$2,073
Charges to Retirement Fund	19,615,535	23,036,218	20,719,400	26,365,403	5,646,003
Charges to Deferred Compensation	900,978	951,036	1,403,719	1,407,283	3,564
Miscellaneous Revenue	149,141	157,114	169,830	181,400	11,570
Property Tax Levy	42,386,238	40,091,374	40,387,713	41,114,922	727,209
Total Financing for Employees' Retirement	$63,826,434	$65,198,728	$63,713,789	$70,104,208	$6,390,419
C. Capital Improvements					
1. Budgets for Capital Improvements					
Special Capital Projects or Purposes	$1,683,951	$72,118	$8,415,000	$8,325,000	$-90,000
Administration, Department of	666,959	590,063	521,000	1,276,000	755,000
City Attorney	81,602	71,529	0	250,000	250,000
City Development, Department of	23,654,660	25,142,667	65,550,000	77,855,000	12,305,000
City Treasurer	0	148,075	0	0	0
Common Council City Clerk	0	0	175,000	525,000	350,000
Department of Employee Relations	0	0	0	400,000	400,000
Fire Department	7,481,348	3,689,337	3,381,000	2,918,000	-463,000
Health Department	1,023,429	772,694	550,000	476,000	-74,000
Library	1,005,701	2,113,256	1,060,000	830,000	-230,000
Municipal Court	532,058	271,250	0	50,000	50,000
Neighborhood Services, Department of	27,032	0	0	0	0
Police Department	3,420,119	3,484,351	1,179,000	1,670,000	491,000
Port of Milwaukee	2,469,247	507,694	1,025,000	750,000	-275,000
Public Works, Department of (Total)	(52,303,301)	(73,295,691)	(83,007,924)	(56,773,140)	(-26,234,784)
Administration Division	3,115,588	1,336,716	235,000	625,000	390,000
Infrastructure Services Division	33,715,418	47,733,221	27,514,699	29,187,440	1,672,741
Operations Division	15,472,295	24,225,754	55,258,225	26,960,700	-28,297,525
Total Budgets for Capital Improvements (Other than Parking, Water Works and Sewer Maintenance)	$94,349,407 **	$110,158,725 **	$164,863,924	$152,098,140	$-12,765,784
2. Source of Funds for Capital Improvements					
General Obligation Borrowings					
New Borrowing	$52,869,894	$68,473,498	$82,530,072	$57,501,490	$-25,028,582
Carryover Borrowing	0 (a)	95,227,090 (a)	95,227,090 (a)	88,099,468 (a)	-7,127,622 (a)
Tax Increment District Public Improvements					
New Borrowing	$20,107,421	$22,042,559	$58,000,000	$70,280,000	$12,280,000
Carryover Borrowing	0 (a)	33,525,914 (a)	33,525,914 (a)	71,151,734 (a)	37,625,820 (a)
Anticipated Special Assessments					
New Authorizations	$5,872,741	$5,100,582	$2,804,799	$2,759,650	$-45,149
Carryover Special Assessments	0 (a)	17,029,740 (a)	17,029,740 (a)	19,151,639 (a)	2,121,899 (a)
Capital Improvement Revenues					
Cash Revenues	$3,075,040	$224,128	$12,900,000	$12,200,000	$-700,000
Carryover Capital Revenues	0 (a)	0 (a)	0 (a)	0 (a)	0 (a)
Property Tax Levy	$12,424,311	$14,317,958	$8,629,053	$9,357,000	$727,947
Total Financing for Capital Improvements (Other than Parking, Water Works and Sewer Maintenance)	$94,349,407 *	$110,158,725 *	$164,863,924	$152,098,140	$-12,765,784

	2004 ACTUAL** EXPENDITURES	2005 ACTUAL** EXPENDITURES	2006 ADOPTED BUDGET	2007 PROPOSED BUDGET	CHANGE 2007 PROPOSED VERSUS 2006 ADOPTED
(a) Reiteration of prior year's authority does not affect budget totals.					
*Does not include school board expenditures.					
D. City Debt (Including School Purposes)					
1. Budget for City Debt					
Bonded Debt (Principal)	$89,737,000	$89,835,899	$85,212,142	$89,105,823	$3,893,681
Bonded Debt (Interest)	37,222,459	43,640,884	48,884,685	52,684,342	3,799,657
Bonded Debt (Fees)	0	0	0	40,000	40,000
Bonded Debt (Issuance Expenses)	0	0	0	1,000,000	1,000,000
Subtotal	$126,959,459	$133,476,783	$134,096,827	$142,830,165	$8,733,338
Less: Prepayment					
Prepayment Deduction (PDAF)	$-4,000,000	$-5,000,000	$-5,000,000	$-7,300,000	$-2,300,000
Special Assessment	-3,290,000	-3,551,000	-3,555,000	-3,553,762	1,238
Total Budget for City Debt (a)	$119,669,459 **	$124,925,783 **	$125,541,827	$131,976,403	$6,434,576
		Milwaukee School Board			
(a) Included in city debt amounts above are the following amounts for school purposes not controlled by the Common Council.		2004	$13,206,168		
		2005	$14,578,173		
		2006	$16,361,842 (est.)		
		2007	$19,652,958 (est.)		
2. Source of Funds for City Debt					
Revenues	$35,327,932	$38,593,942	$33,523,231	$32,609,490	$-913,741
TID Increments from Prior Year	16,733,215	18,596,773	18,804,333	16,965,898	-1,838,435
Delinquent Tax Revenues	13,613,402	14,793,546	14,489,027	14,973,326	484,299
Property Tax Levy	53,994,910	52,941,522	58,725,236	67,427,689	8,702,453
Total Financing for City Debt	$119,669,459	$124,925,783	$125,541,827	$131,976,403	$6,434,576
E. Delinquent Tax					
1. Budget for Delinquent Tax Fund					
Delinquent Tax Fund	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$0
2. Source of Funds for Delinquent Tax Fund					
Property Tax Levy	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$0
F. Common Council Contingent Fund					
1. Budget for Common Council Contingent Fund					
Common Council Contingent Fund	($5,000,000) *	($5,000,000) *	$5,500,000	$5,500,000	$0
2. Source of Funds for Common Council Contingent Fund					
Property Tax Levy	$5,000,000	$5,000,000	$5,500,000	$5,500,000	$0
*2004 and 2005 experience shown for informational purposes only.					
Expenditure experience represents transfers and expenditures authorized by resolution.					
Subtotal Budget Authorizations Common Council Controlled Purposes (Except Water and Special Revenue Accounts)	$781,536,562	$826,070,893	$897,068,592	$911,497,842	$14,429,250
Non-Tax Levy	595,931,943	633,536,888	684,017,990	691,420,702	7,402,712
Tax Levy	201,539,197	207,189,876	213,050,602	220,077,140	7,026,538
Subtotal Financing for (Estimated Revenues) Common Council Controlled Budgets (Except Water and Special Revenue Accounts)	$797,471,140	$840,726,764	$897,068,592	$911,497,842	$14,429,250
Special Revenue Accounts Sections G through M					
G. Parking					
1. Budget for Parking Program					
Operating and Maintenance Expense	$25,165,867	$25,363,993	$26,991,593	$26,059,606	$-931,987
Transfer to General Fund	12,000,000	15,210,000	15,200,000	15,800,000	600,000
Capital Improvement Program	1,553,499	889,335	2,080,000	595,000	-1,485,000
Capital Improvements to be Financed from Available Cash Reserves	0	0	5,000,000	5,000,000	0
Total Budget for Parking Program	$38,719,366 **	$41,463,328 **	$49,271,593	$47,454,606	$-1,816,987
2. Source of Funds for Parking Operations					
Parking Permits	$2,964,859	$2,672,788	$2,915,000	$2,714,000	$-201,000
Meters	4,312,104	4,197,616	4,098,000	4,081,000	-17,000
Rental and Lease of Facilities	6,898,755	6,741,466	6,769,857	6,734,388	-35,469
Towing of Vehicles	2,248,716	2,315,415	1,950,000	2,500,000	550,000

	2004 ACTUAL** EXPENDITURES	2005 ACTUAL** EXPENDITURES	2006 ADOPTED BUDGET	2007 PROPOSED BUDGET	CHANGE 2007 PROPOSED VERSUS 2006 ADOPTED
Vehicle Disposal	2,680,182	2,636,887	2,300,000	2,400,000	100,000
Miscellaneous	135,609	151,172	0	0	0
Subtotal Financing of Parking Operations	$19,240,225	$18,715,344	$18,032,857	$18,429,388	$396,531
Other Funding Sources					
Withdrawal from Reserves	$0	$0	$5,158,736	$3,830,218	$-1,328,518
Citation Revenue	21,974,206	19,757,472	19,000,000	19,600,000	600,000
Miscellaneous	323,803	1,535,964	0	0	0
Capital Improvements to be financed from available:					
Cash Reserves	0	0	5,000,000	5,000,000	0
New Borrowing	0	889,335	2,080,000	595,000	-1,485,000
Carryover Borrowing	0	0	1,935,369 (a)	3,681,369 (a)	1,746,000 (a)
Subtotal Other Funding Sources	$22,298,009	$22,182,771	$31,238,736	$29,025,218	$-2,213,518
Total Financing for Parking	$41,538,234	$40,898,115	$49,271,593	$47,454,606	$-1,816,987
(a) Reiteration of prior year's authority does not affect budget totals.					
H. Grant and Aid Projects (Except Capital Projects)					
1. Budget for Grant and Aid Projects					
Grantor Share (Non-City)	$60,449,144	$62,702,361	$79,020,376	$74,433,047	$-4,587,329
Total for Grant and Aid Projects	$60,449,144 **	$62,702,361 **	$79,020,376	$74,433,047	$-4,587,329
2. Source of Funds for Grant and Aid Projects					
Grantor Share (Non-City)	$60,449,144	$62,702,361	$79,020,376	$74,433,047	$-4,587,329
Total Financing for Grant and Aid Projects (Except Capital Projects)	$60,449,144	$62,702,361	$79,020,376	$74,433,047	$-4,587,329
I. Economic Development Fund					
1. Budget for Economic Development Fund					
Business Improvement Districts	$4,624,620	$5,052,590	$10,534,254	$5,975,307	$-4,558,947
Total Budget for Economic Development Fund	$4,624,620	$5,052,590	$10,534,254	$5,975,307	$-4,558,947
2. Source of Funds for Economic Development Fund					
Business Improvement District Assessments	$4,623,673	$5,052,590	$10,534,254	$5,975,307	$-4,558,947
Total Source of Funds for Economic Development Fund	$4,623,673	$5,052,590	$10,534,254	$5,975,307	$-4,558,947
J. Water Works					
1. Budget for Water Works, Department of Public Works					
Operating Budget	$60,366,377	$61,274,238	$67,730,974	$67,728,842	$-2,132
Capital Improvements Program	12,754,805	15,212,549	20,120,000	25,140,500	5,020,500
Deposits to Special Accounts (Retained Earnings)	12,506,510	15,155,257	19,520,000	24,540,500	5,020,500
Total Expenditures and Deposits	$85,627,692 **	$91,642,044 **	$107,370,974	$117,409,842	$10,038,868
2. Source of Funds for Water Works					
Operating Revenue	$65,791,948	$69,050,322	$67,485,733	$66,849,681	$-636,052
Non-Operating Revenue	9,539,453	7,199,361	8,616,000	9,564,000	948,000
Retained Earnings	10,296,291	15,392,361	31,269,241	40,996,161	9,726,920
Total Source of Funds for Water Works	$85,627,692	$91,642,044	$107,370,974	$117,409,842	$10,038,868
K. Sewer Maintenance					
1. Budget for Sewer Maintenance					
Operating Budget	$21,847,326	$31,798,526	$35,420,730	$39,387,171	$3,966,441
Capital Budget	21,477,981	19,840,982	23,500,000	24,500,000	1,000,000
Total Budget for Sewer Maintenance	$43,325,307 **	$51,639,508 **	$58,920,730	$63,887,171	$4,966,441
2. Source of Funds for Sewer Maintenance					
Sewer User Fee	$30,737,508	$30,532,791	$27,600,000	$23,605,260	$-3,994,740
Storm Water Fee	0	0	6,575,552	13,451,392	6,875,840
Charges for Services	210,638	534,451	198,818	211,122	12,304
Miscellaneous Revenue	330,842	322,110	294,928	281,864	-13,064
Retained Earnings	-1,631,662	409,174	751,432	1,837,533	1,086,101
Proceeds from Borrowing	13,677,981	19,840,982	23,500,000	24,500,000	1,000,000
Total Source of Funds for Sewer Maintenance	$43,325,307	$51,639,508	$58,920,730	$63,887,171	$4,966,441

	2004 ACTUAL** EXPENDITURES	2005 ACTUAL** EXPENDITURES	2006 ADOPTED BUDGET	2007 PROPOSED BUDGET	CHANGE 2007 PROPOSED VERSUS 2006 ADOPTED
M. Delinquent County Taxes					
1. Budget for Delinquent County Taxes					
Delinquent County Taxes and Tax Certificate Purchases	$8,785,085	$9,111,076	$9,000,000	$9,855,000	$855,000
Total Budget for Delinquent County Taxes	$8,785,085	$9,111,076	$9,000,000	$9,855,000	$855,000
2. Source of Funds for Delinquent County Taxes					
Purchase of Milwaukee County Delinquent Taxes	$8,785,085	$9,111,076	$9,000,000	$9,855,000	$855,000
Total Source of Funds for Delinquent County Taxes	$8,785,085	$9,111,076	$9,000,000	$9,855,000	$855,000
Subtotal Budget Authorization for Special Revenue Accounts	$241,531,214	$261,610,907	$314,117,927	$319,014,973	$4,897,046
Subtotal Estimated Revenues for Special Revenue Accounts	$244,349,135	$261,045,694	$314,117,927	$319,014,973	$4,897,046
Total All Budgets Under the Control of the Common Council (Includes Water and Special Revenue Accounts)	$1,023,067,776	$1,087,681,800	$1,211,186,519	$1,230,512,815	$19,326,296
Total Financing Revenues of Budgets Under the Control of the Common Council (Includes Water and Special Revenue Accounts)	$1,041,820,275	$1,101,772,458	$1,211,186,519	$1,230,512,815	$19,326,296

** Expenditures include funding carried over from prior year.

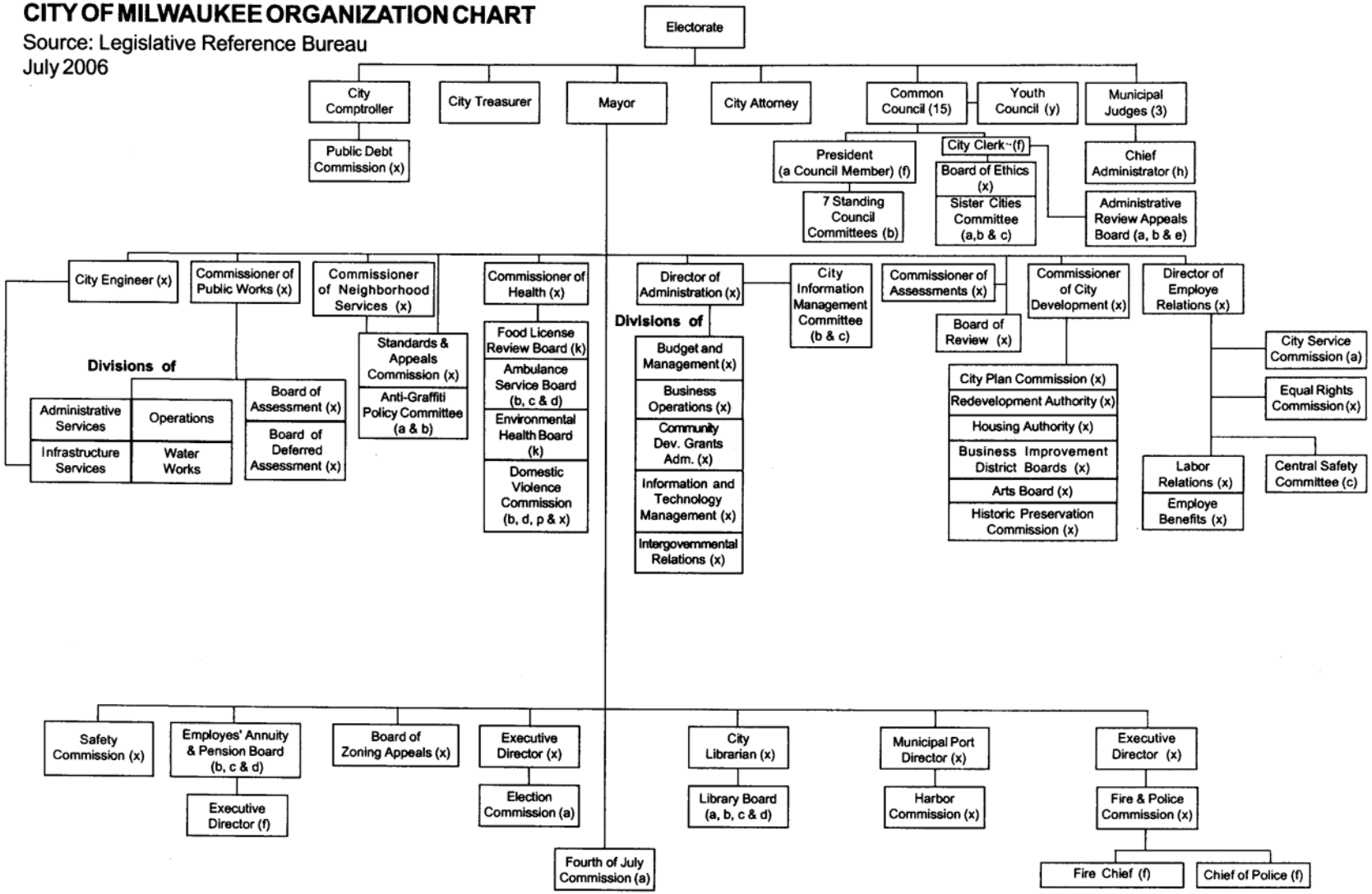
SECTION II. SUMMARY OF PROPOSED BORROWING AUTHORIZATIONS (Including School Purposes)

	2005	2006	2007
General Obligation Bonds or Short Term Notes			
New Borrowing			
General City Purposes	$47,867,446	$84,610,072	$58,096,490
Schools	12,000,000	11,000,000	4,000,000
Subtotal New Borrowing	**$59,867,446**	**$95,610,072**	**$62,096,490**
Carryover Borrowing*	(119,804,331)	(101,402,901)	(97,780,837)
Subtotal	**$59,867,446**	**$95,610,072**	**$62,096,490**
Special Assessment Borrowing			
New Borrowing	$3,895,050	$2,804,799	$2,759,650
Carryover Borrowing*	(18,070,783)	(17,029,740)	(19,151,639)
Subtotal	**$3,895,050**	**$2,804,799**	**$2,759,650**
Contingency Borrowing			
New Borrowing	$50,000,000	$110,000,000	$110,000,000
Carryover Borrowing*	(0)	(0)	(0)
Subtotal	**$50,000,000**	**$110,000,000**	**$110,000,000**
Tax Incremental District Borrowing			
New Borrowing	$20,000,000	$58,000,000	$70,280,000
Carryover Borrowing*	(30,715,914)	(33,525,914)	(71,151,734)
Subtotal	**$20,000,000**	**$58,000,000**	**$70,280,000**
Delinquent Taxes Borrowing			
New Borrowing	$17,000,000	$17,000,000	$17,000,000
Carryover Borrowing*	(0)	(0)	(0)
Subtotal	**$17,000,000**	**$17,000,000**	**$17,000,000**
Revenue Anticipation Borrowing			
New Borrowing	$300,000,000	$300,000,000	$300,000,000
Carryover Borrowing*	(0)	(0)	(0)
Subtotal	**$300,000,000**	**$300,000,000**	**$300,000,000**
Water Works Borrowing			
New Borrowing	$0	$0	$0
Carryover Borrowing*	(0)	(0)	(0)
Subtotal	**$0**	**$0**	**$0**
Sewer Maintenance Fund Borrowing			
New Borrowing	$22,706,000	$23,500,000	$24,500,000
Carryover Borrowing*	(13,703,500)	(36,409,500)	(49,909,500)
Subtotal	**$22,706,000**	**$23,500,000**	**$24,500,000**
Total All Borrowing			
New Borrowing	$473,468,496	$606,914,871	$586,636,140
Carryover Borrowing*	(182,294,528)	(188,368,055)	(237,993,710)
Total	**$473,468,496**	**$606,914,871**	**$586,636,140**

* Not included in budget totals, reiteration of prior years authority.

CITY OF MILWAUKEE ORGANIZATION CHART

Source: Legislative Reference Bureau
July 2006



KEY

(a) Appointment by Mayor, not confirmed by Common Council
(b) Members appointed by Common Council President
(c) Members serve ex-officio; by law
(d) Members selected by other external bodies
(e) Appointment by City Attorney
(f) Appointment by connected board or department
(h) Appointment by Chief Municipal Judge, confirmed by Common Council
(k) Appontment by Health Department
(p) Appointment by Police Chief
(x) Appointment by Mayor, confirmed by Common Council
(y) Appointment by connected council, confirmed by Common Council

I. CITY BUDGETS UNDER THE CONTROL OF THE COMMON COUNCIL

PROPERTY TAX SUPPLEMENTED FUNDS
SUMMARY OF EXPENDITURES

EXPENSE CATEGORY	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERUS 2007 REQUESTED
A. General City Purposes	$525,631,553	$536,449,052	$559,406,327	$550,819,091	$14,370,039	$-8,587,236
B. Employees' Retirement	64,354,832	63,713,789	70,092,601	70,104,208	6,390,419	11,607
C. Capital Improvements	110,158,725	164,863,924	168,348,790	152,098,140	-12,765,784	-16,250,650
D. City Debt	124,925,783	125,541,827	135,401,403	131,976,403	6,434,576	-3,425,000
E. Delinquent Tax Fund	1,000,000	1,000,000	1,000,000	1,000,000	0	0
F. Contingent Fund	(5,000,000) *	5,500,000	5,500,000	5,500,000	0	0
TOTAL	$826,070,893	$897,068,592	$939,749,121	$911,497,842	$14,429,250	$-28,251,279

*Shown for informational purposes only. Actual expenditures reflected in departmental budgets.

A. GENERAL CITY PURPOSES

1. BUDGET APPROPRIATIONS AND EXPENDITURES

DEPARTMENT OF ADMINISTRATION

EXECUTIVE SUMMARY

MISSION: To make Milwaukee one of the Nation's most attractive cities in which to live, work, and do business.

SERVICES: Budgeting and financial management.

Grants management.

Intergovernmental relations.

Procurement and materials management.

Information technology management.

STRATEGIC ISSUES: Managing effective city services within the state levy limit and ongoing fiscal challenges.

Utilizing performance management, particularly through the Mayor's Accountability in Management Initiative, to realize operating efficiencies and improvements.

Coordinating efforts to increase operating grant and aid funding for key city services.

Identifying opportunities for better project management through information technology standardization and interdepartmental coordination.

Improving management of city capital projects.

Implement the Mayor's Office of Environmental Sustainability and Green Team recommendations.

Implementing changes in state law to improve the city's fiscal condition.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	60.87	64.17	61.55	64.04	-0.13	2.49
FTEs - Other	31.18	34.58	38.23	36.16	1.58	-2.07
Total Positions Authorized	105	103	105	105	2	0
EXPENDITURES						
Salaries and Wages	$4,272,265	$4,268,621	$4,293,152	$4,417,267	$148,646	$124,115
Fringe Benefits	1,840,356	1,792,821	1,800,097	1,855,252	62,431	55,155
Operating Expenditures	609,314	600,152	562,748	464,560	-135,592	-98,188
Equipment	9,879	20,234	17,500	17,500	-2,734	0
Special Funds	481,951	1,042,000	1,094,000	1,094,000	52,000	0
TOTAL	$7,213,765	$7,723,828	$7,767,497	$7,848,579	$124,751	$81,082
REVENUES						
Charges for Services	$3,763,535	$3,847,000	$3,975,800	$3,975,800	$128,800	$0
Miscellaneous	516,782	214,000	262,500	262,500	48,500	0
TOTAL	$4,280,317	$4,061,000	$4,238,300	$4,238,300	$177,300	$0

BACKGROUND

The Department of Administration (DOA) performs several management roles in city government. DOA works with city departments to ensure that they obtain the goods and services needed to meet their objectives, develops the Mayor's proposed budget, provides analysis and recommendations on fiscal and management issues that affect the city, represents the city's interests to local, state, and federal governments, distributes grant funds to city agencies and neighborhood organizations, helps represent the interests of disadvantaged local businesses in their efforts to obtain both city and other government contracts, and assists in development of strategic policy. DOA is working to decrease budget instability and improve the city's fiscal condition. Key initiatives include consolidating and standardizing information technology, increasing grant awards, establishing more intergovernmental and multi-jurisdictional cooperation, and implementing environmental sustainability initiatives.

Service 1

Budgeting and Financial Management

Activities: Operating and capital budget administration and planning, forecasting, revenue analysis, strategic and fiscal planning, and performance measurement.

		2005 Experience	2006 Budget	2007 Projection
Services:	City tax rate as a percent of metro area average.	131.6%	120.0%	120.0%
	Maintain the city's bond rating.	Aa2/AA+	Aa2/AA+	Aa2/AA+
Funding by Source:	Operating Funds	$1,332,996	$1,423,091	$1,404,167
	Grants and Reimbursables	9,439	0	102,170
	Special Purpose Accounts	28,553	23,500	0
	Totals	$1,370,988	$1,446,591	$1,506,337

SERVICE RESULTS

This service strengthens Milwaukee's competitive position by improving city management, leveraging resources beyond city government that benefit Milwaukee, and maintaining the city's fiscal health. The city's efforts to control tax levy spending have had moderate success relative to the average metropolitan tax rates. Shrinking state aids, increasing health care costs, and arbitration driven compensation settlements exceeding inflation present major obstacles in the city's efforts to control costs, preserve services, and maintain improvement in its tax rate compared to the metropolitan average. The bond rating, a key indicator of the city's fiscal health, has been maintained at a high investment grade rating.

SERVICE CHANGES

Environmental Sustainability Director: The 2007 proposed budget includes a new position of Environmental Sustainability Director created in File 060247. This position will head the Office of Sustainability and work with other city staff in implementing the recommendations of Mayor Barrett's Green Team. The Director will steer citywide environmental policy, help set departmental goals and strategies, and track departmental performance. The position will also assist in seeking funding from foundations and grants to support sustainability initiatives. The Director will work with policymakers throughout city government to ensure the City of Milwaukee achieves the cost savings and sustainable environmental outcomes envisioned by Mayor Barrett.

Multi-Year Strategic and Fiscal Plan: The 2007 proposed budget reflects the second year of a three year strategic and fiscal plan. The goal is to achieve improved fiscal sustainability by 2009, thereby allowing policymakers to better manage the financial challenges facing the city. Please refer to the introduction section of the *2007 Proposed Plan and Executive Budget Summary* for more information.

Improving Performance and Accountability: In 2006, DOA assisted the Mayor in implementing a management performance and accountability process modeled after the CitiStat Program in the City of Baltimore, called Accountability in Management or AIM. This is an initiative of Mayor Barrett to improve service quality and accountability in Milwaukee's city government. The Mayor has been using this process to oversee departmental operations and hold departments accountable for their performance. The AIM process is a forum for the Mayor to regularly discuss with departments their performance and trends in the areas of service delivery, fiscal and personnel management, and diversity. This process is a key tool for the Mayor to manage the Administration. In 2007, the Mayor will use AIM to support specific service improvements in each department. Departments meeting with the Mayor through AIM include the Police Department, the Fire Department, the Health Department, the Department of Public Works, the Department of Neighborhood Services, Milwaukee Public Library, Election Commission, Department of Employee Relations, Assessor's Office, and the Department of Administration.

Job Training: The 2006 budget included $143,000 for a training and certification program for specified skilled trades for Milwaukee residents. DOA has implemented this program via a cooperation agreement with the Milwaukee Metropolitan Sewage District (MMSD). The training program will provide training to as many as 50 city residents. The ultimate goals of the program are to:

- Place residents on construction job sites.
- Get residents ready and placed in apprenticeship programs.
- Get residents construction or apprenticeship placements with city contractors.

The city also approved $250,000 for a job training program associated with TID 41. DOA is administering this program and will develop a program model that will train and certify Milwaukee County residents from diverse backgrounds in the building and construction trades. Both of these training programs will begin in 2006 and will continue until the allotted funds have been exhausted.

Service 2

Grants Management				
Activities:	Grant administration, coordination, and planning.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Funding by Source:	Operating Funds	$25,780	$81,288	$85,982
	Grants and Reimbursables	947,766	958,000	1,071,958
	Special Purpose Accounts	0	0	23,100
	Totals	$973,546	$1,039,288	$1,181,040

SERVICE RESULTS

Grant management involves managing the annual Community Development Block Grant Program (CDBG) and coordinating the citywide cultivation of additional grant awards. The goal is to increase the amount of grant and aid funding the city receives and ensuring that these funds support the Mayor's Outcomes. To improve the grant

management and cultivation process, the 2006 budget reorganized the DOA Community Block Grant Administration Division as the Community Development Grants Administration (CDGA).

CDGA continues to be the recipient of HUD funding, but is also responsible for aggressively pursuing other grant funds and providing centralized grant coordination for the city. A new Grant Manager was created to assist in providing a more systematic and coordinated approach to grant cultivation. The Grant Manager helps DOA work with departments to identify grant opportunities, apply for grants, ensure compliance with grant requirements, and evaluate options for improving and streamlining current grant processes and procedures. The Manager also focuses on identifying grant and aid opportunities in partnership with both other governments and community organizations. A collaborative grant cultivation effort involving public, non-profit, and community organizations will yield more opportunities for the city and more benefits for Milwaukee.

SERVICE CHANGES

Grant Initiative: The 2006 budget created a Grant Manager position to assist DOA in establishing an improved grant cultivation process. This position was reclassified as a Grant Compliance Manager in File 051158. This position has assisted in researching and communicating grant opportunities, writing grant proposals, and maintaining contacts with federal, state and local granting agencies, and lobbying for additional grant appropriations. Since the position was filled, the Manager has taken the lead in nine applications for funding. Four of these applications have been successful, resulting in grant awards of $636,520, with an additional $900,000 in grant funding possible through one of the grants. Three of these applications, with potential funding of approximately $1.5 million, are still under consideration by grantor agencies. The Manager continues to work with departments to identify and apply for grant and other funding source opportunities. The Grant Compliance Manger will continue to work to increase grant funding in 2007.

Emergency Government Coordinator: The 2007 proposed budget includes a position of Emergency Government Coordinator, which was created by the Common Council and Mayor in File 050600, adopted in September 2005. This position will coordinate and oversee the City of Milwaukee's Urban Areas Security Initiative (UASI) Program grant and related emergency government activities. The UASI grant is awarded to the Milwaukee Urban Area, which includes Milwaukee, Waukesha, and Washington counties. The grant is used by jurisdictions within this area to enhance the security and overall preparedness to prevent, respond to, and recover from acts of terrorism and other critical incidents in multi-jurisdictional, multi-disciplinary manners.

The Coordinator recently managed the submittal of the Milwaukee area UASI grant application, which resulted in an award of $8.57 million. This is in addition to the $16.4 million previously awarded over the last two years, of which $9.1 million was specifically allocated to the City of Milwaukee. The new funding includes $1.7 million for the Fire Department, $893,000 for the Health Department, and $2 million for the Police Department. This funding will be used to fund new positions, to purchase new equipment and software, and to support regional and local planning, training, and exercises. The grant will strengthen critical infrastructure, expand regional collaboration, strengthen interoperable communications, and enhance detection, capacity, and response to emergency events.

The Coordinator is also managing an update of Chapter 6 of the City Charter, which governs Emergency Government Administration. The update will bring city ordinances in line with current federal and state laws and practices and up-to-date with current organization and functions of city government departments. The Coordinator is also facilitating the development of continuity of operations planning for all city departments. These plans will identify each department's critical functions and personnel, which will assist in the reconstitution of government services in the event of a disruption to normal service. The Coordinator also coordinates all Homeland Security planning and grant funding allocations among all city departments, for example, the Port Security Grant Program and Buffer Zone Protection.

Reduction in CDBG Funding: The city's 2007 CDBG award is projected to be $17.7 million, a decrease of about $800,000 or 4.3% from the CDBG funding assumed in the 2006 budget. The assumed 2007 award is based on the

actual 2006 CDBG award of $17.7 million, which was reduced by $2 million or 10% from the 2005 award. This is indicative of the trend of declining CDBG awards, a result of the federal government reducing funding for the overall program, while also increasing the number of entitlement communities, resulting in less funding being distributed among more recipients. There is also continued discussion at the federal level about changing the focus of the program, primarily by reducing the allowable services that can be funded through the grant in a manner that emphasizes economic development activities.

DOA is managing the decrease in the CDBG award by recommending funding of $9.6 million for grant projects managed through city departments and $8.1 million for direct grants to community based organizations. The Common Council approved these funding amounts. For more information on the CDBG program, refer to the *Grant and Aid Fund* section of the *2007 Proposed Plan and Executive Budget Summary*.

Service 3

Information Technology and Management

Activities: Enterprise Systems, Geographic Information Systems, information policy, systems development and support, e-government, and city website.

		2005 Experience	2006 Budget	2007 Projection
Services:	Number of "visits" on the city's website.	2,576,222	2,730,000	2,900,000
	Number of service requests processed through the city's website.	5,263	6,230	7,200
	Number of financial transactions completed through the city's website.	1,325	3,025	6,000
Funding by Source:	Operating Funds	$4,259,619	$4,675,870	$4,781,757
	Grants and Reimbursables	784,207	542,234	412,045
	Capital Budget	662,181	521,000	1,276,000
	Special Purpose Accounts	84,455	25,000	25,000
	Totals	$5,790,462	$5,764,104	$6,494,802

SERVICE RESULTS

A major focus of the department's Information and Technology Management Division (ITMD) is creating a simple-to-use, consistent, and comprehensive e-government portal using the city's website that will provide residents and business users with easy access to information and services. Progress toward this goal is measured by the number of visits to the website and the number of service requests and financial transactions processed through the website. Each of these increased in 2005 and the department has several ongoing projects to improve the website and enhance e-government services. The service data are taken from the city's Content Management System (CMS), which manages website content and is maintained and operated by ITMD. Visits, service requests, and financial transaction data are not included for departments not participating in CMS, including the Library, Department of Public Works, and Department of City Development. Other ITMD functions include supporting and maintaining citywide and departmental information systems; maintaining and developing applications and interfaces, including GIS map based capabilities that make information quickly and easily available; supporting information systems integral to departmental operations and their long term strategic goals; and ensuring security of information technology infrastructure, systems, and data.

SERVICE CHANGES

Server Consolidation: The 2007 proposed budget includes capital funding of $49,000 to support the second year of the server consolidation project. This is a three year project, first approved in the 2006 budget, with total funding estimated to be $379,000. Currently, most servers are distributed throughout departments. The goal of this project is to improve the efficiency of managing and supporting computer servers and server systems. ITMD has already made incremental changes in server management but this project will take a comprehensive citywide approach to maximize savings and avoid future costs.

Human Resource Management System Upgrade: The city's enterprise system comprises two major applications: the Financial Management Information System (FMIS) and the Human Resources Management System (HRMS). HRMS is the citywide personnel management system and is used for many functions, including payroll and benefits. This application, to remain functional, requires periodic upgrades. Such upgrades ensure continued maintenance from the vendor and can improve functionality. HRMS requires an upgrade in 2007 if support from the vendor, Oracle/Peoplesoft, is to be continued. The 2007 proposed budget includes $710,000 in capital funding for this project.

E-Mail Archival and Retrieval System: The 2007 proposed budget includes capital funding of $350,000 for this project. The goal of this project is to implement a technological application that will improve the city's ability to archive and retrieve electronic mail and related electronic documents and records. Electronic records are a significant and increasingly complex issue for municipal governments. Technology has increased the methods and media used to create, distribute, and maintain electronic records. This has created new challenges for retaining and retrieving records, particularly when electronic records are involved in open records requests or legal actions. The City of Milwaukee must have the ability to efficiently and effectively archive and retrieve electronic records, including electronic mail. This ability is needed to comply with legal requirements governing records management, including Chapter 12 of the Wisconsin Administrative Code, which establishes standards and requirements for electronic records management by municipalities.

By improving the management of electronic mail records, this project is intended to reduce or eliminate the city's liability for failing to retain public records properly. The city does not currently have an effective method for storing e-mail and other electronic records for required periods and retrieving these records quickly and efficiently. This project will enable the city to meet its Policy for Retention of Electronic Mail Records, which was adopted in File 051420 in February 2006. This policy explains the requirements for the appropriate methods of retention, disposition, and management of electronic mail resources as required under applicable Wisconsin state law. ITMD is currently implementing an e-mail consolidation project. This project provides a timely opportunity to implement an e-mail archival and retrieval solution.

E-Benefits Project: The 2007 proposed budget includes capital funding of $167,000 for an E-Benefits project. This project will allow employees to view benefits and make informational and enrollment decisions related to benefits directly through the HRMS system. This has the advantages of providing employees with easier access during open enrollment to information on health and dental plans and other benefits. It also will eliminate the multiple paper copies that are currently used, will reduce redundant data entry by DER staff, and will allow electronic transfer of information between the city and the benefit vendors. These improvements will help create a more efficient and effective employee benefits process.

MCAMLIS Agreement and Position: The 2007 proposed budget includes a new position of GIS Analyst, funded for one-half of the year with a salary of $28,128. This position was created as part of an intergovernmental agreement with the Milwaukee County Automated Mapping and Land Information System (MCAMLIS) Steering Committee. The position will provide cadastral and street database maintenance using a standard database format to ensure conformance with MCAMLIS standards. MCAMLIS will pay for these services, in an amount totaling $74,915 for the period from July 1, 2006 through June 30, 2007. Since the agreement ends June 30, 2007, the GIS

Analyst position is funded for half of a year. It is anticipated that the agreement will be extended through the end of 2007 and into 2008.

Information Technology Security: The City Comptroller completed a City of Milwaukee Information Technology Security Risk Assessment in April 2005. This report highlighted the challenges facing the city in the area of information technology security and made multiple recommendations for reducing security risks. The Information and Technology Management Division (ITMD) has allocated some staffing resources to focus on security, including establishing Information Security Officers in each city department and holding regular meetings of these staff to ensure that the city is moving forward on reducing its security risks, as outlined in the Risk Assessment report. ITMD will also be developing an Information Security Improvement Plan and will be exploring other options, such as identifying software that could be used for performing internal risk assessments and for intrusion detection.

Server Maintenance Reduction: The e-Server will be replaced in 2006, resulting in an estimated $103,100 reduction in server maintenance and related costs in 2007. The e-Server is a critical component of the city's information technology infrastructure, operating as a centralized server that supports numerous core applications and databases in multiple city departments, including the Assessor, City Attorney, Department of Employee Relations, Police Department, and Treasurer. Critical systems including worker's compensation, property tax billing and collection, and dockets and subpoenas reside on the e-Server and rely on the e-Server's processor and storage system. City department staff and the public use these applications and data on a daily basis. This project will provide the city with a faster, more efficient, and more reliable server at a significantly reduced cost, and will ensure that the e-Server has the processing and storage capacity to support new software applications into the foreseeable future.

Position Changes: The 2007 proposed budget eliminates an Administrative Assistant II position for budget savings of $41,715.

Service 4

Procurement and Materials Management

Activities: Purchasing administration, competitive bidding, contract administration, procard administration, inventory monitoring, Emerging Business Enterprise, and material disposal and sale.

		2005 Experience	2006 Budget	2007 Projection
Services:	Number of purchasing appeals.	2	0	2
	Number of EBE certifications.	93	104	95
	Number of items sold online.	321	479	30
Funding by Source:	Operating Funds	$1,073,087	$991,583	$989,792
	Grants and Reimbursables	1,175,486	742,412	754,589
	Special Purpose Accounts	0	0	45,000
	Totals	$2,248,573	$1,733,995	$1,789,381

SERVICE RESULTS

The key goals of this service are ensuring that bidding and purchasing requirements are met, streamlining business processes, and increasing Emerging Business Enterprise (EBE) participation in the bid process. DOA has maintained a low number of purchasing appeals, maintained EBE certifications, and continues to sell items online through the city website. The department continues to seek ways to utilize technology to make operations more

efficient, simplify and enhance the EBE certification process, and provide the best combination of price and value for purchases.

SERVICE CHANGES

Materials Management Changes: The 2007 proposed budget includes a new approach to materials management. The Salvage and Sales Coordinator incumbent has retired and the city warehouse has been officially declared to be in a flood plain, providing an opportunity to reorganize the approach to materials management. The city will identify new space for holding materials, will continue to collaborate with the county on vehicle and heavy equipment auctions, will retire and recycle computer and electronic equipment through a vendor service contract, will have an online furniture exchange among city agencies, and will continue to hold the online auction service. This approach will provide for a more efficient administration and eliminate the need for a dedicated warehousing position. These changes will also allow the city to enhance Mayor Barrett's Green Initiative by ensuring the recycling and proper disposal of electronic components. Budget savings from eliminating the Salvage and Sales Coordinator allows for creation of an Office Assistant I position to provide support to materials management, the position will also support the EBE and procurement programs in DOA.

EBEP Study: Mayor Barrett is committed to conducting a thorough review of the city's Emerging Business Enterprise Program (EBEP), in order to analyze the program's effectiveness and to ensure that the program continues to serve those it was designed to serve. The 2007 proposed budget includes $45,000 for a new Special Purpose Account that will fund the completion of the EBEP study. DOA began this study in 2006 but additional funding is needed to complete the study. The study will hire a contractor to research and analyze the city's certification, procurement and contracting policies and procedures, to determine whether the EBEP is effective in meeting the needs of individuals who are at a disadvantage and small business concerns in order to promote and encourage full and open competition in the city and to enhance opportunities for individuals who are at a disadvantage to successfully compete in a free market as independent business owners in Milwaukee. The study will recommend how to increase the number of minority, women owned, and other disadvantaged firms to increase the participation rate on city contracts.

Service 5

Intergovernmental Relations

Activities: Intergovernmental relations, lobbying, fiscal and budget analysis, and planning.

		2005 Experience	2006 Budget	2007 Projection
Funding by Source:	Operating Funds	$522,283	$551,996	$586,881
	Totals	$522,283	$551,996	$586,881

SERVICE RESULTS

This service involves numerous activities, including identifying and seeking new and additional funding sources, promoting opportunities to solve intergovernmental issues to the city's advantage, and representing the city and its elected officials before other governmental bodies. A key goal is successfully promoting and managing the city's legislative agenda and ensuring this agenda supports the Mayor's Outcomes. Given the city's continuing fiscal constraints, it is imperative to effectively identify and analyze opportunities to diversify revenues and develop strategies to cooperate with other levels of government to the city's advantage.

SERVICE CHANGES

No major service changes are included in the 2007 proposed budget.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	-1.00		Administration and Research Specialist	Position reclassified in File 051158.
1	1.00		Program Assistant III	
1		1.00	Environmental Sustainability Director	Position created in File 060247.
1		1.00	Emergency Government Coordinator	Position created to support the Urban Areas Security Initiative Program Grant see File 051581.
-1	-1.00		Grant Manager	Position reclassified in File 051158.
1	1.00		Grant Compliance Manager	
1	1.00		Office Assistant I	Position created to support Business Operations Division.
-1	-1.00		Salvage and Sales Coordinator	Positions eliminated due to productivity improvements.
-1	-1.00		Administrative Assistant II	
1	0.50		GIS Analyst	Position created as part of agreement with MCAMLIS in File 051467.
	0.37	-0.42	Various	Miscellaneous experience adjustment.
2	**-0.13**	**1.58**	**Totals**	

ASSESSOR'S OFFICE

EXECUTIVE SUMMARY

MISSION: Administer the city's assessment program to assure public confidence in the accuracy, efficiency, and fairness of the assessment process. Ensure the equal distribution of the city's property tax levy by uniformly valuing taxable property, scrutinizing proposed property tax exemptions, and efficiently processing assessment appeals.

SERVICES: Property assessment.

STRATEGIC ISSUES: Utilize technology to allow the department to maintain assessment accuracy while controlling operating costs.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	48.55	48.55	48.55	48.55	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	56	58	60	60	2	0
EXPENDITURES						
Salaries and Wages	$3,009,651	$3,025,277	$2,919,300	$3,099,414	$74,137	$180,114
Fringe Benefits	1,300,776	1,270,616	1,226,106	1,301,754	31,138	75,648
Operating Expenditures	264,967	236,750	243,500	243,500	6,750	0
Equipment	0	0	0	0	0	0
Special Funds	118,840	122,000	152,000	132,000	10,000	-20,000
TOTAL	$4,694,234	$4,654,643	$4,540,906	$4,776,668	$122,025	$235,762
REVENUES						
Charges for Services	$427,380	$450,000	$425,000	$425,000	$-25,000	$0
TOTAL	$427,380	$450,000	$425,000	$425,000	$-25,000	$0

BACKGROUND

The Assessor's Office is responsible for uniformly and accurately assessing taxable property in the City of Milwaukee. Accurate assessments ensure that all areas of the city and classes of property equitably share property taxes.

The department has focused on improving its valuation systems by maximizing technology. This has allowed the department to improve quality while reducing costs. Recent technology improvements have been directed at providing public information and assistance. By using technology to make assessment information readily available, the Assessor's Office has significantly reduced the number of assessment objections and telephone inquiries while dramatically increasing the availability of property information and the number of customers serviced via the Internet.

Service 1

		2005 Experience	2006 Budget	2007 Projection
Property Assessment				
Activities:	Administer an assessment program that is efficient, understandable and guarantees a fair distribution of property taxes.			
Services:	Assessment level.	100.0%	100.0%	100.0%
	Coefficient of dispersion.	9.58	< 9.0	< 9.0
	Price related differential.	1.01	1.00	1.00
Funding by Source:	Operating Funds	$4,694,234	$4,654,643	$4,776,668
	Special Purpose Accounts	820,595	500,000	500,000
	Totals	$5,514,829	$5,154,643	$5,276,668

SERVICE RESULTS

The performance of the Assessor's Office in producing fair, accurate, and equitable assessments is measured statistically using assessment ratios. An analysis of assessments to sales is used in determining the assessment level (calculated by dividing the assessment by the sale price). The coefficient of dispersion and the price related differential further test the uniformity of assessments. The coefficient of dispersion measures the average distance that sales are from the median sales ratio (see Figure 1). For example, if the target is an assessment level of 100%, and the coefficient of dispersion is 10, this means that the average assessment is within 10% of the target of 100%. The price related differential is a statistical measure used to determine the degree to which assessments are either regressive or progressive. If the differential is greater than one, the assessment is regressive; if it is less than one, the assessment is progressive. The Assessor's Office has consistently met or exceeded both statutory and industry standards for these measures, indicating a high degree of accuracy in valuing property.

The Board of Assessors and the Board of Review hear appeals, affording citizens the opportunity to voice concerns or contest an assessment. In recent years, efforts have focused on improving assessment accuracy, providing public information and education, and increasing access to assessment and sales

Figure 1

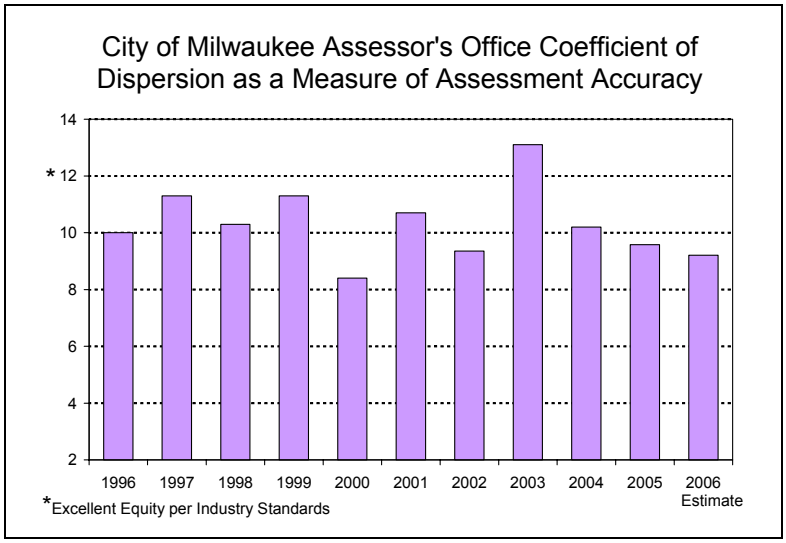
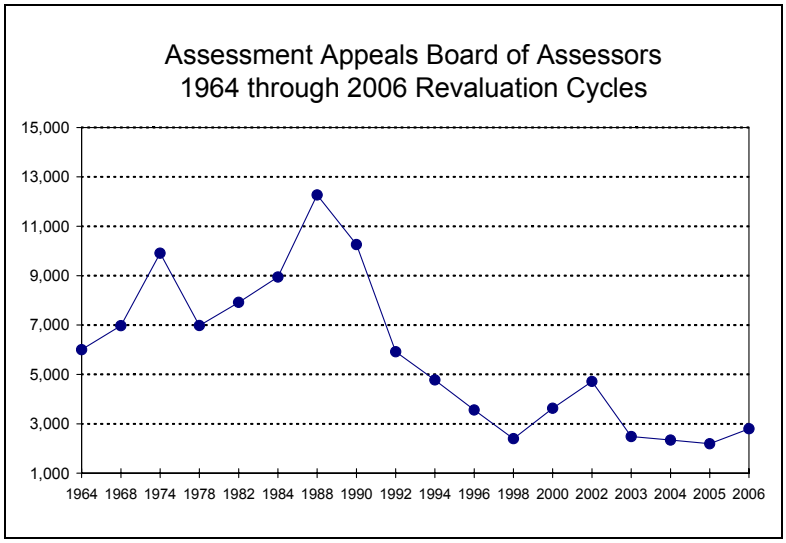


Figure 2



data to reduce the number of objections. These efforts resulted in an overall reduction in appeals between the 1988 and 2006 revaluations (see Figure 2).

In the City of Milwaukee, there are approximately 7,446 tax exempt properties with an estimated value of $5.5 billion, an increase in value of 203% since 2000. To protect the city's tax base, the Assessor's Office critically reviews all tax exemptions on an ongoing basis to ensure that all exempt properties continue to serve the public good and provide the services that rendered them tax exempt.

SERVICE CHANGES

There are no significant changes in service for 2007. The department will continue to make improvements to increase assessment efficiency and accuracy.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
2			Board of Review Member	Positions added as a part of CC File 051647.
-1	-1.00		Property Appraiser	Position changed to more clearly reflect duties.
1	1.00		Senior Property Appraiser	
-1	-1.00		Network Administrator	Position reclassified to more clearly reflect duties
1	1.00		Network Manager	
2	**0.00**	**0.00**	**Totals**	

CITY ATTORNEY

EXECUTIVE SUMMARY

MISSION: To provide legal services and meet clients' needs in accordance with the city charter and statutory requirements.

SERVICES: City of Milwaukee legal services.

STRATEGIC ISSUES: Monitor litigation and lawsuit liabilities and communicate areas of fiscal and management concerns.

Ability to remain vigilant in the provision of legal advice and liability risk management in light of shrinking resources citywide.

Ensure the delivery of competitive and high quality services by monitoring internal programs and outside contracts.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	57.56	58.40	58.40	58.40	0.00	0.00
FTEs - Other	2.50	3.50	3.70	3.70	0.20	0.00
Total Positions Authorized	62	64	64	64	0	0
EXPENDITURES						
Salaries and Wages	$4,819,072	$4,489,179	$4,623,391	$4,465,289	$-23,890	$-158,102
Fringe Benefits	1,931,328	1,885,455	1,941,824	1,875,421	-10,034	-66,403
Operating Expenditures	386,912	398,800	412,000	412,000	13,200	0
Equipment	53,653	60,000	45,000	45,000	-15,000	0
Special Funds	0	0	0	0	0	0
TOTAL	$7,190,965	$6,833,434	$7,022,215	$6,797,710	$-35,724	$-224,505
REVENUES						
Charges for Services	$862,425	$796,900	$861,600	$861,600	$64,700	$0
TOTAL	$862,425	$796,900	$861,600	$861,600	$64,700	$0

BACKGROUND

The City Attorney is a publicly elected official who serves a four year term. The City Attorney conducts all of the legal business for the city and its "clients" including departments, boards, commissions, and other agencies of city government. The City Attorney's Office handles litigation and maintains a docket of cases to which the city may be a party, provides legal advice and opinions, and prepares and examines legislation for the Common Council. In addition, the City Attorney is responsible for drafting all legal documents that are required in conducting the business of the city, in collecting claims and delinquencies, and in prosecuting violations of city ordinances.

Service 1

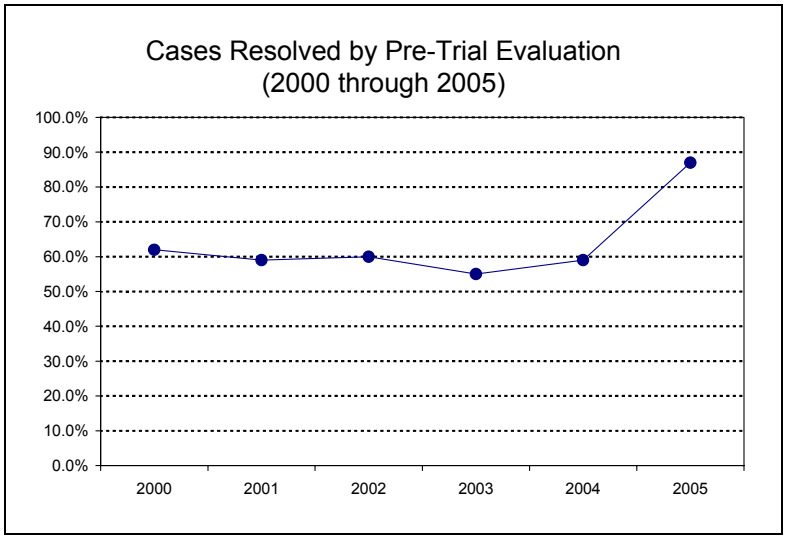
City Attorney Legal Services

Activities: Prepare and review corporate and general documents, special legal services, represent the city in litigation cases, collection enforcement, and ordinance violation prosecution.

		2005 Experience	2006 Budget	2007 Projection
Services:	Cases resolved by pre-trial evaluation.	87.0%	61.0%	80.0%
	Claims that result in lawsuits (reflects claims filed three years prior).	8.0%	5.0%	5.0%
Funding by Source:	Operating Funds	$7,190,965	$6,833,434	$6,797,710
	Grants and Reimbursables	207,117	308,274	460,249
	Special Purpose Accounts	4,064,544	4,300,000	6,265,000
	Capital Budget	71,529	0	250,000
	Totals	$11,534,155	$11,441,708	$13,772,959

SERVICE RESULTS

Figure 1



The primary objective of the City Attorney's Office is to protect the legal interests of the City of Milwaukee. The department has two indicators that measure achievement of this objective. The first is the percent of cases resolved by pre-trial evaluation. After a defendant has passed through intake, the City Attorney's Office tries to resolve the case without further court appearances. If cases can be resolved in this manner, court time can be used for more serious offenses. As shown in Figure 1, 2005 saw a dramatic increase to the cases resolved by pre-trial evaluation.

The second measure is the percent of claims filed three years prior that result in lawsuits. When claims between the city and claimant cannot be resolved they expose the city to increased liability and additional time spent in court. Therefore, it is in the best interests of the city to minimize the number of claims that proceed to litigation. However, claimants have three years after filing a claim to file a lawsuit. In 2005, 8% of all claims filed against the city resulted in a lawsuit, representing an increase in claims filed against the city from the 2004 level of 5%.

SERVICE CHANGES

Community Prosecution: Since 2005, the Community Prosecution Unit of the City Attorney's Office has teamed up with community agencies and other City of Milwaukee departments to abate nuisance properties and reduce known drug houses. Created to address the devastating effects of vacant, boarded up properties, the abatement initiative has rehabilitated or razed 54% of the properties referred.

Special Purpose Accounts: The City Attorney's Office utilizes various Special Purpose Accounts to manage the legal issues encountered by the City of Milwaukee. These funds support ordinance enforcement, payment of legal

claims and settlements, insuring the city against loss, expert witnesses, and receivership obligations. The 2007 proposed budget increases funding in the Damages and Claims Fund to deal with $4.5 million in liability exposure for the *Alexander* case. Funding decreases slightly in the Insurance Fund due to anticipated lower policy premiums.

Capital Projects: The eighth floor of City Hall is in need of an updated HVAC system and general remodeling. The restoration of City Hall and subsequent relocation of City Attorney staff to the Zeidler Municipal Building creates an opportunity to remodel the space without disrupting the legal activities of the office. In 2007, funding of $250,000 is provided for design and renovation planning activities.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES - NONE

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
		0.20	Various	Miscellaneous experience adjustment.
0	**0.00**	**0.20**	**Totals**	

DEPARTMENT OF CITY DEVELOPMENT

EXECUTIVE SUMMARY

MISSION: To improve the quality of life in Milwaukee by guiding and promoting development that creates jobs, builds wealth, and strengthens the urban environment.

SERVICES: Economic development.

Federally assisted housing.

Land use and policy planning.

STRATEGIC ISSUES: Orient economic development marketing to a regional approach.

Link city services to support neighborhood economic development.

Focus available department resources toward workforce development.

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	45.02	45.13	44.54	45.54	0.41	1.00
FTEs - Other	175.98	178.68	412.46	192.46	13.78	-220.00
Total Positions Authorized	238	261	254	255	-6	1
EXPENDITURES						
Salaries and Wages	$1,888,577	$2,238,818	$2,182,710	$2,221,658	$-17,160	$38,948
Fringe Benefits	787,356	940,303	916,737	933,095	-7,208	16,358
Operating Expenditures	331,169	271,634	271,634	271,634	0	0
Equipment	0	0	0	0	0	0
Special Funds	84,381	84,957	84,957	84,957	0	0
TOTAL	$3,091,483	$3,535,712	$3,456,038	$3,511,344	$-24,368	$55,306
REVENUES						
Charges for Services	$591,942	$513,700	$477,800	$477,800	$-35,900	$0
Licenses and Permits	854,112	658,900	657,300	657,300	-1,600	0
Miscellaneous	430,388	300,000	350,000	350,000	50,000	0
TOTAL	$1,876,442	$1,472,600	$1,485,100	$1,485,100	$12,500	$0

BACKGROUND

The Department of City Development (DCD) has a wide range of responsibilities in housing, planning, development, business assistance, and marketing. While these are diverse responsibilities, nearly every program and project in which DCD is involved requires cooperative efforts with citizens, businesses, and neighborhoods.

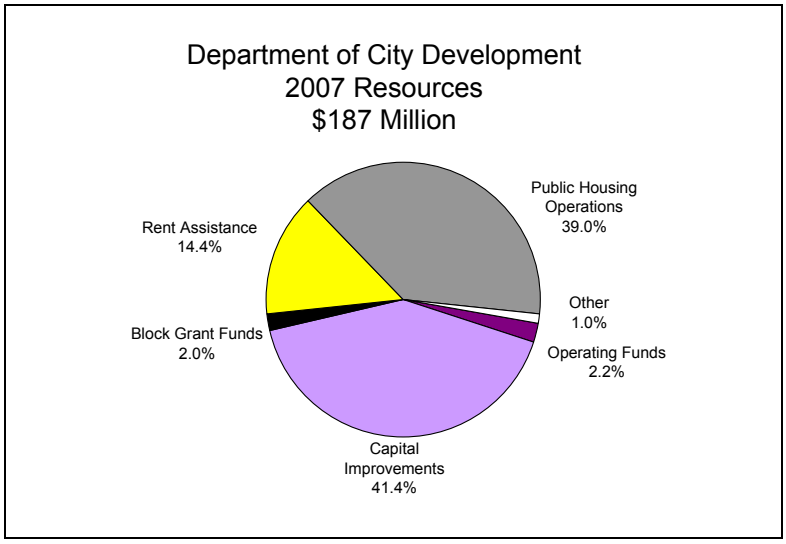
One aspect of DCD's active partnership is its provision of assistance to commissions, authorities, and citizen boards. DCD's activities include administration and support for the:

- Housing Authority of the City of Milwaukee;
- Redevelopment Authority of the City of Milwaukee;
- Milwaukee Economic Development Corporation; and the
- Neighborhood Improvement Development Corporation.

In addition, DCD provides advisory and other support to the:

- City Plan Commission;
- Historic Preservation Commission;
- Milwaukee Arts Board;
- Board of Zoning Appeals;
- Business Improvement Districts;
- Fourth of July Commission; and the
- Common Council Community and Economic Development Committee.

Figure 1



City funding to support the department's operating efforts represents only a small portion, approximately 2.3%, of the total resources it controls and uses to fulfill its mission (see Figure 1). This amount does not include approximately $77.8 million in capital funds, which represents 42.6% of DCD's resources. In addition to city resources, the department administers approximately $98 million from a variety of non-city funding sources, including federal block grant funds ($3.7 million), federal rent assistance funds ($27 million), federal public housing funds ($65.5 million), and other grants ($1.8 million). In total, DCD anticipates that it will receive and have responsibility for approximately $187 million in funding for 2007. DCD also oversees $689,800 in Special Purpose Accounts and $5.9 million in the Economic Development Fund used by the department and other organizations.

Service 1

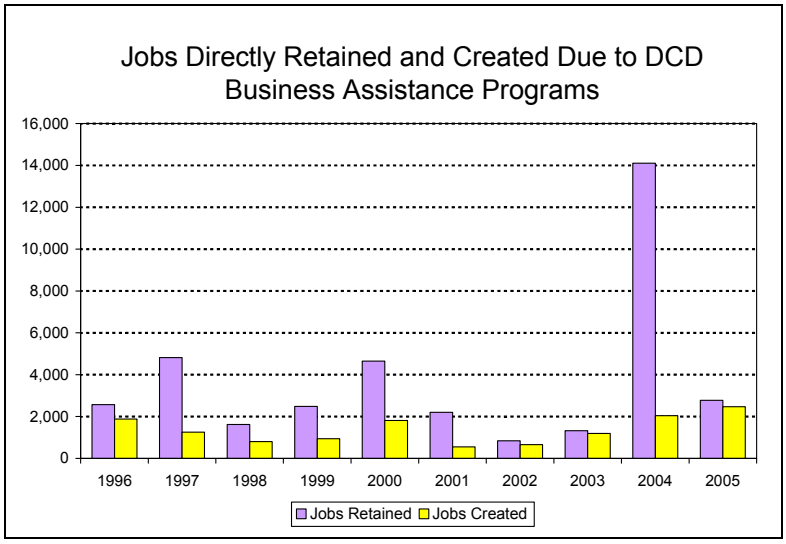
Economic Development

Activities: Administer Tax Incremental Financing Program, support private development investment, small business loans through the Milwaukee Economic Development Corporation, façade grants, retail investment grants, support to Business Improvement Districts, develop and market industrial corridors, home improvement and in-fill housing, development permitting and plan review, upgrade streets in neighborhood commercial districts, prepare and market sites for new development, support development of market rate housing, sell city owned real estate for development and brownfield redevelopment.

		2005 Experience	2006 Budget	2007 Projection
Services:	Private investment leveraged by public investment and assistance by DCD.	$6.00	$5.25	$6.00
	Jobs **created** by employers receiving city assistance and support.	2,466	2,000	500
	Jobs **retained** by employers receiving city assistance and support.	2,775	2,000	2,000
	New housing units constructed.	693	300	300
Funding by Source:	Operating Funds	$1,280,973	$2,582,514	$2,506,293
	Grants and Reimbursables	5,893,039	5,943,972	4,072,705
	Capital Budget	24,792,667	65,400,000	77,680,000
	Special Purpose Accounts	453,521	739,800	939,800
	Totals	$32,420,200	$74,666,286	$85,198,798

SERVICE RESULTS

Figure 2

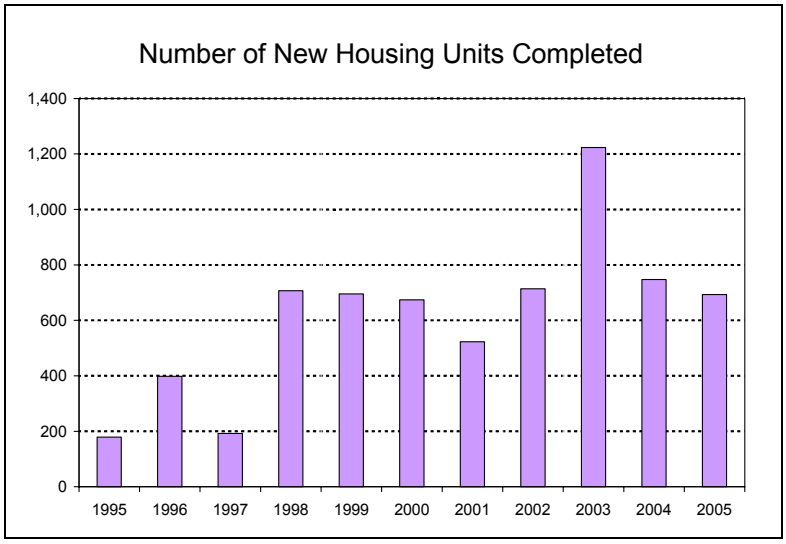


This service encourages the growth of employment opportunities for the citizens of Milwaukee and supports private investment that grows the city's tax base. The service utilizes four key approaches: 1) direct financial assistance to small businesses that helps clients take advantage of opportunities 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 under served 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 under utilized or vacant properties for eventual sale to private owners. The positive results of these actions are represented in the number of jobs that are created with city assistance, which has increased 352% since 2001 (see Figure 2).

While development investment decisions are largely governed by market forces, city government has the ability to encourage such investment by providing support in the form of efficient permitting processes, investment in

infrastructure and brownfield cleanup, marketing land owned by the city and Redevelopment Authority, acquiring property for assembly into buildable sites, and providing targeted financial assistance in areas where the private market is weak. In 2007, city activities will encourage private investment throughout Milwaukee, with an emphasis on the Park East corridor, central city residential neighborhoods and commercial corridors, riverfront property, underused industrial properties, and the Memonomee Valley. One of the ways DCD measures success is with the number of new housing units constructed, which has seen dramatic increases during the past decade (see Figure 3).

Figure 3



SERVICE CHANGES

Job Corps: In 2006, DCD assisted the U.S. Department of Labor to acquire a 25 acre site on Milwaukee's northwest side for construction of a Job Corps Training Facility. In 2007, DCD will continue to work closely with the Department of Labor to ensure a high quality campus design and a curricular focus that meets the workforce needs of Milwaukee employers. The Milwaukee Job Corps will provide career training for about 300 young people, create 75 permanent on-campus jobs, and infuse $10 million annually into the local economy.

Workforce Development: In 2007, the department will continue its commitment to developing a strong and well trained workforce. The department will work to include job training initiatives within Tax Incremental Districts and Development Fund projects where financially feasible and project appropriate.

Redevelopment of 440th Air Wing Facility: DCD staff will serve on the Local Redevelopment Authority planning the redevelopment of the decommissioned 440th Air Wing Facility, located adjacent to Mitchell International Airport.

Electronic Permitting System: The number and type of development permits available through the Internet will continue to expand in 2007. Introduced in January 2006, Milwaukee's ePermits system was used to issue 50% of all electrical permits by mid-year. Electrical permits are the city's highest volume permit type. Plumbing permits will be the next permit type to be issued over the Internet through ePermits.

Regional Economic Development: The Milwaukee Regional Economic Development Campaign will roll out two components that are key to employer retention and attraction: 1) a data rich web site designed to provide answers to questions of interest to site selectors, including labor availability and cost, real estate availability and cost, transportation assets, and quality of life in the seven counties of Southeast Wisconsin, and 2) an information center in downtown Milwaukee that will provide meeting space and data resources for companies evaluating a Southeast Wisconsin location.

Affordable Housing Initiative: In 2007, the city will provide $250,000 in funding for an affordable housing initiative in conjunction with Habitat for Humanity, and other public and private partners. This funding will allow the city and its partners to buy out existing Habitat for Humanity mortgages. The proceeds will fund the construction and renovation of additional units of affordable housing.

Youth Development Coordinator Position: In 2007, the city will create a Youth Development Coordinator position within DCD. This position will be responsible for operating and expanding city youth employment initiatives, including the city's Summer Youth Internship Program and recruitment of private employers to create jobs for city youth. The Coordinator will also maintain relationships with school counselors and college preparatory program coordinators and will also work with local colleges and universities to develop and expand college internship-for-credit programs within city government.

CAPITAL PROJECTS

Tax Increment Districts (TIDs): The 2007 proposed budget provides the following TID borrowing authority:

- **New Borrowing for Existing TIDs ($23.1 million):** This portion will fully fund all existing TID expenditure needs, although all of these funds may not be utilized in 2007.
- **New Borrowing for Potential New TIDs ($38.8 million):** This portion will provide funding authority for potential new TIDs that will be created in 2007. These TIDs will still undergo the existing approval process through the Joint Review Board, Mayor, and Common Council.
- **Developer Revenues ($4.2 million):** Provides budget authority to pay the increment on current developer financed TIDs. There are offsetting revenues for these payments.
- **Capitalized Interest ($6.8 million):** Provides budget authority to pay for interest costs associated with TID borrowing.
- **Potential New Developer Financed TIDs ($1.4 million):** This additional budget authority provides the city greater flexibility for dealing with developer financed TIDs. This authority allows the city to consider general obligation borrowing when analyzing potential and existing developer financed TIDs. These TIDs undergo the same approval process all TIDs experience.

Service 2

Federally Assisted Housing

Activities: Operate 5,200 units of public housing for low income residents, administer 5,800 Section 8 Vouchers for low income residents, implement HOPE VI Grants to re-engineer public housing developments and increase self-sufficiency of public housing residents through partnerships with service providers.

		2005 Experience	2006 Budget	2007 Projection
Services:	Achieve U.S. Department of Housing and Urban Development "high achiever" status.	Achieved	Achieved	Achieved
Funding by Source:	Capital Budget	$200,000	$0	$0
	Grants and Reimbursables	77,440,692	68,975,439	73,214,451
	Totals	$77,640,692	$68,975,439	$73,214,451

SERVICE RESULTS

This program provides quality housing for more than 10,000 low income households that pay 30% of their income for rent. The program has vigorously and successfully sought Federal HOPE VI funding to reinvent public housing developments by reconnecting them to surrounding neighborhoods and building onsite facilities such as public and charter schools and youth centers. Development projects currently underway include single family homes for homeownership and a "green" apartment building in the Highland Park development.

Recognized as a national pioneer in developing self-sufficiency opportunities for residents, Milwaukee's Public Housing staff and community partner agencies provide job placement and training, daycare, a homeownership program, and onsite family resource centers.

SERVICE CHANGES

Reduced Federal Funding: Federal funding for the public housing operating and capital funds will be reduced in 2007. This coupled with HUD's planned implementation of new regulations that require conversion to a system of site based funding and asset management, will present significant challenges for Milwaukee's public housing program in 2007.

The Housing Authority continues to seek other HUD grants and non-federal funding to upgrade and replace its public housing portfolio. Federal funding for the Section 8 Housing Choice Voucher Program will remain the same in 2007 at approximately $27 million, which will necessitate reduced levels of program activities.

Service 3

Land Use and Policy Planning

Activities: Prepare citywide Comprehensive Plan elements, prepare neighborhood land use and redevelopment plans to guide investment, administer Milwaukee's zoning ordinance, data analysis and policy development, design guidance for city assisted development and redevelopment, and staff support to City Plan Commission and Historic Preservation Commission.

		2005 Experience	2006 Budget	2007 Projection
Services:	Percent completion of Comprehensive Plans as required by state law.	30.0%	44.0%	40.0%
	Prepare neighborhood land use and redevelopment plans.	4	6	8
Funding by Source:	Operating Funds	$1,810,510	$953,198	$1,005,051
	Grants and Reimbursables	331,818	589,056	307,107
	Capital Budget	150,000	150,000	175,000
	Totals	$2,292,328	$1,692,254	$1,487,158

SERVICE RESULTS

Successful city planning activities guide private property owners as they make decisions about how to invest in their property. Guidance comes in the form of zoning ordinances, land use plans, urban design standards, and the historic preservation ordinance. DCD's administration of these regulations requires sensitivity to both the long range goal of appropriate physical development and the more immediate market realities to which the development community must react.

In order to comply with Wisconsin's Comprehensive Planning Law, which requires completion of a citywide Comprehensive Plan by January 1, 2010, DCD will devote resources to data gathering, analysis, and public outreach. These activities are the foundation of policy recommendations required to implement provisions of the law. Also, while not required by the state, the department has enriched the Comprehensive Planning effort by developing a series of neighborhood land use plans in partnership with a wide variety of community stakeholders.

SERVICE CHANGES

Housing Prototypes: The Planning Division, in cooperation with DCD's Real Estate Office, will develop a series of model single family home plans to assist buyers of vacant property purchased from the city and Redevelopment Authority. This expands a design initiative that thus far has produced the Preservation Portfolio, a set of house and garage designs appropriate for historic neighborhoods, and new home designs for Habitat for Humanity.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
1	1.00		Youth Development Coordinator	New position to coordinate city youth employment initiatives.
-1	-0.3		Economic Development Specialist	Funding changed to capital (TID).
1		0.3	Economic Development Specialist	
-1	-0.25		Real Estate Specialist I	
1		0.25	Real Estate Specialist I	
-1		-1.00	Planning Administration Manager	Elimination of vacant positions.
-1		-1.00	Office Assistant III	
-1		-1.00	Accountant II	
-1		-1.00	Program Assistant II	
-1		-1.00	Office Assistant IV	
-2		-2.00	Housing Manager II	Funding change to direct HACM.
-1		-1.00	Rent Assistance Coordinator	Position changed to more accurately reflect duties.
1		1.00	Administrative Specialist Senior	
-1	-0.29		Associate Planner	Funding change to capital (TID).
1		0.29	Associate Planner	
	0.25	19.94	Miscellaneous Adjustment	
-6	**0.41**	**13.78**	**Totals**	

NOTE: The budgets of the following agencies are not under control of the Common Council. This information portrays more fully the activities administered by the Department of City Development.

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE (HACM)

The Housing Authority of the City of Milwaukee is responsible for construction, management, and provision of safe, affordable, and quality housing with services that enhance residents' self-sufficiency. HACM is administered by a seven member board of commissioners. Members are appointed for staggered terms by the Mayor and confirmed by the Common Council.

HACM's principal funding source is the federal government through various programs administered by the Department of Housing and Urban Development (HUD). HUD provides an operating subsidy to make up the difference between the cost of managing public housing and the revenues received from 30% of resident's income. The Housing Authority anticipates additional reductions in future federal funding as Congress and the Administration move to adjust spending to meet federal budget caps. The Housing Authority is considering additional opportunities for funding available through the Quality Housing and Responsibility Act of 1998 and the Wisconsin State Statutes.

HACM activities include:

- Low rent public housing management
- Rent Assistance Program (Section 8)
- Housing development and rehabilitation
- Veterans' housing
- Homeownership and self-sufficiency services

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE (RACM)

The Redevelopment Authority is an independent corporation created by State Statute in 1958 and derives its powers solely from state law. The Redevelopment Authority's relationship with the City of Milwaukee is more particularly described in the audited financial statements of the Authority.

A board whose members are appointed by the Mayor and confirmed by the Common Council oversees the Redevelopment Authority. The Redevelopment Authority relies upon the Department of City Development for the professional, technical, and administrative support necessary to carry out its mission. This is accomplished through an annual cooperation agreement with the City of Milwaukee, with operating funds provided through the city's CDBG Program for:

- Management of financial affairs;
- Land use planning and urban design guidance;
- Real estate acquisition and disposition;
- Relocation assistance for displaced families and businesses;
- Property management and environmental investigation; and
- Housing and economic development project management.

The mission of the Redevelopment Authority is to eliminate blighting conditions that inhibit neighborhood reinvestment; foster and promote business expansion and job creation; and facilitate new business and housing development. Toward that end, the Redevelopment Authority:

- Prepares and implements comprehensive redevelopment plans;
- Assembles real estate for redevelopment;
- Is empowered to borrow money, issue bonds, and make loans; and
- Can condemn property (eminent domain) in furtherance of redevelopment objectives.

MILWAUKEE ECONOMIC DEVELOPMENT CORPORATION (MEDC)

The Milwaukee Economic Development Corporation is a non-stock, non-profit organization formed in 1971 to promote economic development for the benefit of the citizens of the City of Milwaukee. The principal objective of the corporation is to benefit the community by fostering the increase of employment opportunities and expansion of business and industry within the metropolitan Milwaukee area. The corporation uses its own funds to finance projects to achieve that objective. The corporation is exempt from federal and state income taxes under a provision of Section 501(c) (3) of the Internal Revenue Code.

An 18 member Board of Directors consisting of the Mayor, the Comptroller, the President of the Common Council, 2 council members, and 13 representatives of the business community oversee MEDC's activities. MEDC's board has delegated authority for policy actions to its Executive Committee that consists of the Mayor, the Comptroller, the President of the Common Council, one Council member, and six representatives of the business community.

Some services are provided to MEDC by the city through an agreement that is reviewed periodically. The city is reimbursed for any personnel and resources provided to the corporation under this agreement. MEDC uses its resources, as well as those of the Small Business Administration, to make financing available to businesses promising to create job opportunities and new investment in Milwaukee. The programs available through MEDC include:

- SBA 504 Debenture Program
- Second Mortgage Program
- Land Development Program
- Target Loan Program
- Partnership Loan Program
- Capital Access Program

NEIGHBORHOOD IMPROVEMENT DEVELOPMENT CORPORATION (NIDC)

The Neighborhood Improvement Development Corporation is a non-profit corporation established by the city in 1973 for the purpose of performing activities that assist and encourage reinvestment in residential property as part of an overall neighborhood economic stabilization strategy. NIDC programs encourage investments by private lending institutions and property owners by providing financial assistance in the form of grants, rehabilitation loans, and interest subsidy payments on conventional loans. NIDC also acts as a developer to stabilize and encourage neighborhood housing markets, it also provides technical assistance, and serves as a liaison between community-based organizations, city departments, area businesses, and associations.

NIDC is headed by a nine member board of directors, which includes at least four city residents. Board members serve for a period of three years, with one-third of the terms expiring each year. Federal funding supports many NIDC programs (received through the Community Development Block Grant Program).

NIDC will continue to work within the housing strategy guidelines to increase and target new housing production and to work with all ten TIN program areas. In cooperation with city departments and other neighborhood stakeholders, NIDC will maximize and utilize all available resources to revitalize and target neighborhoods.

Partnering with the Wisconsin Housing and Economic Development Authority (WHEDA), DCD, lenders, realists, and counseling agencies, NIDC encourages new homeownership on vacant parcels of land owned by the City of Milwaukee.

COMMON COUNCIL CITY CLERK

EXECUTIVE SUMMARY

MISSION: To establish city policy and law, oversee the administration of city government, adopt an annual budget, ensure the delivery of services to constituents, and provide public information about city government.

SERVICES: Council administration, including legislative and research support, constituent services, and public information.

STRATEGIC ISSUES: Monitor and implement changes in the regulation of cable television services.

Streamline licensing operations while implementing a new license information system and improving customer service with the use of internet transactions.

Use technology to reduce costs while improving productivity and efficiency of legislative and constituent services.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	91.90	92.90	94.15	94.15	1.25	0.00
FTEs - Other	1.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	102	102	110	110	8	0
EXPENDITURES						
Salaries and Wages	$4,908,692	$4,888,834	$4,942,237	$4,942,237	$53,403	$0
Fringe Benefits	2,070,534	2,053,310	2,075,740	2,075,740	22,430	0
Operating Expenditures	760,121	768,050	936,322	849,000	80,950	-87,322
Equipment	50,515	29,950	84,250	82,050	52,100	-2,200
Special Funds	155,699	89,035	167,035	124,035	35,000	-43,000
TOTAL	$7,945,561	$7,829,179	$8,205,584	$8,073,062	$243,883	$-132,522
REVENUES						
Charges for Services	$3,691,773	$3,687,800	$3,801,900	$3,801,900	$114,100	$0
Licenses and Permits	1,940,068	1,836,022	1,909,000	1,909,000	72,978	0
TOTAL	$5,631,841	$5,523,822	$5,710,900	$5,710,900	$187,078	$0

BACKGROUND

The Common Council City Clerk's Office constitutes the legislative branch of city government. The 15 members represent geographically distinct districts (see Map 1) and are elected to serve four year terms, the most recent of which began April 20, 2004. The City Clerk's Office supports the activities of the Council and general operations of city government. It is comprised of the Central Administration Division, the Public Information Division, the Legislative Reference Bureau, and the License Division.

Central Administration staff provides general administrative support functions for the department, staffs Council and committee meetings, and assists Council members in their work with constituents. The Public Information

Division produces public relations material and operates the city's cable television channel. Legislative Reference Bureau staff author and analyze legislative initiatives; review and make recommendations on fiscal matters; and maintain a library of books, reports, periodicals, newspapers, and online databases. The License Division administers the liquor, cigarette, bartender, home improvement and public passenger vehicle licenses, and registers lobbyists. The Common Council City Clerk's 2007 proposed operating budget totals $8.1 million.

Service 1

Council Administration

Activities: Legislative and research support, constituent services, public information, licensing, public relations, and television programming.

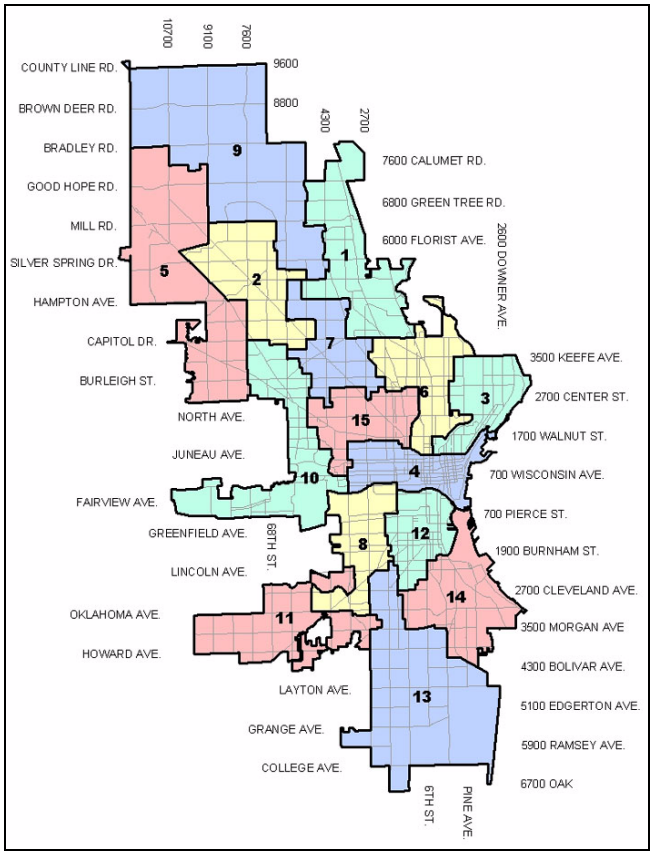
		2005 Experience	2006 Budget	2007 Projection
Funding by Source:	Operating Funds	$7,945,561	$7,829,179	$8,076,062
	Grants and Reimbursables	44,053	0	0
	Special Purpose Accounts	402,678	427,546	443,355
	Capital Budget	0	175,000	525,000
	Totals	$8,392,292	$8,431,725	$9,044,417

SERVICE CHANGES

License Information System: The 2007 proposed budget provides $525,000 in capital project funding for the replacement of the current mainframe based License Information System. In 2006, work began on a business requirements and workflow process study. The study includes a review of city departments' utilization and roles in the License Division application process and other aspects of license administration. The study also includes recommended changes to streamline the city's licensing structure and the process used to apply for, process, and administer licenses. Based on the study's findings, work will begin on the replacement of the License System in 2007 and is expected to be completed in 2008. Total costs for the project will be approximately $700,000, which includes $175,000 in capital funding from 2006.

Operating Expenditures Increase: The 2007 proposed budget increases funding by $80,950 for the City Clerk's Operating Expenditures Account. This amount reflects increased mailing, printing, and supply costs.

Map 1



DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
15	3.75		Legislative Services Aide	Reclassifications part of CC File 051158.
-6	1.50		Legislative Services Aide	
-1	-1.00		License Specialist	
1	1.00		Customer Service Representative II	
-1	-1.00		Lead Staff Assistant	
1	1.00		Staff Assistant	
-1	-1.00		Graphics Designer I	Reclassification part of CC File 051546.
1	1.00		Graphics Designer II	
-1	-1.00		Office Assistant III	Elimination of vacant position.
1	1.00		Accounting Assistant II	Consolidation of duties.
-1	-1.00		Communications Assistant I	
	-3.00		Miscellaneous Adjustment	
8	**1.25**	**0.00**	**Totals**	

COMPTROLLER

EXECUTIVE SUMMARY

MISSION: To fulfill the responsibilities of the independently elected Comptroller of the City of Milwaukee.

SERVICES: Independent fiscal, financial and program analysis, revenue estimation, and auditing.

Process, maintain and report on financial position, operating results and cash flow projections to ensure accurate, efficient, and reliable financial operations.

Maintain bond rating and issue debt in compliance with applicable regulations.

STRATEGIC ISSUES: Create efficiencies to improve the city's financial system and processes.

Maintain the city as a high quality credit while managing debt in a manner that supports improvements to the overall fiscal environment.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	60.85	52.24	51.24	50.24	-2.00	-1.00
FTEs - Other	9.14	9.26	9.26	9.26	0.00	0.00
Total Positions Authorized	68	67	67	66	-1	-1
EXPENDITURES						
Salaries and Wages	$3,131,294	$3,287,832	$3,284,204	$3,241,175	$-46,657	$-43,029
Fringe Benefits	1,348,224	1,380,889	1,379,366	1,361,354	-19,535	-18,012
Operating Expenditures	1,056,230	1,724,383	939,750	939,750	-784,633	0
Equipment	27,059	30,000	30,000	30,000	0	0
Special Funds	5,800	5,000	6,000	6,000	1,000	0
TOTAL	$5,568,607	$6,428,104	$5,639,320	$5,578,279	$-849,825	$-61,041
REVENUES						
Charges for Services	$587,526	$1,180,000	$545,000	$545,000	$-635,000	$0
TOTAL	$587,526	$1,180,000	$545,000	$545,000	$-635,000	$0

BACKGROUND

The City of Milwaukee Comptroller is an elected official, whose duties include general and grant accounting, payroll, debt issuance and management, and auditing. The Comptroller also provides general oversight of city activities to ensure compliance with Generally Accepted Accounting Principles (GAAP) and various other regulations imposed by city ordinance, state law, or grant contract.

The Comptroller advises city policymakers on financial matters and provides leadership and representation on city sponsored committees including the Common Council's Finance and Personnel Committee. The Comptroller also holds positions on the Wisconsin Center District Board, Charter School Review Committee, Pension Board, Pabst

Theater Board, City Information Management Committee, Milwaukee Economic Development Committee (MEDC), Neighborhood Improvement Development Corporation (NIDC), Summerfest, Purchasing Appeals Board, and the Deferred Compensation Board.

The Public Debt Commission is the superintendent of the issuance of city debt. Responsibility extends to determining the timing, structuring, call provisions, and similar aspects of both city general obligation and revenue anticipation borrowings. The Commission is also charged with oversight of the Public Debt Amortization Fund, which includes investment and the annual withdrawal.

The Commission is comprised of three city residents appointed by the Mayor and confirmed by the Common Council. The Comptroller serves as the ex-officio secretary and staff to the Commission.

Service 1

Independent fiscal, financial and program analysis, and estimation of revenue, auditing and financial analysis.

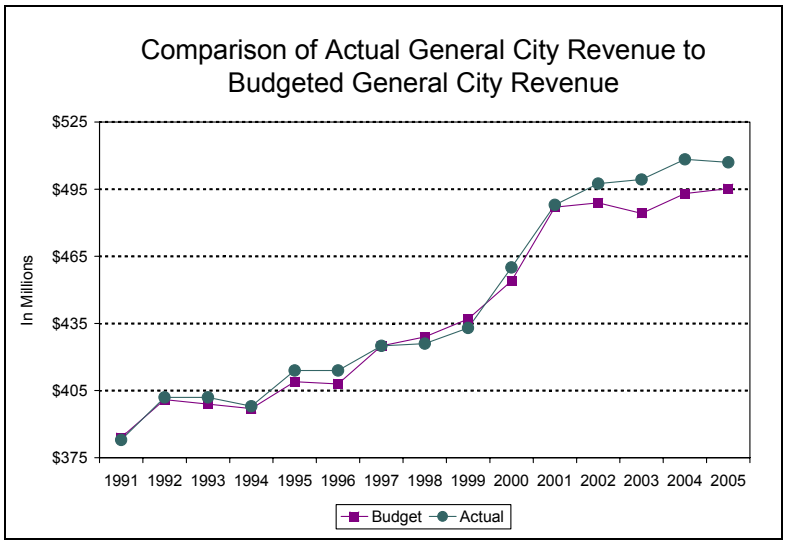
Activities: Financial services, revenue estimation, auditing and accounting.

		2005 Experience	2006 Budget	2007 Projection
Services:	Accuracy of revenue estimates.	102.0%	100.0%	100.0%
	Completed audit reports.	10	10	10
Funding by Source:	Operating Funds	$1,252,248	$1,330,618	$1,317,386
	Totals	$1,252,248	$1,330,618	$1,317,386

SERVICE RESULTS

The Comptroller's Office performance is measured by the accuracy of the city's budgeted revenue estimates. As shown in Figure 1, with the exception of 1998, 2003, and 2004, the Comptroller has estimated revenues within 2% of actual revenues received in each of the last ten years. These conservative, accurate revenue estimates help the city avoid deficits and the deferral of this year's costs to next year's tax levy. For 2005, actual revenues exceeded the Comptroller's budgeted revenue estimates by $12 million with actual revenues totaling 102% of the estimates[1].

Figure 1



A second measure of performance is the Comptroller's audit activity. During 2005, the Comptroller's Office produced ten audits. Copies of major audit reports are provided on the Comptroller's web page.

[1]This comparison of actual to budgeted revenues is made after eliminating revenues budgeted with an equal, offsetting expenditure amount.

SERVICE CHANGES

The department has no service changes for 2007 but will continue to improve its estimates of revenue and produce audits that improve city services.

Service 2

Process, maintain, and report on financial position, operating results and cash flow projections, and ensure accurate, efficient, and reliable financial operations.

Activities: General accounting, payroll administration, oversight of financial assistance, coordination of financial operations and systems, and financial reporting.

		2005 Experience	2006 Budget	2007 Projection
Services:	Unqualified audit opinion by the city's outside auditor.	Yes	Yes	Yes
Funding by Source:	Operating Funds	$3,601,186	$3,522,601	$3,606,893
	Grants and Reimbursables	556,602	515,769	521,170
	Totals	$4,157,788	$4,038,370	$4,128,063

SERVICE RESULTS

The official accounting records of the city play an important role in its operations. Without reliable information on accounts payable, accounts receivable, and payroll the city could not meet its obligations, bills would go unpaid, city employees would not receive paychecks, and important services could not be provided.

Reliable accounting records help the city determine its present financial position. They also serve to guide its future direction. Timely, reliable, and accurate accounting records are essential to the delivery of important public services such as garbage collection and public health services. Systematic audits of the accounting system warrants against failures in important information by ensuring that accurate accounting records are being kept.

SERVICE CHANGES

Although there are no specific service changes in 2007, revisions in accounting processes and procedures have occurred in recent years. Outside auditing firms that review the year end city accounting books have increased their scrutiny of these books thus assuring greater accuracy of the numbers and processes that are followed. The department will respond to changes as they occur.

Service 3

Maintain bond rating and effective issuance of debt in compliance with applicable regulations.

Activities: Public debt management, preparation and sale of city debt and financial services.

		2005 Experience	2006 Budget	2007 Projection
Services:	Bond Rating (Fitch).	AA+	AA+	AA+
Funding by Source:	Operating Funds	$715,173	$1,574,885	$654,000
	Totals	$715,173	$1,574,885	$654,000

SERVICE RESULTS

Retaining the city's high "investment grade" bond ratings continues to be of prime importance and serves to keep low borrowing interest costs. The low cost of any required 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, Aa2 from Moody's, and AA from Standard & Poor's.

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 very 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.

In 2006, the Public Debt Amortization Fund will be used to prepay debt due the following year. This will have the effect of lowering the levy portion of the debt budget for 2007.

SERVICE CHANGES

There are no specific service changes in 2007.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	-1.00		City Payroll Assistant Senior	Productivity improvement.
	-1.00		Miscellaneous	Experience adjustment.
-1	**-2.00**	**0.00**	**Totals**	

ELECTION COMMISSION

EXECUTIVE SUMMARY

MISSION: To conduct elections that build public trust in the democratic process and to encourage registration and voting by eligible residents through media advertising, canvassing, and other special events.

SERVICES: Conduct fair and efficient elections.

STRATEGIC ISSUES: Encourage Online Campaign Finance Reporting by candidates' campaign organizations and Political Action Committees.

Implement provisions of the Federal Help America Vote Act of 2002 including statewide registration, Election Inspector ongoing training, and access improvements for the physically challenged.

Implement recommendations of the City of Milwaukee Election Task Force and work with State Legislators and the Governor for passage of State Statute provisions to assist Milwaukee in conducting fair and efficient elections.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	14.76	19.16	12.11	11.02	-8.14	-1.09
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	70	110	66	36	-74	-30
EXPENDITURES						
Salaries and Wages	$601,610	$602,775	$499,822	$490,196	$-112,579	$-9,626
Fringe Benefits	264,608	138,462	141,654	205,882	67,420	64,228
Operating Expenditures	401,587	1,056,000	531,800	552,800	-503,200	21,000
Equipment	0	18,000	0	55,000	37,000	55,000
TOTAL	$1,267,805	$1,815,237	$1,173,276	$1,303,878	$-511,359	$130,602

BACKGROUND

The Election Commission staff manages all aspects of public elections in the City of Milwaukee. In addition to registering potential voters in Milwaukee, this department also establishes more than 200 polling locations with appropriate workers, supplies, and ballots on election days. The Commission administers the statutory obligations for elected officials and potential candidates for citywide offices including the nomination process and campaign finance reporting. Two elections are usually held during odd numbered years and four generally occur in even numbered years. In 2007, the Election Commission will hold two elections; the spring 2007 primary and general elections for state and local offices.

The Election Commission staff is comprised of three board members, one Executive Director, an Election Services Manager, and five full time staff members whose responsibilities cover the administration of absentee voting, voter

registration, voting machine maintenance, election day poll worker assignments, and general office management. During the election season, up to 1,600 additional temporary poll workers are hired to staff the polling locations, register voters on site at the polls, respond to calls from voters, and process absentee ballots.

Service 1

Elections				
Activities:	Conduct elections that build public trust in the democratic process and encourage registration and voting by eligible residents through media advertising, canvassing, and other special events.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Services:	Percentage of eligible persons who are registered to vote.	82.0%	85.0%	85.0%
	Percentage of registered voters who voted.	15.0%	30.0%	17.0%
	Percentage of polling places with election day voting machine problems.	3.5%	3.0%	2.0%
Funding by Source:	Operating Funds	$1,267,805	$1,815,237	$1,303,878
	Totals	$1,267,805	$1,815,237	$1,303,878

SERVICE RESULTS

The November 2004 election presented a number of unforeseen challenges including a record absentee ballot turnout, particularly "early voting", and large volumes of new registrants. Problems discovered during that election were the focus of the City of Milwaukee Election Commission Task Force and the State Elections Board. Progress on resolving 2004 difficulties continues, but has been strong due to better processing of voter records and the implementation of the Statewide Voter Registration database.

The Election Commission website includes voter eligibility requirements, registration instructions, and an interactive polling location feature. Potential voters are able to find their polling location simply by entering their street address. This feature lists their aldermanic district, ward and also their municipal, county, state, and federal elected officials. Residents may access this information at their convenience. This also makes the Commission's staff more efficient by reducing the number of routine information requests received by telephone or in person.

SERVICE CHANGES

Help America Vote Act: The Help America Vote Act of 2002 (HAVA) required that a statewide registration list be effective in 2006. The Election Commission worked closely with the State of Wisconsin Elections Board to implement this requirement through the Statewide Voter Registration System (SVRS). This system went live over the summer of 2006 with City of Milwaukee voter records. SVRS will serve all Wisconsin municipalities and helps the state address the Help America Vote Act (HAVA) and other legislative requirements.

SVRS is a comprehensive tool that municipalities and counties can use to manage and administer their voter records and election events. The tool provides many advanced capabilities and will facilitate and standardize the election process across Wisconsin. The Statewide Voter Registration System is an integrated information system that creates one, consolidated voter list for Wisconsin. When fully implemented, it will be a comprehensive solution that collects and manages voter registration, absentee ballot requests, poll lists, voting jurisdictions/districts, and other information needed to administer elections.

The Help America Vote Act also requires greater accessibility for people with physical challenges. A voter must be able to independently access the polling place and make their vote in complete privacy. The Election Commission has worked closely with the State Elections Board to comply with this requirement. An in-depth survey of polling places was conducted with community partners to determine accessibility. In 2006, the City of Milwaukee also purchased and installed, using federal funding, accessible voting machines for each polling location.

Absentee Ballot Tabulator: During high voter turnout elections, such as the 2004 fall election, there were significant problems experienced in managing the timely processing of absentee voter's ballots. Prior to July 2006, Wisconsin election law required the physical processing of absentee voter's ballots at the voter's polling sites. The number of absentee ballots to be processed in an election ranges from 7,000 to 20,000, depending on voter interest in the election. The City of Milwaukee advocated heavily for a change in state law that would allow for the processing of absentee ballots at a central location.

The Wisconsin Legislature responded to this request and enacted this change with an effective date of July 2006. However, current city voting machine tabulators are not designed to simultaneously process ballots from all of the city's 314 wards. In order to implement this legislation, the 2007 proposed budget includes funding of $55,000 for an Absentee Ballot Tabulator. This tabulator is specifically designed to accept ballots and track election results for over 1,000 wards.

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-72	-7.92		Temporary Office Assistant II	Decrease due to biennial election cycle (two Elections citywide in 2007).
-2	-0.22		Temporary Election Laborer	
-74	**-8.14**	**0.00**	**Totals**	

DEPARTMENT OF EMPLOYEE RELATIONS

EXECUTIVE SUMMARY

MISSION: To maintain a productive, diverse workforce that is well trained, motivated, adequately compensated, prepared to protect the lives and property of the citizens of Milwaukee, and fully attuned to efficient and effective customer service delivery.

SERVICES: Employee Relations including labor contract negotiations and grievance administration, diversity outreach and complaint investigations, and employee training and development.

Compensation and Employee Benefits Administration, including health and dental benefits, disability insurance, and unemployment compensation.

Staffing including recruitment, examination, and certification of eligible employees.

Worker's Compensation and Safety.

STRATEGIC ISSUES: Increasing workplace safety awareness, training and accountability.

Automating Worker's Compensation claims management functions, streamlining claims processes, and improving claims data for increased departmental accountability.

Establishing uniformity in the interpretation and application of civil service rules for general city and protective service departments.

Automating unemployment insurance processes and increasing data access for policy decisions.

Restructuring compensation policies and practices for an employee management pay plan.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	64.87	59.05	58.36	53.86	-5.19	-4.50
FTEs - Other	7.60	7.60	22.60	7.60	0.00	-15.00
Total Positions Authorized	98	93	92	83	-10	-9
EXPENDITURES						
Salaries and Wages	$3,668,671	$3,484,277	$3,503,385	$3,219,593	$-264,684	$-283,792
Fringe Benefits	1,529,671	1,463,396	1,471,422	1,352,229	-111,167	-119,193
Operating Expenditures	348,679	396,502	372,296	350,581	-45,921	-21,715
Equipment	3,370	21,600	3,000	3,000	-18,600	0
Special Funds	95,556	237,619	112,619	112,619	-125,000	0
TOTAL	$5,645,947	$5,603,394	$5,462,722	$5,038,022	$-565,372	$-424,700
REVENUES						
Charges for Services	$189,489	$210,000	$237,000	$237,000	$27,000	$0
TOTAL	$189,489	$210,000	$237,000	$237,000	$27,000	$0

BACKGROUND

The Department of Employee Relations (DER) provides human resources support to city agencies and the Milwaukee Public Schools with the goals of attracting, retaining, and motivating a competent and diverse workforce. DER must meet these goals while complying with State and Federal Employment Laws, civil service rules, and applicable collective bargaining agreements. It does this through its four services: Employee Relations, Compensation and Employee Benefits, Staffing, and Worker's Compensation/Safety.

DER staffs the City Service Commission, a civilian body that ensures that all human resource activities are done in compliance with civil service rules and applicable state statutes.

Service 1

Employee Relations

Activities: Labor relations including grievance administration, labor contract negotiation, diversity outreach and claims investigation, and employee training and development.

		2005 Experience	2006 Budget	2007 Projection
Services:	Number of applications processed.	9,090	8,000	9,100
	Number of positions filled from eligible lists.	421	360	350
	Percentage of grievances closed and settled prior to arbitration.	60.0%	50.0%	70.0%
Funding by Source:	Operating Funds	$2,278,475	$2,074,324	$1,099,300
	Grants and Reimbursables	137,519	150,000	207,886
	Special Purpose Accounts	727,629	790,000	780,000
	Totals	$3,143,623	$3,014,324	$2,087,186

SERVICE RESULTS

The Employee Relations service entails a variety of activities that provide the city with productive and well trained employees and support positive labor/management relations. In 2006, DER has continued to assess training needs of managerial and supervisory personnel in the areas of safety, basic supervision, workplace investigations, and others. Training on performance management standards and other employment updates is planned for 2007. In 2006, DER started collecting data from separated employees via an Exit Interview Questionnaire. Separated employees are providing information that will be used by DER to identify intervention strategies and training to address communication, training, supervision, and morale challenges.

SERVICE CHANGES

Fire and Police Commission Best Practices Review: The Mayor's Office commissioned the Police Assessment Resource Center (PARC) to recommend improvements to the Fire and Police Commission and a formal study was completed in June 2006. Using the PARC recommendations as a foundation for improving the visibility and effectiveness of the Fire and Police Commission, the city determined that the Commission should separate from DER and become a single functioning department. As a result, there will be a number of operational and staff changes within DER as the new Fire and Police Commission is established. For more information, please see the *Fire and Police Commission* section in the *2007 Proposed Plan and Executive Budget Summary*.

Policy Review: In 2007, DER will review citywide policies on harassment, retaliation, the Family and Medical Leave Act, and the communication and enforcement of the city's residency rule. Recent court cases have changed the way various employment related laws are interpreted, making it necessary for DER to evaluate and update related city policies as well as provide training and outreach to managers and supervisors.

Position Changes: As a result of the Fire and Police Commission study, the Fire and Police Commission Executive Director, an Administrative Assistant III, a Research Services Specialist and a Research Analyst Senior will transfer from DER to the newly formed Commission. The five Fire and Police Commissioner positions will also be transferred from DER to the new Commission. Due to the restructuring of the Fire and Police Commission and changes in staff work load, a Diversity Specialist Senior position will also be eliminated from DER.

Service 2

Compensation and Employee Benefits

Activities: Health benefits, dental benefits, flexible spending accounts, job classification, pay administration, unemployment compensation, long term disability insurance, and Commuter Value Pass Program.

		2005 Experience	2006 Budget	2007 Projection
Services:	Increase in active employee health costs.	14.0%	7.0%	2.0%
	Percentage of total health care costs paid by active employees.	15.0%	15.0%	10.0%
Funding by Source:	Operating Funds	$628,864	$617,215	$1,034,625
	Special Purpose Accounts	98,019,315	104,847,000	108,519,000
	Totals	$98,648,179	$105,464,215	$109,553,625

SERVICE RESULTS

The Employee Benefits service ensures that eligible city employees and retirees receive the health care they need. In 2006, 11,166 employees and retirees participated in the city's health care plans. The city strives to provide good benefits to its employees while containing the growth in these costs. This is a particular challenge in this region of the country, as the cost of health care in Southeastern Wisconsin is well above the national average. Since 2000, employee health care benefits have increased over $52 million or 98%. These increases are the result of general growth in costs in the region's health care industry and the city's plan design. For 2007, the employee health care budget will increase by only 3.3% from the 2006 budget as a result of changes to the Basic Plan.

For further discussion, please see the *Special Purpose Account Employee Health Care Benefits* section in the *2007 Proposed Plan and Executive Budget Summary*.

SERVICE CHANGES

Health Care Cost Containment Plans: In 2006, the city contracted with a Third Party Administrator (TPA) and a new Prescription Benefit Manager (PBM) to help the city limit escalating costs with the Basic Plan. The cost savings from both of these contracts have exceeded expectations.

Incentives for Employees: The city is also exploring the possibility of providing incentives to employees who actively participate in wellness and disease management programs. The incentives would lower employee costs for those individuals who commit to making positive health changes such as quitting smoking, exercising daily, and participating in and following the recommendations of, a comprehensive Health Risk Analysis.

Management Pay Plan: DER strives to retain a highly qualified and motivated workforce. Pay practices within the Management Pay Plan have been reviewed and compared to other public and private sector organizations. This review has resulted in a desire to revise the pay philosophy currently in place for management employees. The new Pay Plan will strive to establish a compensation system that is more compatible with the private sector in that it should be flexible enough to attract and retain qualified talent, equitable in terms of providing incentive for superior performance, and efficient in addressing pay compression and labor market considerations. It is anticipated that if approved in 2008 the new plan will recognize and compensate employees based on their skills and contributions, require all departments to utilize a performance management system, increase recruitment flexibility, create a more efficient classification structure, and better address pay inequities.

Service 3

Staffing				
Activities:	Recruitment, examinations, certification of eligible applicants, and outplacement services.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Services:	Number of terminations during probationary period.	24	15	21
	Percentage of candidates referred who were minorities.	58.0%	45.0%	54.0%
	Percentage of candidates referred who were women.	74.0%	60.0%	72.0%
Funding by Source:	Operating Funds	$1,288,894	$1,401,150	$1,404,374
	Grants and Reimbursables	0	290,534	0
	Totals	$1,288,894	$1,691,684	$1,404,374

SERVICE RESULTS

The Staffing service recruits qualified candidates to fill vacant positions in the city consistent with civil service regulations. This involves recruitment activities, processing employment applications, test design and test administration, and certifying lists of eligibles, and making referrals to city departments for final selection. In 2005, the department processed 9,090 applications for 1,788 position openings. To address this workload with reduced staff, DER has been maximizing the use of existing eligible lists to fill similar position openings, rather than certifying a new list of eligible candidates for each new position opening. The department also encourages departments to promote from within the organization, which streamlines the recruitment process and improves employee morale.

SERVICE CHANGES

Police Officer and Fire Fighter Class Recruitment: In 2007, DER will recruit and hire two Police Officer Recruit Classes, but does not anticipate scheduling a Fire Fighter Recruit Class test due to the abundance of names on the current eligible list.

Police Officer Hiring Practices: Recent high profile events have highlighted some potential problems with current police hiring practices. In 2007, DER will explore the possibility of hiring a consultant to conduct a job analysis of the Police Officer classification and determine if any changes need to be made to the selection process including the background investigation process and other pre-employment requirements.

Service 4

Worker's Compensation				
Activities:	Administration, data analysis, and departmental safety monitoring.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Services:	Number of worker's compensation claims (receipts).	4,445	2,900	4,500
	Average cost per claim.	$2,309	$3,711	$2,562
Funding by Source:	Operating Funds	$1,449,714	$1,510,705	$1,499,723
	Capital Budget	0	0	400,000
	Special Purpose Accounts	9,711,361	10,810,970	11,555,000
	Totals	$11,161,075	$12,321,675	$13,454,723

SERVICE RESULTS

City employees who are injured on the job are entitled to worker's compensation payments in accordance with state and federal law. The City of Milwaukee self-insures itself to pay worker's compensation claims. The department processes claims and generates reports per state regulations and requirements. DER has two measures of the worker's compensation environment. The first is the "number of recordable injuries to city employees" and second the "average cost per successful claim". However, DER's focus has been on processing claims and complying with state reporting laws rather than identifying causes of injuries and reducing workplace accidents. It is currently the responsibility of individual departments to create a safe environment and properly train and supervise employees. For more information, please see the *Special Purpose Account Worker's Compensation* section in the *2007 Proposed Plan and Executive Budget Summary*.

SERVICE CHANGES

Workplace Safety Coordination: Prior to 2005, DER processed worker's compensation claims as they arrived and was not adequately staffed to focus on accident prevention and improving worker safety. In the early 1990's, safety personnel were moved to individual city departments where they could more closely supervise workplace safety conditions. While some departments have had success in reducing injuries, others such as the Police and Fire Departments as well as the Department of Public Works have experienced an increase in injuries. The number of recordable injury cases increased 2.9% from 2004 to 2005.

DER continues to take a more proactive role in workplace safety. In 2005 DER, through the work of the city's Central Safety Committee, engaged in a number of safety initiatives to raise safety awareness through training and data gathering and reporting. In 2007, DER will hold departments accountable for workplace safety through the Mayor's new Accountability in Management process whereby departments will review injury data and prevention strategies with DER on a timely basis.

In addition, DER is implementing a three pronged strategy to increase workplace safety that includes increased communication, injury prevention, and data assessment. Better communication and training will be offered through a quarterly online newsletter that will focus on central safety committee news, safety training information, worker's compensation, and accident prevention. In addition, the newsletter will publish departmental accident statistics and provide updates on recent safety law changes. An increased emphasis on injury prevention will result from the implementation of an injury review process. The Department of Public Works has implemented this initiative in 2006 and it is anticipated that it will also be implemented by both the Fire and Police Departments. Under the injury review process, a committee composed of management and labor representatives works with

employees who have a history of reoccurring injuries to prevent future incidents by identifying the cause and reason for the injury and documenting and implementing required actions to address those concerns. Lastly, a work site safety survey will be implemented online for each department to complete. Once the data is collected, departments will be able to access the site and obtain data that may be used for the development of departmental safety plans. Departments will also be able to utilize the data to identify workplace hazards and analyze workplace safety.

New Information Technology System: The Worker's Compensation Section currently uses an outdated and inefficient computer system that requires redundant data entry and has limited reporting capabilities. A modern system is needed to increase the efficiency of Worker's Compensation operations and improve workplace injury information to reduce costly claims. DER is in the process of submitting a request for proposals for a new claims processing and risk management system to be implemented in 2007. The new system will provide more efficient claims processing with improved capabilities to track and manage claims and better identify fraud.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
1	1.00		Management Services Adjuster	Reclassified to a different pay grade.
-1	-1.00		Management Services Adjuster	
1	1.00		Labor Relations Analyst Senior	Retitled and reclassified to better reflect duties of positions.
-1	-1.00		Research Analyst	
1	1.00		Program Assistant I	Retitled to better reflect duties of position.
-1	-1.00		Program Assistant II	
-1	-1.00		Diversity Specialist Senior	Reduction due to operational efficiencies.
-1	-1.00		Fire and Police Commission Executive Director	Positions moving to the Fire and Police Commission.
-1	-1.00		Administrative Assistant III	
-5			Fire and Police Commissioners	
-1	-1.00		Research Services Specialist	
-1	-0.50		Research Analyst Senior	
	-0.69		Miscellaneous Adjustment	
-10	**-5.19**	**0.00**	**Totals**	

FIRE AND POLICE COMMISSION

EXECUTIVE SUMMARY

MISSION: To ensure that the Fire and Police Departments are prepared to protect the lives and property of the citizens of the City of Milwaukee.

SERVICES Monitor the Milwaukee Police and Fire Departments to enforce accountability of departmental actions and identify opportunities for systemic change.

Provide independent and objective review of citizen complaints to ensure complaints are addressed in a timely and fair manner.

Improve community relations and enhance public confidence in the new Commission through transparent operations and improved accessibility to information.

STRATEGIC ISSUES: Establish the organizational structure of the new Commission so it is positioned to exercise its broad powers of oversight over the Police and Fire Departments.

Identify and implement the necessary protocols to streamline citizen complaint processing and investigations and the Commission's oversight authority over these processes.

Develop protocols for periodic audits of internal investigations within the Police and Fire Departments and channels for communicating recommendations to the Fire and Police Commission.

Actively solicit feedback and input from the community to help assess the effectiveness of the Fire and Police Commission and adequately monitor the community's satisfaction with the Commission and the Fire and Police Departments.

Ensure the quality and effectiveness of the Fire and Police Departments' policies, practices, and performances through appropriate utilization of the Commission oversight authority.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	0.00	0.00	0.00	7.50	7.50	7.50
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	0			15	15	15
EXPENDITURES						
Salaries and Wages	$0	$0	$0	$468,344	$468,344	$468,344
Fringe Benefits	0	0	0	196,704	196,704	196,704
Operating Expenditures	0	0	0	46,834	46,834	46,834
Equipment	0	0	0	2,535	2,535	2,535
Special Funds	0	0	0	0	0	0
TOTAL	$0	$0	$0	$714,417	$714,417	$714,417

BACKGROUND

The Fire and Police Commission is a civilian body which oversees general policy in the Milwaukee Fire Department and the Milwaukee Police Department. The Commission is responsible for hiring and promotions for the two public safety departments. The Board of Fire and Police Commissioners, which was established in 1885, is the oldest civil service authority in Wisconsin, and the first such Commission to be established by law in the United States. The Commission's authority and responsibility are set forth in Section 62.50 Wisconsin Statutes and in the Milwaukee City Charter.

The five citizen members of the Commission are appointed by the Mayor subject to Common Council approval. Members serve overlapping five year terms. Commission functions historically have included recruitment and testing for entry level positions in the Fire and Police Departments; testing for promotional positions; hearing appeals by members of either department who have been disciplined by their Chief; hearing citizen complaints; and general policy oversight.

In 2003, the Fire and Police Commission was merged with the Department of Employee Relations in order to capitalize on the similar nature of the two organizations' personnel functions and to reduce administrative overlap between the two departments. However, during the last few years, the Fire and Police Commission has undergone increased public scrutiny and has been criticized for its inability to effectively conduct police oversight. The Commission has also been scrutinized for its lack of aggressive public relations and community outreach initiatives.

The Mayor's Office commissioned the Police Assessment Resource Center (PARC) to recommend improvements to the Fire and Police Commission and a formal study was completed in June 2006. Using the PARC recommendations as a foundation for improving the visibility and effectiveness of the Fire and Police Commission, the city determined that the Commission should separate from DER and become a separate department.

The PARC study illuminated a number of challenges with the current Commission structure including the underutilization of policy review power, insufficient staff resources, failure to analyze the practices of the Police and Fire Departments, an unsatisfactory citizen complaint process, lack of consistent outreach with the community, delays in the appeals process, and too much time spent on personnel functions. The study also recommended that the city strengthen the existing Fire and Police Commission, rather than build an entirely new Commission. Lastly, the PARC study determined that the personnel related functions of the Commission, aside from hiring the Chiefs, should be handled by another department. The city has since decided to have the Department of Employee Relations carry out the personnel related functions of the Commission.

In order to adequately strengthen the Commission's oversight, PARC recommended adopting a Monitor Model of oversight which focuses on maintaining organizational accountability through systemic change. This occurs through performance based monitoring which examines how a department and its individuals perform while carrying out day-to-day functions and responding to both normal and crisis situations.

SERVICE CHANGES

In establishing the revamped Fire and Police Commission, the city has chosen to follow a modified version of the Monitor Model that was proposed in the PARC study. The new Commission will be empowered to identify and correct patterns and practices of unconstitutional and illegal behavior within the Police and Fire Departments. The Commission will also have the authority to audit internal investigations and monitor the citizen complaint process. In addition, the Commission will utilize improved methods of assessment to address systemic problems and influence positive organizational change.

The 2007 proposed budget provides funding to staff the new Commission with two monitoring staff, one Community Relations Specialist individual, three research and policy staff, and two support staff. Additional funding is also allocated to increase the number of Fire and Police Commissioners from five to seven. While this

change was recommended by the PARC study, adding two additional Commissioners will require an amendment to state statutes.

SERVICE RESULTS

The Fire and Police Commission has and will continue to monitor the number of complaints filed against the Police and Fire Departments. Although there has been a backlog of unresolved citizen complaints, the Commission has been working to ensure all complaints are resolved in a timely fashion. In the last two years, the Commission has resolved more complaints than it has taken in (see Figure 1). The new Commission will refer all citizen complaints to the Police and Fire Departments for processing and investigation. The Commission will provide an added level of independent review and oversight over this process via a review and analysis of citizen complaint investigations at the request of a citizen. In addition, the Commission will also perform periodic audits of the timeliness and thoroughness of internal investigations and identify opportunities for improvement. This information will be used by the Commission during performance review discussions with the Chiefs and to prepare public accountability reports for the citizens of Milwaukee.

Figure 1

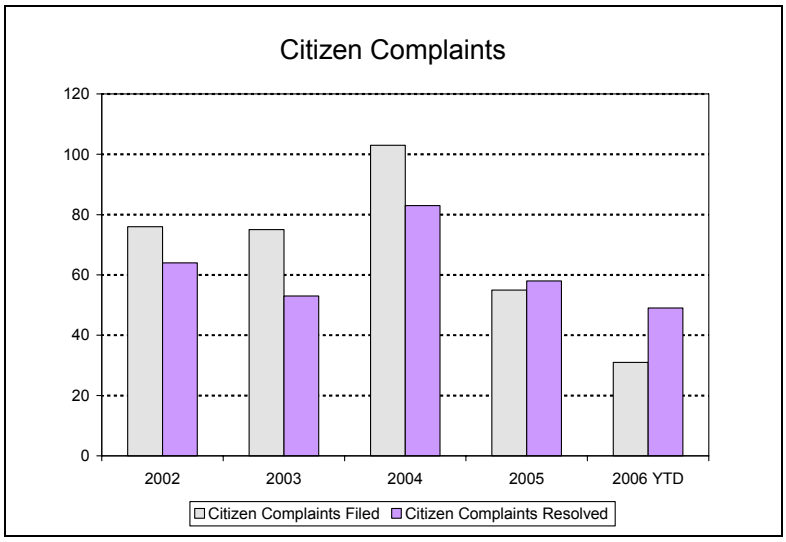
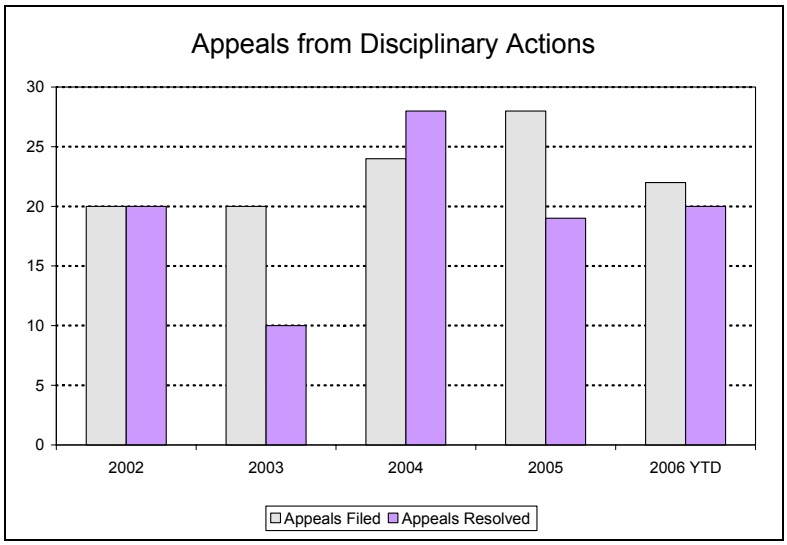


Figure 2



The Commission also tracks the appeals from Disciplinary Actions that have been filed and resolved, and has been trying to reduce the backlog of pending appeals (see Figure 2). The new Commission will work to make the appeals process more efficient by scheduling appeal hearings more frequently, having additional staff to assist the Hearing Examiner, changing the statutory deadline for disciplinary appeal trials, and making other procedural changes to better streamline the hearing process.

The new Commission will work to establish a program for continual policy review of the Fire and Police Departments. In-depth analysis of departmental practices and procedures will highlight systemic problems and allow the Commission to make recommendations for organizational change. The new Commission will track the number of policies and processes that are recommended for change and report on these annually to the Fire and Police Departments.

For 2007, the new Commission will work to establish appropriate outcome measures that can be utilized to determine its overall effectiveness. The outcome measures for various service areas will be reported to the public on an annual basis in order to demonstrate that the Commission is meeting its newly outlined responsibilities. Although the Commission will help to determine the new outcome measures, the city expects that, at a minimum, the following measures will be defined, tracked, and analyzed:

- Citizen complaints (the number, type, amount per district, etc.)
- Timeliness of complaint resolution
- Appeals from disciplinary actions (the number, type, amount per district, etc.)
- Timeliness of appeal resolution
- Findings on audits of investigations per year
- Number of investigations which need to be re-opened annually
- Number of conciliations
- Outcomes of conciliations
- Number of policies reviewed and recommendations for change
- Survey of public satisfaction with overall processes (complaints, appeals, conciliations, policy and organizational changes, etc.)
- Survey of public satisfaction with Commission performance

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
1	1.00		Independent Monitor/Executive Director	New positions as a result of the restructured Fire and Police Commission.
1	1.00		Assistant Monitor	
1	1.00		Research and Policy Specialist	
1	1.00		Paralegal	
2			Fire and Police Commissioners	
1	1.00		Community Relations Manager	Positions transferred from DER to the restructured Fire and Police Commission.
1	0.50		Research and Policy Analyst	
1	1.00		Research and Policy Manager/Hearing Examiner	
1	1.00		Administrative Assistant III	
5			Fire and Police Commissioners	
15	**7.50**	**0.00**	**Totals**	

FIRE DEPARTMENT

EXECUTIVE SUMMARY

MISSION: To protect people and property within the city by providing rapid, professional, and humanitarian services essential to the health, safety, and well being of city residents.

SERVICES: Emergency operations including fire suppression, emergency medical, and other emergency response services.

Fire safety community education programming, Fire Fighter training, and support services.

STRATEGIC ISSUES: Continue to evaluate operations of the Milwaukee Fire Department in relation to effective fire prevention and emergency response objectives.

Use technology and resources to develop community fire safety awareness programs.

Align the resources of Emergency Medical Services based on demographic shifts in the community and establish contracts with private ambulance providers that implement accountability measures.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	1,080.46	1,167.12	1,156.81	1,134.82	-32.30	-21.99
FTEs - Other	8.54	9.67	9.10	9.10	-0.57	0.00
Total Positions Authorized	1,154	1,151	1,151	1,155	4	4
EXPENDITURES						
Salaries and Wages	$71,444,318	$62,933,095	$69,427,464	$67,963,364	$5,030,269	$-1,464,100
Fringe Benefits	22,593,545	21,405,667	23,605,337	23,107,543	1,701,876	-497,794
Operating Expenditures	4,390,060	3,868,751	4,252,131	4,172,339	303,588	-79,792
Equipment	568,270	415,725	224,905	199,905	-215,820	-25,000
Special Funds	19,675	82,000	89,000	139,000	57,000	50,000
TOTAL	$99,015,868	$88,705,238	$97,598,837	$95,582,151	$6,876,913	$-2,016,686
REVENUES						
Charges for Services	$5,872,522	$5,725,000	$5,764,400	$5,764,400	$39,400	$0
TOTAL	$5,872,522	$5,725,000	$5,764,400	$5,764,400	$39,400	$0

BACKGROUND

The Milwaukee Fire Department (MFD) has provided emergency and public safety services since 1875. The department serves the residents of Milwaukee and West Milwaukee through 36 firehouses that are structured into five organizational bureaus. Some units have the added responsibilities of special teams: Dive Rescue, Hazardous Materials (HazMat), and the Heavy Urban Rescue Team (HURT).

The department has dramatically increased its fire prevention activities since the late 1980's. A high number of fire deaths in 1987 (31) prompted the department to take an aggressive, interactive approach to fire prevention and safety education. In 1997, the Fire Department began providing fire inspection services for public buildings. It also works with building managers to identify potential fire hazards.

Since the 1970's, the department has provided Emergency Medical Services (EMS). EMS calls constitute nearly 80% of all requests to the Fire Department for emergency services. The department also participates as a first responder in the system to provide basic life support services with private sector ambulance providers and provides paramedic or advanced life support services under Milwaukee County oversight.

The Fire Department has categorized its services under two distinct services: Emergency Operations, encompassing the core services of fire suppression and EMS, and Fire Education, Training and Support, which promote safety activities in the community and support core operations. Emergency Services measures include the traditional response time goals and several new internal objectives to determine the effectiveness of fire suppression strategies. Measures for Education and Support focus on community efforts and reducing the number of fire deaths.

Service 1

Emergency Operations				
Activities:	Fire suppression, Emergency Medical Services, other emergency services (HURT, HAZMAT, Dive Rescue) and disaster preparedness.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Services:	Percentage of responses within five minutes of call.	90.7%	95.0%	95.0%
Funding by Source:	Operating Funds	$90,348,795	$81,242,086	$87,269,338
	Grants and Reimbursables	554,977	426,905	339,036
	Capital Budget	3,689,337	3,381,000	2,918,000
	Totals	$94,593,109	$85,049,991	$90,526,374

SERVICE RESULTS

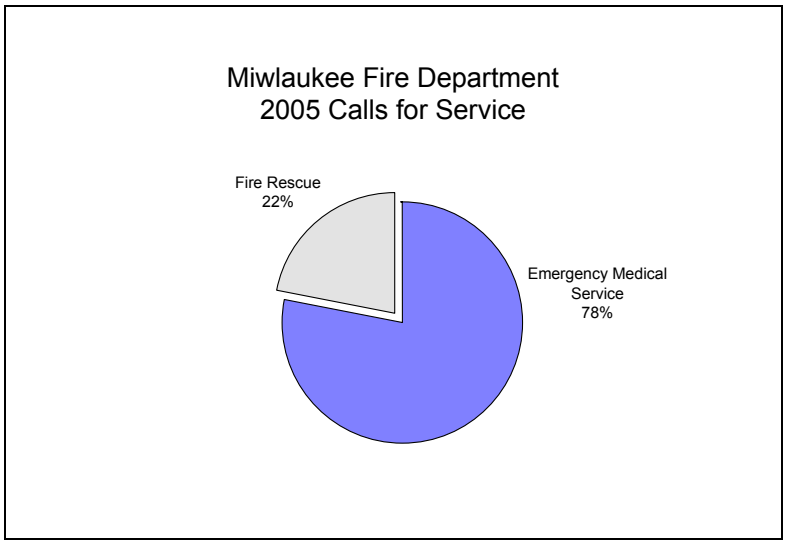
Emergency Operations nurture community investment through the provision of high capacity fire suppression, emergency medical, and specialized rescue services. The ability to respond rapidly and with appropriate resources to an emergency incident fosters investment as citizens are assured that their health and assets are protected. This service also provides for a healthy and safe citizenry through the provision of Emergency Medical Services at the Basic Life Support (BLS) and Advanced Life Support (ALS) levels.

Timely response to events has a direct impact on the outcome of any emergency. The success of this strategy is measured by a response time of five minutes or less for 95% of calls received for EMS, Dive Rescue, Fire Suppression, HAZMAT, Heavy Urban Rescue, and other non-fire emergencies.

In 2005, the Milwaukee Fire Department responded to 65,156 calls for emergency assistance: 14,065 (22%) were fire suppression or specialized rescue responses and 51,091 (78%) were Emergency Medical Service (ALS and First Responder) runs (Figure 1). In addition, the Milwaukee Fire Department also dispatched 26,852 BLS level calls for service directly to the four private ambulance BLS transport providers. Of the 65,156 calls for service responded to by the MFD, 90.7% were responded to within five minutes or less.

The Department uses several measures to track its progress in fire suppression efforts. In 2005, the department set a goal to decrease the amount of property loss experienced through fire incidents. This goal is measured through determining the value of property lost due to fire as a percentage of the city's assessed value, which in 2005 was .042% (current goal is 0.05%). Another key measure in decreasing civilian fire deaths and injuries is a high percentage of residential fires held to room of origin, which was 37% in 2005.

Figure 1



Indicators show that the Advanced Life Support responses provided by the Milwaukee Fire Department can have a positive impact on survival rates for penetrating trauma incidents. In 2005, of the 921 stabbings incidents responders treated, 903 patients or 98% survived. Of the 1,558 gun shot wound calls for EMS, 1,436 or 92% of the victims survived. In 2006 the Mayor proposed funding for a 12th MED unit mid-year and in 2007 has maintained the city's funding commitment to this critical service through full year funding. With the implementation of the 12th MED Unit, the Milwaukee Fire Department has been better able to meet national response and run volume standards for its ALS program. The 12th MED Unit has also addressed specific response deficiencies in the northwest section of Milwaukee.

SERVICE CHANGES

National Staffing Standards on Ladder Companies: A staffing study finalized in 2005 confirmed that Fire Station density conditions within the City of Milwaukee show significant overlap and that moving Milwaukee Fire Department staffing levels toward the nationally accepted standard of four Fire Fighters on ladders does not change the effective coverage areas or emergency response times. GIS analysis also demonstrates more than 88% of calls could receive 24 or more Fire Fighters on scene for a full structure fire response within the nationally recommended 8 minutes or less. This study also determined the level of response overlap and number of stations provides sufficient coverage for call concurrency.

Additionally, multiple comparative surveys show Milwaukee to be among the highest staffed Fire Departments in the country. Many U.S. cities are staffing companies at three Fire Fighters. As shared revenue remains frozen and other core community services in city government are stretched to their limits, staffing at the "top tier" within the Fire Department is difficult to sustain.

The 2007 proposed budget recommends reducing staffing on 8 of the city's 16 Ladder companies from 5 to 4 personnel. The remaining eight ladder companies will continue to be staffed at five Fire Fighters and these companies will be assigned by the Fire Chief to areas of the city with the greatest need and to provide coverage at other ladder companies to maintain staffing levels when required.

Relief Heavy Equipment Operators and Fire Lieutenants: The 2005 staffing study highlighted areas where the department would benefit from adding additional relief positions in the ranks of Heavy Equipment Operator and Fire Lieutenant. The 2007 proposed budget adds 6 of each title and makes a corresponding reduction of 12 relief positions in the Firefighter classification. On a per shift basis these additional positions should alleviate some of the coordination and assignment issues that arise from not having staff from the appropriate ranks available to cover shifts.

Incident Safety Officers: Incident scene safety management has become one of the most significant components that support firefighter safety. The 2007 proposed budget will add three Captain positions to serve as Incident Safety Officers. These personnel will perform overall risk management at fire scenes, focusing on all aspects of an incident, in order to protect the welfare of respondents. They will directly assist the Incident Commander in any emergency that requires a multi-unit response. These positions will be part of the minimum daily 24 hour shift. They will also work closely with the Safety Director to develop internal safety programs, monitor injuries, and institute a measurable plan to decrease preventable injuries and worker's compensation claims.

Fire Cause Investigation Unit: The 2007 proposed budget includes funding for Phase 1 of a Fire Cause Investigation Unit. A 2002 United States Fire Administration report found that 94% of fire departments in cities of similar size to Milwaukee are involved in fire cause investigation. The goal of this initiative is to create an integrated Fire and Police investigative team, leveraging the unique knowledge and experience offered by each organization to effectively determine fire cause and resolve arson crimes. Arson clearance rates have been as high as 48% in communities with joint arson and fire cause teams.

Preliminary Uniform Crime Data reports that 263 arson offences occurred in Milwaukee in 2004, and 257 occurred in 2005. Internal tracking by the Fire Department in 2006 is showing "undetermined" as a cause of 39% of fires, and another 29% as under investigation. In 2007, one new Fire Captain and two new Fire Lieutenant positions are created. These personnel will be certified as Fire Investigators and possess the necessary skills and experience to identify fire behavior, fire burn patterns, occupancy characteristics and fire spread actions. The Milwaukee Police Department investigators will provide their expertise in the areas of investigation, evidence collection, and prosecution assistance.

Fire cause determination is a key factor in preventative and education programming related to civilian fire safety. This team will work closely with the MFD's fire prevention and safety education personnel to create focused and strategic fire prevention efforts.

Duty Transfer: In 2007 the Milwaukee Fire Department will transfer the duties of the Battalion 1 Chiefs to the Fire Fighting Deputy Chiefs. These positions are currently co-located and have some overlap of functions. The Fire Chief has determined that the additional Fire Incident Safety Officer positions and other staffing changes allow the administrative and incident command duties of the two units to be combined.

BLS Services: Currently, the city is negotiating BLS ambulance transport contracts with the private ambulance companies. These contracts will provide greater quality control and accountability in this vital service area.

Service 2

Fire Education, Training and Support Services				
Activities:	Fire education, inspections, pre-incident planning, infrastructure support (shop, IT services, dispatch) training and administrative support.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Services:	Number of residential fire prevention contacts.	9,278	10,000	10,000
Funding by Source:	Operating Funds	$8,667,073	$7,463,152	$8,312,813
	Grants and Reimbursables	145,345	144,104	166,100
	Capital Budget	0	0	0
	Totals	$8,812,418	$7,607,256	$8,478,913

SERVICE RESULTS

This service nurtures investment by ensuring that MFD employees are trained to provide the highest level of fire suppression and Emergency Medical Services. This service also provides for a healthy environment by providing fire safety and fire prevention education to the community, especially to neighborhoods at highest risk of fire.

Currently, the MFD Bureau of Instruction and Training conducts over 40,000 hours of initial training, refresher, and skill enhancing courses each year. This training encompasses all levels of fire suppression, Emergency Medical Services (BLS and ALS) and specialized rescue operations ensuring that responding personnel have the knowledge, skill, and experience to effectively address any emergency situation. The department also has extensive fire safety, fire prevention, and life safety education programs.

The department's community programs emphasize fire prevention because fewer fires create fewer situations where a fire death could occur. Fire Fighters Out Creating Urban Safety (FOCUS) involves Fire Fighters going door-to-door to install smoke detectors, replace batteries, and distribute fire prevention and medical services information in the areas of the city with the greatest incidence of fire. The 2006 CDBG funding allocation plan reduces funding for this program to levels expended in 2004 and 2005 ($255,000).

Other programs include Sesame Street, Elder Safe, the Survive Alive House, and the Mobile Survive Alive Houses. These teach children and adults how to react when there is a fire in the home, including proper escape procedures and calling 9-1-1. In 2005, the Fire Department also made 9,278 residential contacts, an increase over the 2004 number of 8,807. The Milwaukee Fire Department is proactively evaluating initiatives and grants to increase the number of operational and sealed battery smoke detectors in residential homes.

SERVICE CHANGES

Fire Safety Community Strategy Special Fund: The Milwaukee Fire Department will use a new $50,000 special fund to increase activities related to civilian fire safety efforts. This fund will support current programming such as smoke alarm installations and fund the recommendations of a current grant project. This grant is currently analyzing more effective methods of educating and changing patterns of behavior of residents in the areas of the city that have the greatest fire risk.

Sleep Safe for Infants: The Milwaukee Fire Department EMS operation has developed a new initiative in conjunction with local hospitals focused on infant mortality, *Safe Sleep for Infants*. This program will leverage the Fire Department Emergency Medical Services community presence as a mechanism to distribute portable "Pack 'N

Play" cribs to families of infants at risk for Sudden Infant Death Syndrome (SIDS). This program will be coordinated with the Milwaukee Health Department.

In many of these cases, death can be prevented by appropriate sleeping arrangements. Recent studies have shown that the proper sleep environment, comprised of a crib, mattress, and a tightly fitted sheet, can give these infants a better chance of survival. In the past four years, 115 Milwaukee infants have died in unsafe sleep environments, 92 of whom were sharing a bed with an adult. The Milwaukee Fire Department is committed to improving the quality of life for Milwaukee's citizens. The goals are to leverage the unique citizen access of first responders to educate parents and family members about the alarming infant mortality rate in our city, and to help ensure a safe sleep environment for every infant in Milwaukee.

CAPITAL PROJECTS

The 2007 capital budget supports the critical needs of the Fire Department in terms of major equipment and facilities maintenance. Three Pumper Trucks, one Aerial Ladder, and three ambulances are being funded. Sites and project scope requirements are still being assessed for the Fire Repair Shop, so this project has been delayed.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
6	6.00		Heavy Equipment Operator	
6	6.00		Fire Lieutenant	Create promotional relief positions.
-12	-12.00		Fire Fighter	
-3	-3.00		Battalion Chiefs	Transfer Battalion 1 duties to Fire Fighting Deputy Chiefs
1	1.00		Fire Captain	Fire Cause Investigation Unit Phase 1.
2	2.00		Fire Lieutenant	
3	3.00		Fire Captain	Create Fire Incident Safety Officers.
-24	-24.00		Fire Fighter	Reduce staffing on 8 of 16 Ladder Companies.
24			Fire Fighter	Create Auxiliary positions.
1			Deputy Fire Chief	
	-11.30	-0.57	Miscellaneous Adjustments	Special Duty adjustments for 2007 proposed staffing changes.
4	**-32.30**	**-0.57**	**Totals**	

HEALTH DEPARTMENT

EXECUTIVE SUMMARY

MISSION: To ensure that services are available to enhance the health of individuals and families, promote healthy neighborhoods, and safeguard the health of the Milwaukee community.

SERVICES: Disease control and prevention.

Maternal and child health.

Home environmental health.

Consumer environmental health.

Healthy behaviors and health care access.

STRATEGIC ISSUES: Reduce infant mortality by promoting pre-conception planning, early prenatal care, WIC enrollment, and reducing risks and behaviors associated with infant death.

Improve preparedness for bioterrorism and other public health emergencies, including vector borne diseases like West Nile Virus, SARS, and Monkey Pox.

Enhance asthma prevention and injury prevention efforts and continue successful lead poisoning prevention strategies in the Home Environmental Health Program.

Implement a new field inspection system for improved client records and rapid communications with health professionals and the public consistent with new federal regulations.

Increase public and private funding for lead hazard control in high risk housing to meet the goal of eradicating childhood lead poisoning by 2010.

Promote health insurance and other benefits that improve the overall well being of families and neighborhoods.

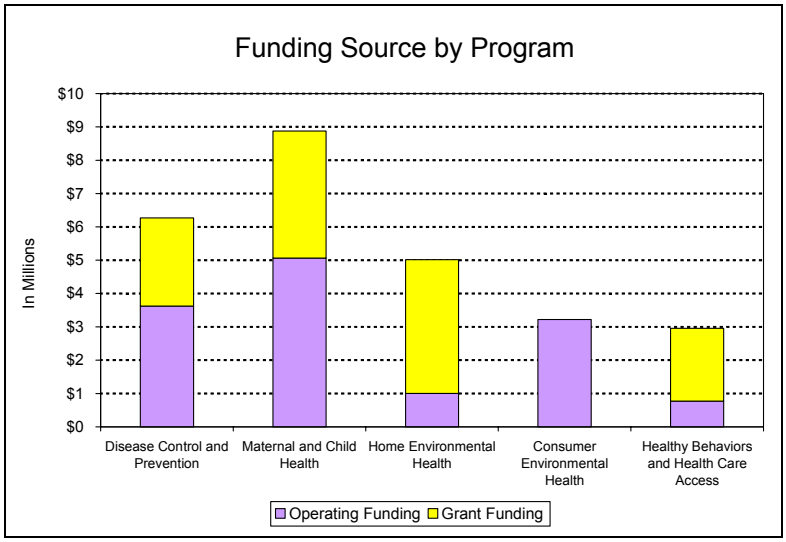
Continue to refine best practices to achieve community health goals rather than simply providing more services. Forming partnerships with other public and private organizations has become more critical.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	169.35	167.55	153.25	156.99	-10.56	3.74
FTEs - Other	123.61	108.79	119.50	127.00	18.21	7.50
Total Positions Authorized	345	326	325	337	11	12
EXPENDITURES						
Salaries and Wages	$8,788,516	$8,353,200	$7,853,950	$8,073,118	$-280,082	$219,168
Fringe Benefits	3,595,776	3,508,345	3,298,659	3,390,710	-117,635	92,051
Operating Expenditures	1,739,601	1,820,227	1,796,550	1,806,487	-13,740	9,937
Equipment	21,781	15,800	15,000	15,000	-800	0
Special Funds	94,831	111,000	111,000	391,000	280,000	280,000
TOTAL	$14,240,505	$13,808,572	$13,075,159	$13,676,315	$-132,257	$601,156
REVENUES						
Charges for Services	$684,737	$756,860	$718,175	$718,175	$-38,685	$0
Licenses and Permits	1,940,936	1,709,900	1,882,500	1,882,500	172,600	0
TOTAL	$2,625,673	$2,466,760	$2,600,675	$2,600,675	$133,915	$0

BACKGROUND

Figure 1



The Milwaukee Health Department focuses its efforts on public health assessment, policy development and service availability and accessibility. The Health Department operates from three health centers located throughout the city

The Health Department's 2007 proposed budget emphasizes services that create early childhood conditions that lead to success and provide for a healthy environment, two of Mayor Barrett's Key Outcomes to improve residents' lives in Milwaukee. Operating efficiencies in administrative support functions allow the Health Department to continue serving the city's neediest client populations. The 2007 proposed budget maintains services to mothers, babies, young children, and women. It maintains monitoring and response capabilities for a wide range of communicable diseases including tuberculosis, sexually transmitted diseases, emergent threats such as West Nile Virus and SARS, and bioterrorism. Food inspections of restaurants and other necessary inspection practices are continued. State mandated programs and projects also are maintained at required levels.

The 2007 proposed budget provides $13.7 million of local tax levy funding, which demonstrates local resolve to continue services, which improve the lives of Milwaukee's residents. Grant funding from state and federal governments and foundations is expected to total $12.7 million, a $4.4 million decrease from 2006 expected grants. Overall grant and operating funding of $26.3 million represents a $4.6 million decrease from the $30.9 million in 2006 (see Figure 1). Capital facilities funding for the Health Department's three health centers, laboratory facilities, and administrative offices totals $476,000, a $74,000 decrease from 2006, but still sufficient to maintain crucial Health Department facilities.

In 2007, the Municipal Health Services Program (MHSP) which served clients at the Johnston Community Health Center and the Isaac Coggs Community Health Center will end. As a result of the loss of this grant funded health care program, the decision was made to close the Johnston and Coggs Community Health Centers. Closure of the Johnston and Coggs Health Center buildings will result in significant capital cost savings estimated at approximately $1.5 million over the next five years. The city also anticipates a five year savings of more than $500,000 in operating expenditures from the closures.

In order to ensure that the clients from the Johnston and Coggs Health Centers will continue to receive crucial health services, the city has established a unique partnership with the Sixteenth Street Community Health Center (SSCHC) and Milwaukee Health Services (MHS). Through this partnership, patients from Johnston and Coggs will be able to make a smooth transition to the SSCHC and MHS. To help SSCHC and MHS better accommodate the increase in clients, in 2007 the city is committing $280,000 through the Community Health Services Special Fund to help the two facilities make needed infrastructure improvements and expand staff capacity.

Another new program that will begin in 2007 is the Columbia St. Mary's/Milwaukee Health Department Funding Initiative. Columbia/St. Mary's has committed $500,000 to fund two different initiatives in 2007 aimed at improving birth outcomes and reducing health disparities in the city. Approximately $330,000 will be used to improve birth outcomes and reduce infant mortality in two high risk zip code areas, 53204 and 53212. Three Public Health Nurses and one Public Health Nurse Supervisor will be funded to case manage at risk infants.

The remaining funds will be used to create a new Center for Health Equity which will focus on addressing health disparities in the city that exist due to a mixture of both social and economic factors. The center will be staffed by a Health Inequities Reduction Coordinator and a Health Information Specialist who will work to develop health indicators for the city and increase awareness with community leaders and the public on existing health disparities. The Health Department expects to expand the center in the future to support other public health interventions.

Service 1

Disease Control and Prevention

Activities: Communicable disease surveillance and control, emergency preparedness and response, immunizations, HIV/Aids prevention, tuberculosis prevention, water borne disease control, and environmental assessments.

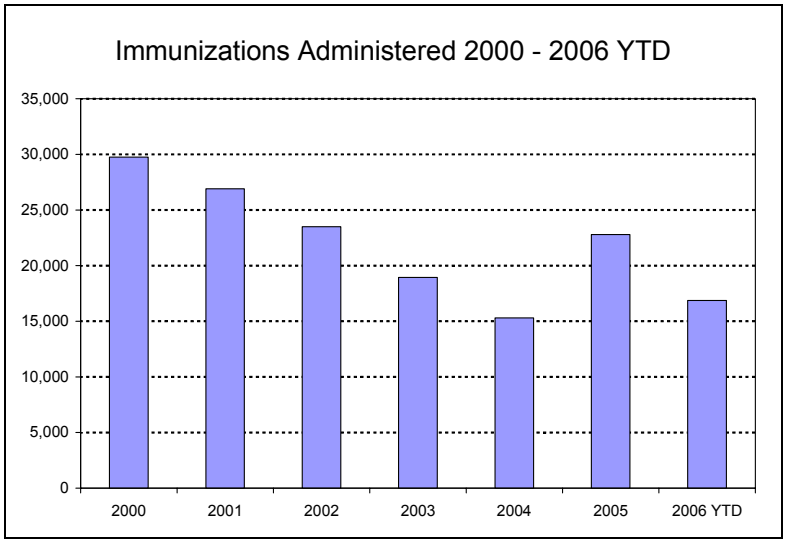
		2005 Experience	2006 Budget	2007 Projection
Service Outcome:	Number of immunizations administered for the city and MPS.	22,794	N/A	26,119
Funding by Source:	Operating Funds	$5,239,392	$5,621,180	$3,620,610
	Grants and Reimbursables	2,792,259	2,666,338	2,649,141
	Capital Budget	284,290	222,897	126,015
	Totals	$8,315,941	$8,510,415	$6,395,766

SERVICE RESULTS

The Health Department's efforts in Disease Control and Prevention are focused on sexually transmitted diseases, communicable disease surveillance and control, bio-terrorist preparedness, and immunizations.

The United States Department of Health and Human Services (DHHS) has established a goal to have 90% of children complete the primary immunization series. The goal of 90% is considered an appropriate level of protection to prevent or minimize outbreaks of vaccine-preventable diseases which have become more prevalent in the United States.

Figure 2



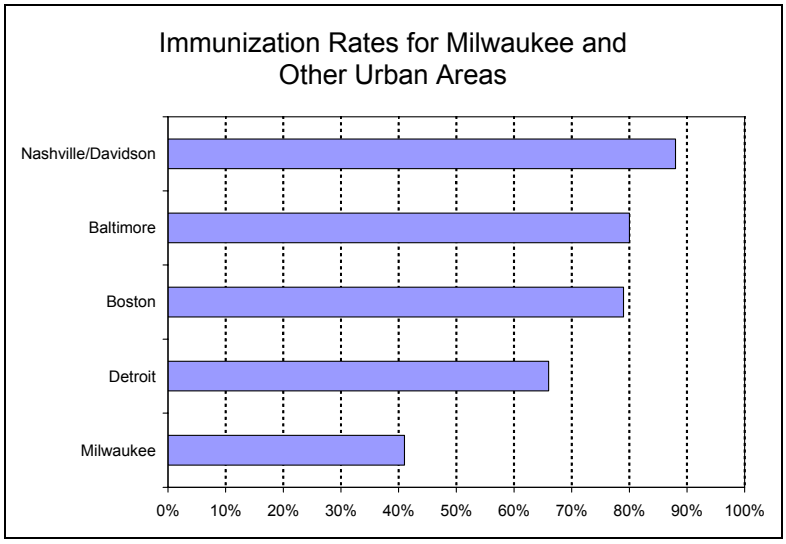
The city has adopted the (DHHS) goal of 90% and is working to improve immunization rates. Although the amount of immunizations administered in the city steadily decreased from 2000 through 2004, in 2005 rates started to increase and 22,794 immunizations were administered to 15,674 individuals. This represents an increase of 49% over the amount of immunizations administered in 2004. To date in 2006, the department has administered approximately 17,000 immunizations (see Figure 2).

Despite the recent increase in immunizations, the city still lags behind in childhood immunization rates when compared with other urban areas that have comparable population sizes and demographics (see Figure 3). The city's primary immunization rates also lag behind other communities in Wisconsin, and both Milwaukee County and the State of Wisconsin have primary immunization rates that are roughly twice as high as Milwaukee.

SERVICE CHANGES

School Readiness Immunization Initiative: The 2007 proposed budget includes $108,000 in funding for a School Readiness Immunization Initiative to help improve immunization rates in the city. The funding will be used to support one Health Project Assistant that will focus on reconciling data issues in order to establish more reliable baseline immunization data for the city. The position will also work with childcare providers to bridge any gaps in immunization data with those organizations. A Public Health Nurse Coordinator will also be funded to establish offsite immunization clinics and enhance immunization outreach and educational efforts, especially with local health care providers.

Figure 3



Outbreak Preparedness: The Health Department is integrally involved in planning for a variety of possible public health emergencies that could occur, such as disease outbreaks or terrorist attacks. Department capabilities include formation of a response team that is available 24/7 to respond or assist other first responder agencies in community emergencies. This may include a field response and public health risk assessment. Grant funded initiatives such as the countywide communicable disease tracking system (SURVNET) and the Centers for Disease Control and Prevention Bioterrorism Program supplement city funding in this area.

Emerging Infectious Diseases: The Health Department continues to face new challenges associated with the identification, control, and prevention of infectious diseases like West Nile Virus, SARS, and Monkey Pox. During 2003, the department performed extensive surveillance and prepared for responses to the global SARS epidemic, a regional appearance of Monkey Pox, and the possible transmission of the West Nile Virus to humans. The department has developed capabilities in coordination with other agencies to rapidly detect and respond to infectious disease outbreaks.

Communicable Disease Reduction Initiative: In 2007, the department will continue to strengthen a Community Development Block Grant program designed to reduce communicable diseases in a targeted neighborhood. The goal of this program is to provide a coordinated approach to combating sexually transmitted diseases, tuberculosis, and other communicable diseases in the community.

Position and Funding Changes: A Microbiologist II position is eliminated and a Lab Assistant is reduced to part time because of the continuing shared revenue freeze. A Health Project Assistant and a Public Health Nurse Coordinator are added as part of the School Readiness Immunization Initiative. Eight Communicable Disease Specialists are added through the Sexually Transmitted Disease Grant. The Childhood Immunization Disparity Grant adds four positions, a Health Information Specialist, a Public Health Nurse, a Public Health Educator, and a Health Services Assistant.

Service 2

Maternal and Child Health

Activities: Prenatal and reproductive health, newborn screening, immunization, health education, pre-school health, infant mortality reduction, and family health clinic.

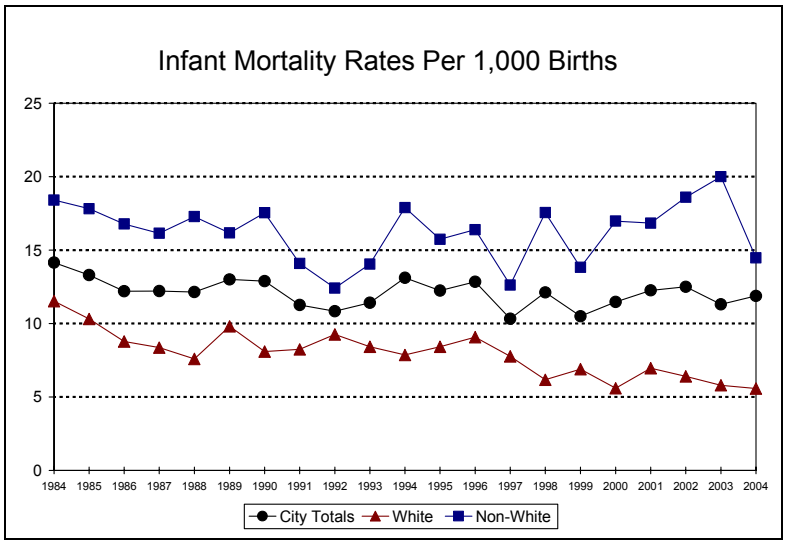
		2005 Experience	2006 Budget	2007 Projection
Service Outcome:	Disparity ratio of African American vs White infant mortality rate.	N/A	2.4	2.4
Funding by Source:	Operating Funds	$3,452,257	$2,801,343	$5,065,103
	Grants and Reimbursables	2,084,386	1,847,677	3,810,646
	Capital Budget	187,321	112,146	176,289
	Totals	$5,723,964	$4,761,166	$9,052,038

*2004 is the latest year for which data is available.

SERVICE RESULTS

The infant mortality rate (the number of children who die before their first birthday out of every 1,000 live births) is an important indicator of a community's overall social and economic well being. In 2004, non-Hispanic African Americans in the City of Milwaukee experienced a 19.2 per 1,000 infant mortality rate compared to a 5.3 rate for Hispanic residents and a 5.6 rate for non-Hispanic White residents. The rate for African Americans in the city is 3.44 times higher than for Whites. This wide disparity between White and non-White infants has remained over time as shown in Figure 4.

Figure 4



Of the 128 infants that died in 2005, 94 or 73% of those infants died from birth and genetic related complications while still in the hospital. The other 34 infants were discharged home and later died from complications related to high risk births.

The Health Department's 2007 proposed budget dedicates $8.8 million to promote maternal and child health, including $3.8 million of state and federal grant funds. Activities include promoting prenatal and reproductive health, assessment and monitoring of vulnerable and chronically ill children, the WIC Nutrition Program, Health Check Screening Clinics, and immunizations.

SERVICE CHANGES

Columbia St. Mary's Funding Initiative: The 2007 proposed budget includes $331,020 in funding from Columbia/St. Mary's to fund a Home Visitation Program in two high risk zip codes. Following the Olds Model Program to improve birth outcomes, three Public Health Nurses and One Public Health Nurse Supervisor will provide case management services to 70 to 80 additional at-risk mothers. This initiative should reduce the risk of prematurely and low birth weight and decrease the incidence of infant mortality.

Position and Funding Changes: Due to operational efficiencies through the consolidation of communicable disease follow up, two Public Health Nurse positions are eliminated. Two additional Public Health Nurses are eliminated because of the shared revenue freeze. The Columbia/St. Mary's Funding Initiative adds three Public Health Nurses and one Public Health Nurse Supervisor. One Public Health Nurse is added in the Child Care Preventive Health Services Grant and also in the Health and Safety in Child Care Grant. A number of positions are added under the Comprehensive Home Visiting Grant including a Public Health Nurse, a Health Project Coordinator, a Health Information Specialist, and an Office Assistant II. Through the WIC Nutrition Program one Office Assistant II position is eliminated and a part time Dietetic Technician position is added.

Service 3

Home Environmental Health

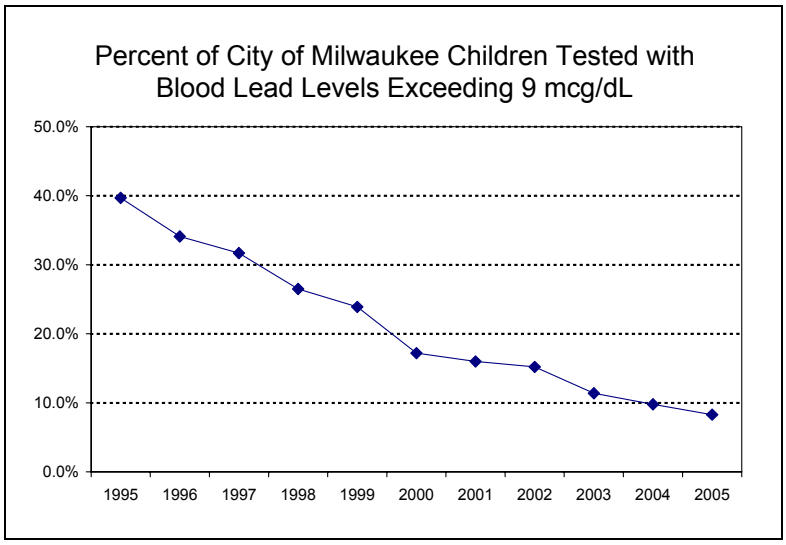
Activities: Lead poisoning prevention and treatment, asthma control, injury prevention, lead abatement, research, and surveillance.

		2005 Experience	2006 Budget	2007 Projection
Service Outcome:	Percent of children aged 0-5 tested with blood lead levels exceeding 9 mcg/dL.	8.3%	14.0%	N/A
Funding by Source:	Operating Funds	$1,276,215	$1,149,351	$1,004,470
	Grants and Reimbursables	5,320,976	4,804,982	4,010,969
	Capital Budget	69,248	46,012	34,960
	Totals	$6,666,439	$6,000,345	$5,050,399

SERVICE RESULTS

The Health Department continues to focus on health issues related to the home environment including lead poisoning, asthma, and unintended injuries. Recognized as one of the most successful lead poisoning control programs in the country, the Health Department's Lead Program has significantly reduced the rate of lead poisoning among Milwaukee's children. As Figure 5 indicates, the percentage of children aged 0 to 5 with high blood lead levels has declined from about 40% in 1995 to 8.3% in 2005. Approximately 1,562 units were made lead safe in 2005, an increase of 23% over the number abated in 2004 (see Figure 6). In 2007, 1,300 units are expected to be made lead safe.

Figure 5



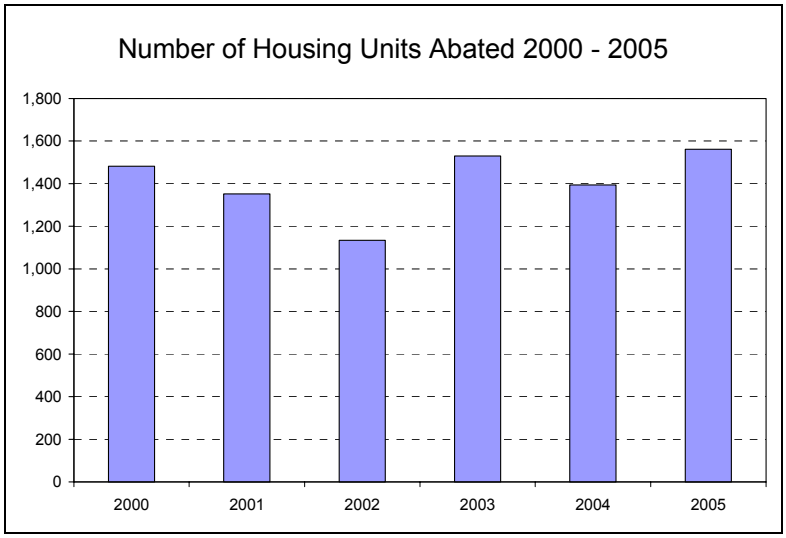
The program's success is due to aggressive treatment practices which are targeted at the areas in homes with the highest concentration of lead. The program also strives to proactively abate hazardous conditions in homes before children are poisoned.

SERVICE CHANGES

The 2007 proposed budget provides $5 million in funding for comprehensive home environmental health activities including approximately $4 million in federal and state grant program funding. Activities include lead poisoning prevention and treatment, unintentional injury prevention, and clinical and environmental lead laboratory work.

Position and Funding Changes: A Lead Risk Assessor II position is eliminated. Another Lead Risk Assessor III position is eliminated because the Operation Lead Elimination Action Program Grant ended in 2006. A Health Services Assistant II is eliminated in the Childhood Lead Detection Program Grant.

Figure 6



Service 4

Consumer Environmental Health				
Activities:	Food safety regulation and education, weights and measures, sales ordinance investigations, and fire safety inspections.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Service Outcome:	Percent of food inspections with critical food borne illness risk factors.	37.0%	30.0%	35.0%
Funding by Source:	Operating Funds	$2,822,728	$2,859,676	$3,218,747
	Grants and Reimbursables	71,533	0	14,200
	Capital Budget	153,162	114,481	112,027
	Totals	$3,047,423	$2,974,157	$3,344,974

SERVICE RESULTS

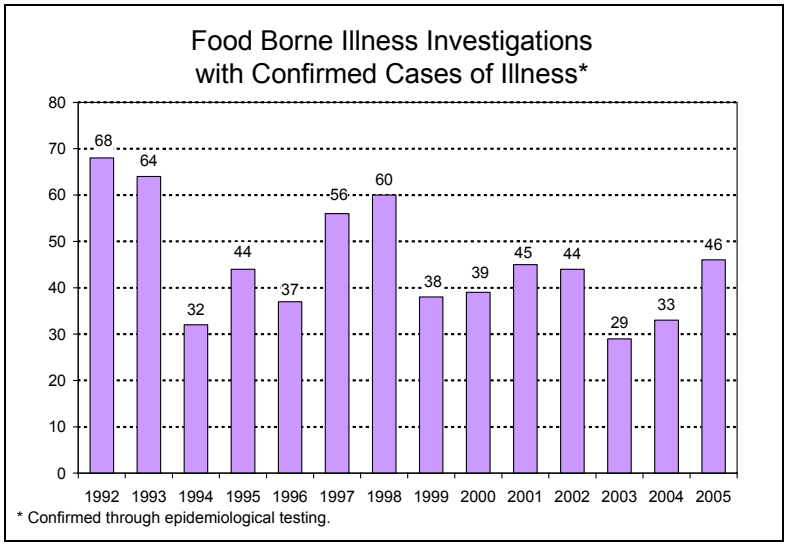
The Health Department's success in protecting consumer environmental health is measured in part by the percent of food establishments with critical violations at the initial inspection. In 2005, 37% of establishments had at least one critical violation upon first inspection, an increase from the 2004 figure of 33%. The Health Department continues to use the Hazard Analysis and Critical Control Point (HACCP) techniques in its inspections. These techniques allow Food Inspectors to identify hazards to food safety or product in relation to food preparation or processing and determine the critical control points required to prevent or control these hazards. As shown in Figure 7, the department investigated 46 possible food borne outbreaks that included confirmed cases of illness in 2005.

SERVICE CHANGES

The 2007 proposed budget includes over $3 million in funding dedicated to improving the quality and safety of health related consumer products and services. Activities include food safety regulation and education, weights

and measures enforcement, sales ordinance investigations, fire inspections in Health Department permitted facilities, convenience store security inspections, and tattoo and piercing establishment licensing.

Figure 7



Electronic Field Inspection System: In 2006, a vendor was selected to complete development on the new electronic field inspection system. Completion of the new system is slated for the spring of 2007. The new system will allow food inspectors to establish mobile offices through the use of PC tablets and printers in the field to document and print inspection reports and provide to operators immediately upon inspection completion. Inspectors will be able to instantly access the department's main database, actively track inspection violations, provide immediate feedback to inspection violators, better analyze and track inspection data over time, and generate a variety of reports related to inspection activity.

Service 5

Healthy Behaviors and Health Care Access

Activities: Health care access, healthy behaviors, Municipal Health Services Program, Women's Wellness Program, domestic violence and sexual assault, elementary and adolescent school health.

		2005 Experience	2006 Budget	2007 Projection
Service Outcome:	Percent of youth grades 9 through 12 using tobacco products in the past 30 days.	13.6%	12.0%	12.0%
Funding by Source:	Operating Funds	$1,449,913	$1,377,022	$767,386
	Grants and Reimbursables	6,738,145	7,838,313	2,188,736
	Capital Budget	78,673	54,464	26,709
	Totals	$8,266,731	$9,269,799	$2,982,831

SERVICE RESULTS

Promoting healthy behaviors and access to health services in Milwaukee improves the health of residents. Poor health habits started in youth contribute to disease, disability, early death, and high health care costs. Rising rates of obesity and diabetes are becoming important public health concerns, emphasizing the importance of exercise and nutrition.

Tobacco related disease remains the number one killer of Americans. Preventing people from starting tobacco use and encouraging current users to quit has been a focus of the department since 1997. The department heads the Milwaukee Tobacco Coalition, which engages over 25 community organizations in the implementation of outcome based strategies to reduce and eliminate tobacco use in our community. The department's focus on education, surveillance and enforcement, cessation, and community partnerships is directly aligned with the Center for Disease Control's best practice recommendation to reduce the morbidity and mortality rate associated with tobacco use.

SERVICE CHANGES

The 2007 proposed budget devotes almost $3 million in funding for Healthy Behaviors and Health Care Access including $2.2 million in grant funding from state and federal governments. Activities include promoting and facilitating health care access for at-risk populations, tobacco control and prevention, the Municipal Health Services Program, and outreach to vulnerable and chronically ill adults.

Position Changes: Due to anticipated improvements in operational efficiencies, the Health Care Access and Services Manager position is eliminated. A Nutritionist Coordinator and one Health Project Coordinator position are added to the Adolescent School Health Grant, while a Public Health Nurse Supervisor and a Public Health Nurse are eliminated.

A Radiologic Technologist Mammographer position is eliminated through the Milwaukee Breast Cancer Awareness Program Grant and the position's job functions will be contracted out in 2007. A Health Project Coordinator position also is eliminated in the Meta House Family Project Grant.

Because the Municipal Health Services Program is ending, two Health Center Administrators and a Health Insurance Specialist are eliminated. Two other positions, the Municipal Health Services Manager and Office Assistant III are reduced to part time in 2007.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
			Administration	
-1	-1.00		Heating and Ventilating Mechanic II	Position reduction due to the closure of Johnston and Coggs.
-1	-1.00		Boiler Operator	
1	1.00		Custodial Worker II/City Laborer	Retitled and reclassified to better reflect duties of positions.
-1	-1.00		Boiler Custodial Worker	
1		1.00	Health Inequities Reduction Coordinator	Positions created through Columbia St. Mary's Funding Initiative.
1		1.00	Health Information Specialist	
			Disease Control and Prevention	
-1	-1.00		Health Project Assistant	Reduction due to shared revenue freeze.
	-0.50		Office Assistant II	Position reduced to part time.
-1		-1.00	Public Health Nurse	Position reduced in Bioterroism Focus A Grant.
1		1.00	Health Project Coordinator	Positions added in Bioterroism Focus CRI
1		1.00	Public Health Nurse	
8		8.00	Communicable Disease Specialist	Positions created in Sexually Transmitted Disease Grant.
	0.50		Public Health Aide Tuberculosis Control	Position increased to full time.
-1		-1.00	Public Health Educator	Position reduced in Immunization Action Plan Grant.
1		1.00	Public Health Educator II	Positions created in Childhood Immunization Disparities Grant.
1		1.00	Health Information Specialist	
1		1.00	Health Services Assistant	
1		1.00	Public Health Nurse	
1	1.00		Public Health Nurse	Positions created through School Readiness Immunization Initiative.
1	1.00		Health Project Assistant	
			Maternal/Child Health	
1		1.00	Public Health Nurse	Position added through Child Care Preventive Health Services Grant.
-2	-2.00		Public Health Nurse	Reduction due to shared revenue freeze.

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
1	1.00		Office Assistant II	Funding moved to O&M.
-1		-1.00	Office Assistant II	
1		1.00	Community Education Assistant	Retitled and reclassified to better reflect duties of positions.
-1		-1.00	Clinic Assistant NWHC	
-2	-2.00		Public Health Nurse	Reduction due to operational efficiencies in communicable disease followup.
1		1.00	Program Manager	Positions added through Comprehensive Home Visiting Grant.
1		1.00	Health Project Coordinator MCHVP	
1		1.00	Health Information Specialist MCHVP	
2		2.00	Public Health Nurse MHCVP	
1		1.00	Office Assistant II MCHVP	
1		1.00	Public Health Nurse Supervisor	Positions created through Columbia St. Mary's funding initiative.
3		3.00	Public Health Nurse	
-1	-1.00		Public Health Nurse	Position reduced in Case Coordination Program.
1		1.00	Public Health Nurse	Position added through Health and Safety in Child Care Grant.
		-0.30	Nutritionist	Position reduced to part time in WIC Nutrition Program Grant.
1		0.80	Dietetic Technician WIC	Position added through WIC Nutrition Program Grant.
-1		-1.00	Office Assistant II	Position reduced in WIC Nutrition Program Grant.
			Home Environmental Health	
-1	-1.00		Lead Risk Assessor II	Reduction due to shared revenue freeze.
-1		-1.00	Health Services Assistant II	Position reduced in Childhood Lead Detection Program Grant.
-1		-1.00	Lead Risk Assessor III	Operation Lead Elimination Action Program Grant ending.
			Healthy Behaviors and Health Care Access	
-1	-1.00		Health Care Access and Services Manager	Reduction due to operational efficiencies.

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1		-1.00	Public Health Nurse Supervisor	Position changes in Adolescent Community Health Grant.
1		1.00	Nutritionist Coordinator	
-1		-0.80	Public Health Nurse	
1		1.00	Health Project Coordinator ACHP	Positions added in Adolescent Community Health Grant.
1		1.00	Health Project Coordinator	
1		0.50	Office Assistant II	Position changes in Preventive Health Grant.
-1		-1.00	Health Project Coordinator	
-1		-1.00	Radiologic Technologist Mammographer	Position reduced in Milwaukee Breast Cancer Awareness Program Grant.
		-0.75	MHSP Program Manager	Positions reduced to part time in Municipal Health Services Program.
		-0.75	Office Assistant III	
-2		-2.00	Health Center Administrator	Positions reduced in Municipal Health Services Program.
-1		-1.00	Health Insurance Specialist	
		0.20	Public Health Educator II	Position added in Medical Assistance Outreach Program Grant.
-1		-1.00	Health Project Coordinator	Position reduced in Meta House Family Project Grant.
			Laboratory Services	
-1	-1.00		Microbiologist II	Reduction due to shared revenue freeze.
	-0.50		Lab Assistant	Reduction to part time due to shared revenue freeze.
	-2.06	1.31	Miscellaneous Adjustment	
11	**-10.56**	**18.21**	**Totals**	

LIBRARY

EXECUTIVE SUMMARY

MISSION: The Milwaukee Public Library is every person's gateway to an expanding world of information and its services guide citizens in their pursuit of knowledge and lifelong learning.

SERVICES: Library services, including collections, technology resources, and educational programs that enhance Milwaukee's long term economic well being and meet the informational needs of its diverse population.

STRATEGIC ISSUES: Implement strategies developed in the Library's strategic plan including fostering the connection between people and information, promoting 21st century literacy, and increasing operational efficiency.

Develop programs and services that enhance academic success and economic development.

Work with Milwaukee Public Library Board and Foundation to review alternate funding sources including intergovernmental collaborations and other grant initiatives.

Use technology to extend services remotely and more effectively.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BIDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	325.84	330.00	309.74	325.96	-4.04	16.22
FTEs - Other	29.72	26.72	24.47	24.47	-2.25	0.00
Total Positions Authorized	409	402	380	398	-4	18
EXPENDITURES						
Salaries and Wages	$12,586,403	$13,299,985	$12,634,837	$12,850,330	$-449,655	$215,493
Fringe Benefits	5,317,259	5,585,994	5,306,632	5,397,139	-188,855	90,507
Operating Expenditures	1,997,666	2,234,064	2,185,939	2,185,939	-48,125	0
Equipment	1,649,245	2,332,241	2,039,924	1,876,746	-455,495	-163,178
Special Funds	813,995	500,000	500,000	500,000	0	0
TOTAL	$22,364,568	$23,952,284	$22,667,332	$22,810,154	$-1,142,130	$142,822
REVENUES						
Charges for Services	$1,807,427	$1,844,000	$1,895,500	$1,895,500	$51,500	$0
TOTAL	$1,807,427	$1,844,000	$1,895,500	$1,895,500	$51,500	$0

BACKGROUND

The Milwaukee Public Library provides materials, services, and facilities for all citizens of Milwaukee in order to meet the present and future informational needs of Milwaukeeans. Over three million items and various online resources are available to residents at 13 libraries located throughout the city. These libraries enhance the quality of life in Milwaukee's neighborhoods and contribute to community awareness, school readiness, academic success and the job skills development of our citizens. Libraries have been recognized as a catalyst that encourages economic development.

Library services include access to information and training related to developing a skilled workforce. Information needed for self-improvement in the area of job skills is available at all libraries but are given special emphasis in four neighborhood libraries that are designated as job centers and at the Central Library. Four additional libraries carry the designation of literacy centers, which provide tutoring programs and special materials designed to develop basic reading skills. Public computer classes are offered in partnership with private donors. All libraries are open 6 days a week, ranging from 42 to 60 hours per week. Three libraries, including Central, are open on Sundays from October through April.

The philosophy of children's services is that early and continued exposure to books and reading leads to reading readiness skills, which translate into reading achievement and success in school and life. Children's librarians are assigned to all locations. They select and recommend appropriate materials for young children, provide guidance to parents and caregivers, offer in-house, distance and online reading programs. In addition, contracted outreach professionals provide outreach services to childcare providers in the neediest areas. They visit childcare centers, train providers, and facilitate library visits. This program has a bilingual component that targets Latino centers. Additional literacy programs are offered to children as they get older, including summer reading programs. During the school year, programs throughout the library system help children with homework.

Service 1

Library Services

Activities: Circulation services, Ready Reference, collection development, Mobile Library and Outreach Services, Milwaukee County Federated Library System Resource Library, Wisconsin Regional Library for the Blind and Physically Handicapped, adult literacy, tutoring, computer training, children's programs, community outreach, and information technology services.

		2005 Experience	2006 Budget	2007 Projection
Services:	Library cardholders per capita.	55.0%	55.0%	54.0%
	Visits per capita.	4.35	4.80	4.24
Funding by Source:	Operating Funds	$22,364,568	$23,952,284	$22,810,154
	Grants and Reimbursables	1,701,181	1,015,833	1,837,108
	Capital Budget	2,113,256	1,060,000	830,000
	Totals	$26,179,005	$26,028,117	$25,477,262

SERVICE RESULTS

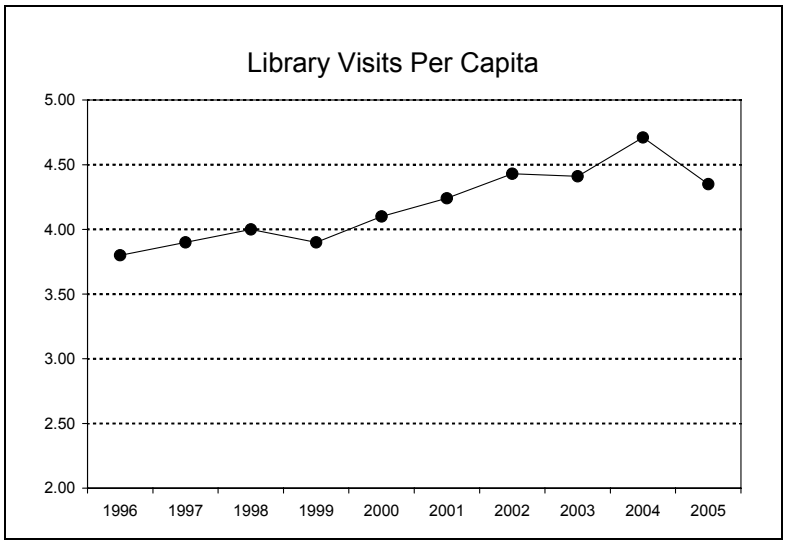
Over the past several years, the Milwaukee Public Library has successfully increased the usage at its facilities, as measured by library visits per capita. The system experienced over 4.35 visits per capita in 2005. This statistic has shown steady improvement since the Library began tracking it in 1996 (see Figure 1).

Many factors impact the Library's ability to attract patrons, including the attractiveness of its facilities, the comprehensiveness and composition of its collection, the variety of programs offered, and the number of service hours provided. The entire range of library funding is designed to enhance these factors. The Library also measures the number of cardholders per capita to track its effectiveness at reaching out to as much of the city population as possible. In 2005, 55% of city residents had a library card.

The Library will continue its successful efforts to increase the number of residents taking advantage of its resources by strategically aligning its technical resources and neighborhood facilities to the changing needs of Milwaukee's population.

The Library's role in providing information resources has greatly expanded beyond the traditional role of collections and reference to encompass an increasing reliance on computer based information and technical skills development. The Library has also increased its ability to serve the elderly and physically handicapped populations through its remote access to Internet databases, mobile delivery services, online catalog system, and adaptive and assistive technology.

Figure 1



SERVICE CHANGES

Strategic Plan: In 2006, the Library completed its strategic planning process. The Library will focus on three strategic directions. 1) The Library will position itself as the community connection for the city, a link between residents and information. This will involve closely aligning Neighborhood Libraries to reflect community needs and to use Internet resources to provide online community support. 2) The Library will foster literacy as a key to educational and economic progress. This will involve expanding resources to promote all types of literacy, providing assistance to residents in developing job seeking skills, and positioning Central Library as the predominant high technology public information resource in the region. 3) The Library will focus on using new and current resources and community partnerships to become a more effective and efficient organization. This will involve working cooperatively with community stakeholders, staff, and other libraries to develop new service models and methods for the community.

Books and Materials: The Library's 2007 proposed budget for materials is decreased by $355,630. Material purchases will be prioritized to support the Library's strategic plan.

Programs and Partnerships: In 2007, the Library will increase programs and collections that support economic development in Milwaukee. Business development courses in partnership with the UW Milwaukee Small Business Development Center, SCORE, and others are planned at designated libraries. Increased emphasis on services to young adults will continue with the strengthening of the Library Teen Advisory Board and presentation of Teen Employment and Teen College Preparatory Workshops.

Adult Literacy: The Library will expand its one-on-one tutoring program for adults from four to five locations. The Adult Tutoring Program at Washington Park Library is being expanded to include "drop-in" tutoring. The Library will also introduce drop-in job aid centers, where members of the public who need help looking for a job online, completing an online job application, or typing a resume, can get assistance from library trainers. This program should be available at three libraries with a schedule designed to offer people a wide variety of times to attend.

Early Literacy: The Library will continue to focus on improving the early literacy skills of preschoolers in Milwaukee by seeking continued funding for the Ready to Read with Books2Go program. Through this initiative, the Library will work directly with select childcare centers, and will increase story times and related programs for children birth to age five and their families at the libraries.

School Age Literacy and Programs: The Library will continue to improve and enhance online access to the Summer Reading Programs in 2007 and create strong partnerships with Milwaukee schools and community agencies to promote reading over the summer.

Public Computer Classes: The Library will add a mobile laptop lab to offer more computer classes and more seats at neighborhood libraries currently without a computer lab. This lab will have ten public laptops, a trainer laptop, and a projector all operating using wireless communications. The Library will again offer over 400 free computer classes. In 2005 over 4,000 people attended these introductory sessions.

Self Checkout System: In 2006, the Library began studying the viability of implementing self checkout systems at Central and branch locations. The Library's goal is to increase efficiency and experience operating savings through the use of new self checkout and RFID technology. In 2007, the Library will continue to study the library's and community's needs and how a self checkout system can best meet those needs.

Energy Savings: In 2006, the Library realized a significant reduction in its usage of electricity, natural gas, and steam. By mandating greater energy conservation and less consumption, department expenditures for natural gas and steam are lower than 2005 expenditures. Electricity expenditures have also been affected by the department's conservation. In 2007, the Library will continue its efforts to control energy usage and expenditures.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	-0.98		Librarian II	Reduction to meet state levy limit.
-1	-0.98		Library Circulation Assistant I	
-1	-0.56		Librarian Circulation Aid	
-1		-1.00	Office Assistant II	Reduction in grant funding.
-1		-0.50	Library Circulation Assistant I	
1		0.25	Library Circulation Assistant I	
-1	-1.00		Graphics Designer II	Position reclassification.
1	1.00		Program Assistant II	
	-1.52	-1.00	Miscellaneous Adjustment	
-4	**-4.04**	**-2.25**	**Totals**	

MAYOR'S OFFICE

EXECUTIVE SUMMARY

MISSION: To enable the citizens of Milwaukee to prosper and achieve a high quality of life and to allow the city to serve as the economic, social, and cultural hub of the metropolitan area by effectively managing city government, providing community leadership, and advancing Milwaukee's interests with other governments.

SERVICES: Ensure that city services add value to the lives of residents, effectively manage city government, provide community leadership, and advance Milwaukee's interests with other cities.

STRATEGIC ISSUES: Creating an accountable government structure that works to:

- Improve the economic outlook of the City of Milwaukee.
- Advance safe and healthy citizens, neighborhoods, and communities.
- Foster an environment of cooperation and effectiveness with other government entities.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	12.50	12.50	12.50	12.50	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	14	14	14	14	0	0
EXPENDITURES						
Salaries and Wages	$785,315	$790,114	$800,008	$825,540	$35,426	$25,532
Fringe Benefits	370,659	331,847	336,003	346,726	14,879	10,723
Operating Expenditures	27,921	43,961	40,692	40,692	-3,269	0
Equipment	10,463	0	0	0	0	0
TOTAL	$1,194,358	$1,165,922	$1,176,703	$1,212,958	$47,036	$36,255

BACKGROUND

The Mayor of Milwaukee is elected to a four year term and acts as the city's Chief Executive Officer and representative of the citizens of the city. The Mayor's Office provides a leadership role in establishing priorities, coordinating the implementation of programs, and providing crisis management. The managers of all the city's major service delivery agencies (with the exception of the Fire and Police Chiefs and other elected officials) are appointed by and are directly accountable to the Mayor.

Service 1

Mayor's Office				
Activities:	Strategic planning for administration, constituent relations, intergovernmental relations, intra-governmental coordination, private sector liaison, and public information dissemination.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Services:	Percent of residents surveyed who say neighborhood is same or getting better.	72.0%	75.0%	75.0%
Funding by Source:	Operating Funds	$1,194,358	$1,165,922	$1,212,958
	Totals	$1,194,358	$1,165,922	$1,212,958

SERVICE RESULTS

Strengthening neighborhoods and improving government services to taxpayers are a major focus of Mayor Barrett's administration. In 2007, several initiatives are being implemented that focus on accountability and effectiveness. These initiatives are discussed in the *Budget Introduction* and in the various departmental sections.

SERVICE CHANGES

The Mayor's Office recognizes that the City of Milwaukee has many challenges, including crime, unemployment, education, and increasingly tighter budgets. The Mayor cannot resolve these daunting issues alone. A positive joint effort of the Mayor, other city elected officials, Milwaukee Public Schools, and other government entities will be required.

The Mayor's Office, in conjunction with other elected officials and the Department of Administration, has worked to develop performance and outcome guides as a focus for funding choices in 2007. Developing sustainable and responsive budget planning has helped departments manage their programs and ensure that the city meets the needs of taxpayers. This process will continue in 2007.

Accountability Initiative: In 2006, Mayor Barrett implemented the Accountability in Management (AIM) initiative. AIM is designed to improve service and accountability to the citizens of Milwaukee.

AIM is an effective and efficient means for the Mayor to oversee city operations, manage for results, and deliver improved customer service to the citizens of Milwaukee. Through regular meetings, the Mayor and AIM team have reviewed performance data on city services and operations. The meetings provide a direct tool for improving management of city government and focusing on how city operations are meeting performance goals.

The initiative applies the COMSTAT management model, first pioneered in the New York City Police Department, to all departments and city services. All Cabinet departments participate in this program.

Regional Economic Development Initiative: In 2006, the City of Milwaukee joined with the seven counties of Southeastern Wisconsin to launch a sweeping plan to strengthen the regional economy. Officials are developing and marketing the competitive advantages of Milwaukee and the surrounding communities. A five year, $12 million campaign is under way.

2007 Initiatives: The Mayor's Office has been working to promote focused initiatives that address the needs of the community. Policy concentrations for 2007 will include: a Driver's Licensure and Employment Project, regional water resources planning, the creation of a Health Equity and Disparity Center, stronger accountability in city management though the AIM process, a new Management Pay Plan, a new approach to bulky garbage collections,

revised city health care and labor strategies, implementation of workforce development programs, recreation of the Fire and Police Commission as an independent unit of governance with stronger oversight and auditing capacity, increased funding for focused policing activities and increases to Police strength levels, fire prevention and Fire Fighter safety initiatives, and a strengthened youth employment proposal.

Staffing: The City of Milwaukee's Mayor's Office is one of the smallest big city mayoral staffs in the United States. Funded full time staff positions in the Mayor's Office have dropped by nearly 25% since 2000. No further staff reductions will occur in 2007. Current staffing levels are necessary to effectively manage city policies and services.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES - None

MUNICIPAL COURT

EXECUTIVE SUMMARY

MISSION: Adjudicate ordinance violation cases impartially to safeguard the legal rights of individuals and protect the public interest, enhance public safety, make court services accessible to the public, and enforce court judgments.

SERVICES: Adjudication.

STRATEGIC ISSUES: Manage the Court's caseload to minimize delays and improve service to the public.

Implement technology in order to streamline operations and reduce operating costs, particularly in the area of case management.

Continue effective enforcement of court judgments through various collection methods.

Support implementation of the Drivers Licensure and Employment Project.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	36.57	39.50	39.50	39.50	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	44	44	44	44	0	0
EXPENDITURES						
Salaries and Wages	$1,925,122	$1,965,768	$1,969,723	$1,969,723	$3,955	$0
Fringe Benefits	819,416	825,623	827,284	827,284	1,661	0
Operating Expenditures	511,969	519,554	494,802	494,802	-24,752	0
Equipment	31,000	4,000	39,000	39,000	35,000	0
Special Funds	68,772	56,000	50,175	50,175	-5,825	0
TOTAL	$3,356,279	$3,370,945	$3,380,984	$3,380,984	$10,039	$0
REVENUES						
Charges for Services	$1,380,443	$1,305,600	$1,593,700	$1,743,700	$438,100	$150,000
Forfeitures	5,884,753	5,206,000	5,206,000	5,206,000	0	0
TOTAL	$7,265,196	$6,511,600	$6,799,700	$6,949,700	$438,100	$150,000

BACKGROUND

The Municipal Court, part of the statewide court system, adjudicates city ordinance violations including traffic and building code cases. The Court has three elected Judges who preside over the Court's three branches. The Presiding Judge appoints the Chief Court Administrator who oversees the administrative functions of the Court.

Recognizing the volatility in the number of case filings, the Court uses Municipal Court Commissioners to augment its judicial resources. There are five authorized part time Municipal Court Commissioners (equivalent to one-half of a full time position) available to hear traffic pre-trials and cases of defendants in the custody of the

Milwaukee County Sheriff. The Commissioners hear cases in the Municipal Intake Courtroom at Milwaukee County's Criminal Justice Facility.

The Court is staffed by 36 employees who prepare case files for hearings, provide clerk services to the Judges and Commissioners, receive and account for defendant payments, and perform other administrative functions. The staff is responsible for processing between 130,000 and 180,000 cases per year and accounting for over $7.2 million in revenues to the city, largely from fines and forfeitures.

The Court provides its services through regular daily court sessions, evening court sessions, and a variety of community based options. Evening court meets the needs of a large number of people busy during the day. Judges also meet with defendants in a variety of locations including at community organizations, such as the Milwaukee Urban League and Project REACH, which have programs specifically aimed at children and young adults. These sessions have experienced a good turnout and provide more time for the Judges to communicate with and counsel defendants.

The Court refers certain first time juvenile and adult offenders who appear for arraignment in retail theft cases, to classes conducted by the Institute for Criminal Justice at the University of Wisconsin Milwaukee. When appropriate, traffic offenders who appear at pre-trial are referred to the Driver Safety Program conducted by the City Safety Division. The Court also makes community service referrals to many non-profit community organizations including Youth Services at the Social Development Commission, Career Youth Development, and the Youth Development Boot Camp.

Service 1

Municipal Court Adjudication

Activities: Impartially adjudicate ordinance violation cases and effectively enforce judgments.

		2005 Experience	2006 Budget	2007 Projection
Services:	Percentage of non-priority cases that are tried within 90 days of intake date.	99.5%	90.0%	99.0%
	Ratio of warrants and commitments to cases adjudicated.	37.0%	30.0%	37.0%
Funding by Source:	Operating Funds	$3,356,279	$3,370,945	$3,380,984
	Capital Budget	271,250	0	50,000
	Special Purpose Accounts	420,679	430,000	521,000
	Totals	$4,048,208	$3,800,945	$3,951,984

SERVICE RESULTS

Municipal Court's 2007 proposed budget is based on an estimated 135,000 to 140,000 cases. This would be a reduction of about 860 to 5,860 cases from the 140,860 cases heard in 2004 but somewhat more than the 131,732 cases heard in 2005. The ratio of warrants and commitments to cases adjudicated in 2005 was 37%, a slight decrease from 38.3% in 2004 (see Figures 1 and 2).

Participation in the state's Tax Refund Intercept Program (TRIP) has been very successful. Compared to other municipal organizations in Wisconsin, the Court has collected the second most revenue through this program, with total collections of $6.2 million as of June, 2006. In 2004, using the collection agency's databases and direct electronic interface with the State Department of Revenue, the Court collected $1.2 million in payments to be applied to outstanding forfeitures and fines. In 2005, the Court collected $1.3 million in payments, an increase over

the 2004 amount. Total Court revenues increased 1.2% from $7.18 million in 2004 to $7.27 million in 2005 largely due to a $252,000 (or 4.5%) increase in forfeiture and fine collections (see Figure 3).

Evening court sessions, begun in 2003, continued their success in 2005 and into 2006. Since evening court is more convenient, a high percentage of defendants scheduled actually appear for their hearings. Between January and July 2006, the appearance rate was 79%. A high appearance rate makes the Municipal Court more efficient.

The Court continues to experience a shift in caseload to contested parking citations. This is largely due to record citation issuance over the last several years. Contested parking citations account for almost 4% of Municipal Court's total case filings, up from 1% in 2002. There were 5,205 parking cases filed in 2005. Additionally, cases relating to operating a vehicle without a valid registration account for another 5.3% of the Court's cases. Thus, almost 10% of the Court's cases now relate to motor vehicle citations.

SERVICE CHANGES

Court Security Enhancements: The 2007 proposed budget includes $35,000 in funding for security improvements at the Municipal Court. Funding will support installation of electronic key cards on doors and installation of security cameras, with remote monitoring, in different areas within the Court's facility. These security measures are used by other city departments and will enhance security at the Court. These improvements were recommended in an audit completed by the City Comptroller in December 2005.

Improving Case Management: The 2007 proposed capital budget includes $50,000 in funding for a second phase of the Court Case Management System Project. This project was first funded in the 2002 budget at $1.75 million. Additional funding of $250,000 was appropriated in 2004, for total funding of $2 million. As of August 2006, about

Figure 1

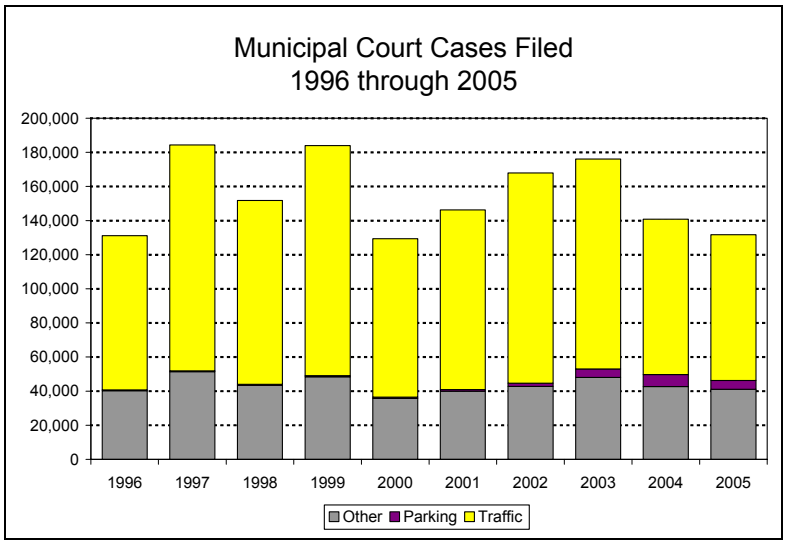


Figure 2

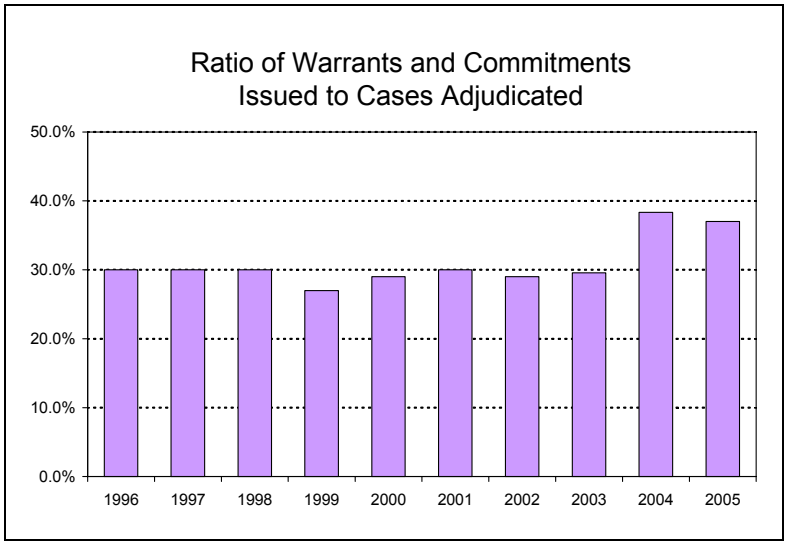
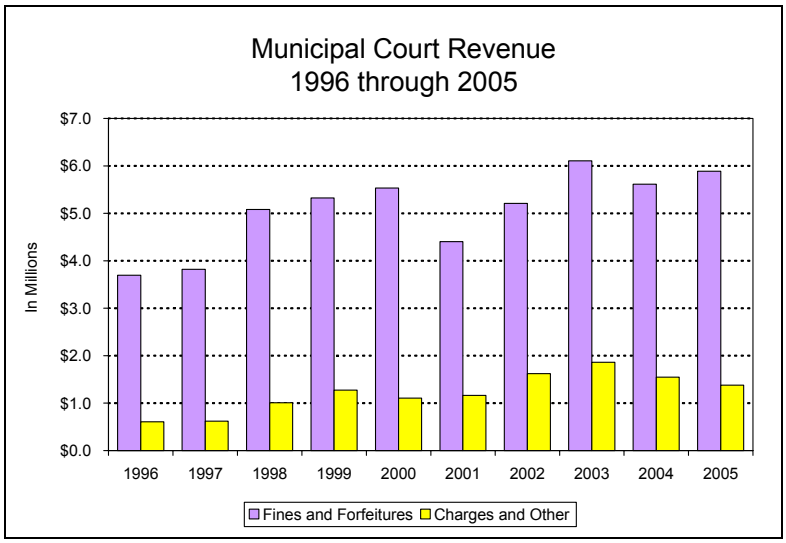


Figure 3



$1.5 million has been expended. The Court anticipates that a total of $1.8 million will be spent through 2006, with the majority of funds committed to completing the first phase of the project.

Unexpended project funds from 2006 combined with the 2007 funding will support the next phase of this project. The goal is to establish electronic case files for the Court. This will include conducting a feasibility study on the impact of electronic document imaging and management on the daily operation of the Court.

Drivers Licensure and Employment Initiative: The 2007 proposed budget includes $200,000 for a new Drivers Licensure and Employment Project. Funding includes $75,000 from a new Special Purpose Account and $125,000 through CDBG reprogramming. In recent years, the Court has pursued initiatives to assist residents in restoring suspended or revoked licenses; this project is an expansion of these initiatives. The goal is to reduce a significant barrier to employment for many residents. For example, manufacturing job openings currently exist in the exurban counties, but there is a lack of mass transit to enable city residents to obtain these jobs. In addition a valid driver's license may be required to perform certain jobs. Consequently, lack of a valid driver's license makes it difficult to pursue jobs in surrounding counties.

Studies indicate that more than 100,000 Milwaukee County residents are under license suspension or revocation and that the majority of license suspensions are the result of failing to pay fines. The majority of these individuals should be able to restore their licenses by taking a few steps within the court system. However, these individuals, many of whom are young and poor, require assistance in taking these steps. The project will provide this assistance primarily through orientation, guidance, and legal support for persons willing to work for license restoration. Project staff will:

- Coordinate services provided by project partners and manage operations;
- Perform intake and triage to determine clients' eligibility, review revocation and suspension circumstances, and assess needs for program services;
- Perform case management to provide non-legal services to clients, such as developing payment plans, making referrals for needed services, making community service placements, and monitoring efforts to clear driving records; and
- Provide legal services to clients where expert advocacy is needed.

The project will also involve advocacy for changes in state laws that cause license suspension and revocation for non-driving offenses, and sustained effort to improve the availability of driver's education programs. The project will not be administered by the Court, but will be managed by a new non-profit organization created specifically for this purpose. Most of the project cost is for staff, as professional case management is needed to make the project successful. If funded, the project should serve about 2,000 clients in 2007. The provision of city funding is intended to help attract funding from other sources, including foundations, the state and federal governments, and the business community.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES - None

NEIGHBORHOOD SERVICES

EXECUTIVE SUMMARY

MISSION: To enhance Milwaukee's competitive advantage as a vibrant urban community. To work in cooperation with public and private partnerships and neighborhood residents, to promote investment and improve the physical, environmental, and aesthetic conditions of Milwaukee's neighborhoods.

SERVICES: Neighborhood Improvement Services.

Trade and Commercial Inspection Services.

Nuisance Control Services.

Vacant Lot Maintenance Services.

STRATEGIC ISSUES: Continue to improve the percentage of operating costs that are offset by revenue generated by inspections, permits, licenses, and enforcement.

Work with other city officials and departments to reduce the costs of vacant lot maintenance.

Work with the Department of Public Works to improve nuisance garbage and litter abatement.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	158.11	167.58	167.58	167.58	0.00	0.00
FTEs - Other	24.97	32.80	35.80	39.00	6.20	3.20
Total Positions Authorized	227	224	227	228	4	1
EXPENDITURES						
Salaries and Wages	$7,789,344	$8,064,096	$7,926,395	$7,926,395	$-137,701	$0
Fringe Benefits	3,223,341	3,386,920	3,329,086	3,329,086	-57,834	0
Operating Expenditures	987,521	717,275	760,155	770,155	52,880	10,000
Equipment	69,911	67,500	59,800	59,800	-7,700	0
Special Funds	1,874,735	1,890,000	1,993,750	1,724,000	-166,000	-269,750
TOTAL	$13,944,852	$14,125,791	$14,069,186	$13,809,436	$-316,355	$-259,750
REVENUES						
Charges for Services	$7,724,010	$6,729,000	$7,001,000	$7,001,000	$272,000	$0
Licenses and Permits	6,691,624	5,058,900	5,481,200	5,481,200	422,300	0
Intergovernmental Aids	892,618	911,000	925,000	1,025,000	114,000	100,000
TOTAL	$15,308,252	$12,698,900	$13,407,200	$13,507,200	$808,300	$100,000

BACKGROUND

The Department of Neighborhood Services (DNS) was created in 1999 to address resident concerns that city responses to neighborhood problems had been fragmented, ineffective, and slow. The primary role of DNS is to improve city neighborhoods by enforcing standards for buildings, property, and land use. These standards help protect the safety and health of residents and ensure neighborhood stability. The department uses its enforcement, financial, and educational resources to encourage investment in housing and other buildings in Milwaukee's neighborhoods.

Trade and Commercial Inspection Services contribute to the Mayor's Neighborhood Investment Outcome. These inspection services ensure compliance with building and property codes to maintain an attractive investment environment and to foster reinvestment into buildings and neighborhoods. The service supports improved neighborhood conditions that should discourage crime and other disorders while encouraging or supporting positive behaviors. The Nuisance Control Service supports improved neighborhood conditions that discourage disorderly behaviors that, if abated, should discourage crime. The environmental activities in this service, such as direct regulation of certain contaminants, help reduce environmental risks.

DNS has been participating in the Mayor's Accountability in Management (AIM) initiative in 2006. Issues that have been discussed include comparing Milwaukee's permit fees to other municipalities, complaint response time, overdue violation actions, housing conditions for mentally ill patients, nuisance garbage, and vacant lot maintenance, among other issues. The 2007 proposed budget includes changes in nuisance garbage abatement based on AIM meetings. The two major service goals that are being tracked through AIM are response time to complaints and closing of violations in a timely manner. The complaint response goal is to respond to all complaints within 14 days. Through June 2006, the average complaint response is 7.9 days. The violation goal is to close all violations within 45 days of the compliance date established by inspectors. As of June 2006, 83.1% of violations met this goal. The goals are to respond to complaints and resolve violations as quickly as possible.

Service 1

Neighborhood Improvement Services

Activities: Residential code enforcement, Code Compliance Program, court enforcement, and graffiti abatement.

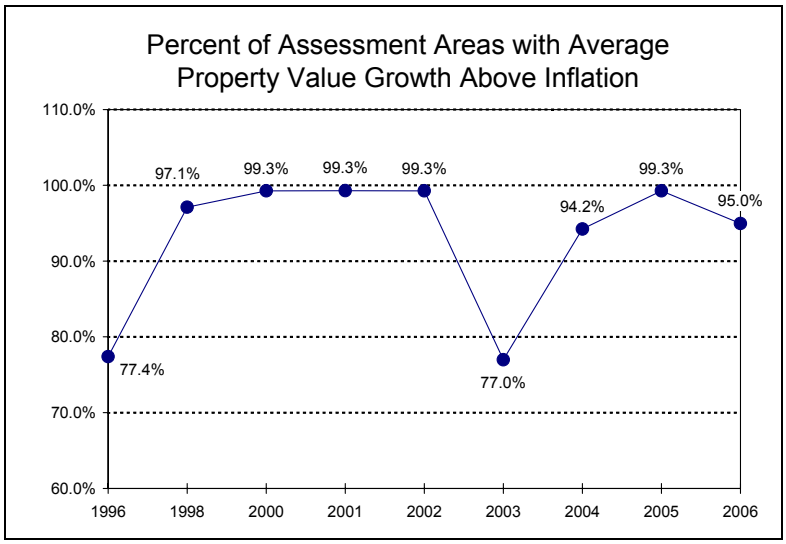
		2005 Experience	2006 Budget	2007 Projection
Services:	Percent of assessment areas with average property value growth higher than inflation.	95.0%	95.0%	95.0%
Funding by Source:	Operating Funds	$3,726,730	$4,203,043	$4,003,416
	Grants and Reimbursables	1,534,616	1,564,893	1,621,724
	Special Purpose Accounts	1,408,727	1,321,000	1,321,000
	Totals	$6,670,073	$7,088,936	$6,946,140

SERVICE RESULTS

A significant measure of how well neighborhoods are doing is property values. Neighborhoods with valuable characteristics increase in value more quickly than neighborhoods with problems such as code violations, graffiti, peeling paint, and buildings with structural problems. The Neighborhood Improvement Service enhances the appearance and value of neighborhoods. The primary outcome measure for this program is the percentage of assessment areas with average property value growth higher than inflation. As shown in Figure 1, there has been strong sustained growth in property values in almost all city assessment areas since 1998. While there was a

decline in 2003, property values have rebounded since 2004. The 2006 assessment data shows that 95.0% of residential assessment areas had property value growth greater than the rate of inflation.

Figure 1



SERVICE CHANGES

Neighborhood Improvement Program: An additional position of Housing Rehabilitation Inspector is added to the Neighborhood Improvement Program, a result of the Westside Housing Cooperative Property Rehabilitation Project Audit. This is a new position that will perform the following activities: prepare construction work specifications and budgets for HOME funded rehabilitation projects, inspect properties to identify interior and exterior building code violations, and inspect completed rehabilitation work before contractors are paid. This change is intended to ensure that all code violations are addressed in work plans and that construction specifications and cost estimates for all projects are applied consistently. It will determine whether work was adequately performed to specifications and at reasonable cost.

Landlord Training Program: Funding for this program is reduced by $16,700 from 2006, a reduction of about 7.3%. In 2005, the program held 23 sessions and served 1,608 participants. DNS is also exploring other options for funding the program, including fees or grant funding.

Using GPS in Inspectors' Cellular Phones: The 2007 proposed budget includes $10,000 in funding to allow DNS management to track Inspectors using GPS technology embedded in the cellular phones used by Inspectors. The goal is to determine if this technology can assist in identifying methods of improving the productivity of Inspectors. It also adds an increased ability to provide for their safety.

E-Notify by Location Initiative: In 2006, DNS implemented a change to improve its services. A new feature was added to the city's E-Notify system that automatically sends an e-mail to a user whenever DNS receives or issues new documents, including recorded ownership, orders, complaints, or permits by property location. This allows users to be immediately notified when something significant happens at a specific property, or in a geographic area surrounding the property. Specifically, users can enter their E-Notify account and activate the "Location Based Notification" option. Users can enter a single property address or multiple addresses. Users can also enter a geographic range, either 600 feet, 1,000 feet, or 2,640 feet (a half mile) within the property. E-Notify will then send an e-mail to the user when there are permits, violations, service requests, or recorded ownership changes that occur at or near the identified properties. The e-mail will summarize the change and provide a link to the City of Milwaukee Neighborhood Services System if the user wants to obtain more detailed information. This can help landlords, community groups, residents, and others monitor their properties and neighborhoods. The goal is to provide more information to city residents and customers, and shorten the time it takes to correct code violations and better educate consumers making property investment decisions. E-Notify is available to anyone with access to the Internet.

Position Reclassifications: The 2007 proposed budget reflects several position reclassifications that were approved in 2005 and 2006. The Chief Operations Officer was reclassified to a Neighborhood Services Operations Manager, increasing the Salary Grade from 11 to 13. The title of Special Compliance Inspector in the Residential

Code Enforcement Section is eliminated, with two of these positions reclassified as Code Enforcement Inspector II positions and one position reclassified as a Program Assistant II.

Service 2

Trades and Commercial Inspection Services

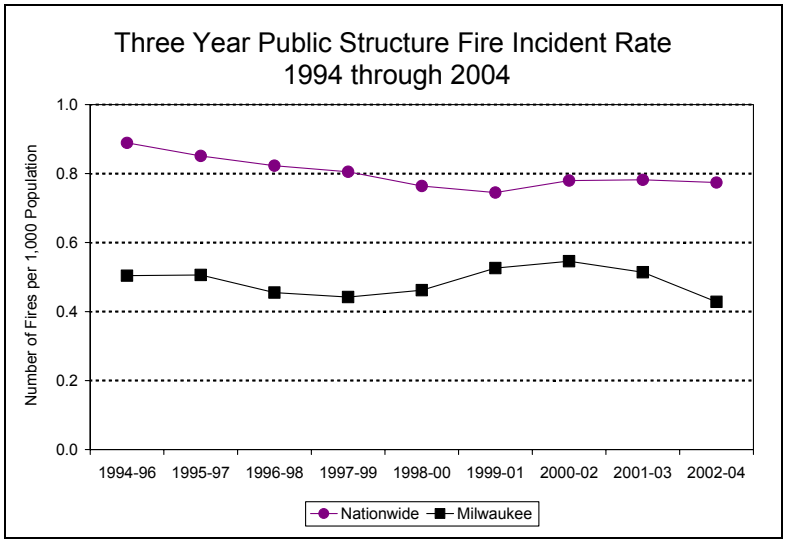
Activities: Construction, electrical, boiler, elevator, plumbing and commercial code enforcement, and fire prevention inspections.

		2005 Experience	2006 Budget	2007 Projection
Services:	Three year average public fire incident rate per 1,000 residents.	0.43	0.44	0.44
Funding by Source:	Operating Funds	$6,536,843	$5,870,674	$5,719,271
	Grants and Reimbursables	73,313	486,135	762,215
	Totals	$6,610,156	$6,356,809	$6,481,486

SERVICE RESULTS

The primary purpose of the Trade and Commercial Inspection Service is to ensure public safety by ensuring compliance with building codes, including appropriate fire prevention and safety requirements. The major outcome measure for this program is the public fire incident rate, which measures the incidence of fires in buildings inspected by DNS. The 2005 data are not yet available; outcomes are shown through 2004. As shown in Figure 2, the fire incident rate has declined significantly since 2001. The three year rate of 0.43 is significantly lower than the national rate of 0.77. Historically, Milwaukee's fire incident rate has been maintained well below the national average. Milwaukee has maintained a low per capita fire incidence rate in part by reducing the number of fires. Since 1993, the number of fires has decreased by 138 or 39.3%.

Figure 2



SERVICE CHANGES

Expanded Cross Connection Control Program: State of Wisconsin Administrative Regulations (NR 811.09) require that the Milwaukee Water Works implement a Cross Connection Control Program. This program prevents the contamination of drinking water. Water Works uses DNS Plumbing Inspectors to provide cross connection inspections for commercial and industrial buildings when new plumbing permits are issued. The 2007 proposed budget adds three additional staff to better protect public health and to ensure compliance with state statutes through this program. Three Plumbing Inspector II positions are added, increasing the number of Inspectors to six, with total program staff of nine. No additional staff increases are anticipated in future years. The program

provides inspection of all non-residential buildings every ten years, with Water Works reimbursing DNS for all program costs. The program is projected to cost $680,000 in 2007.

Fire Prevention Inspection Rates Increased: The 2007 proposed budget includes an increase to the fire prevention inspection rates. City ordinance requires annual fire inspections to be conducted on all three and four family residential properties, all apartment buildings, and all commercial structures by DNS staff. Properties are inspected annually by DNS and the fees are placed on the tax roll. Fees are based on a sliding scale based on the value of the property, with a minimum charge of $59 and a maximum charge of $351. The majority of properties are charged the minimum fee, which was last increased in 2002. Between 2003 and 2006, labor rates increased by 12.6%. The minimum fee will increase to $65 and the maximum fee will increase to $390 in 2007. These increases are between 10% and 11%, or less than the actual increase in labor costs for providing this service. These fee increases should result in increased revenue of $93,000.

Service 3

Nuisance Control Services

Activities: Animal control, pest control, rodent control, chronic nuisance property, nuisance vehicles, environmental health, and payment to the Milwaukee Area Domestic Animal Control Commission.

		2005 Experience	2006 Budget	2007 Projection
Services:	Percent of assessment areas with average property value growth higher than inflation.	95.0%	95.0%	95.0%
Funding by Source:	Operating Funds	$3,490,992	$4,052,074	$4,086,749
	Grants and Reimbursables	98,253	100,549	84,405
	Special Purpose Accounts	6,217	10,000	0
	Totals	$3,595,462	$4,162,623	$4,171,154

SERVICE RESULTS

The primary purpose of the Nuisance Control Service is to enforce codes relating to rats, litter and garbage nuisances, and various animal control regulations. By abating these nuisances, these activities enhance the appearance and value of neighborhoods. The Environmental Health Section performs a variety of functions, including enforcement of license and permit requirements such as litter, public and private swimming pools, and for massage establishments.

Rat Abatement: While the CDBG funding for the program is reduced by $16,000, from a total 2006 amount of $38,444 to $22,300, the operating budget includes a $20,000 increase to the Community Sanitation Fund to offset the loss of CDBG funds. This funding will be used by DNS in the manner that best supports its rat abatement activities, which could include purchase of rat bait or hiring of temporary staff. The intent is to maintain the level of service provided by this program. In 2005, the program included baiting at 1,335 properties, placed 2,623 bait doses, and baited 1,652 sewers.

Transfer Neighborhood Clean and Green Initiative Funding: The Neighborhood Clean and Green Initiative Special Purpose Account is eliminated in the 2007 proposed budget, with the funding transferred to the DNS and DPW operating budgets. A total of $85,000 is transferred, including $10,000 to DNS. The DNS funding is transferred to the Community Sanitation Fund. DNS will continue to use this funding for neighborhood cleanliness activities.

Nuisance Garbage Abatement Change: The 2007 proposed budget includes a change in nuisance garbage abatement procedures. Currently, DNS receives complaints and conducts inspections to verify if there are properties that have nuisance garbage violations. If there is a verified violation, DNS issues a clean up order to the property owner, generally providing seven days for the property owner to voluntarily clean up the garbage. If the property owner does not conduct the clean up, DNS uses private vendors and DPW to cleanup the garbage.

In 2007, city procedures will be changed to have DPW provide all clean up services for nuisance garbage, including clean up on vacant lots. DNS will refer all unabated nuisance garbage violations to DPW for clean up. The goal is to reduce the time it takes to clean up unabated nuisance garbage violations, thereby improving the cleanliness of neighborhoods.

As part of this change, $290,000 from the Community Sanitation Special Fund is transferred from DNS to DPW. DNS uses this funding to pay private contractors for clean up services. In addition, $115,000 will be transferred to DPW from the DNS Vacant Lot Maintenance Special Purpose Account. DNS will continue to be responsible for general maintenance of vacant lots, such as grass cutting, snow removal, fencing and posting, and grading and seeding. However, DPW will be responsible for the removal of nuisance garbage from vacant lots. The departments will coordinate their efforts to improve nuisance garbage abatement. Progress in improving the nuisance garbage abatement process will be monitored through the Mayor's Accountability in Management initiative.

MADACC Special Fund: Funding for the City of Milwaukee's payment to the Milwaukee Area Domestic Animal Control Commission is increased by $59,000. This should provide sufficient funding for the likely increase in the MADACC payment that will occur in 2007. This is a 4% increase from 2006 funding.

Service 4

Vacant Lot Maintenance

Activities: Grass cutting, snow removal, trash and debris removal, and related maintenance activities on city owned vacant lots.

		2005 Experience	2006 Budget	2007 Projection
Services:	Per acre costs.	$2,079	$2,277	$1,954
	Number of complaints.	234	258	235
Funding by Source:	Operating Funds	$190,287	$0	$0
	Grants and Reimbursables	805,753	218,755	226,115
	Special Purpose Accounts	0	711,735	596,735
	Totals	$996,040	$930,490	$822,850

SERVICE RESULTS

The primary purpose of the Vacant Lot Maintenance Service is to maintain vacant lots owned by the city and the Redevelopment Authority of the City of Milwaukee (RACM). There are approximately 2,900 city owned lots, which have been primarily acquired through foreclosure actions. The Department of City Development and RACM are responsible for developing and marketing these properties for economic development purposes. Vacant lot maintenance activities include grass cutting, snow removal, tire removal, litter and trash removal, and other miscellaneous maintenance expenses. Two staff in DNS coordinate the maintenance activities and perform inspections and complaint response, but maintenance activities are performed through various contracts with private firms.

SERVICE CHANGES

Change in Vacant Lot Maintenance Funding: The U.S. Department of Housing and Urban Development (HUD) oversees the Community Development Block Grant (CDBG) program. HUD has determined that the city's procedures for maintaining vacant lots with CDBG funds need to be changed. CDBG funds will only pay for maintenance activities within three years of acquiring vacant properties. After this three year limit, the city cannot use CDBG funds for maintenance but must use operating funds. In 2007, total vacant lot maintenance costs are $937,850. Of this total, $711,735 is funded through special purpose accounts and $226,115 is funded through the CDBG program. This is a slight increase ($7,360) from the funding provided in the 2006 budget.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	- 1.00		Chief Operations Officer	Position reclassified in File 050815.
1	1.00		Neighborhood Services Operations Manager	
3		3.00	Plumbing Inspector II	Position added for Cross Connection Control Program.
-3	-3.00		Special Compliance Inspector	Positions reclassified in File 051547.
2	2.00		Code Enforcement Inspector II	
1	1.00		Program Assistant II	
1		1.00	Housing Rehabilitation Inspector	Position added to meet audit recommendations.
		2.20	Various	Experience adjustment.
4	**0.00**	**6.20**	**Totals**	

POLICE DEPARTMENT

EXECUTIVE SUMMARY

MISSION: To reduce crime and enhance the quality of life in the City of Milwaukee.

SERVICES: Investigations.

General patrol.

Community education and prevention.

STRATEGIC ISSUES: Improve citywide safety and quality of life by directing policing resources where they are most needed and through reorganization, policy, and procedure changes.

Increase the sworn strength of the department by 40 Police Officers in 2007.

Reduce homicides by implementing recommendations of the Homicide Review Committee due in September 2006.

Address neighborhood issues and response times to calls for service by increasing overtime by $2.4 million.

Improve community relations and communication by creating and deploying the Mobile Community Resource Center.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	2,812.80	2,654.81	2,616.73	2,817.46	162.65	200.73
FTEs - Other	22.66	41.65	42.01	35.76	-5.89	-6.25
Total Positions Authorized	2,953	2,961	2,972	2,986	25	14
EXPENDITURES						
Salaries and Wages	$148,427,947	$145,080,882	$151,893,195	$149,706,495	$4,625,613	$-2,186,700
Fringe Benefits	48,985,453	49,327,500	51,643,686	50,900,209	1,572,709	-743,477
Operating Expenditures	10,210,143	10,855,526	11,051,918	11,427,993	572,467	376,075
Equipment	1,125,644	1,736,027	2,085,576	2,085,576	349,549	0
Special Funds	0	0	0	12,115	12,115	12,115
TOTAL	$208,749,187	$206,999,935	$216,674,375	$214,132,388	$7,132,453	$-2,541,987
REVENUES						
Intergovernmental	$604,532	$690,000	$705,000	$705,000	$15,000	$0
Charges for Services	262,808	255,800	263,200	263,200	7,400	0
TOTAL	$867,340	$945,800	$968,200	$968,200	$22,400	$0

BACKGROUND

The Milwaukee Police Department (MPD) has ensured the safety of the community since 1855. Law enforcement personnel, most of them recruited and trained by the department, serve the public from an Administration Building, seven District Stations, a Data Communications Center, and Training Academy.

MPD continues to protect citizens from crime by focusing on the quality of life in Milwaukee. The Police Department recognizes that its mission is to improve the quality of life in the community it serves. The MPD responds aggressively to emerging crime trends and enforces municipal violations. This dual strategy allows the department to minimize disorder, prevent more serious crimes from occurring, and continues its focus on the quality of life in Milwaukee's neighborhoods.

MPD also adds value to the community in less direct ways. For example, directed missions make Milwaukee's famous festivals and special events run smoothly and safely. More importantly, a strong, visible police presence downtown, at festivals, and in neighborhoods creates a lasting impression of safety in the minds of tourists and business visitors.

Increasingly, MPD relies on partnerships with other agencies and community leaders to address neighborhood safety issues from a broader strategic perspective. These collaborations help to leverage the city's resources and create long term benefits for the entire city.

Service 1

Investigations				
Activities:	Homicide investigations, crimes against persons and property, sensitive crimes, child abuse neglect and custody, missing person investigations, non-criminal investigations, and ATF investigations.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Services:	Percent of index crimes cleared by arrest.	8.3%	12.5%	10.4%
Funding by Source:	Operating Funds	$109,466,511	$110,081,330	$111,850,242
	Grants and Reimbursables	4,712,006	2,161,305	5,091,320
	Capital Budget	1,827,167	621,185	875,735
	Totals	$116,005,684	$112,863,820	$117,817,297

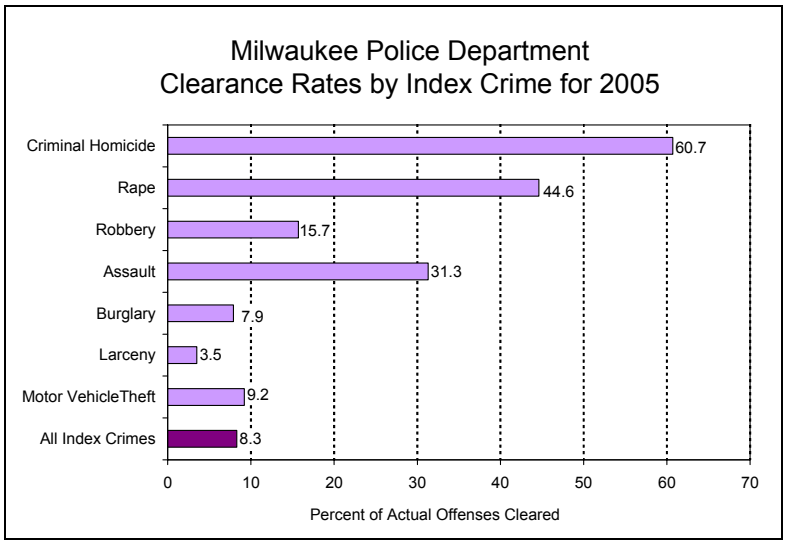
SERVICE RESULTS

Clearance rates refer to the percentage of reported crimes for which one or more arrests are made (or, the suspect is identified but due to death or other "exceptional" circumstances cannot be arrested). Figure 1 shows that Milwaukee's total clearance rate of 8.3% in 2005 includes much higher rates for crimes against persons (murder, rape, robbery, and assault). Property crimes (burglary, larceny, and motor vehicle theft) typically have lower clearance rates due to the large volume and lack of direct contact between the criminal and the victim. This clearance rate is a decrease from the 10.4% clearance rate of 2004.

A high clearance rate is important for two reasons; arrests deter the arrested offender (specific deterrence) and a consistently high clearance rate deters would be perpetrators. The deterrent effect of police investigations and arrests ultimately depends on criminals promptly facing real consequences for their actions, including incarceration.

Clearance rates only represent part of the Police Department's impact on public safety and criminal behavior. This service includes funding for the Vice and Intelligence Divisions and other efforts related to tracking and halting the trade of drugs in Milwaukee. Narcotics offenses do not factor into the FBI index for clearance reports. Consequently, although many crimes reported to the FBI are in fact drug related, the FBI reported clearance rate does not directly measure the effectiveness of these special units, nor their impact on other types of serious crime.

Figure 1



SERVICE CHANGES

WIBRS Data Reporting: The FBI's Uniform Crime Reporting (UCR) Program, which began in 1929, collects information about crimes reported to the police. In 1982, BJS and the FBI sponsored a study of the UCR Program with the objective of revising it to meet law enforcement needs into the 21st century. A five year redesign effort to provide more comprehensive and detailed crime statistics resulted in the National Incident Based Reporting System (NIBRS), which collects data on each reported crime incident. The UCR Program is currently being expanded to NIBRS.

Currently under the summary system, law enforcement authorities aggregate the number of incidents by offense type monthly and report these totals to the FBI. Under incident based reporting, agencies will provide an individual record for each crime reported. The summary UCR Program collects offense information on the eight Part I crimes of homicide, forcible rape, robbery, aggravated assault, burglary, larceny theft, motor vehicle theft, and arson. It provides limited information about offenses, victims and offenders, and includes reported arrests for 21 additional crime categories. Under NIBRS, law enforcement authorities will provide information to the FBI on each criminal incident involving 46 specific offenses, including the eight Part I crimes that occur in their jurisdiction. Details about each incident include information about multiple victims and offenders. Arrest information on the 46 offenses plus 11 lesser offenses is also provided in NIBRS.

Wisconsin, as in other states, has its own Incident Based Uniform Crime Reports, which are called the State IBR, or Wisconsin Incident Based Reporting System (WIBRS). All State IBRs are a "Super Set" of NIBRS, that is, they encompass all of NIBRS plus items specific to each respective state.

The 2007 proposed budget provides the MPD with five additional Office Assistant II's to serve as quality control for the new type of incident reports. These personnel will also run a software program that looks for errors, missing information, or information that does not coincide with the necessary codes. These codes must be correct for all data fields, ranging from the offense to type of weapon, property description, drug type, crime circumstances, type of injury, among others. The Wisconsin Office of Justice Assistance (OJA) also has a software program that it runs to capture any errors in the reports. MPD is notified of errors and must correct them before OJA validates the data. It takes OJA one to two weeks to review this information for any errors and currently allows for an error rate up to 4%. The MPD's current error rate is 0.16%.

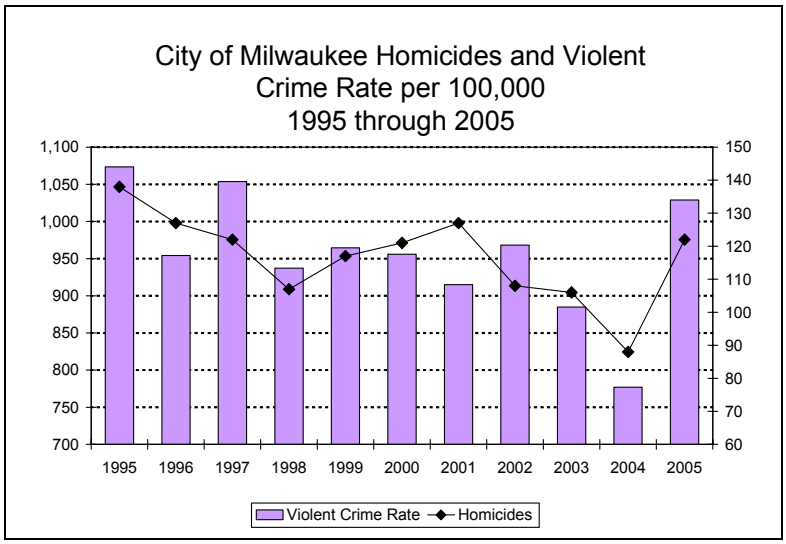
Service 2

General Patrol				
Activities:	Weed and seed operations, Area Specific Patrol, Bicycle Patrol, Neighborhood Foot Patrol, Mounted Patrol, Harbor Patrol, Special Operations/Patrol Support, and Tactical Enforcement.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Services:	Percent change in reported violent crimes.	32.5%	-8.6%	-2.0%
Funding by Source:	Operating Funds	$45,414,942	$45,516,280	$47,241,393
	Grants and Reimbursables	1,954,894	880,177	2,115,262
	Capital Budget	758,047	256,534	363,321
	Totals	$48,127,883	$46,652,991	$49,719,976

SERVICE RESULTS

This outcome measures the department's effectiveness in preventing, deterring, and suppressing crime. This measure tracks the percentage change in reported violent crimes per 100,000 residents. The FBI Violent Crime Index, a uniform national reporting instrument, is composed of reported crimes of homicide, rape, robbery, and aggravated assault.

Figure 2



Measuring the change in violent crime from year-to-year makes the city's trend in public safety more clear. Figure 2 depicts the number of homicides and the city's violent crime rate per 100,000 residents for the years 1995 through 2005. The chart shows that Milwaukee's 2005 violent crime rate of 1,028.9 crimes per 100,000 residents was 32.5% higher than the 2004 rate and was the highest since 1997.

The number of homicides, the most serious factor of the violent crime index, has shown an increase from 2004. In 2005, the city had 122 homicides, compared to 88 in 2004, a 38.6% increase. The department is addressing the 2005 homicide increase to ensure that 2006 and future years return to an annual decrease in homicides. Even with such an unacceptable increase of homicides in 2005, the number was still an 11.6% decrease from 1995 levels.

The FBI Violent Crime Index, while valid for a means of measurement, includes only "serious" crimes. In order to be effective, police departments must also be successful at reducing "minor" crimes and municipal ordinance violations that could potentially lead to more serious crime.

The Milwaukee Police Department's central mission is improving the "quality of life" in Milwaukee. In order to achieve this mission, the department relies on a weekly process known as "crime analysis" which centers on examining localized crime trends in detail and holding supervisors accountable for addressing specific trends or concerns. Implementation of quality of life policing has helped officers and supervisors at all levels be more proactive than reactive, and focus resources on the tasks, problems, and geographic areas with the largest potential for improving Milwaukee's overall safety.

SERVICE CHANGES

There has been a definite change in direction of federal assistance to local police departments since the events of September 11, 2001. Federal programs have now shifted a majority of resources to strengthen homeland security, thus reducing funds that were previously available to communities to combat crime. Since the beginning of 2005, there has been a noticeable and continuing increase of crime in most U.S. cities. Milwaukee has not been spared this disturbing national trend. To better address this rising crime rate, the Mayor proposes significant funding increases aimed at increasing sworn strength and position changes to allow for better utilization of existing sworn personnel.

Additional Police Officers: The 2007 proposed budget includes additional funding for salaries, operating supplies, and equipment to increase the average sworn strength by an additional 40 Police Officers. From the November 2005 recruit class through the end of 2006, it is expected that the MPD will have four classes with approximately 230 recruits to help achieve this increase in sworn strength. Final recruit class timing and sizes for 2007 will be established to ensure the desired increase of 40 Police Officers and to reduce vacancies. This is the highest strength level since 2000.

Overtime: To address rising crime rates and better serve residents, the 2007 proposed budget provides about $12.1 million tax levy supported overtime, an increase of approximately $2.4 million from the 2006 budget. The 2007 proposed budget also includes over $1.4 million in grant funded overtime, a slight increase from 2006. These grant sources assist the department in resolving crime and quality of life issues that affect Milwaukee's neighborhoods.

Community Service Officers: The 2007 proposed budget includes funding for 15 Community Service Officers to begin at mid-year. The final position title and duties are currently being evaluated. The primary goal of creating these positions is to free up more sworn positions that are currently fulfilling duties that are not directly serving the public or that could be done with non-sworn personnel. The MPD is currently working with the Fire and Police Commission and Department of Employee Relations to finalize job title, job description (expected duties), salary grade, and the necessary training program for these positions.

Police Services Specialist/Investigators: Through working with the MPD, Fire and Police Commission, and Department of Employee Relations, a new position title of Public Services Specialist/Investigator (PSSI) was created and implemented in mid-2006. These 13 part and full time positions will replace Detectives that are currently performing background checks necessary for all employee hires within the MPD. By replacing the Detectives with PSSI's, the MPD will redeploy the Detectives to the street to assist in crime prevention and to improve the department's crime clearance rates.

Service 3

Community Education and Prevention				
Activities:	Safety and community services, internal cultural competency training.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Services:	Number of Mobile Community Resource Center stops.	N/A	N/A	48+
Funding by Source:	Operating Funds	$53,867,734	$51,402,325	$55,040,763
	Grants and Reimbursables	2,318,746	1,033,702	2,505,404
	Capital Budget	899,137	301,281	430,944
	Totals	$57,085,617	$52,737,308	$57,977,111

SERVICE RESULTS

In 2006, the department created the Mobile Community Resource Center (MCRC), which acts as a mobile community substation. This MCRC is based in the vehicle once known as the Milwaukee Public Library's Bookmobile. The MCRC has been stationed at numerous locations throughout the summer of 2006 to better connect with and educate the public and to invite them to directly speak with MPD representatives. In the MCRC, Officers are joined by representatives of other government agencies, schools, and community organizations offering services to help people improve their neighborhoods and reduce crime. The MPD plans to expand the use of this valuable tool by increasing the number of stops in the future.

SERVICE CHANGES

Cultural Competency Training Program: Cultural competency has been incorporated into in-service training, new Supervisor training, and Police Aide training. The MPD plans to continue expansion of cultural training for sworn and civilian staff. In addition, the academy will include diversity components in the regular training curriculum such as firearms and vehicle stops.

Community Relations: The MPD continues to change department operations to improve community relations and communication, including:

- Probation and Parole Officers are now operating out of the district and meeting their clients at the district stations;
- Created the Milwaukee Commission on Police and Community Relations;
- Began participation in "WE TIP" which allows citizens to give anonymous tips, helping them take back their streets and neighborhoods;
- Expanded the Citizens Academy to include both youth and Spanish components;
- Assigned two Sergeants as Community Liaison Coordinators;
- Officers received mental health training to assist them in their contacts with mentally ill citizens;
- Implementing Cultural Competency Training; and
- The MPD now has a full time civilian Public Relations Manager.

Homicide Review: In the past 18 months, the Milwaukee Homicide Review Commission (MHRC) has become well established in Milwaukee's criminal justice and community service provider communities. By all accounts, the MHRC has built a solid foundation for reducing homicide and gun violence in the city, bringing both criminal justice and social service providers together to identify and create strategic responses to violent crime problems, strengthening partnerships, and improving analytic capacity and information sharing between agencies. To date,

all homicides from 2006 have been reviewed through July 2006 and over 80 recommendations have been developed. Many recommendations are currently in the implementation phase. Additionally, beginning in January 2006, non-fatal shooting cases have been added to the review process. Preparation for an Interim Progress Report is underway with anticipated presentation to the Mayor in September 2006.

CAPITAL PROJECTS

Remodeling Police Administration Building (PAB): The 2007 capital budget continues the department's general remodeling of the PAB with $800,000 in capital funding. The PAB was built in 1970 and until 2001 had not undergone any major remodeling since its original construction. The electrical and mechanical systems are inadequate to support the needs of modern technology and current staffing levels. The department plans to completely renovate and remodel the building, starting with the now partially vacant sixth floor, and continuing through the building as staff is moved to newly renovated spaces. The project includes asbestos abatement, redesign of plumbing, electrical, ventilation, and cabling runs within each floor.

Criminal Investigation Video Capture System: The 2007 capital budget includes $750,000 in funding for a Criminal Investigation Video Capture System. Funding will cover costs associated with server and related electronic storage, project management, media management software and licensing fees, cameras, and other cabling and physical location changes necessary for implementation.

In September 2005, legislation was introduced (2005 Wisconsin Act 60) to improve the accuracy and efficiency of Wisconsin's criminal justice system. The legislation is the result of work by the Avery Task Force, a legislative commission appointed after the absolution of Innocence Project client Steven Avery. The Task Force was created to examine the causes of wrongful convictions such as Avery's, and more broadly, other ways that the criminal justice system can be improved to ensure conviction of the guilty, and only the guilty. The new legislation first codifies the requirements of the *Jerrell* case (Wisconsin Supreme Court Case 2002AP3423), requiring electronic recording of interrogations with juvenile suspects. In juvenile cases failure to record, when recording is feasible, will result in suppression of evidence. For adult cases, the legislation makes electronic recording a statewide policy. If law enforcement authorities fail to record adult interrogations, when recording is feasible, juries will be instructed that electronic recording is a statewide policy and that they can consider the failure to record in evaluating the evidence.

Evidence Storage Warehouse: An additional $120,000 is included in the capital budget to continue reconfiguration of the Evidence Storage Warehouse in 2007.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
			Administration Services Decision Unit	
-1	-1.00		Public Relations Manager	Reclassification approved in CC File 060407.
1	1.00		Public Relations Manager	
5	5.00		Office Assistant II	New positions in Records Management Section for WIBRS crime data processing.
-3	-3.00		Police Alarm Operator (G)	Police Alarm Operators to be replaced by Police Dispatchers upon vacancy as per settlement to Case No. 98-CV-009353.
3	3.00		Police Dispatcher (G)	

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	-1.00		Electronic Technician Supervisor	Reclassification approved in CC File 051545.
1	1.00		Electronic Technician Supervisor	
2	2.00		Electronic Technician Helper	New positions approved in CC File 050457.
-3	-1.00		School Crossing Guard	Positions realigned to address MPS school starting times approved in CC File 050875.
-3	-1.00		School Crossing Guard (Aux.)	
3	1.00		School Crossing Guard Operator	
3	1.00		School Crossing Guard Dispatcher	
-1	-1.00		Buildings and Fleet Maintenance Manager	Reclassification approved in CC File 050951.
1	1.00		Police Buildings and Fleet Manager	
-13	-6.50		Police Services Specialist (0.5 FTE)	Reclassification approved in CC File 060143.
13	6.50		Police Services Specialist Investigator (0.5 FTE)	
	18.92		Miscellaneous Adjustment	
			Operations Decision Unit	
1		1.00	Detective (G)	Human Trafficking Grant position approved in CC File 050860.
1		1.00	Police Officer (N)	Milwaukee Metro Drug Enforcement Grant positions approved in CC File 060061.
1		1.00	Detective (N)	
15	7.50		Community Service Officer	Additional positions to start in mid-2007 to assist the MPD in utilizing existing sworn positions.
	40.00		Police Officer	Additional funding to increase strength levels.
	35.12		Various Positions	Additional overtime.
	54.11	-8.89	Miscellaneous Adjustment	Reflect experience.
25	**162.65**	**-5.89**	**Totals**	

PORT OF MILWAUKEE

EXECUTIVE SUMMARY

MISSION: To enhance the overall economic environment of the Milwaukee region by stimulating trade, business, and employment.

SERVICES: Port economic development.

STRATEGIC ISSUES: Diversify revenue sources for the Port.

Ensure Port services and facilities are operating in a way to promote revenue growth.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	15.00	18.00	30.00	19.00	1.00	-11.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	29	30	30	31	1	1
EXPENDITURES						
Salaries and Wages	$930,828	$1,098,923	$1,108,423	$1,161,461	$62,538	$53,038
Fringe Benefits	382,190	461,548	465,538	487,814	26,266	22,276
Operating Expenditures	853,153	857,000	870,136	870,136	13,136	0
Special Funds	1,311,340	1,465,000	1,470,000	1,705,530	240,530	235,530
TOTAL	$3,477,511	$3,882,471	$3,914,097	$4,224,941	$342,470	$310,844
REVENUES						
Charges for Services	$3,829,470	$3,882,471	$3,829,470	$4,224,912	$342,441	$395,442
TOTAL	$3,829,470	$3,882,471	$3,829,470	$4,224,912	$342,441	$395,442

BACKGROUND

The Port of Milwaukee administers 467 dry acres of city owned property at or near the city's lakefront. Milwaukee World Festivals, Inc. currently leases approximately two-thirds of the Port's north harbor land for the Maier Festival Grounds, home of Summerfest, various ethnic festivals, and the Marcus Amphitheater. Smaller leaseholders and city owned facilities account for most of the remaining acreage.

The Port of Milwaukee stimulates trade, business, and employment by serving as a regional transportation and distribution hub for Southeastern Wisconsin. The Port links waterborne, rail, and ground surface transportation in an accessible location close to downtown. The seven member Board of Harbor Commissioners governs the promotion, marketing, maintenance, and operations functions of the Port.

As the basic strengths of Milwaukee's area economy have changed and evolved during the past few decades, the Port of Milwaukee has adopted and grown with these changes. The cargo mix of today is quite different from past years. The major commodities now handled such as cement, coal, steel and salt are primarily used locally and vital to our economy. The Port also seeks to diversify its activities through the promotion of recreational businesses and passenger related travel services.

Service 1

Port Economic Development

Activities: Market and promote Port facilities, seek changes in federal laws to promote regional trade and provide harbor equipment, vessel, and crane services.

		2005 Experience	2006 Budget	2007 Projection
Services:	Percent of total expenses covered by revenues.	100.0%	100.0%	100.0%
Funding by Source:	Operating Funds	$3,477,511	$3,882,471	$4,224,941
	Grants and Reimbursables	2,400,000	2,000,000	2,106,590
	Capital Budget	507,694	1,025,000	750,000
	Totals	$6,385,205	$6,907,471	$7,081,531

SERVICE RESULTS

In 2005, the Port of Milwaukee generated operating revenue of $3.83 million. Revenues exceeded expenses by $272,000. Figure 1 shows that revenues exceeded expenditures in each of the last five years.

Approximately 64% of the Port's 2005 revenues are derived from a combination of facility rentals and the lease of Maier Festival Park to Milwaukee World Festivals, Inc. Milwaukee World Festivals, Inc. annually holds Summerfest and a host of ethnic festivals on the 75 acre Maier Festival Grounds. This lease alone will generate almost $1.1 million in 2007 for the Port. The Port transfers any excess revenue to the city's General Fund to ease the property tax burden.

In 2005, the Port's tonnage increased 17.2% after a 9% increase in 2004. The 2005 increase is approximately 500,000 tons more than 2004 and 800,000 more than 2003. The majority of the 2005 increase in tonnage can be attributed to a 22% or 480,000 ton increase in dry bulk cargo (see Figure 2).

The local economy remains strong and the Port continues to play an important role in the transportation infrastructure of the region. The Port is continuing efforts to replace low productivity tenants with higher productivity ones to take full advantage of Port properties and services.

Figure 1

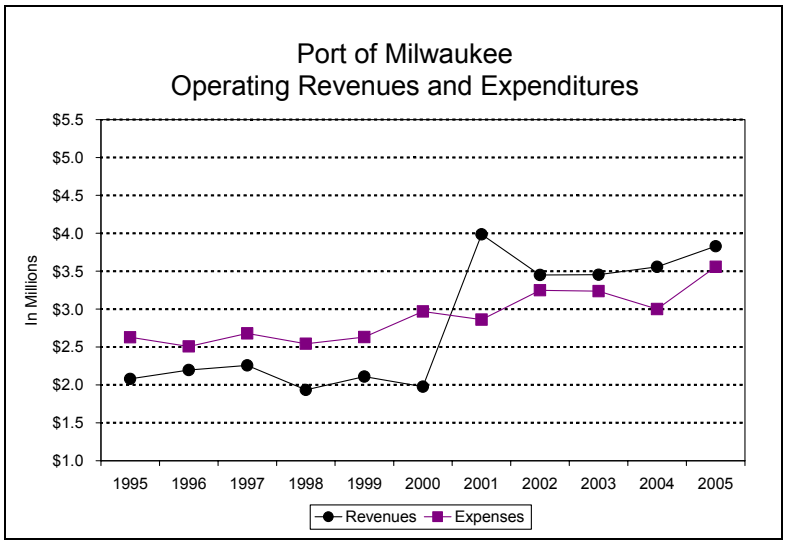
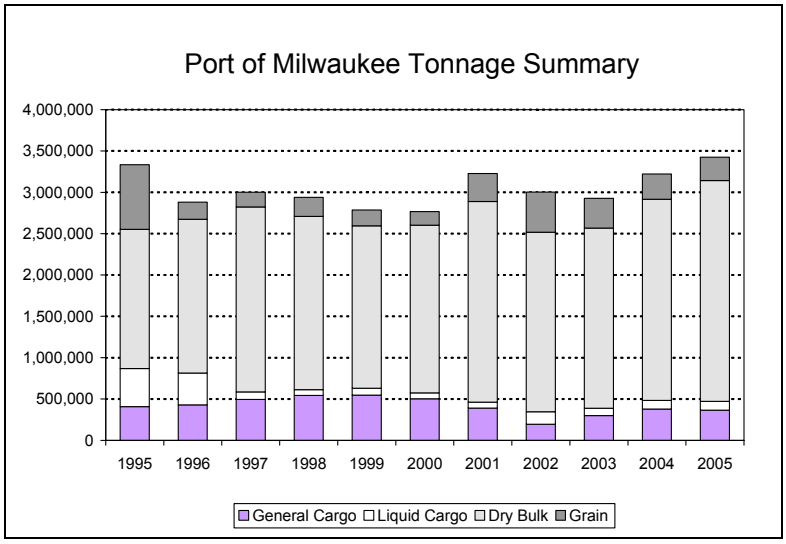


Figure 2



SERVICE CHANGES

Port Operations Supervisor II: A dramatic increase in business at the Port has significantly increased the workload of the Port Operations Section. The Port Operations Supervisor is required to work overtime each week in order to keep up with the heavy demand of the Port. A new position of Port Operations Supervisor II will provide assistance to the current Operations Supervisor. This position will be trained in Port operations and relieve the Port Operations Supervisor of some of his duties.

Port Security: The Port, along with the Fire and Police Departments, has applied for a Harbor Security Grant. This grant is administered through the Department of Homeland Security. This grant requires a local match equal to 25% of the cost of items or services purchased. The Port has budgeted $153,000 to cover the local match for the security items in its request. If the Port is awarded the Harbor Security Grant, most of the funding will be used for the following items:

- Security fencing
- Street lighting
- Lighting on the underside of the Hoan Bridge
- Tree and brush removal

The total cost of items related to the Port Security Grant is $543, 000.

Boom Replacement: The Port's 2007 proposed budget includes $100,000 for the replacement of the boom for the Port's 35 year old LIMA crane. The boom replacement will allow the Port to continue using the LIMA crane for approximately another five years. This will give the Port and the city an opportunity to conduct a study to determine if the Port should continue providing crane services for its tenants. The Port of Milwaukee is the only Great Lakes Port to provide this service.

Capital Port Infrastructure Improvements: To effectively market the Port, its transportation infrastructure must be developed and maintained at a high standard. The 2007 proposed capital budget includes a total of $2.45 million for Port facilities including $750,000 in city funding and $1.7 million in state and federal aid. These funds will support the Pier, Berth and Channel and Rail Tracks programs. These are ongoing capital maintenance programs that ensure that the Port's facilities are maintained at a high level.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
1	1.00		Port Operations Supervisor II	Position created in response to increased Port business.
1	**1.00**	**0.00**	**Totals**	

DEPARTMENT OF PUBLIC WORKS
ADMINISTRATIVE SERVICES DIVISION

EXECUTIVE SUMMARY

MISSION: Provide administrative support, guidance, and direction for the Department of Public Works.

SERVICES: Support services for the Department of Public Works.

STRATEGIC ISSUES: Complete implementation of 286-CITY citizen information and service request line.

Consolidate city network support services.

Develop wireless service strategy and support capacity.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	53.98	52.18	51.45	51.45	-0.73	0.00
FTEs - Other	6.33	8.13	7.86	7.86	-0.27	0.00
Total Positions Authorized	65	65	64	64	-1	0
EXPENDITURES						
Salaries and Wages	$2,752,508	$2,810,517	$2,832,494	$2,832,494	$21,977	$0
Fringe Benefits	1,194,390	1,144,556	1,189,647	1,189,647	45,091	0
Operating Expenditures	731,563	817,158	766,855	766,855	-50,303	0
Equipment	38,732	39,000	39,000	39,000	0	0
TOTAL	$4,717,193	$4,811,231	$4,827,996	$4,827,996	$16,765	$0
REVENUES						
Charges for Services	$1,220,740	$1,982,000	$2,022,000	$2,007,000	$25,000	$-15,000
Licenses and Permits	1,577,688	1,410,700	1,377,650	1,377,650	-33,050	0
TOTAL	$2,798,428	$3,392,700	$3,399,650	$3,384,650	$-8,050	$-15,000

BACKGROUND

The Administrative Services Division provides planning and support to the Department of Public Works (DPW) in a variety of areas. The administrative functions include budget preparation and control, accounting, payroll, human resources, employee safety, contract administration, purchasing and inventory, communications, special event permitting, technology support, and the Call Center operation. In addition to providing overall administrative planning, management, and coordination the division also supports administration and management of the Parking Fund.

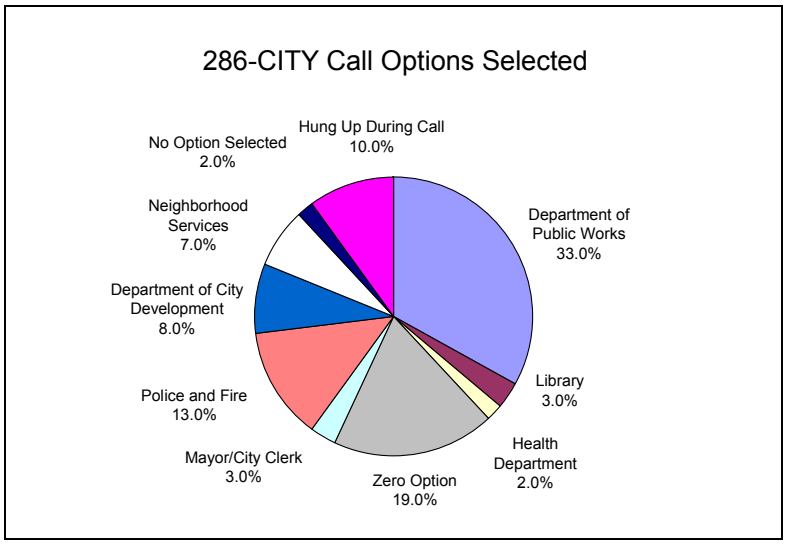
The Administrative Services Division's 2007 proposed budget includes operating funds totaling $4.8 million and another $625,000 in capital funding. Most of the division's activities support other DPW divisions and Enterprise Funds in achieving their program objectives. The Administrative Services Division's costs are distributed across 14 Public Works programs.

SERVICE CHANGES

286-CITY: In light of the Mayor's initiative to implement a single number access to city government, DPW staff introduced "286-CITY" citizen request and information line to the public in late June 2006. The purpose of the system is to streamline access to city government by providing two telephone numbers: 9-1-1 for emergency calls and 286-CITY (2489) for non-emergency calls.

Prior to 286-CITY, the city printed several documents with hundreds of telephone numbers for city agencies and services. This practice was not only costly, but also confusing for residents who were trying to find particular city services or agencies. With the implementation of 286-CITY, residents now only need to remember one number in order to access city government for non-emergency purposes.

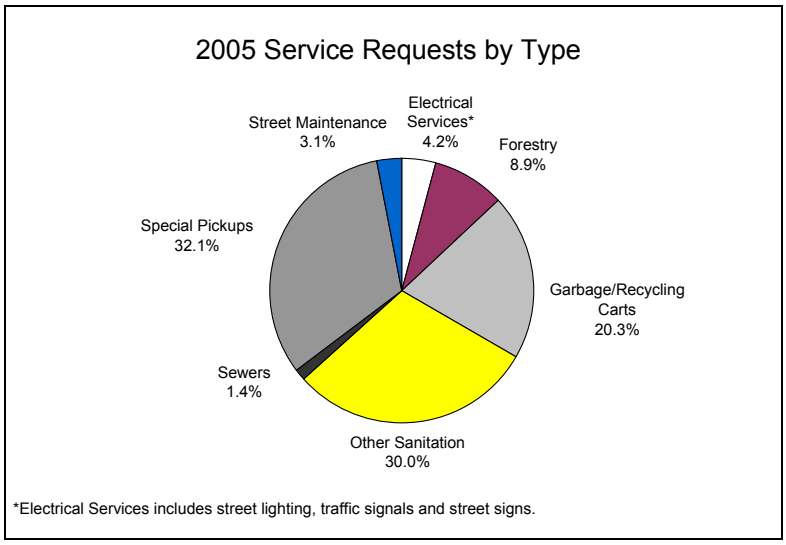
Figure 1



Providing single number access to city government will allow for intake, routing, and resolution of service and information requests in the most cost efficient and effective manner. Calls for information are received on the single access number and the caller is directed to an Interactive Voice Recording (IVR) system. The IVR provides a list of departments in both English and Spanish that can be selected by the caller. Once the desired option is selected, the call is either connected directly to the department or to a submenu with specific service options. The IVR can be programmed to respond to seasonal fluctuations in call volume for elections, property assessments, property tax payments, and emergencies whereby various hotline numbers can be provided.

Since 286-CITY was implemented in late June 2006, over 20,000 calls were made using the system. Of these calls, 96% chose the English option, 2% chose the Spanish option, and 2% did not choose an option and defaulted to the DPW Call Center. Of the eight options available on 286-CITY, 33% of the callers selected the option for the Department of Public Works, 19% selected zero which defaults to the DPW Call Center, 13% selected the option for Police and Fire, 8% selected the option for the Department of City Development, 7% selected the option for the Department of Neighborhood Services, 3% selected the options for the Mayor/City Clerk and for the Library, 2% selected the option for the Health Department, and 2% defaulted to the Call Center by selecting no option. The remaining 10% of callers hung up during the call before making a selection (see Figure 1).

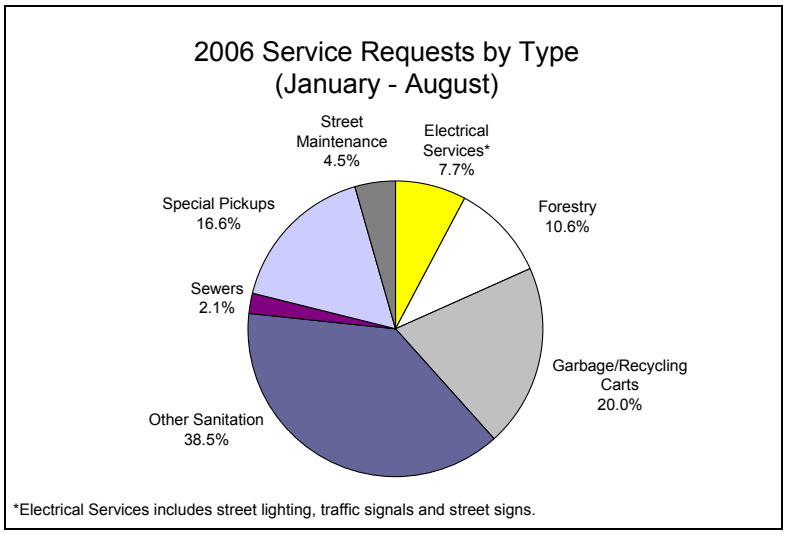
Figure 2



Call Center: In 2005, the Call Center received 180,301 calls and online requests for service and information representing a decrease of 13% from 2004. The decrease in call volume is due to a significant change in the provision of special collection services that was implemented by the DPW Operations

Division in 2005. Since routine special collections are now picked up on the garbage collection day, the number of requests for special pickups has dramatically decreased. Special pickups accounted for more than half of the Call Center's requests in 2004, but only accounted for 32.1% of the center's requests in 2005. For more detailed information on the types of service requests that are processed in DPW's Call Center see Figures 2 and 3.

Figure 3



In 2005, the Call Center also began assuming responsibility for processing sewer related complaints and responding to calls for traffic signs and signals. Currently all DPW service related calls, aside from water and parking, are received and processed through the Call Center. Having one centralized Call Center allows DPW to better track and more efficiently respond to the many calls the department receives for services like sanitation, forestry, street maintenance, and street lighting.

City Network Services: In 2005, DPW entered into an agreement with the Department of Administration Information Technology Management Division to be the exclusive provider of network support services to city agencies. Consolidation will eliminate duplication of services, ensure reliability and a higher level of security, and provide more cost effective network services. Prior to this agreement, DPW's Technology Support Section was responsible for the City of Milwaukee Optical Network (COMON), which serves DPW, the Police, Fire and Health Departments, Water Works, Parking, and Neighborhood Services as well as a number of other departments. Under the agreement, DPW will become responsible for network services for all city departments except the Department of City Development and the Milwaukee Public Library. In order to accomplish this goal, $90,000 was provided in the 2006 capital budget to purchase network equipment for City Hall departments. To date, DPW has already transitioned a number of departments and expects to complete the transition plan by the end of the year.

In 2006, DPW is pursuing or has completed some projects that will require data communications through wireless technology. These projects include implementation of a pilot project for traffic controls, deployment of WiFi in the Common Council chambers and committee rooms, and pursuing wireless technology for both street lighting and multi-space parking meters.

Voice Communications: In 2006, DPW bid out landline telephone service and entered into a three year contract with AT&T, saving the city $500,000 over the term of the contract. In addition, the city bid out wireless telephone service and entered into a two year contract with U.S. Cellular, saving the city at least $100,000 annually for the provision of wireless services for over 1,200 city employees.

CAPITAL PROJECTS

Public Safety Communications: The 2007 capital budget provides $625,000 for public safety communication needs. This funding will be utilized primarily to install new fiber routes as well as redundant connections for various city agencies, specifically for public safety purposes.

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
1	1.00		Human Resources Assistant	Retitled and reclassified to better reflect duties of positions.
-1	-1.00		Program Assistant II	
10	10.00		Personnel Payroll Assistant III	
-10	-10.00		Personnel Payroll Assistant II	
1	0.11	0.89	Telecommunications Analyst Senior	
-1	-0.11	-0.89	Electrical Engineer III	
1	1.00		Telecommunications Analyst Senior	Retitled to better reflect duties of positions.
-1	-1.00		Systems Analyst Senior	
-1	-0.23	-0.77	Engineering Drafting Technician IV	Reduction due to IT staff restructuring.
	-0.50	0.50	Commissioner of Public Works	Shift to reimbursable funding.
-1	**-0.73**	**-0.27**	**Totals**	

DEPARTMENT OF PUBLIC WORKS
INFRASTRUCTURE SERVICES DIVISION

EXECUTIVE SUMMARY

MISSION: To promote the health, safety, mobility, and quality of life for all City of Milwaukee residents and visitors by providing safe, attractive, and efficient surface infrastructure systems.

SERVICES: Streets, alleys, and sidewalks.

Bridges.

Lighting.

Traffic control.

Underground conduits.

STRATEGIC ISSUES: Plan and manage capital projects in order to control financial risk.

Enlist private developers to perform design and engineering work for development projects.

Represent city interests in the design of the Marquette Interchange.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	254.38	244.90	230.28	234.95	-9.95	4.67
FTEs - Other	264.08	272.16	273.54	272.94	0.78	-0.60
Total Positions Authorized	711	703	680	687	-16	7
EXPENDITURES						
Salaries and Wages	$12,905,102	$11,574,988	$11,434,542	$11,625,361	$50,373	$190,819
Fringe Benefits	5,259,893	4,841,300	4,802,508	$4,882,652	41,352	80,144
Operating Expenditures	6,433,964	6,678,700	6,258,600	$6,872,686	193,986	614,086
Equipment	43,176	36,200	76,800	76,800	40,600	0
TOTAL	$24,642,135	$23,131,188	$22,572,450	$23,457,499	$326,311	$885,049
REVENUES						
Charges for Services	$4,570,124	$3,458,500	$4,284,250	$4,284,250	$825,750	$0
TOTAL	$4,570,124	$3,458,500	$4,284,250	$4,284,250	$825,750	$0

BACKGROUND

The Infrastructure Services Division is responsible for design, construction, and maintenance of the city's infrastructure systems, including streets and alleys, bridges, sewers, sidewalks, traffic control devices, street lights, and underground conduits. In addition, the division coordinates transportation improvements with other

governmental agencies and railroad companies. The division also undertakes engineering studies and investigates various permits, plans, and easements.

In 2007, the Infrastructure Services Division will devote approximately $23.5 million in operating funds and $25.7 million in capital funds to its services. In addition, $37.1 million in state and federal aid assists in funding the city's infrastructure needs. The primary sources of capital funding are the city's property tax and federal and state grant and aid, which together constitute 95.8% of Infrastructure's capital budget. Other funding sources include special assessments and charges for services.

Grant and aid funds are used primarily for two capital programs: the Major Bridge Program and the state and federal aided Major Street Improvements Program. Grant and aid funds constitute 74.6% of the Major Bridge Program and 80.1% of the Major Street Improvements Program, enabling the city to preserve and maintain its street and bridge systems, which are critical components of the overall infrastructure system.

In the 2007 proposed budget, the Support Services Unit will be eliminated. The duties, functions, and personnel of the Support Services Unit will be assumed by the Electrical Services Unit and the Street and Bridge Division. The Machine Shop and Sign Shop along with 22 positions will be transferred to the Electrical Services Unit. The Plant and Equipment Unit and Stores Unit along with its 46 employees will be transferred to Street and Bridge Operations. Infrastructure Services will eliminate a vacant Support Services Manager position. This will generate savings totaling over $80,000.

Service 1

Streets, Alleys, and Sidewalks

Activities: Street paving, street maintenance, alley resurfacing, alley reconstruction, alley maintenance, sidewalk replacement.

		2005 Experience	2006 Budget	2007 Projection
Services:	Percentage of projects heard by May 1st.	80.0%	90.0%	90.0%
	Pavement Condition Index.	5.8	6.0	6.0
Funding by Source:	Operating Funds	$8,686,338	$8,255,232	$8,588,148
	Capital Budget	28,244,660	13,308,977	14,071,440
	Grants and Reimbursables	22,166,994	24,677,747	25,636,136
	Totals	$59,097,992	$46,241,956	$48,295,724

SERVICE RESULTS

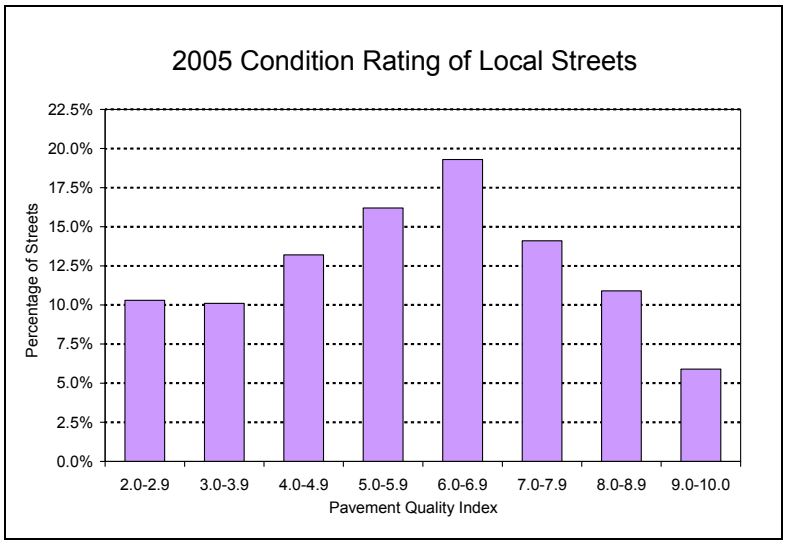
Many of the Infrastructure Services Division's activities improve the condition of the city's surface public ways, primarily streets and alleys. Activities include resurfacing or reconstructing existing pavement, curb and gutter, and constructing new streets as part of residential, commercial, and industrial development. Infrastructure Service's 2007 proposed budget includes approximately $8.6 million in operating funds, an additional $14.1 million in capital funding, and $25.6 million in state and federal aid and reimbursable funding. Maintaining the city's streets, alleys, and sidewalks assists in promoting economic development in Milwaukee by providing the infrastructure necessary to move people, goods, and services efficiently throughout the city.

The Street, Alley, and Sidewalks Service also improves and maintains the livability of city neighborhoods. The division uses paving projects to increase city green space by determining whether the borders for trees and boulevards can be increased through the Street Paving Program. The division also encourages the use of alternative modes of transportation by enhancing pedestrian and bicycle mobility in neighborhoods, which

contributes to reducing traffic congestion and enhancing air quality.

Maintaining safe and efficient surface public ways and services provides a way for businesses to transport goods to their customers. Pavement condition is measured through a Pavement Quality Index (PQI), which rates street conditions on a scale of 2 to 10 based upon visual observations, historic records, and non-destructive testing on non-residential streets.

Figure 1



PQI ratings are calculated for two general street categories: local and collector/arterial. Each category has a minimum acceptable PQI. A rating below the minimum indicates that the street segment requires rehabilitation or reconstruction. Based on previous street condition and age data and older, less sophisticated versions of a Pavement Management System (PMS), minimum PQI's of 4.0 for local streets and 5.5 for collectors/arterials were established. The minimum PQI for collectors/arterials was established at a higher level than that of the local streets because of their greater importance to a larger population base in providing access to goods, services, and employment.

In 2005, approximately 79.6% of local streets had a PQI rating greater than 4.0 (see Figure 1). Using computer modeling, the PMS is now predicting pavement quality and life, and the need for repair. PMS will be utilized to formulate the annual preliminary paving program and will assist in formulating and updating the six year paving programs. Time and monitoring of PMS outputs compared to actual field conditions will determine the system's accuracy and value.

SERVICE CHANGES

Street Maintenance: The 2007 proposed budget eliminates 12 street maintenance related positions. The positions include two of three crack fill crews (eight positions), one concrete crew (three positions), and one Street Repair District Manager. The operating reduction is offset by a $2 million increase in city capital funding for streets.

In addition, the hours for 30 seasonal employees will be reduced by two weeks. These reductions will generate savings of approximately $400,000. In 2007, an asphalt crew will be specifically assigned to respond to citizen complaints regarding potholes. The crew's goal is to respond to citizen complaints regarding repairing of potholes in less than 48 hours.

CAPITAL PROJECTS

The 2007 proposed budget includes $39 million in city and grant funding for the streets, alleys, and sidewalk capital programs. Approximately $38 million of the budgeted funds will be used for street related projects. The 2007 proposed budgets for sidewalks and alleys were reduced in order to focus available resources on improving city streets, which are in greater need of funding. The proposed capital budget dedicates $500,000 and $431,250 to the alley and sidewalk programs, respectively. City capital funding for streets in 2007 is $3 million higher than the 2006 funding level.

Service 2

Bridges				
Activities:	Bridge reconstruction, bridge repair and maintenance, and operation of movable and automated bridges.			
		2005	**2006**	**2007**
		Experience	**Budget**	**Projection**
Services:	Percentage of bridges with a condition rating above 50.	86.0%	85.0%	85.0%
Funding by Source:	Operating Funds	$4,316,145	$4,261,978	$3,776,029
	Capital Budget	3,564,376	4,431,000	4,316,000
	Grants and Reimbursables	6,699,417	17,369,000	12,648,000
	Totals	$14,579,938	$26,061,978	$20,740,029

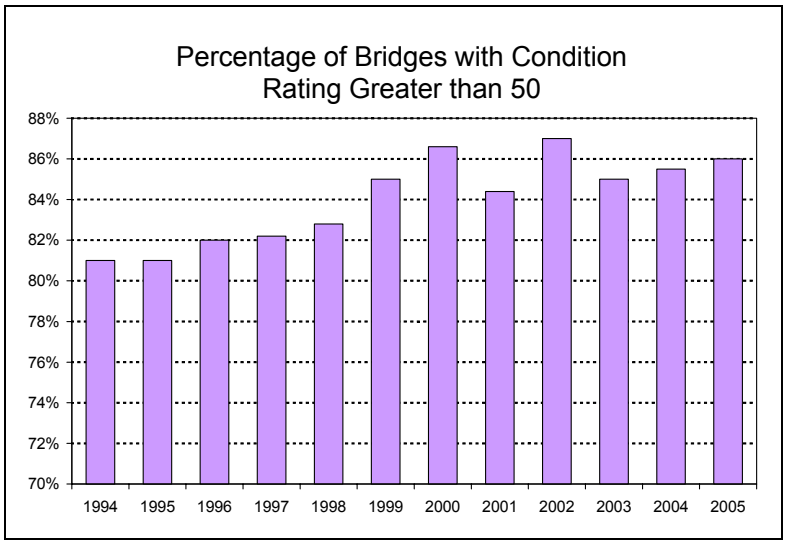
SERVICE RESULTS

This service provides for a safe and efficient infrastructure system by maintaining the conditions of bridges at a high level.

The Bridge Service preserves and maintains a bridge system that meets the needs of the city, ensures the safety of motorists, and provides for efficient movement of vehicles, people, and commodities. The 2007 proposed budget includes total operating and capital funding of over $20 million for this service.

The division measures the condition of bridges using a sufficiency condition rating ranging from 0 to 100. Ratings are conducted every two years through physical bridge safety inspections. In 2005, 86% of the rated bridges had a sufficiency rating above 50 (see Figure 2).

Figure 2



SERVICE CHANGES

There are no specific service changes in 2007.

CAPITAL PROJECTS

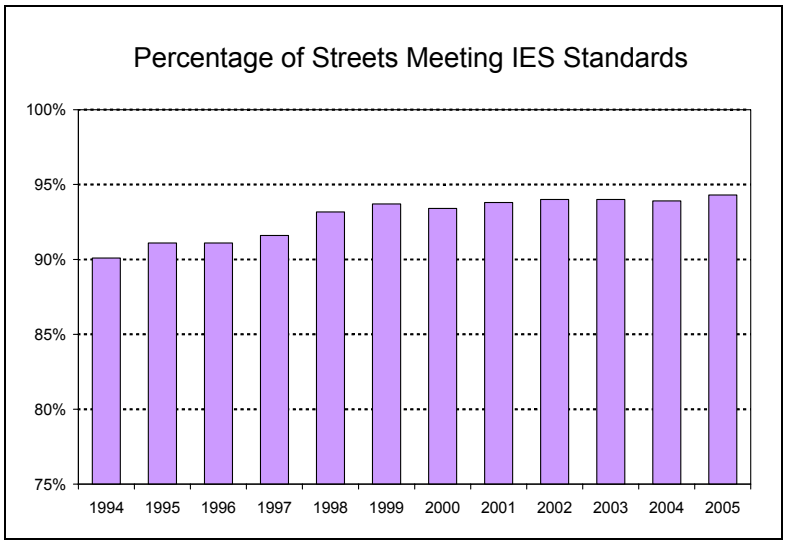
The 2007 proposed capital Bridge Program includes $4.3 million in city funding and another $12.6 million in grant and aid funding. This funding will be used for major repair or reconstruction of seven bridges. The work schedule for 2007 includes the design, painting, and complete renovation of several bridges. The Teutonia Avenue bridge over the Union Pacific Railway is the most expensive bridge project scheduled for 2007. Total funding for this project is $3.7 million, including $740,000 in city funds.

Service 3

Lighting				
Activities:	Lighting systems operations, street light repair, circuitry replacement, and capital improvements.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Services:	Complaints responded to within 30 days.	48.0%	80.0%	80.0%
	Streets meeting IES standards.	94.6%	95.0%	95.0%
Funding by Source:	Operating Funds	$8,737,901	$7,929,948	$8,367,069
	Capital Budget	6,018,283	4,500,000	6,000,000
	Grants and Reimbursables	119,718	1,258,737	184,905
	Totals	$14,875,902	$13,688,685	$14,551,974

SERVICE RESULTS

Figure 3



The Street Lighting Program provides residents with pleasant and secure neighborhoods by providing a safe and reliable lighting system. The livability of city neighborhoods is monitored by ensuring that streets meet the Illuminating Engineering Society (IES) lighting standards. The 2007 proposed budget includes funding of $8.4 million in the operating budget and $6 million in the capital budget for this program.

The IES scale establishes optimal levels of lighting for streets. As shown in Figure 3, the division continues to maintain a high percentage of streets meeting IES standards. In 2005, 94.6% of all streets met or exceeded IES standards. The division continues to upgrade lighting in the streets, which do not meet IES standards.

SERVICE CHANGES

Seasonal Callbacks: The 2007 proposed budget will reduce the hours for 35 seasonal employees by two weeks. These reductions will generate savings of approximately $100,000. The 2007 proposed budget for unemployment compensation has been adjusted to reflect this operational change.

Extra Street Light Burn Time: The 2007 proposed budget includes $12,000 to extend the duration of street light burn time by approximately 15 minutes for two weeks following the end of daylight savings time.

CAPITAL PROJECTS

The 2007 Lighting Program includes $6.1 million in capital, grant and reimbursable funding. Approximately $1 million will be used to upgrade series circuitry in various parts of the city. Approximately $3 million will be expended on paving related improvements. Infrastructure Services routinely performs electrical upgrades in conjunction with the Paving Program because it is the most cost effective manner to perform upgrades. The

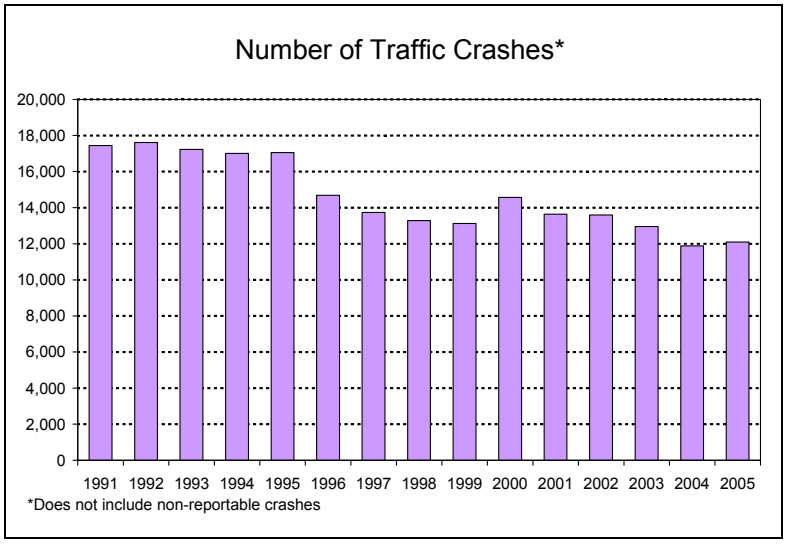
balance of the 2007 street lighting funds will be used for improvements to street lighting substations, the Neighborhood Lighting Program, and engineering costs.

Service 4

		2005 Experience	2006 Budget	2007 Projection
Traffic Control				
Activities:	Install and replace traffic control signs, pavement markings, and traffic signals, provide review and design for special events and street paving traffic control plans and provide for the safe and uniform flow of traffic.			
Services:	Complaints responded to in less than 60 days.	59.0%	75.0%	75.0%
	Reduce the number of traffic accidents by 5.0%.	12,100	13,000	13,000
Funding by Source:	Operating Funds	$2,791,025	$2,575,504	$2,628,541
	Capital Budget	1,038,520	704,458	700,000
	Grants and Reimbursables	6,636	12,803	3,706
	Totals	$3,836,181	$3,292,765	$3,332,247

SERVICE RESULTS

Figure 4



This service designs and operates transportation systems that support the safe and efficient movement of people and goods and helps maintain the economic viability of the city. The Traffic Control Service reduces the number of traffic crashes and helps to improve traffic flow, reduce pollution, and promote the health and safety of residents and visitors. The 2007 proposed budget provides funding of $3.3 million for this service.

DPW follows the Manual of Uniform Traffic Control Devices for Streets and Highways and the American Association of State Highway and Transportation Officials in order to maintain consistent traffic control design standards and facilities. Uniformity in design standards maintains roadway safety and increases recognition and compliance with traffic control facilities, including traffic signals, signal systems, and traffic signs by system users.

As shown in Figure 4, the number of traffic accidents decreased from 12,958 in 2003 to 12,100 in 2005. While part of the reduction in crashes results from a change in the State Division of Motor Vehicles' reporting requirements, enhanced enforcement of traffic laws have also contributed to the decline in crashes. While accidents increased slightly in 2005, the overall trend is downward.

SERVICE CHANGES

LED Performance Contract: The 2007 Traffic Control Program will include a performance contract valued at approximately $1.25 million. The performance contract will allow DPW to convert intersections with regular traffic control signals to Light Emitting Diode (LED) signals. The energy costs saved by converting to LEDs will offset the cost of the contract. Converting the city's traffic signals to LED technology will generate approximately $400,000 in annual energy savings.

CAPITAL PROJECTS

The 2007 proposed budget dedicates $700,000 in capital funding for the Traffic Control Program. The funding will be used for traffic signs, traffic signals, engineering, and other miscellaneous costs. Approximately $500,000 or 70% of the 2007 proposed funding will be used for traffic signs or signal upgrades and replacements.

Service 5

Underground Conduit and Manholes

Activities: Install and replace underground communication conduits, maintain and replace electric manholes.

		2005 Experience	2006 Budget	2007 Projection
Services:	Percentage of customers satisfied with communication services.	100.0%	90.0%	90.0%
Funding by Source:	Operating Funds	$110,726	$108,526	$97,712
	Capital Budget	1,076,434	547,827	600,000
	Grants and Reimbursables	70,698	97,502	3,976
	Totals	$1,257,858	$753,855	$701,688

SERVICE RESULTS

The Underground Conduit Program provides quality support services by satisfying customers with internal communication services. The underground conduit system is designed and maintained by the Infrastructure Services Division and provides a secure and weatherproof means of connecting communication cables among various city departments, including the Fire Department, Police Department, Health Department, Milwaukee Public Library, Milwaukee Water Works, and the Department of Public Works. The conduit system also provides a secure and reliable route for traffic signals and street lighting cable circuits and systems. The 2007 proposed operating budget provides approximately $702,000 in funding for this service. Although the Infrastructure Services Division designs and maintains the conduit, the Administrative Services Division of DPW funds and provides staff for the actual operation of the communication services.

SERVICE CHANGES

There are no specific service changes in 2007.

CAPITAL PROJECTS

The 2007 proposed capital budget dedicates $600,000 in capital funding for the Underground Conduit and Electrical Manhole Programs. Approximately $200,000 will be used for the Electrical Manhole Reconstruction Program, the remaining $400,000 is budgeted for the Underground Conduit Program.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
			Transportation Unit	
-1	-0.06	-0.94	Engineering Drafting Technician II	
-1	-0.03	-0.97	Engineering Technician IV	
			Contraction Unit	
-1	-0.05	-0.95	Engineering Technician II	
			Bridges and Streets Unit	
-1	-0.40	-0.10	Street Repair District Manager	
-1	-0.35	-0.23	Street Repair Crew Leader	
-1	-0.35	-0.23	Concrete Finisher	Reduction to meet state shared revenue freeze and to reflect increased funding for capital programs.
-1	-0.34	-0.24	City Laborer	
-2	-1.16		Labor Crew Leader	
-2	-1.16		Special Street Repair Laborer	
-4	-2.32		City Laborer	
	-1.45	-0.28	Seasonal Callbacks	
	-0.07	4.97	FTE Correction	
			Electrical Services Unit	
	-1.46		Seasonal Callbacks	
			Support Services Unit	
-1	-0.75	-0.25	Support Services Manager	Productivity improvement.
-16	**-9.95**	**0.78**	**Totals**	

DEPARTMENT OF PUBLIC WORKS
OPERATIONS DIVISION

EXECUTIVE SUMMARY

MISSION: Improve the safety, cleanliness, and attractiveness of Milwaukee neighborhoods.

SERVICES: City cleanliness and solid waste collection.

Recycling and solid waste reduction.

Snow and ice control.

Urban forest maintenance and boulevard beautification.

City facility maintenance and development.

City fleet maintenance and services.

STRATEGIC ISSUES: Preserve the city's aging facilities within the constraints of the Mayor's initiative to control borrowing.

More effectively manage nuisance litter and bulky garbage collections.

Invest in the city's boulevard system to reduce operating costs and improve environmental sustainability.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BIDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	811.55	778.29	722.29	746.83	-31.46	24.54
FTEs - Other	112.70	118.68	129.68	121.44	2.76	-8.24
Total Positions Authorized	1,680	1,654	1,602	1,627	-27	25
EXPENDITURES						
Salaries and Wages	$39,599,298	$38,089,533	$36,772,427	$37,581,588	$-507,945	$809,161
Fringe Benefits	16,581,673	15,997,604	15,444,419	15,784,267	-213,337	339,848
Operating Expenditures	25,157,005	23,959,500	24,183,150	25,003,110	1,043,610	819,960
Equipment	1,418,402	1,726,380	1,781,130	1,624,630	-101,750	-156,500
Special Funds	0	9,000	0	12,000	3,000	12,000
TOTAL	$82,756,378	$79,782,017	$78,181,126	$80,005,595	$223,578	$1,824,469
REVENUES						
Charges for Services	$29,586,690	$37,397,000	$38,092,000	$38,572,000	$1,175,000	$480,000
Miscellaneous	205,995	212,000	212,000	212,000	0	0
TOTAL	$29,792,685	$37,609,000	$38,304,000	$38,784,000	$1,175,000	$480,000

BACKGROUND

Forestry: The Forestry Section is primarily responsible for tree and landscape management. The program currently maintains 200,000 trees and 120 miles of boulevards that provide Milwaukee with a natural beauty both residents and visitors enjoy.

Sanitation: The Sanitation Section is responsible for collecting and disposing of the city's residential solid waste. Solid waste collection protects city residents from vermin and infectious disease and street sweeping maintains attractive streets and reduces harmful stormwater run off into streams, rivers, and lakes. Additionally, Sanitation works to reduce the amount of materials sent to landfills through public education, solid waste reduction efforts, and the city's Recycling Program.

Fleet Services and Fleet Operations: The Fleet Services and Fleet Operations Sections operate and maintain DPW's centralized fleet of over 4,000 motor vehicles and related equipment. The Fleet Services Section provides equipment to other DPW divisions and provides repair services for vehicles owned by the Library, Health Department, Police Department, Water Works, Sewer Maintenance Fund, and Parking Fund.

Facilities Development and Management: The Facilities Development and Management Section provides building services, such as design, construction, and maintenance for city facilities excluding the Port of Milwaukee and the Milwaukee Public Library. Consequently, this section oversees 160 of the city's 220 buildings. As part of its facilities management responsibilities, the section operates an around the clock Information Center located in City Hall. It also provides physical security and access control at the downtown complex and other key facilities.

Service 1

City Cleanliness and Solid Waste Collection

Activities: Weekly residential garbage collection, bulky garbage collection, operation of two Self-Help Centers, Neighborhood "Clean and Green" Programs, street and alley sweeping, and weed enforcement.

		2005 Experience	2006 Budget	2007 Projection
Services:	Photometric Index.	5.35	6.00	6.00
	Special collection of bulky garbage.	30,749	30,000	20,000
Funding by Source:	Operating Funds	$29,037,239	$28,342,989	$29,293,871
	Capital Budget	66,926	0	906,500
	Grants and Reimbursables	573,106	500,000	362,442
	Special Purpose Accounts	60,000	60,000	115,000
	Totals	$29,737,271	$28,902,989	$30,677,813

SERVICE RESULTS

In 2000, the Sanitation Section began utilizing the Photometric Index to gauge the cleanliness of city streets. The Index was developed by Keep America Beautiful, Inc. (KAB). The process involves the use of 120 photographic slides taken randomly in various locations throughout the city. The Photometric Index is a number between 0 and 96 that indicates the number of litter items visible in each photo. In 2005, the Sanitation Section found that Milwaukee's average photometric rating was 5.35. This is an improvement over the department goal of 6.00.

SERVICE CHANGES

Bulky Garbage Collection: In addition to regularly scheduled weekly garbage collection, DPW has historically provided special collection services for large bulky items at residents' request. In 2005, the city changed its policy. Residents were advised to set out up to four cubic yards of bulky items to be collected by DPW crews along with the regularly scheduled garbage collection. Special skid loader crews were dispatched to collect piles greater than four cubic yards at no cost to the property owner.

In 2007, DPW will continue its "Clean and Green" Spring Cleanup Program. Residents across the city will be notified to set out their bulky items on a designated week in April or May, so that DPW can efficiently clean one neighborhood at a time. Residents may set out any volume of bulky items (excluding construction debris) during this period. Residents may also take their bulky items to DPW's two self-help facilities.

After the Clean and Green period has expired for each neighborhood, residents can continue to set out up to four cubic yards of bulky items with their weekly garbage collection. However, DPW will no longer collect piles larger than four cubic yards free of charge. If a DPW crew sees a pile greater than four cubic yards, the property owner will be notified that he or she must remove the pile within 72 hours. If the pile is not removed within 72 hours, DPW will collect the pile and bill the property owner $50. Apartment owners who have recently signed a contract for city solid waste services will still be allowed to set out larger piles through 2007.

The change should affect a relatively small number of properties. In 2005, the city made 30,749 special collections out of more than 190,000 households. About half of these collections were to properties that had more than one call for service. With this change, the city anticipates that it will be responsible for significantly fewer special collections in 2007. Existing staff will be used to support the Clean and Green initiative and general city cleanliness. Residents will still be allowed to make special requests for brush collection.

Weekend Box Program: In 2007, the Weekend Box Program will be discontinued. This program had formerly been funded through CDBG. Residents will be able to dispose of bulky items through the Clean and Green initiative, at the city's self-help facilities, and up to four cubic yards of waste with the weekly garbage collection.

Nuisance Litter Cleanup: The Department of Neighborhood Services is responsible for enforcing the city's nuisance litter laws as they pertain to private property. If a nuisance is identified, property owners are given seven days to remove the nuisance, or the city will remove it at the owner's expense. DNS uses private contractors and DPW for cleanup services. Through the Mayor's Accountability in Management (AIM) process, it was determined that the nuisance litter often remains on the property up to two weeks after the original seven day notification period had expired. During this time, the litter can become strewn about and more difficult to clean. To speed the cleanup process, after the seven day notification period has expired DNS will refer all cleanups to DPW in 2007. In 2006, DNS utilized DPW for more cleanups and believes this can reduce the time needed to cleanup. Once an enforcement action is initiated, DPW's goal is to remove the nuisance within three days.

CAPITAL PROJECTS

Environmental Headquarters Modifications: The 2007 proposed budget includes $906,500 as part of a multi-year strategic consolidation of Sanitation and Forestry headquarters. DPW has explored alternatives for facility consolidation and identify operational savings. The 2007 funding will be used for facility upgrades at the South 35th Street facility. Once these upgrades are made, the facility at West Holt Street can be sold, generating significant revenue. Additional facility consolidations using existing funds and future capital allocations will allow the department to reduce staff overtime, especially during snow events and dispose of additional assets. The 2007 proposed budget reduces staff overtime as a result of this facility consolidation.

Service 2

Recycling and Solid Waste Reduction

Activities: Curbside recycling collection, fall leaf, brush, and yard waste collection and composting, recycling and waste reduction education, and Self-Help Center Recycling Programs.

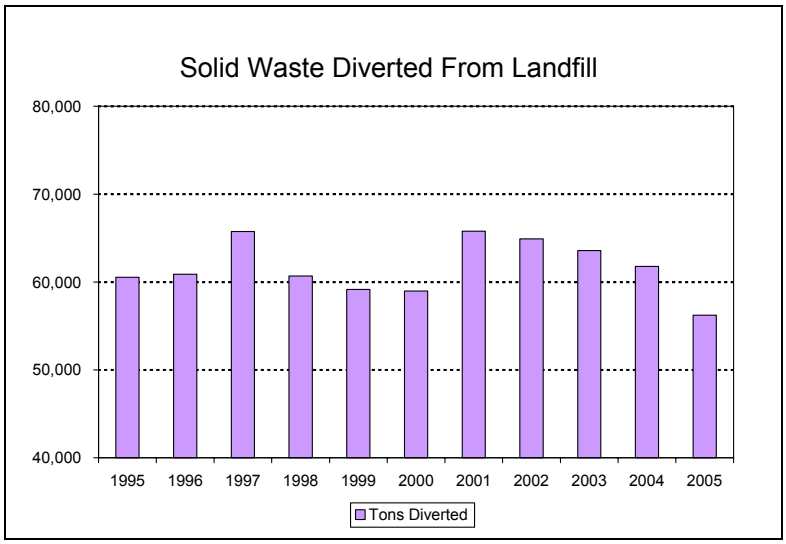
		2005 Experience	2006 Budget	2007 Projection
Services:	Tons diverted from landfill.	56,228	61,000	56,000
	Residential recycling participation.	80.0%	85.0%	85.0%
Funding by Source:	Operating Funds	$2,276,906	$2,724,229	$2,930,912
	Capital Budget	0	0	0
	Grants and Reimbursables	2,893,610	3,200,002	2,974,880
	Totals	$5,170,516	$5,924,231	$5,905,792

SERVICE RESULTS

As indicated in Figure 1, waste diverted from landfills has been declining since 2001. In 2000 this tonnage was at its lowest level since 1995. The trend is likely due to a decline in national and local media educational campaigns on recycling.

In response to this trend, DPW has filled the Recycling Specialist position to coordinate education and outreach efforts in the community. In 2006, the department has allocated additional funds for public educational materials.

Figure 1



SERVICE CHANGES

There are no specific service changes in 2007.

Service 3

Snow and Ice Control

Activities: Snow plowing operations, salting operations, and special snow cleanup.

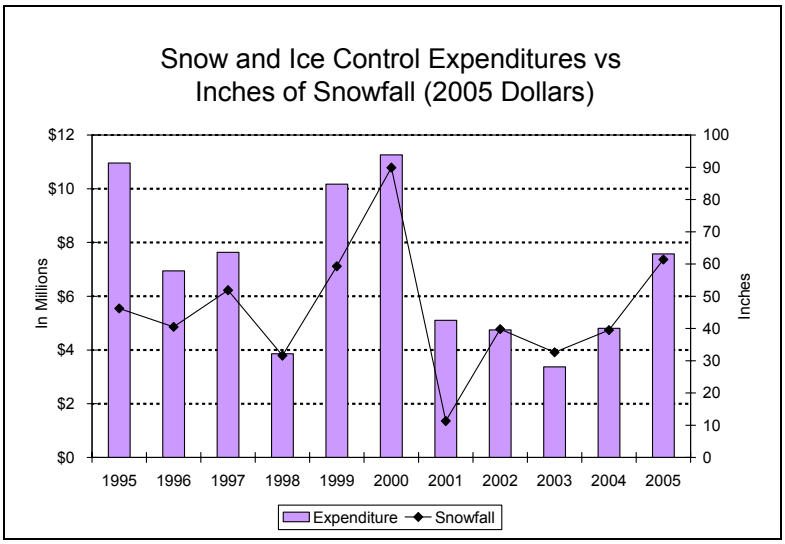
		2005 Experience	2006 Budget	2007 Projection
Services:	Salt used (tons).	74,048	43,000	43,000
	Expenditure per inch.	$123,380	$150,000	$150,000
	Number of snow and ice operations.	34	27	27
Funding by Source:	Operating Funds	$7,575,532	$4,923,626	$4,885,314
	Totals	$7,575,532	$4,923,626	$4,885,314

SERVICE RESULTS

DPW works to remove snow and ice as quickly and economically as possible to restore safe motorist and pedestrian travel, ensure public safety, and minimize economic losses. Salt is applied at the minimum rate to ensure public safety.

The extent to which snow and ice control operations are performed is largely dependent upon weather conditions. Figure 2 shows snow and ice control expenditures (2005 dollars) and the annual inches of snowfall since 1995. As can be seen, snow and ice control expenditures are largely dependent upon snowfall, which has fluctuated tremendously over the past decade.

Figure 2



SERVICE CHANGES

In 2005, DPW will reduce the number of private contractors who are on paid standby. The city had historically paid these contractors a flat rate simply to be available in the event of a large snowfall for which city crews are not sufficient. These contractors were used once in 2005 and once in 2002. The proposal will save $265,000. Fifty-one pieces of standby equipment will no longer be on standby, and 16 pieces will remain on standby.

Service 4

Urban Forest Maintenance and Boulevard Beautification.

Activities: Tree planting, tree production at the city nursery, pruning and maintenance of trees, removal of hazardous and damaged trees and stumps, developing strategies to control emerging pests, turf maintenance, irrigation systems repair, and flowerbed maintenance.

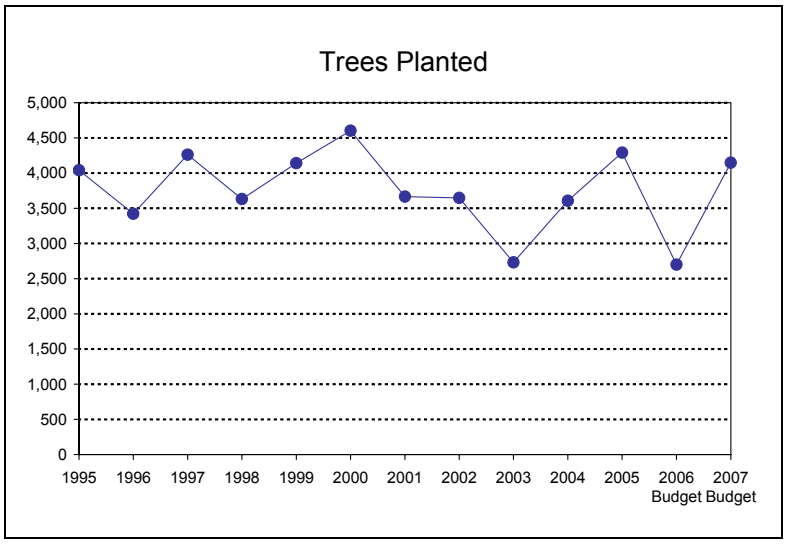
		2005 Experience	2006 Budget	2007 Projection
Services:	Tree mortality rate.	1.4%	2.0%	2.0%
	Trees planted.	4,290	2,700	4,148
	Number of citizen complaints regarding the condition of boulevards.	48	50	50
Funding by Source:	Operating Funds	$11,451,816	$11,994,003	$11,794,349
	Grants and Reimbursables	439,035	526,800	794,120
	Capital Budget	1,160,883	1,281,000	2,465,000
	Totals	$13,051,734	$13,801,803	$15,053,469

SERVICE RESULTS

In 2005, DPW continued to maintain the city's urban forest and boulevard system. The department has created attractive boulevards throughout the city, with recent additions in the new Park East area.

DPW has worked to develop effective public private partnerships to preserve the city's boulevard system. In 2006, DPW and the non-profit Spirit of Milwaukee are cooperating on a new Gateway Signage Program. Businesses will be able to sponsor a gateway sign, for $45,000 to $65,000. One third of the funds will be used to improve the boulevard flower beds around the sign. DPW estimates that 40 to 45 sites could feature gateway signage. The Common Council approved this program in Resolution 060082.

Figure 3



SERVICE CHANGES

Urban Forestry Services: There are no specific service changes in 2007.

Boulevard System: In 2005, DPW enlisted the advice of citizens, landscape design professionals, and environmentalists to develop recommendations for a long term boulevard strategy. Annual fiscal pressures have required the department to craft alternatives for the boulevards that increase the system's environmental and financial sustainability while preserving its aesthetic value. As a result of this process, the department has created a Sustainable Boulevard Plan. The plan's key elements include:

- Reordering boulevard types as landmarks, gateways, and connecting;
- Removing flower beds from street segments that connect key intersections;
- Planting shade and ornamental trees on connecting street segments where beds have been eliminated, as funding becomes available, as a means of reducing maintenance costs and improving the city's air quality;
- Enhancing planting beds at key street intersections through the use of a mix of annuals, perennials, shrubs, native plants, decorative edging and automated irrigation systems; and
- Introducing rain garden elements into boulevard segments.

The 2007 through 2009 capital budgets will invest a total of $1.5 million into this sustainable Boulevard Plan. After its completion, the department will be able to achieve annual operational savings of $150,000 from its seasonal staff. DPW will work with the Common Council to identify boulevard areas that will be affected by this approach.

CAPITAL PROJECTS

Tree Planting and Production: The 2007 proposed budget fully funds the Tree Planting and Production Program at $1,052,000. The program will fund 248 new trees that coordinate with street reconstruction projects, and 3,900 replacement street trees, as part of the Mayor's commitment to improve Milwaukee's environment. This includes 600 street trees that were cut as part of the 2006 budget. Figure 3 demonstrates this increased commitment to improve the urban tree canopy. These capital accounts also fund nursery staff time devoted to tree production.

Concealed Irrigation and Landscaping: The 2007 proposed budget provides $913,000 in funding for irrigation replacements and landscaping that coordinate with street reconstruction projects. The replacement irrigation systems are to support planting beds only, and not turf.

Boulevard Plan: The 2007 proposed budget includes $500,000 for the Sustainable Boulevard Plan. This includes funding for 20 seasonal employees to assist with the boulevard conversion.

Service 5

City Facility Maintenance and Development

Activities: Architectural and mechanical design, construction management, building maintenance services, energy management, and facility systems controls.

		2005 Experience	2006 Budget	2007 Projection
Services:	Percentage of DPW buildings with condition assessments.	83.0%	83.0%	100.0%
Funding by Source:	Operating Funds	$10,465,782	$9,858,851	$9,315,083
	Capital Budget	18,158,100	47,077,225	17,339,200
	Grants and Reimbursables	2,435,195	1,431,200	1,627,239
	Totals	$31,059,077	$58,367,276	$28,281,522

SERVICE RESULTS

The Facility Maintenance and Development Program activities focus on providing quality support for facilities used by city agencies and for city recreational facilities and playlots.

DPW has completed condition assessments on all DPW managed buildings. The department will continue long term capital budget planning to improve the condition of its facilities while minimizing the cost of those improvements.

Through 2005 and 2006, the department is on schedule with its major facility project, City Hall Restoration. While change orders are inevitable on a project of this scale, they remain within the contingencies budgeted for this project.

SERVICE CHANGES

Reduce Non-Daily Facility Maintenance: The 2007 proposed budget reduces facility maintenance by $687,000, including the elimination of eight positions. The eight positions include four Carpenters, one Painter, and three Electrical Mechanics. While these reductions will lead to delays in facility maintenance, the ongoing state shared revenue freeze has forced the city to make difficult choices on spending scarce resources. The Administration has elected to focus DPW resources on direct services to residents, including preserving sanitation, boulevard services, and public infrastructure. However, the city's capital program for facility maintenance services has been well funded in recent years, which should make the maintenance cuts manageable.

Energy Efficiency Improvements: As directed by the Mayor, DPW has proactively identified ways to reduce energy consumption in city facilities. In 2006, the department focused on the City Hall complex to identify opportunities to reduce energy use by 10%. As a result, city employees may no longer use space heaters and other unnecessary appliances. The department has also made technological upgrades to the vending machines and lighting to save energy. The department is financing improvements through "performance contracting" in which the upfront capital costs are paid through the energy savings.

CAPITAL PROJECTS

City Hall Restoration: This program was introduced in 2002 to address the structural and historical integrity of Milwaukee's City Hall, which is listed as a National Historic Landmark. This program restores the exterior façade and roofs of City Hall to ensure a watertight, energy efficient, and safe condition.

J. P. Cullen & Sons, Inc. is providing repair and restoration work to address the deterioration of key exterior elements such as brick, terra cotta, sandstone, windows, embedded structural steel, copper and slate roofing. The project is scheduled for completion in 2008. The 2006 capital budget includes $15 million to address the expected cash flow requirements of the project.

City Hall Complex Remodeling: The 2007 proposed budget includes $100,000 for offices for the newly reconstituted Fire and Police Commission on the 7th floor of City Hall.

Environmental Remediation Program: The 2007 proposed budget includes $469,000 for the city's Environmental Remediation Program. This ongoing program funds lead and asbestos abatement in city facilities, as well as soil and groundwater remediation that resulted from leaking underground storage tanks.

ADA Compliance Program: Funding for this program has been suspended for one year. In 2007, the department will finish ADA projects that were funded in prior years.

Facilities Exterior Program: The 2007 proposed budget includes $178,700 for roof replacements on two Fire Department houses and the lower south portion of the Zeidler Municipal Building.

Municipal Garage/Outlying Facility Remodeling: The 2007 proposed budget includes $50,000 in Machine Shop improvements at the Central Repair Garage. Improvements are needed to ensure safe working conditions for city employees at the facility.

Facilities Systems Program: The 2007 proposed budget includes $1,099,500 for facility systems improvements. This includes funding for emergency repairs, electrical code compliant work, and other initiatives to support the city's HVAC systems and other mechanicals in city facilities.

Recreational Facilities Program: The 2007 proposed budget includes $292,000 for recreational facilities improvements, including ADA work at facilities at 36th and Rogers and 30th and Galena, as well as reconstruction of the Riverside tennis court.

Space Planning, Alterations, and Engineering: The 2007 proposed budget includes $150,000 to fund engineering, facilities inspections, and office reorganizations.

Service 6

Fleet Services				
Activities:	Preventive maintenance and repair of vehicles and equipment, provide vehicles, and equipment operators.			
		2005	**2006**	**2007**
		Experience	**Budget**	**Projection**
Services:	Total unscheduled work orders completed on DPW equipment.	25,186	14,300	25,000
	Preventative Maintenance (PMs) conducted.	6,332	New Measure	6,000
	Fleet availability percentage.	95.1%	New Measure	95.0%
Funding by Source:	Operating Funds	$21,949,103	$21,938,319	$21,786,066
	Capital Budget	4,839,845	6,850,000	6,250,000
	Grants and Reimbursables	1,694,454	2,018,756	2,007,600
	Totals	$28,483,402	$30,807,075	$30,043,666

SERVICE RESULTS

The Fleet Services Program provides repair and maintenance services to over 4,000 vehicles and pieces of equipment. It also provides equipment operators for a variety of DPW functions. In 2005, Fleet Services met its goal of Preventative Maintenance checks (PMs), and ensured that fleet vehicles were available 95% of the time.

SERVICE CHANGES

Fuel Purchasing: An additional $400,000 has been budgeted for fuel in 2007 for DPW Operations.

Fleet Maintenance Reductions: The 2007 proposed budget includes the elimination of eight positions in Fleet Services, including one Fleet Equipment Inspector, three Maintenance Technicians, a Vehicle Inspector, a Garage Custodian, a Supervisor, and an Inventory Assistant. These reductions are the result of the state shared revenue freeze. It is expected that improvements over the past three years to capital funding for vehicle replacement will lower the demand for vehicle maintenance. Additionally, the elimination of the Weekend Box Program and other changes to DPW services in recent years should reduce the demand for fleet services.

CAPITAL PROJECTS

Major Capital Equipment: The 2007 proposed budget includes $6.1 million for major capital equipment that cost more than $50,000 per unit and a life cycle of at least ten years. Equipment items costing less than $50,000 are included in the Operations Division's operating budget. The 2006 major capital equipment list includes the replacement of street sweepers, aerial trucks, heavy dump trucks, and garbage and recycling packers.

Two-Way Radio Replacement and AVL/GPS Initiative: The 2007 proposed budget includes $150,000 for radio replacement. With the ongoing replacement of the current radio infrastructure with a new digital radio trunking system by the Milwaukee Police Department, other city departments that utilize this system will need to upgrade and replace their current radios. The department is also looking to use Global Positioning System (GPS) capabilities associated with the system to better manage city crews in the field. Along with the Environmental headquarters consolidation, this technology will help reduce overtime expenditures.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
			Fleet Services Section	
1	1.00		Fleet Operations Manager (X) (Y)	Mid-year reclassification.
-1	-1.00		Vehicle and Equipment Repairs Manager	
-1	-1.00		Auto Mechanic Supervisor I (Aux.)	
-3	-3.00		Auto Mechanic Supervisor II (Aux.)	
-1	-1.00		Auto Mechanic Supervisor III (Aux.)	
1	1.00		Fleet Repair Supervisor I (Aux.)	
3	3.00		Fleet Repair Supervisor II (Aux.)	
1	1.00		Fleet Repair Supervisor III (Aux.)	
-2	-1.00		Special M.E. Laborer	
2	1.00		Special Fleet Services Laborer	
-1	-1.00		Vehicle Services Writer	
1	1.00		Fleet Equipment Service Writer	
-7	-7.00		Auto Mechanic Supervisor	Mid-year reclassification and position reduction to meet state shared revenue freeze.
3	3.00		Fleet Repair Supervisor III	
3	3.00		Fleet Repair Supervisor II	
-2	-2.00		Vehicle Evaluator	
1	1.00		Fleet Equipment Inspector	
-1	-1.00		Field Service Mechanic	Reduction to meet state shared revenue freeze.
-2	-2.00		Vehicle Services Technician Heavy	
-1	-1.00		Auto Body Repair/Painting Technician	
-1	-1.00		Equipment Parts Assistant	
			Fleet Operations Section	
-1	-1.00		Garage Custodian	Reduction to meet state shared revenue freeze.
-3	-1.00	-2.70	Operations Driver/Worker	Reduction for apartment garbage collection and elimination of Weekend Box Program.

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
			Facilities Development and Management Section	
-1	-1.00		Area Maintenance Supervisor	Reclassification
1	1.00		Building Services Supervisor II	
-3	-3.00		Custodial Worker II/City Laborer	Productivity improvement.
-3	-3.00		Electrical Mechanic	Reduction to meet state shared revenue freeze.
-4	-4.00		Carpenter	
-1	-1.00		Painter	
		-1.00	Engineering Drafting Technician IV	Shift to Auxiliary.
-1			Architectural Designer II (Aux.)	Unneeded Auxiliary position.
			Sanitation Section	
-1	-1.00		Sanitation Worker	Reduction for apartment garbage collection
	-1.96	1.96	Operations Driver Worker (D)	Nuisance garbage, bulky collection service changes and Clean and Green.
	-1.00		Sanitation Inspector (Aux.)	Reduction to meet state shared revenue freeze.
			Forestry Section	
	-4.50	4.50	Urban Forestry Laborer (Seasonal)	Implementation of Sustainable Boulevard Plan.
-3	-3.00		Urban Forestry Specialist	Reduction to meet state shared revenue freeze.
-27	**-31.46**	**2.76**	**Totals**	

SPECIAL PURPOSE ACCOUNTS

EXECUTIVE SUMMARY

PURPOSE: Special Purpose Accounts appropriate funds for purposes not included in departmental budgets. These accounts may include funding for short term programs, programs that affect numerous departments, or programs that warrant distinction from departmental budgets. Every year, the Common Council adopts a resolution that authorizes expenditure of funds from the various Special Purpose Accounts by specific departments or by Common Council resolution.

The 2007 proposed budget provides funding of $30.1 million for Miscellaneous Special Purpose Accounts and funding of $148.7 million for total Special Purpose Accounts. Highlights of the 2007 Miscellaneous Special Purpose Accounts (SPAs) include:

New Accounts

Affordable Housing Initiative: This account provides $250,000 in funding for an affordable housing initiative. This initiative will be undertaken in conjunction with Habitat for Humanity and other public and private partners. Funding will be used to buy out existing Habitat for Humanity mortgages and the proceeds will fund the construction and renovation of additional units of affordable housing.

Driver Licensure and Employment Initiative: This account provides $75,000 in 2007 to help fund an initiative to reduce barriers to employment for Milwaukee residents. A significant percentage of residents have revoked or suspended driver's licenses. The lack of a valid driver's license creates a significant barrier to employment, particularly since there are many jobs located in the suburban and exurban areas outside of the City of Milwaukee and there is a lack of public transit to allow individuals without driver's licenses to access these jobs. This project will assist residents in restoring suspended and revoked licenses and enabling them to seek employment. An additional $125,000 is recommended for CDBG reprogramming to provide total funding of $200,000. More information on this project is included in the *Municipal Court* section of the *2007 Proposed Plan and Executive Budget Summary.*

Emerging Business Enterprise Program Effectiveness Study: This account provides $45,000 to help fund a study of the effectiveness of the Emergency Business Enterprise (EBE) program. The Mayor is committed to improving the EBE program and the Department of Administration is using 2006 funding to begin a study of the EBE program's effectiveness. Additional funding will be needed in 2007 to complete the study. For more information, refer to the *Department of Administration* section of the *2007 Proposed Plan and Executive Budget Summary*.

Discontinued Accounts

Community Services Staffing: This was a one time appropriation that is discontinued in 2007. This account provided $1.5 million in funding for public safety related purposes or Police overtime, including costs associated with community service staff and services in the Police Department. This funding was used to provide additional overtime and recruits. Specifically, $750,000 was used as a city match to a $750,000 grant from the State of Wisconsin for increased Police overtime and the remaining $750,000 was used to support a third Police recruit class in 2006.

A task force was created to study alternatives to traditional sworn policing as a response to call for services customarily conducted by a sworn Officer. The Community Service Staffing Task Force concluded that the creation

of a position of Community Service Officer would provide certain benefits to citizens and the Police Department, and recommended the creation and implementation of these positions. The Mayor and Common Council endorsed the task force recommendations. See the *Police Department's* section of the *2007 Proposed Plan and Executive Budget Summary* for more information.

Regional Economic Development Initiative: This was a one time appropriation that is discontinued in 2007. This account provided $50,000 in funding in 2006 for an economic development and regional marketing campaign.

Neighborhood Clean and Green Initiative: This account, which provided funding to the Department of Neighborhood Services (DNS) and the Department of Public Works (DPW), is eliminated in 2007. The funding is transferred to departmental operating accounts where it will be used for the same purposes; specifically, cleanliness initiatives in city neighborhoods. In 2007, $10,000 will be transferred to DNS and $75,000 will be transferred to DPW for this purpose.

Other Significant Changes

Alternative Transportation for City Employees: This account is intended for the benefit of city employees and is meant to encourage the use of public transportation. It funds costs related to the Commuter Value Pass Program, implemented in April 2000. City employees participating in the program are issued a picture identification card that allows unlimited use of all Milwaukee County Transit System buses at any time. The city pays 50% of the Commuter Value Pass cost, with the employee paying the other 50%. The 2007 proposed budget provides funding of $124,000, an increase of $29,000 from the 2006 funding amount of $95,000. This increase is the result of increased costs for the Milwaukee County Transit System's Commuter Value Pass.

Audit Fund: The Audit Fund has been increased in the 2007 proposed budget by $10,200 to $226,000 to pay for the increased cost of contracting for a private audit of the city's Comprehensive Annual Financial Report, among other audit activities.

Damages and Claims Fund: This account provides funding for the payment of city legal obligations, including payment of claims, settlements of lawsuits, and payment of judgments. This account is increased by $2 million in the 2007 proposed budget for total funding of $3.9 million. The additional funding is provided to ensure that the city has sufficient resources for the potential liability in the *Alexander* case.

Economic Development Committee Fund: This fund is decreased by $16,351 in 2007 for total funding of $38,000. This amount is consistent with recent expenditure trends.

Employee Training Fund: Funds in this account are used to provide training and development opportunities to city employees outside of those authorized and approved under tuition benefit guidelines. The fund is decreased by $10,000 in 2007 for total funding of $40,000.

Flexible Spending Account: Funds in this account support the Flexible Choices Program which allows city employees to set aside pre-tax dollars for certain medical expenses and for dependent care expenses. This account funds the administrative costs of the program, which are $3.50 per month for each program participant. The fund is increased by $18,000 in 2007 for total funding of $50,000. This increase is the result of larger enrollment in the program, combined with an increase in the per member monthly fee and expanding eligible benefits to include parking expenses.

Group Life Insurance Premium: This account funds the city's obligations with respect to life insurance benefits for city employees. The account is increased by $165,000 to $3.16 million in 2007, reflecting an increase in salary settlements.

Insurance Fund: This account provides funding for insurance premiums for city policies. The account is decreased by $35,000 in 2007 for total funding of $590,000, to reflect lower premium payments anticipated for 2007.

Municipal Court Intervention Program: This account helps the Municipal Court, through a third party vendor, work with indigent defendants and those with alcohol and other drug addiction issues that prevent them from paying court judgments. The Municipal Court is prohibited from incarcerating indigent defendants for failure to pay municipal forfeitures. The account is increased by $19,000 in 2007 for total funding of $434,000, an amount needed to maintain the current service level provided by the vendor.

Retirees Benefit Adjustment: This account makes supplemental pension benefits for certain non-ERS retirees. The account is decreased by $33,100 in 2007 for total funding of $291,900.

Unemployment Compensation Fund: This account pays the city's portion of unemployment payments to city employees who are laid off or otherwise separated from service. Eligibility for this benefit is determined by the state government. Due to anticipated increases in expenditures resulting from increased maximum benefit rates, this account is increased by $195,000 to $975,000.

SPECIAL PURPOSE ACCOUNT
WORKER'S COMPENSATION

SUMMARY OF EXPENDITURES

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Worker's Compensation	$9,693,500	$10,760,970	$11,530,000	$11,530,000	$769,030	$0
Required Employer Law Compliance Expenses	17,861	50,000	25,000	25,000	-25,000	0
TOTAL	$9,711,361	$10,810,970	$11,555,000	$11,555,000	$744,030	$0

The Worker's Compensation Special Purpose Account, administered by the Employee Benefits Division of the Department of Employee Relations, consists of two sub-accounts. One sub-account compensates city employees who incur job related injuries. The other sub-account covers expenses incurred as a result of exposure to bloodborne pathogens in the workplace, as mandated by the bloodborne pathogen law.

The 2007 proposed budget for the Worker's Compensation account totals approximately $11.6 million, an increase of 6.9% from the 2006 budget. This is largely due to increases in the weekly and monthly wage rate that is paid out for disability payments, and a more than 24% increase in the medical costs of total claims paid from 2005. To combat the continual increase in medical costs, the Department of Employee Relations hired a private vendor, Corvel, to perform additional Worker's Compensation bill processing. Corvel's ability to generate billing reductions through medical and hospital discounts resulted in a net savings of over $2 million in 2005.

Several initiatives will be undertaken in 2007 to reduce Worker's Compensation costs including safety training and awareness, implementation of the injury review process, accident prevention through work site assessment and analysis, development of an improved management information and claims process system, and discussions with the Fire Department and union to implement a limited duty program.

SPECIAL PURPOSE ACCOUNT
EMPLOYEE HEALTH CARE BENEFITS

SUMMARY OF EXPENDITURES

EXPENSE CATEGORY	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Claims	$36,087,485	$34,200,000	$34,100,000	$29,920,000	$-4,280,000	$-4,180,000
Health Maintenance Organizations	56,617,554	65,125,000	78,700,000	71,610,000	6,485,000	-7,090,000
Dental Insurance	2,179,783	2,300,000	2,200,000	2,200,000	-100,000	0
Administrative Expense	1,317,642	1,675,000	2,100,000	3,000,000	1,325,000	900,000
Cost Containment	219,536	0	0	0	0	0
TOTAL	$96,422,000	$103,300,000	$117,100,000	$106,730,000	$3,430,000	$-10,370,000

This special purpose account covers employee health care costs for the self-insured Health Care Program (the "Basic" Plan), Health Maintenance Organizations (HMOs), dental insurance, administrative expenses, and cost containment measures. The Department of Employee Relations manages the account.

The 2007 proposed employee health care budget is approximately $106.7 million, an increase of 3.3% from 2006.

The city will benefit in 2007 from contracts that were negotiated in 2005. The Basic Plan administration was changed from WPS to Claim Management Services. Prescription drugs were carved out of this plan and now are administered by Navitus. These changes are expected to slow growth in 2007 costs by approximately $10 million.

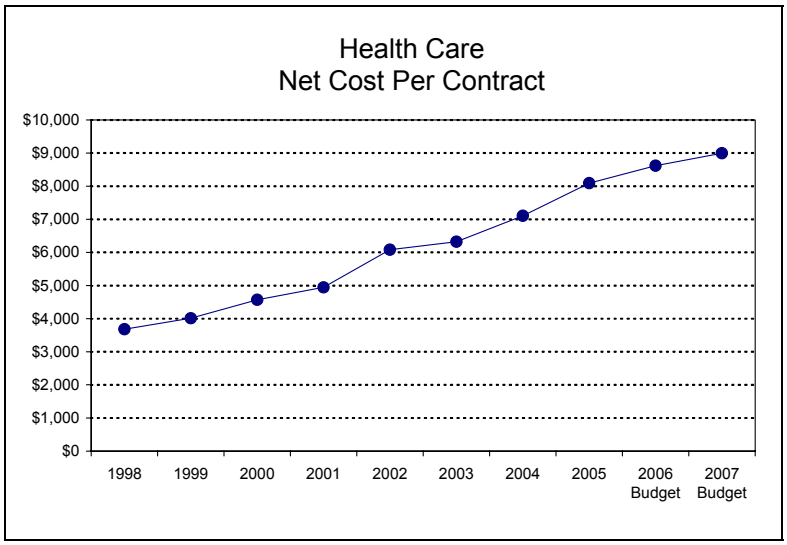
For 2007, the HMO contract was awarded to Humana. Because the free HMO for Humana's network is larger than Comp Care Aurora Family Network, it is expected that employees will shift from the Basic Plan to the HMO. With actual utilization and prices driving the expenses for the Basic Plan and the HMO being a fixed premium, the health care budget will increase by an estimated $2.4 million from this plan shift.

HMO rates will increase on average by 16% from 2006 to 2007. This rate increase translates into an increase in the HMO budget of 10%. The Basic Plan Costs are expected to increase 12% in 2007. The rate change will produce a $9.7 million increase in the health care account.

The remaining change to the health care account is an increase to the administrative fee of $1.3 million to reflect more accurately the 2005 change in Basic Plan and prescription drug administration.

When comparing the cost per contract, it becomes apparent that the city will experience relative slow growth in health care costs between the 2006 and 2007 budgets. Figure 1 shows that the cost per contract is expected to slow between 2005 and 2007. This reflects the contract changes made in 2005.

Figure 1



The picture is still unclear for the actual results for 2006. Year end accruals and normal contract start up claims processing delays make any prediction difficult. It is clear, however, that no supplemental appropriation will be needed in 2006.

2007 Rates: HMO rates for 2007 are set equally to all employees with a set city share and employee share. For the Basic Plan, the share paid by employees varies by the employee representation. Management employees who choose the Basic Plan will have a choice of two tiers with monthly payments that are the amount above 100% of the lowest HMO. Others employees have one Basic Plan option with a fixed payment amount based on contract negotiations.

Health Care Future: Although the city will realize a one year stabilization of health care costs, structural issues within the health care market suggest that annual growth rates will return to recent historical levels. With this in mind, the city will continue to work with city unions to explore new cost saving measures. The cost saving measures may include employee choice incentives and initiatives that will influence utilization.

SPECIAL PURPOSE ACCOUNT
BOARD OF ZONING APPEALS

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	3.00	3.00	3.00	3.00	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	11	11	11	11	0	0
EXPENDITURES						
Salaries and Wages	$210,508	$207,027	$210,937	$210,937	$3,910	$0
Fringe Benefits	19,953	55,947	57,160	57,160	1,213	0
Operating Expenditures	51,367	51,494	51,494	51,494	0	0
TOTAL	$281,828	$314,468	$319,591	$319,591	$5,123	$0
REVENUES						
Licenses and Permits	$244,124	$209,000	$205,000	$205,000	$-4,000	$0
TOTAL	$244,124	$209,000	$205,000	$205,000	$-4,000	$0

BACKGROUND

The Board of Zoning Appeals (BOZA) is composed of five members appointed by the Mayor and confirmed by the Common Council. The board hears and decides on appeals of rulings on city zoning ordinances.

Service 1

Zoning Appeals

Activities: Board action on appeals, BOZA hearings, appeals processing and inquiries on appeals.

		2005 Experience	2006 Budget	2007 Projection
Service Outcome:	Routine appeals (weeks to complete).	5	5 to 7	4 to 6
	Complex appeals (weeks to complete).	20	12 to 24	12 to 24
Funding by Source:	Operating Funds	$281,828	$314,468	$319,591
	Totals	$281,828	$314,468	$319,591

SERVICE RESULTS

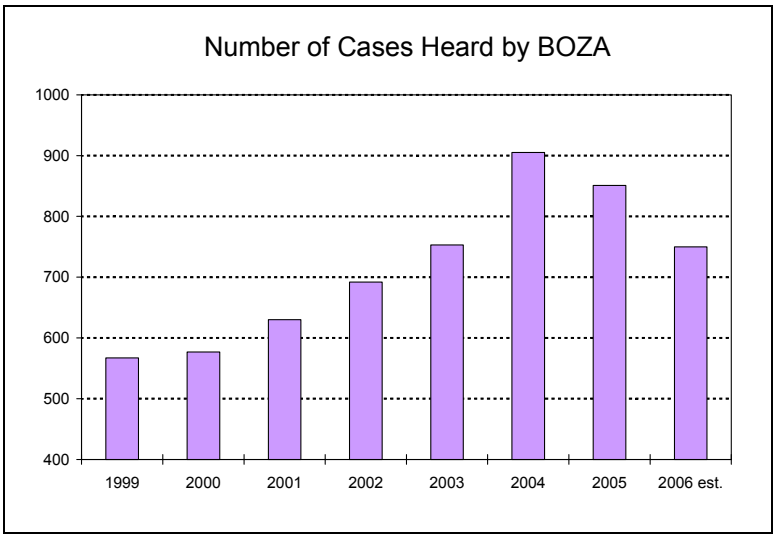
Before 1998, written decisions on BOZA cases took an average of 27 weeks between the customer's application and a final letter communicating the board's decision. As a result of revisions to the ordinances governing the appeals process and continuing process improvement initiatives, the board now averages less than six weeks to issue a written decision on a routine appeal.

Ordinance revisions and process improvements have not only reduced the length of time necessary to receive a routine written decision, they have also increased the level of communication and coordination with customers and citizens. However, the time it takes to complete a complex appeal has increased in recent years. Much of this increased time can be directly attributed to the significant increase in caseload (see Figure 1). The number of cases

has increased more than 50% from 1999 to 2005 and the number of cases filed will most likely exceed 750 in 2006.

There are a number of significant factors that have resulted in a greater percentage of cases requiring at least two hearings (complex appeals) before a decision is rendered. Often, the laws related to religious assembly facilities and cases involving persons with disabilities have contributed to this increase. Additionally, there is an unprecedented amount of information that is disseminated to community groups and leaders from the city via E-Notify and the Department of City Development. With more individuals and entities expressing interest in cases, an additional proceeding may be necessary.

Figure 1



In 2007, BOZA will continue to improve communication with customers and citizens to reduce the waiting time for hearings. BOZA's goal for 2007 is to hear and decide routine appeals within 4 to 6 weeks and complex appeals within 12 to 24 weeks.

SERVICE CHANGES

Efficiencies through Technology: BOZA will increase its efficiency with the new release of the Master Customer Database System, which integrates with the Department of City Development (DCD) in several ways:

- The new BOZA database now shares case information with the Plan Review System used by the Development Center, and will be able to start a record based on the information already collected by Plan Examiners in DCD. Additionally, the Plan Review System is current with the status of related BOZA cases.
- Address verification allows for more accurate data entry. All addresses entered into the system are compared against the city's Master Address Index (MAI), which contains all known valid addresses.
- Several new reports gather important, often asked for statistics (such as expired cases).
- Parcel information that details both the zoning of the parcel in question and the Alderman of the district will be made available.

In addition, BOZA staff will provide a map feature, to be viewed as part of the online case file, to allow for a visual location of the site up for review (this will be in addition to a picture of the parcel). Staff will also continue to search for options to streamline the appeals process, while working to keep interested parties aware of the status of all appeals filed.

The 2007 proposed budget includes filing fee increases for special uses, dimensional variances, and administrative cases. The expected revenue increase of $75,000 will offset increases to BOZA's costs.

SPECIAL PURPOSE ACCOUNTS SUMMARY

Line Description	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Special Purpose Accounts Miscellaneous						
Actuarial Study of Employers Reserve Fund	$28,553	$0	$0	$0	$0	$0
Affordable Housing Initiative	$0	$0	$0	$250,000	$250,000	$250,000
AIDS Initiative	11,590	0	0	0	0	0
Alternative Transportation for City Employees	89,197	95,000	109,000	124,000	29,000	15,000
Annual Payment to Department of Natural Resources	7,034	7,100	7,100	7,100	0	0
Audit Fund	205,000	215,800	226,000	226,000	10,200	0
Board of Ethics	20,890	26,341	26,340	26,340	-1	0
Boards and Commissions Reimbursement Expense	19,650	22,000	22,000	22,000	0	0
BIDs						
BID #2 (Historic Third Ward) City Contribution	$36,000	$36,000	$36,000	$36,000	$0	$0
BID #4 (Greater Mitchell Street) City Contribution	25,000	25,000	25,000	25,000	0	0
BID #5 (Westown) City Contribution	18,000	18,000	18,000	18,000	0	0
BID #8 (Historic King Drive) City Contribution	21,000	21,000	21,000	21,000	0	0
BID #10 (Avenues West) City Contribution	12,000	12,000	12,000	12,000	0	0
BID #15 (RiverWalk) City Contribution	40,000	40,000	40,000	40,000	0	0
BID #21 (Downtown Management District)	35,000	35,000	35,000	35,000	0	0
Total BIDs	**$187,000**	**$187,000**	**$187,000**	**$187,000**	**$0**	**$0**
Cable TV Franchise Regulation	$2,595	$8,500	$10,000	$2,595	$-5,905	$-7,405
Care of Prisoners Fund	166,461	200,000	200,000	180,000	-20,000	-20,000
City Attorney Collection Contract	1,249,891	1,250,000	1,250,000	1,250,000	0	0
City Memberships	138,213	146,905	150,420	150,420	3,515	0
Clerk of Court Witness Fees Fund	10,073	15,000	12,000	12,000	-3,000	0
Community Services Staffing	0	1,500,000	0	0	-1,500,000	0
Constituent Service Referral System	3,666	0	0	0	0	0
Contribution Fund General	1,441,064	1,700,000	1,700,000	1,700,000	0	0
Damages and Claims Fund	1,428,178	1,875,000	1,875,000	3,875,000	2,000,000	2,000,000
Drivers Licensure and Employment Project	0	0	200,000	75,000	75,000	-125,000
eCivis Grants Locator	0	23,500	23,100	23,100	-400	0
Economic Development Committee Fund	32,314	54,351	100,000	38,000	-16,351	-62,000
E-Government Payment Systems	84,455	25,000	25,000	25,000	0	0
Emergency Business Enterprise Effectiveness Study	0	0	0	45,000	45,000	45,000
Employee Training Fund	28,604	50,000	50,000	40,000	-10,000	-10,000
Fire Department Study of Sworn Staff	49,500	0	0	0	0	0
Firemen's Relief Fund	113,997	115,000	117,000	117,000	2,000	0
Flexible Spending Account	28,928	32,000	32,000	50,000	18,000	18,000
Graffiti Abatement Fund	145,000	95,000	95,000	95,000	0	0
Group Life Insurance Premium	2,788,951	3,000,000	3,165,000	3,165,000	165,000	0
Insurance Fund	691,561	625,000	625,000	590,000	-35,000	-35,000
Land Management	0	200,000	200,000	200,000	0	0
Long Term Disability Insurance	618,624	640,000	640,000	640,000	0	0
Low Interest Mortgage Loan Program	298	10,000	7,500	7,500	-2,500	0
Maintenance of Essential Utility Services	60,559	75,000	75,000	75,000	0	0
Mentoring Program	25,000	0	0	0	0	0
Milwaukee Arts Board Projects	139,585	172,800	172,800	172,800	0	0
Milwaukee Fourth of July Commission	126,936	130,000	130,000	130,000	0	0
MMSD User Charge	0	34,090,896	34,926,431	34,926,431	835,535	0
Less Recover MMSD User Charge	0	-34,090,895	-34,926,430	-34,926,430	-835,535	0
Municipal Court Intervention Program	410,606	415,000	434,000	434,000	19,000	0
Neighborhood Clean and Green Initiative	66,217	70,000	85,000	0	-70,000	-85,000
Outside Council/Expert Witness Fund	418,212	225,000	225,000	225,000	0	0
Pabst Theater Debt Service	213,000	0	0	0	0	0
Razing and Vacant Building Protection Fund	1,203,168	1,151,000	1,151,000	1,151,000	0	0

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Receivership Fund	276,702	325,000	325,000	325,000	0	0
Regional Economic Development Initiative	0	50,000	0	0	-50,000	0
Reimbursable Services Advance Fund	0	50,000,001	50,000,001	50,000,001	0	0
Less Recover Reimbursable Services Advance Fund	0	-50,000,000	-50,000,000	-50,000,000	0	0
Remission of Taxes Fund	904,882	500,000	500,000	500,000	0	0
Reserve for 27th Payroll	0	1,500,000	1,650,000	1,500,000	0	-150,000
Retirees Benefit Adjustment Fund	304,649	325,000	301,000	291,900	-33,100	-9,100
Sewer Maintenance Fee	94,534	0	0	0	0	0
Tuition Reimbursement Fund	699,025	740,000	740,000	740,000	0	0
Unemployment Compensation Fund	786,066	780,000	780,000	975,000	195,000	195,000
Vacant Lot Maintenance	0	711,735	711,735	711,735	0	0
Wages Supplement Fund	0	10,145,000	9,720,000	9,720,000	-425,000	0
Total Miscellaneous SPAs	**$15,320,428**	**$29,434,034**	**$28,054,997**	**$30,074,492**	**$640,458**	**$2,019,495**
Board of Zoning Appeals	$281,828	$314,468	$319,591	$319,591	$5,123	$0
Workers' Compensation Fund	9,711,361	10,810,970	11,555,000	11,555,000	744,030	0
Employee Health Care Benefits						
Administration Expenses	$1,317,642	$1,675,000	$2,100,000	$3,000,000	$1,325,000	$900,000
Claims	36,087,485	34,200,000	34,100,000	29,920,000	-4,280,000	-4,180,000
Cost Containment Program	219,536	0	0	0	0	0
Dental Insurance	2,179,783	2,300,000	2,200,000	2,200,000	-100,000	0
HMOs	56,617,554	65,125,000	78,700,000	71,610,000	6,485,000	-7,090,000
Total Employee Health Care Benefits	**$96,422,000**	**$103,300,000**	**$117,100,000**	**$106,730,000**	**$3,430,000**	**$-10,370,000**
Grand Total Special Purpose Accounts	**$121,735,617**	**$143,859,472**	**$157,029,588**	**$148,679,083**	**$4,819,611**	**$-8,350,505**

CITY TREASURER

EXECUTIVE SUMMARY

MISSION: To fulfill the duties and responsibilities of the independently, elected City Treasurer, who serves as the chief investment and revenue collection officer of the City of Milwaukee, as set forth in Wisconsin State Statutes, the City of Milwaukee Charter and Code of Ordinances, and Common Council Resolutions.

SERVICES: Financial management, including investing city funds and collecting city revenue.

STRATEGIC ISSUES: Maintain high quality standards in providing tax collection services to city residents and in the accounting and investment of city funds.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	28.42	29.93	29.26	29.26	-0.67	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	60	59	59	59	0	0
EXPENDITURES						
Salaries and Wages	$1,617,947	$1,564,703	$1,547,145	$1,547,145	$-17,558	$0
Fringe Benefits	687,468	657,175	649,800	649,800	-7,375	0
Operating Expenditures	590,900	643,520	658,295	658,295	14,775	0
Equipment	7,930	0	0	0	0	0
Special Funds	18,359	20,335	29,860	29,860	9,525	0
TOTAL	$2,922,604	$2,885,733	$2,885,100	$2,885,100	$-633	$0
REVENUES						
Charges for Services	$138,506	$351,200	$156,075	$156,075	$-195,125	$0
Licenses and Permits	126,068	135,400	126,100	126,100	-9,300	0
Taxes and Payment in Lieu of Taxes	8,678	12,000	9,000	9,000	-3,000	0
Miscellaneous	4,613,624	5,250,000	6,750,000	7,633,000	2,383,000	883,000
TOTAL	$4,886,876	$5,748,600	$7,041,175	$7,924,175	$2,175,575	$883,000

BACKGROUND

The City Treasurer is one of 22 elected officials within Milwaukee's municipal government. Under authority provided by Wisconsin State Statutes and the Milwaukee City Charter, the Office of the City Treasurer receives and accounts for all monies paid to the city, makes disbursements vouchered for payment by the Comptroller, invests city funds that are not needed to meet current expenditures, collects current property taxes and delinquencies for all six tax levies within the City of Milwaukee, settles property tax collections on a prorated basis, and remits to each taxing jurisdiction their share of the monies collected.

One of the most important functions performed by the Treasurer's Office is the investment of city funds that are not needed immediately to meet current expenditures, i.e. property taxes and lump sum revenue payments such as

state shared revenue. In making investment decisions, the Treasurer's Office considers the safety, liquidity, and rate of return of various investment instruments. The Treasurer's 2007 proposed operating budget totals approximately $2.9 million.

Service 1

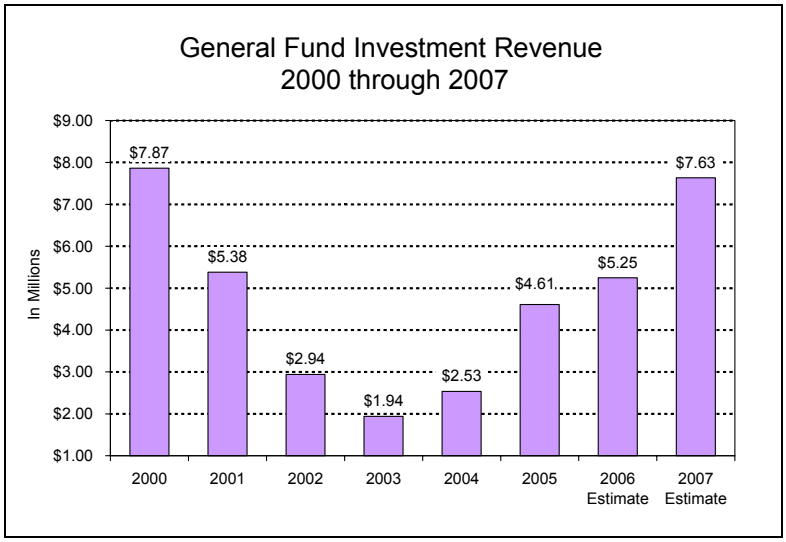
City Financial Management				
Activities:	Receive and account for all monies paid to the city, make disbursements that have been vouchered for payment by the Comptroller, invest city funds not needed immediately to meet current expenditures, and collect property taxes and delinquent taxes for all six levies within the city.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Services:	Rate of return on investments.	3.05%	3.50%	5.00%
	State of Wisconsin Local Government Investment Pool (LGIP) rate of return (benchmark).	3.09%	TBD	TBD
	Cost of tax collection as a percentage of total taxes collected.	0.3139%	0.3097%	0.3083%
	Total percentage of delinquent city property taxes collected after two years of the close of the levy.	94.3%	90.0%	90.0%
Funding by Source:	Operating Funds	$2,922,604	$2,885,733	$2,885,100
	Capital Budget	148,075	0	0
	Totals	$3,070,679	$2,885,733	$2,885,100

SERVICE RESULTS

The City Treasurer is responsible for investing available city fund balances. These balances consist of tax dollars collected and revenues received, including state shared revenue and aid payments, as well as various fines and fees. Since the city's cash flow requirements do not always equal the current fund balance, the city invests any funds that are not needed immediately into low risk investments. In turn, earnings from these investments are used to reduce the tax levy.

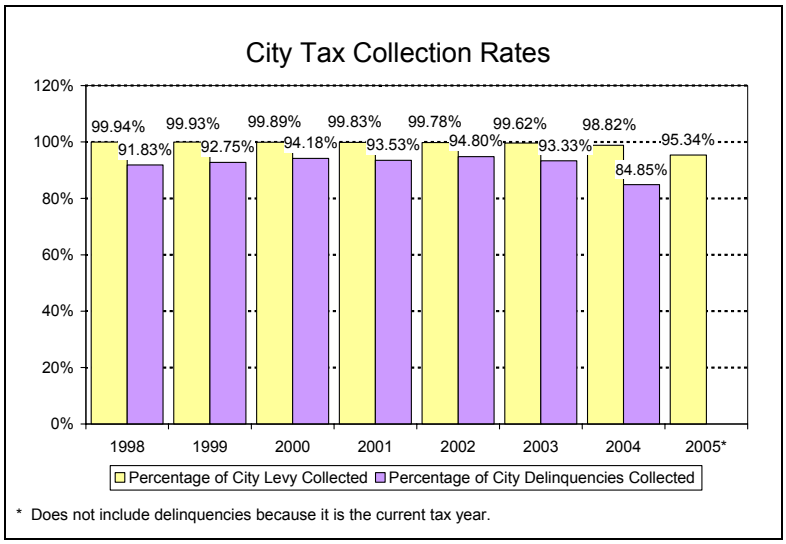
The primary goal of the Treasurer is to maximize the city's rate of return, while ensuring the safety of invested funds. The rate of return is a critical component in determining the amount of investment earnings. Due to market conditions, the Treasurer has obtained rates of return ranging between 1.23% and 6.26% during the period of 2000 to 2005. As shown in Figure 1, this has translated into city General Fund investment revenue of $4.6 million in 2005, an increase of $2.1 million from the previous year. In 2007, the total city investment revenue is projected to be $11.4 million with $7.6 million being credited to the General Fund and $3.8 million to the Public Debt Amortization Fund. The prorated

Figure 1



distribution of investment revenue between the General Fund and Public Debt Amortization Fund is required by Wisconsin State Statutes.

Figure 2



The City Treasurer is responsible for the collection of property taxes, including delinquent taxes for all six levies within the city. As seen in Figure 2, the Treasurer has been successful at collecting almost 100% of the total city levy and over 90% of the resulting delinquent accounts. The Treasurer's Office strives to collect all delinquent property tax accounts. One of the ways that the department has succeeded in its collection efforts is by having the city's collection agent, the Kohn Law Firm, attempt to collect delinquent real estate property taxes for the period of six months prior to the city pursuing a foreclosure action. An additional benefit of this approach has been the reduction in the number of tax delinquent parcels acquired through foreclosure, reducing the city's property management costs.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	-0.67		Accountant I	Duties will transfer to Comptroller's Office.
0	**-0.67**	**0.00**	**Totals**	

FRINGE BENEFIT OFFSET

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET 2006 ADOPTED	CHANGE PROPOSED BUDGET 2007 REQUESTED
Fringe Benefit Offset	$-120,103,869	$-118,455,278	$-121,906,407	$-121,507,468	$-3,052,190	$398,939
TOTAL	$-120,103,869	$-118,455,278	$-121,906,407	$-121,507,468	$-3,052,190	$398,939

Employee fringe benefit costs are appropriated in various special purpose accounts. In addition, department operating budgets include an estimated employee fringe benefit factor in order to reflect the total cost of department operations. In prior years this second appropriation, or "double" budget, was offset by a "paper" revenue to avoid levying twice for employee benefits. The 2007 proposed budget offsets this "double" budget with a budget offset, as opposed to a revenue offset. This approach avoids overstating the total city budget by the fringe benefit factor, which in 2007 amounts to approximately $121.5 million.

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

EXECUTIVE SUMMARY

MISSION: To reasonably estimate the amount of resources available to support city services and to evaluate the most appropriate revenue stream for recovering costs.

SERVICES: Fee and tax policies are factors impacting residential and business investment decisions. For Milwaukee to prosper, these policies should not be an impediment to economic growth.

Milwaukee will continue to develop new revenue sources.

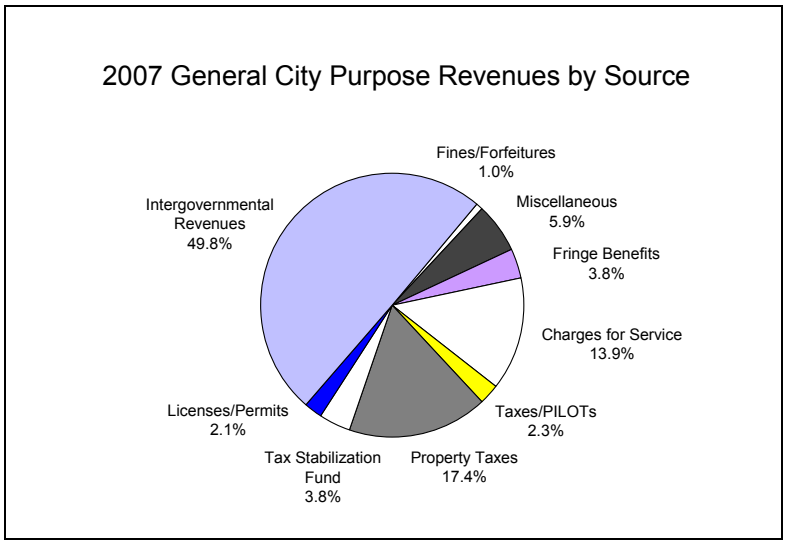
STRATEGIC ISSUES: Limit the cost of government on local property owners by diversifying the city's revenue base.

Prepare a multi-year fiscal stability plan to guide fiscal policy in upcoming years.

BACKGROUND

State law requires the city to balance its annually budgeted expenditures with its anticipated revenues. Each year, the Comptroller's Office works with departments to develop revenue estimates for the upcoming budget year. Once these estimates are finalized, the city determines the needed property tax levy and reserve fund withdrawals to offset budgeted expenditures. In 2007, the city anticipates it will generate approximately $550.8 million in revenue for general city purposes. Figure 1 provides a breakdown of these revenues by major category.

Figure 1



Diversification and enhancement to revenues provides the city with the means to retain existing service levels. Property tax increases have been limited by state legislation and state aids have continued to decrease, both placing pressure on other revenue sources or service reductions. State restrictions on the type of charges for service that are available to municipalities further erode the city's ability to diversify its revenues.

The overall general city purpose revenues have grown at a rate less than inflation (see Figure 2) for the majority of the period. In fact, revenues in 1995 adjusted for inflation equaled $415 million and 2007 inflation adjusted revenues will be $404 million. This is a loss of $11 million.

There are a variety of sources of funds for the general city purposes budget. Figure 3 illustrates the distribution of the different revenue categories in the 1995 budget and the 2007 budget. A noticeable shift in intergovernmental, property taxes, and charges for service is evident over the time period.

As shown in Figure 3, the city was much more reliant on intergovernmental aid in 1995 when it accounted for 63.7% of total revenues versus 49.8% in 2007.

Over the same time period, the city's reliance on property taxes increased from 10.6% to 17.4% although it only slightly increased in terms of real dollars. The city has increased its efforts to diversify revenues by increasing charges for service as a percentage of revenue from 4.3% to 13.9%.

Intergovernmental revenues have remained flat from 1995 to 2007. From 2003 to 2007, intergovernmental revenues decreased from $284.6 million to $273 million. This is shown in Figure 4 along with the inflation adjusted amounts.

The 2007 property tax levy of $95.7 million for general city purposes is part of the total property tax levy of $220.1 million. The total tax levy meets the state imposed tax levy limit of 3.354% plus the adjustment for debt service. The total property tax levy will increase by 3.3% after the debt adjustment is applied.

Figure 5 illustrates the increased city reliance on user based fees. In the past several years, charges for service revenues increased from $19.4 million in 1995 to $76.1 million in 2007. This trend is also evident in Figure 3, where charges for service revenues increased from 4.3% of revenues to 13.9% in the same time period. Fees for Solid Waste, Snow and Ice, and Sewer Maintenance are now charged to city property owners according to usage, instead of through the tax levy.

The following discussion provides more specific detail on the different categories of general purpose revenues.

Intergovernmental Revenue: These revenues include funding received from other governmental jurisdictions, state and federal aid formulas, grants, and other program specific government aids.

Figure 2

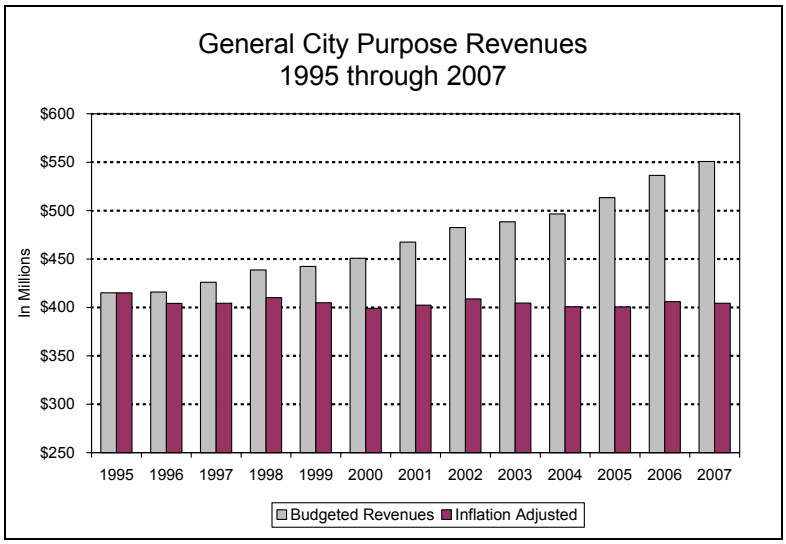


Figure 3

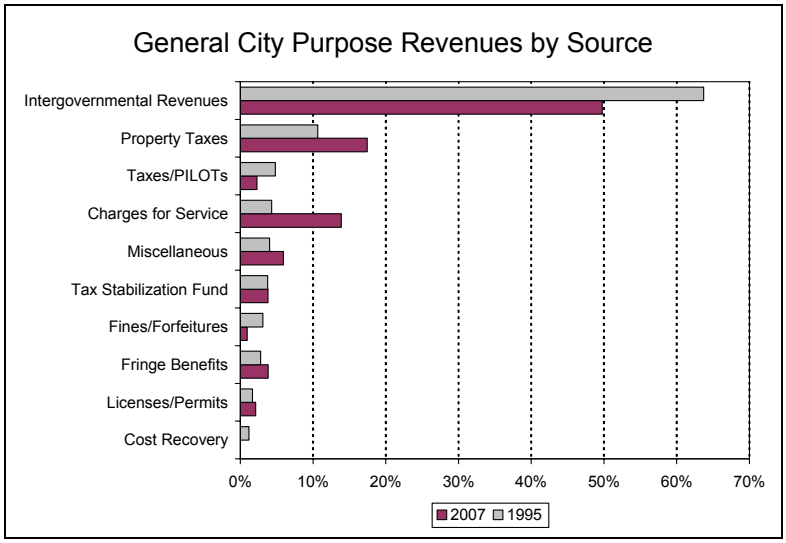
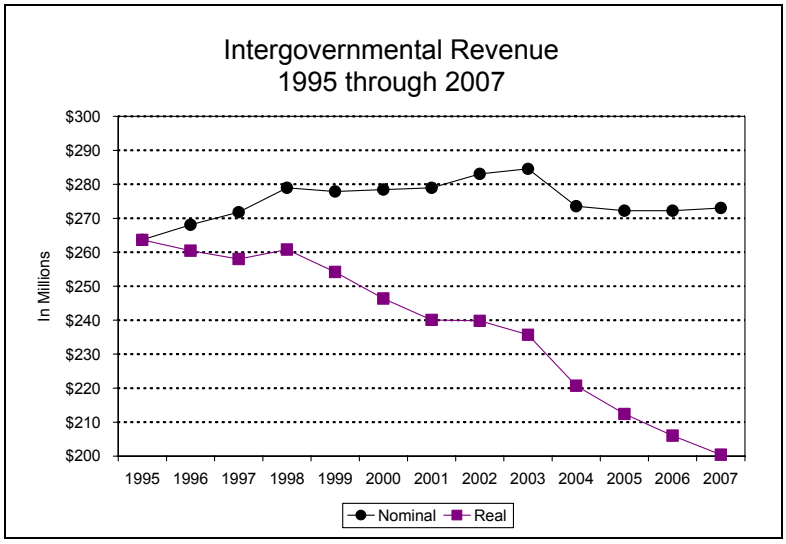


Figure 4



In the 2007 proposed budget, intergovernmental revenues total $273 million. The city anticipates an overall increase in state aids of $0.8 million from 2006 to 2007.

The state transportation aids and Expenditure Restraint Program payment are determined by either the amount that is spent or the level of the property tax levy. In either case, these programs are in direct opposition to expenditure and tax levy restraint programs. These two aids total $34.95 million in 2007. This is up $630,000 from the amount of $34.32 million estimated for 2006.

The largest amount of state aids received by the city comes in the form of state shared revenue. In 2007, the city expects to receive $230.6 million of shared revenue. Unfortunately, this is roughly the same amount estimated to be received in 2006. Since the state fixed the allocation for shared revenue in 1995 and later fixed the amount municipalities received, the city was unable to rely on shared revenue to assist in addressing its structural budget issues. An increase of 1% in the payment would generate an additional $2.3 million in revenues to the city. The city has turned to other sources of funds or service cuts to offset the lack of growth in shared revenue.

Property Taxes: The property tax levy will provide $95.7 million in revenue for the general city purposes budget in 2007. The total city tax levy increased from $213.1 million in 2006 to $220.1 million in 2007 or a $7 million increase.

Taxes and Payments in Lieu of Taxes: The 2007 proposed budget includes an estimated $12.5 million in revenue attributable to Taxes and Payments in Lieu of Taxes (PILOTs), a decrease of $1.5 million from 2006. In 2006 the city closed six Tax Incremental Districts which generated one-time revenue of $1.8 million.

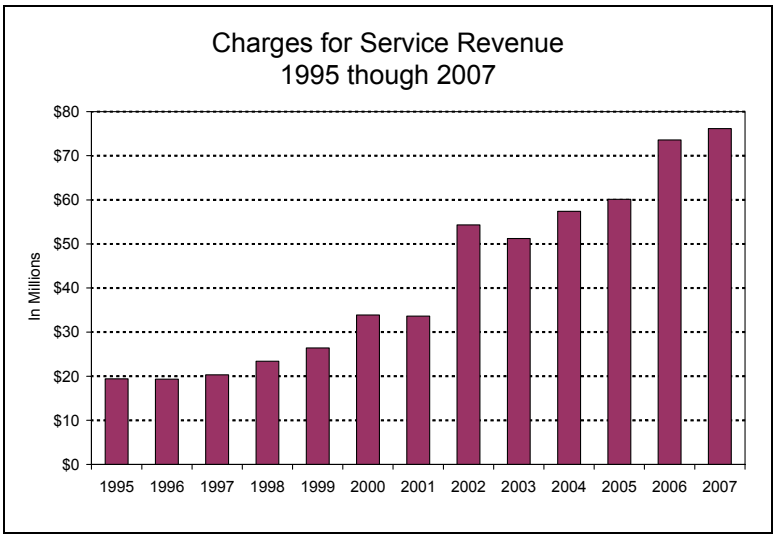
These funds include revenues raised by non-property tax levies; occupation taxes; trailer park taxes; principal, interest, and penalties on delinquent taxes; property tax adjustments; and payments from property tax exempt governmental entities for city services.

Charges for Services: The 2007 proposed budget includes $76.1 million in revenue from charges for services, an increase of $2.6 million. This category of funding encompasses revenue received for services provided by city operating departments. Charges for services revenue has steadily increased since 1995 (see Figure 5).

The Solid Waste Fee is a charge that mainly recovers a portion of the cost of weekly garbage collection. Other service costs for related solid waste services like recycling, brush collection, self-help stations and special collection are also partially recovered through the fee. The current fee recovers nearly 80% of solid waste operating costs.

Charges reduce reliance on variable and uncertain revenues such as intergovernmental aids. They can also make a local government's cost structure more competitive. No changes are planned to the Solid Waste and Snow and Ice Control Fees for 2007. The Solid Waste Fee will remain at $132 per year for residential units and generate $25 million. The Snow and Ice fee will be maintained at its current rate of $0.2736 per foot of property frontage and will generate $2.4 million. Leaf pickup and street sweeping costs will continue to be recovered through the Sewer Maintenance Fee in the form of a $4.6 million transfer from the Sewer Fund to the General Fund.

Figure 5



Miscellaneous Revenues: Miscellaneous revenues includes the transfer from the Parking Fund, interest on investments, funds from the sale of surplus property, real estate property sales, several spending offset accounts, and other revenues not included in any other category. For 2007, these revenues are expected to total $32.4 million.

The increase of $4.4 million in miscellaneous revenues is primarily due to higher estimated interest earnings of $2.4 million, a larger Potawatomi payment which will increase $0.8 million above the 2006 payment and an increase in the Parking Fund transfer payment of $600,000 from 2006.

Interest earning will increase by $2.4 million from a 2006 level of $5.25 million to the 2007 estimate of $7.63 million. Two-thirds of the interest on the city's unrestricted investments is counted as general city purpose revenue (one-third accrues to the Public Debt Amortization Fund). For 2007, a 5.00% rate of return on unrestricted investments of approximately $225 million is assumed.

Fines and Forfeitures: Revenue of $5.2 million related to fines and forfeitures is included in the 2007 proposed budget. Fines and forfeitures include payments received from individuals as penalties for violating municipal laws. The revenue in this account reflects collections made by the Municipal Court.

Licenses and Permits: Revenue from licenses and permits in 2007 is estimated at $11.6 million, an increase of $0.6 million from 2006. These funds include charges administered by various departments for legal permission to engage in a business, occupation, or other regulated activity. An adjustment was made to numerous licenses and permits as a means to continue revenue diversification. This should increase these revenues by another $325,000 upon recognition by the Comptroller.

Fringe Benefit Offset: The fringe benefit costs associated with reimbursables, grants, Enterprise Funds, and capital activity are gross budgeted in the General Fund. These other funds make a payroll payment to the General Fund to offset the cost of their General Fund budgeted fringe benefit, which is anticipated to be $21 million in 2007.

Cost Recovery: Cost Recovery Funds do not represent actual revenue to the city. They offset Tax Levy Funds included in departmental equipment rental accounts to pay the depreciation portion of internal service agency charges.

Tax Stabilization Fund (TSF): The Tax Stabilization Fund is used to accumulate unexpended appropriations and revenue surpluses. It assists in stabilizing the city's tax rate and protects citizens from tax rate fluctuations that can result from erratic variations in non-property tax revenues. Approximately $29.1 million lapsed into the fund at the end of 2005 bringing the balance in the fund (as of April 15, 2006) to $46.6 million.

The 2007 withdrawal will consist of three parts. The sustainable withdrawal will be $20.9 million and will be 44.7% of the fund balance. The other two parts are a withdrawal in anticipation of revenue recognition by the Comptroller of $325,000 and a reserving of $2 million for legal liabilities. Upon adoption of a resolution increasing various fees it is expected that the Comptroller will recognize the corresponding revenue. When the revenue is recognized, the TSF withdrawal will be reduced by the same amount.

After the 2007 withdrawal and anticipated regeneration at the end of 2006, the TSF should have a fund balance of approximately $43.6 million.

Fiscal Stability Plan: The Budget and Management Division has developed an outline of a multi-year fiscal stability plan to guide future policy decisions. The plan will be updated to reflect any new developments or modifications.

2. SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	2004 ACTUAL EXPENDITURES	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 PROPOSED BUDGET	CHANGE 2007 PROPOSED VERSUS 2006 ADOPTED
Taxes and Payments in Lieu of Taxes					
Housing Authority	$895,367	$923,419	$800,000	$850,000	$50,000
Interest/Penalties on Taxes	1,732,688	1,760,719	1,524,000	1,760,000	236,000
Occupational Taxes	12,352	8,678	12,000	9,000	-3,000
Other Taxes	479,879	226,426	200,000	425,000	225,000
Parking	1,149,285	1,091,862	1,050,000	1,019,100	-30,900
Payment in Lieu of Taxes Other	320,369	320,775	280,000	335,000	55,000
TID Excess Revenue	0	338,205	1,800,000	0	-1,800,000
Trailer Park Taxes	122,180	126,535	120,000	120,000	0
Water Services Division	7,899,648	7,667,741	8,275,000	8,000,000	-275,000
Total Taxes	$12,611,768	$12,464,360	$14,061,000	$12,518,100	$-1,542,900
Licenses and Permits					
Licenses					
Amusement Dance/Music	$546,226	$552,396	$671,100	$825,000	$153,900
Dog and Cat	115,255	126,068	135,400	126,100	-9,300
Food Health Department	1,480,342	1,529,377	1,467,600	1,525,000	57,400
Health Department Non-Food	27,474	47,158	12,100	32,500	20,400
Liquor and Malt	1,018,504	977,273	1,035,500	995,000	-40,500
Sales	178,504	364,401	230,200	325,000	94,800
Miscellaneous City Clerk	273,399	363,947	6,840	35,000	28,160
Miscellaneous Neighborhood Services	347,414	385,971	363,500	375,400	11,900
Miscellaneous DPW Administration	23,436	5,295	12,000	10,300	-1,700
Permits					
Board of Zoning Appeals	$223,218	$244,124	$209,000	$205,000	$-4,000
Zoning Change Fees	118,247	60,276	45,000	60,000	15,000
Building	2,432,997	3,066,002	2,234,200	2,503,200	269,000
Building Code Compliance	170,810	216,565	150,000	165,000	15,000
Curb Space Special Privilege	98,182	34,180	107,800	40,000	-67,800
Electrical	874,987	939,178	765,000	795,000	30,000
Elevator	116,217	137,649	125,000	125,000	0
Occupancy	242,033	267,206	240,000	240,000	0
Plumbing	740,347	802,953	700,000	700,000	0
Miscellaneous Neighborhood Services	129,298	114,501	65,600	91,100	25,500
Sign and Billboard	73,412	67,310	120,600	103,000	-17,600
Special Events	173,295	192,597	210,000	185,000	-25,000
Miscellaneous Department of Public Works	324,503	468,239	318,200	325,700	7,500
Special Privilege Misc City Clerk	8,320	12,272	14,782	14,000	-782
Special Privilege Misc Neighborhood Services	133,367	635,833	235,000	325,000	90,000
Sprinkler Inspection	59,407	58,456	60,000	58,500	-1,500
Use of Streets Excavating	830,447	911,557	870,500	856,650	-13,850
Plan Exam Department of City Development	770,212	793,836	613,900	597,300	-16,600
Total Licenses and Permits	$11,529,853	$13,374,620	$11,018,822	$11,638,750	$619,928
Intergovernmental Revenue					
Fire Insurance Premium	873,454	892,618	911,000	$1,025,000	114,000
Local Street Aids	25,608,345	25,168,747	25,200,000	25,750,000	550,000
Payment for Municipal Services	2,528,287	2,698,899	2,450,000	2,695,000	245,000
State Payments Police	745,613	604,532	690,000	705,000	15,000
State Shared Revenue (General)	229,835,434	230,626,383	230,605,000	230,600,000	-5,000
Other State Payments	28,134	7,034	7,000	7,000	0
Expenditure Restraint Aid	10,604,963	9,472,698	9,120,000	9,200,000	80,000
Computer Exemption Aid	3,641,643	3,403,609	3,250,000	3,050,000	-200,000
Total Intergovernmental Revenues	$273,865,873	$272,874,520	$272,233,000	$273,032,000	$799,000

	2004 ACTUAL EXPENDITURES	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 PROPOSED BUDGET	CHANGE 2007 PROPOSED VERSUS 2006 ADOPTED
Charges for Services					
General Government					
City Attorney	$774,088	$862,425	$796,900	$861,600	$64,700
Department of Employee Relations	219,299	189,489	210,000	237,000	27,000
City Treasurer	353,399	138,506	351,200	156,075	-195,125
Common Council City Clerk	3,729,382	3,691,773	3,687,800	3,801,900	114,100
Comptroller	224,956	278,924	180,000	245,000	65,000
Municipal Court	1,546,030	1,380,443	1,305,600	1,743,700	438,100
Debt Commission	155,466	308,602	1,000,000	300,000	-700,000
Assessor	628	427,380	450,000	425,000	-25,000
Department of City Development	1,214,194	591,942	513,700	477,800	-35,900
Department of Administration	114,853	124,097	110,000	111,800	1,800
MPS Service Charges	3,557,613	3,639,438	3,737,000	3,864,000	127,000
Fire Department	4,945,282	5,872,522	5,725,000	5,764,400	39,400
Police Department	297,679	262,808	255,800	263,200	7,400
Department of Neighborhood Services	5,184,671	5,289,243	4,264,000	4,696,000	432,000
Building Razing	1,400,343	1,076,455	1,150,000	975,000	-175,000
Fire Prevention Inspections	1,241,079	1,251,035	1,235,000	1,240,000	5,000
Essential Services	83,992	107,277	80,000	90,000	10,000
DPW Operations Division Buildings and Fleet	3,895,202	4,110,842	3,000,000	3,470,000	470,000
DPW Infrastructure Division	3,996,200	4,570,124	3,458,500	4,284,250	825,750
DPW Operations Division Forestry	402,815	288,177	350,000	100,000	-250,000
Harbor Commission	3,557,378	3,829,470	3,882,471	4,224,912	342,441
DPW Administrative Services	1,157,447	1,220,740	1,182,000	1,192,000	10,000
DPW Operations Division Sanitation	1,160,327	1,216,463	647,000	772,000	125,000
Solid Waste Fee	14,163,402	14,179,296	24,600,000	25,000,000	400,000
Snow and Ice Control Fee	2,422,370	2,415,402	2,400,000	2,400,000	0
Street Sweeping and Leaf Collection	4,200,000	4,200,000	4,600,000	4,600,000	0
Apartment Garbage Pickup	906,506	914,505	800,000	980,000	180,000
Health Department	911,115	684,737	756,860	718,175	-38,685
Public Library	538,526	502,801	485,000	498,800	13,800
County Federated System	1,873,003	1,304,626	1,359,000	1,396,700	37,700
Recycling Contract	1,000,000	2,262,005	1,000,000	1,250,000	250,000
Total Charges for Services	$65,227,245	$67,191,547	$73,572,831	$76,139,312	$2,566,481
Fines and Forfeitures					
Municipal Court	$5,634,941	$5,884,753	$5,206,000	$5,206,000	$0
Total Fines and Forfeitures	$5,634,941	$5,884,753	$5,206,000	$5,206,000	$0
Miscellaneous Revenue					
Parking Fund Transfer	$12,000,000	$15,210,000	$15,200,000	$15,800,000	$600,000
Interest on Investment	2,524,354	4,613,624	5,250,000	7,633,000	2,383,000
Contributions	1,719,863	1,168,110	1,700,000	1,700,000	0
DOA Property Sales	266,471	516,782	214,000	262,500	48,500
DCD Property Sales	21,287	345,430	50,000	100,000	50,000
DPW Operations Division Rent	232,024	205,995	212,000	212,000	0
Comptroller Rent	180,380	161,702	161,200	159,200	-2,000
DCD Rent	250,086	84,958	250,000	250,000	0
Other Miscellaneous	1,681,058	935,120	423,599	785,700	362,101
Insurance Recovery	0	206,359	0	200,000	200,000
Potawatomi	3,856,626	4,916,432	3,380,000	4,200,000	820,000
Midtown/LIMP Revenues	29,919	48,493	30,000	30,000	0
Harbor Commission Transfer	960,000	1,200,000	1,090,000	1,090,000	0
Total Miscellaneous Revenue	$23,722,068	$29,613,005	$27,960,799	$32,422,400	$4,461,601

	2004 ACTUAL EXPENDITURES	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 PROPOSED BUDGET	CHANGE 2007 PROPOSED VERSUS 2006 ADOPTED
Fringe Benefits					
Fringe Benefit Offset	$17,430,354	$22,580,701	$17,250,000	$21,000,000	$3,750,000
Total Fringe Benefits	$17,430,354	$22,580,701	$17,250,000	$21,000,000	$3,750,000
Cost Recovery					
Sewer Maintenance	$0	$0	$10,000	$10,000	$0
Total Cost Recovery	$0	$0	$10,000	$10,000	$0
Total General Fund Revenue	$410,022,102	$423,983,506	$421,312,452	$431,966,562	$10,654,110
Amount to be Raised Pursuant to 18-02-6	$103,603,738	$110,460,022	$115,136,600	$118,852,529	$3,715,929
Less:					
Tax Stabilization Fund Withdrawal (Sustainable)	$16,870,000	$16,621,000	$16,328,000	$20,850,000	$4,522,000
Tax Stabilization Fund Withdrawal (Revenue Anticipation)	0	0	0	325,000	325,000
Tax Stabilization Fund Withdrawal (Reserve for Legal Liability)	0	0	0	2,000,000	2,000,000
Property Tax Levy	86,733,738	93,839,022	98,808,600	95,677,529	-3,131,071
Total Sources of Funds for General City Purposes	$513,625,840	$534,443,528	$536,449,052	$550,819,091	14,370,039

B. PROVISION FOR EMPLOYES' RETIREMENT FUND

EXECUTIVE SUMMARY

PURPOSE: To provide the means by which the city can track and monitor retirement related expenditures and resources. Maintain the health of the retirement related funds in an era of increasing costs and variable earnings.

SERVICES: Retirement system.

SUMMARY OF EXPENDITURES

Budgets	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 BUDGET	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Firemen's Pension Fund						
Employer's Pension Contribution	$197,630	$232,000	$138,000	$138,000	$-94,000	$0
Lump Sum Supplement Contribution	400,000	350,000	300,000	300,000	-50,000	0
Subtotal	$597,630	$582,000	$438,000	$438,000	$-144,000	$0
Policemen's Pension Fund						
Employer's Pension Contribution	$0	$295,975	$295,975	$307,582	$11,607	$11,607
Administration	92,381	99,497	0	0	-99,497	0
Lump Sum Supplement Contribution	0	0	0	0	0	0
Subtotal	$92,381	$395,472	$295,975	$307,582	$-87,890	$11,607
Employees' Retirement Fund						
Employer's Pension Contribution	$19,914	$21,550	$25,000	$25,000	$3,450	$0
Administration	23,343,873	20,976,648	26,677,643	26,677,643	5,700,995	0
Annuity Contribution Tax Levy	22,809,607	22,975,200	23,700,000	23,700,000	724,800	0
Subtotal	$46,173,394	$43,973,398	$50,402,643	$50,402,643	$6,429,245	$0
Social Security Tax	$16,531,718	$17,350,500	$17,540,000	$17,540,000	$189,500	$0
Former Town of Lake Employees' Fund						
Firemen's Pension Fund	$8,673	$8,700	$8,700	$8,700	$0	$0
Subtotal	$8,673	$8,700	$8,700	$8,700	$0	$0
Deferred Compensation Plan	$951,036	$1,403,719	$1,407,283	$1,407,283	$3,564	$0
Total	$64,354,832	$63,713,789	$70,092,601	$70,104,208	$6,390,419	$11,607
Revenues						
Fringe Benefits Pensions	$962,986	$1,033,127	$1,035,200	$1,035,200	$2,073	$0
Charges for Service Employees' Retirement System	23,036,218	20,719,400	26,365,403	26,365,403	5,646,003	0
Charges for Service Deferred Compensation	951,036	1,403,719	1,407,283	1,407,283	3,564	0
Property Tax Levy	40,091,374	40,387,713	41,174,215	41,114,922	727,209	-59,293
Miscellaneous Employes' Retirement System	157,114	169,830	110,500	181,400	11,570	70,900
Total	$65,198,728	$63,713,789	$70,092,601	$70,104,208	$6,390,419	$11,607

BACKGROUND

The Employes' Retirement Fund includes provisions for employee pensions, the Policemen's Annuity and Benefit Fund, the Firemen's Pension Fund, Social Security contributions, and the city's Deferred Compensation Program.

The Employes' Retirement System (ERS) is responsible for administering the city's defined benefit pension plan for city employees and other members of the system. The system operates under the direction of the Annuity and Pension Board, a body of eight members (three elected by active system members, one by city retirees, three appointed by the President of the Common Council, and the City Comptroller, ex-officio). Retirement contributions for employees of the Milwaukee Metropolitan Sewerage District, the Wisconsin Center District, the Water Works, Milwaukee Public School Board (excluding teachers), and the Milwaukee Area Technical College are borne by those respective governmental units and are not included in these appropriations. There were approximately 27,000 members in the system as of December 31, 2005.

The Policemen's Annuity and Benefit Fund (PABF) administers pensions for city Police Officers employed prior to 1947. There were 157 members as of August 30, 2006.

Funds in the Firemen's Pension Fund are provided for retired Fire Fighters who were employed prior to 1947. This fund had 140 members as of January 1, 2006.

The Former Town of Lake Employes' Retirement Fund provides retirement benefits to former Town of Lake employees who became city employees when the Town of Lake was annexed. There are currently five members.

ERS also oversees the city's contribution for payment of the employer's share of Social Security tax. The Deferred Compensation Board is responsible for administration of the city's Deferred Compensation Plan.

SERVICES

Annuity Contribution: In the 2007 proposed budget, $23.7 million is provided for the city's share of employees' annuity contributions (5.5% of pay for general city employees and 7% for Police Officers, Fire Fighters, and elected officials).

Social Security Payments: In the 2007 proposed budget, $17.5 million is provided for Social Security payments.

Administration: In the 2007 proposed budget, ERS administrative costs are $26.7 million.

Pension Reserve Fund: The 2007 proposed budget includes no additional pension reserve funding. An actuarial study finished in early 2005 indicated that minimal risk exists to the overall fund until approximately 2017. The city's continued reductions to the number of employees reduced future pension liability. Currently, the Pension Fund is funded at 116% of its actuarial determined funding level and there is a balance of over $20 million in the reserve fund.

Employer's Pension Contribution (ERS): The 2007 proposed budget includes $25,000 in funding for duty disability payments for non-consenters of the Global Pension Settlement.

Employer's Pension Contribution (PABF): The 2007 proposed budget includes a $307,582 contribution that amortizes the unfunded past service liability of the Policemen's Annuity and Benefit Fund. This represents a significant reduction from the $975,773 contribution and a $400,000 supplemental contribution in 2005. This is due to recently approved changes in the benefit structure and the amortization period of the fund liability.

The benefit change became effective January 1, 2006 for all members and includes an increase from $427 to $500 per month for 83 members receiving the minimum monthly payment and a $60 per month increase for the other 94 members. Those members receiving the minimum payment will realize a 17% increase in their monthly benefit. The amortization period was changed from five to ten years to smooth out current unfunded liability in the fund. This improved cash flow will allow payment of the enhanced benefits.

Change in Governance of PABF: The transfer of fiduciary duty and administrative responsibility for the Policemen's Annuity and Benefit Fund from the PABF Board to the Annuity and Pension Board is currently under consideration. The city proposed this change as the membership of the PABF is aging and declining in numbers. The PABF Board has approved this transfer and is endorsing it for a vote of the membership. The transfer will allow continued professional management of PABF's investment portfolio and administration of fund payments, survivor pension determinations, and other administrative tasks. PABF membership will be able to participate in an annual informational meeting that will recap investment results for the PABF portfolio and the financial condition of the fund.

Lump Sum Contribution for Firemen's Annuity and Benefit Fund (FABF): A total of $300,000 is provided in the 2007 proposed budget for a pension supplement to members of this fund. This will provide a supplement fund payment per member that is roughly equivalent to the payment received in 2006.

EMPLOYES' RETIREMENT SYSTEM

EXECUTIVE SUMMARY

MISSION: To administer the payment of retirement and other benefits to eligible persons as provided under the City Charter and to safeguard and protect the funds of the Employes' Retirement System (ERS) by investing them in a prudent and vigilant manner.

SERVICES: Investment management.

Customer service to members and beneficiaries.

Develop and support a pension management information system.

STRATEGIC ISSUES: Monitor and analyze all investment activities and provide oversight of the investment portfolio to maximize returns while minimizing the variability of the fund's asset value.

Implementation and installation of a Milwaukee Employee Retirement Information Technology Solutions (MERITS) to provide effective and efficient pension administrative services.

Improve member communication through the ERS website, pre-retirement counseling seminars, brochures, and newsletters.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	39.67	40.00	40.50	40.50	0.50	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	48	48	49	49	1	0
EXPENDITURES						
Salaries and Wages	$2,257,837	$2,432,788	$2,464,651	$2,464,651	$31,863	$0
Fringe Benefits	962,986	1,021,800	1,035,200	1,035,200	13,400	0
Operating Expenditures	13,970,815	16,450,376	19,591,868	19,591,868	3,141,492	0
Equipment	6,729	10,000	435,000	435,000	425,000	0
Special Funds	6,145,506	1,061,684	3,150,924	3,150,924	2,089,240	0
TOTAL	$23,343,873	$20,976,648	$26,677,643	$26,677,643	$5,700,995	$0
REVENUES						
Charges for Services	$23,036,218	$20,719,400	$26,365,403	$26,365,403	$5,646,003	$0
Miscellaneous	157,114	169,830	110,500	181,400	11,570	70,900
TOTAL	$23,193,332	$20,889,230	$26,475,903	$26,546,803	$5,657,573	$70,900

BACKGROUND

The Employes' Retirement System of the City of Milwaukee was created in 1937 to provide retirement related benefits for members and their beneficiaries. ERS also administers the city's contribution of Social Security, the Group Life Insurance Program, and health care for city retirees including COBRA health and dental plans. On December 31, 2005 there were approximately 26,400 members (actives, inactives, and retirees) in the system and the value of the Fund was $4.6 billion.

The Annuity and Pension Board is trustee of the funds in the system and is charged with general administration of the system. The Secretary and Executive Director function under the direction of the board and are responsible for daily operation of the office.

Service 1

Investment Management

Activities: Cash flow analysis, negotiate investment manager contracts, monitor investment performance, and compliance monitoring of investment managers.

		2005 Experience	2006 Budget	2007 Projection
Service Outcome:	Exceed the gross rate of return of the Blended Benchmark Index.	1.8%	0.5%	0.5%
Funding by Source:	Operating Funds	$12,356,544	$14,376,692	$15,989,951
	Totals	$12,356,544	$14,376,692	$15,989,951

SERVICE RESULTS

The current asset value in the city pension system is $4.6 billion at year end 2005. This is a $200 million increase from the 2004 year end value of $4.4 billion.

Figure 1 shows how well the pension system has been funded. It illustrates the ratio of assets to liabilities, which is known as the funded ratio. A ratio of 100% indicates a fully funded pension system. The city has a well funded system that is currently at 122.9% funding as of January 1, 2006. From 1997 to 2006, the funded ratio has exceeded 115%.

To measure the Fund's performance, ERS compares the investment return of the retirement fund against a blended benchmark index consisting of the following indices: Russell 3000 Stock Index, the Lehman Brothers Aggregate Bond Index, the Morgan Stanley Capital International EAFE (Europe, Australiasia, Far East) Index, and the NCREIF Index. The blended benchmark is weighed according to the asset allocation strategy adopted by the Annuity and Pension Board.

Over the long term, ERS' objective is for the Fund to outperform the blended benchmark by 0.5%. ERS' asset allocation strategy is designed to take advantage of long term investment and market trends that occur over the life of an investment cycle. In 2005, the

Figure 1

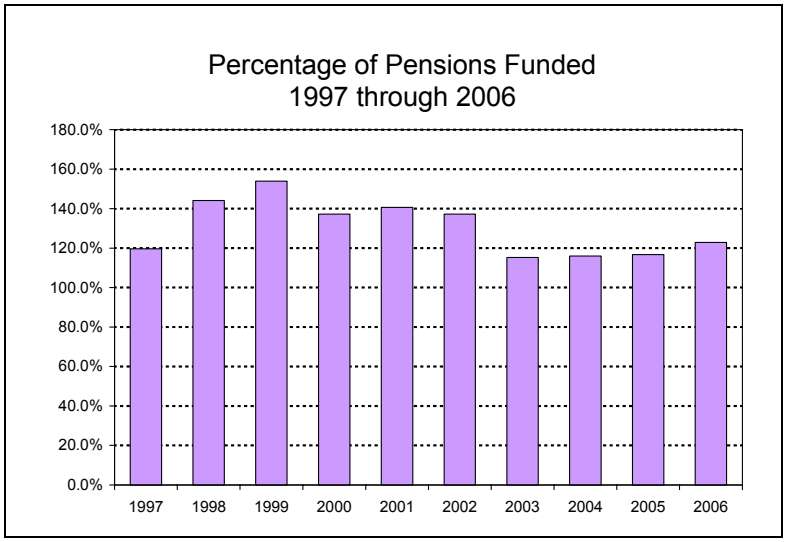
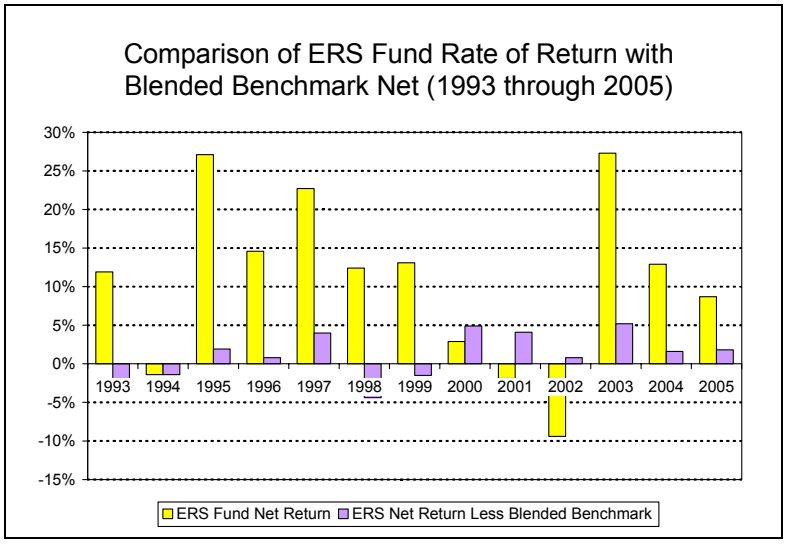


Figure 2



funds rate of return was 8.7% while the index was at 6.9%. As seen in Figure 2, the Fund's rate of return net of fees paid to investment managers has exceeded the blended benchmark since 2000.

SERVICE CHANGES

The Annuity and Pension Board in conjunction with the Chief Investment Officer, the Investment Consultant, and legal staff will continue to explore and implement enhanced asset allocation opportunities.

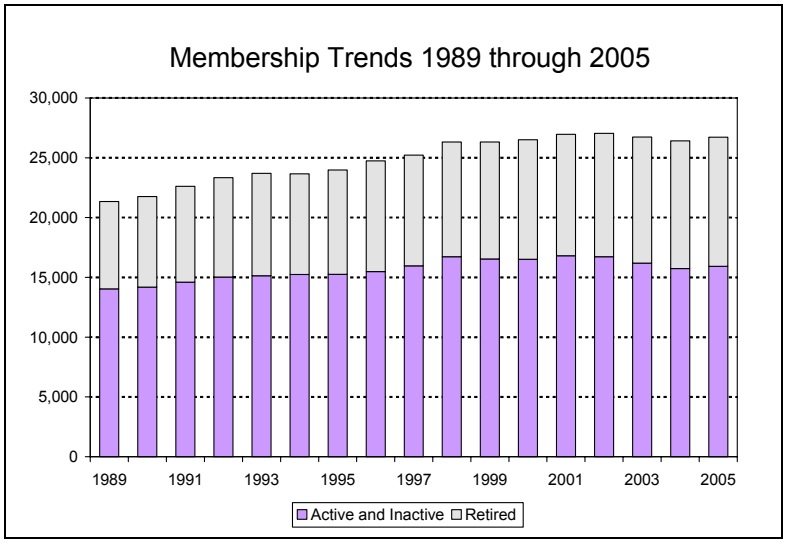
Service 2

Customer Service				
Activities:	Prepare pension estimates, counsel members on benefits, calculate pension allowances and adjustments, process retirement applications, enroll new members, pay benefits, and review disability cases.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Service Outcome:	Exceed 95.0% favorable rating on customer satisfaction surveys.	100.0%	95.0%	95.0%
Funding by Source:	Operating Funds	$4,192,420	$4,875,474	$5,734,648
	Totals	$4,192,420	$4,875,474	$5,734,648

SERVICE RESULTS

Customer service is enhanced through a series of public awareness projects. A monthly retiree newsletter keeps members informed on a variety of issues including the Global Pension Settlement, tax issues, and health insurance issues. Thousands of letters are generated to inform individuals of their specific entitlements and answers to their questions. Community presentations and pre-retirement seminars are conducted on a regular basis. New member handbooks, brochures, a partially interactive website and telephone system also enhance customer service delivery. Figure 3 shows membership trends.

Figure 3



ERS has developed a number of measures of its service quality to city employees. To measure the quality of its counseling services, ERS will continue a series of exit surveys for new employees, pre-retirement seminar participants, and retirees. In addition, customer service will be evaluated based on timely servicing of walk-ins and scheduled appointments through the use of reception cards. The goal is to exceed the 95% satisfaction level in all areas. Customer satisfaction was at 100% in 2005.

SERVICE CHANGES

The department is currently located in two different offices. Information technology functions are located in a rented downtown office building while the remaining services are located in City Hall. The department is in the process of locating office space large enough to consolidate both of these offices. At this time, no location has been identified for the consolidation, but the department is planning to combine offices in 2007.

Service 3

Development of Pension Management Information System				
Activities:	Development of a Pension Management Information System (MERITS), assist and support existing operations by lending software and systems expertise, and support the ERS network infrastructure.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Funding by Source:	Operating Funds	$6,794,909	$1,724,482	$4,953,044
	Totals	$6,794,909	$1,724,482	$4,953,044

SERVICE RESULTS

The incorporation of information technologies into the delivery of pension related services promises to improve the administration of ERS. There is currently no measure developed to monitor this service's performance.

SERVICE CHANGES

The rollout phase of the MERITS Line-of-Business Computer System started in August 2006. The department will now focus on the Member Self Service and Configuration Management modules in MERITS. A Post Implementation Support Phase of the project will begin after the modules are installed and will last for two years. The project will be delivered on budget.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
1	0.50		Office Supervisor (0.5 FTE)	Transferred from Policemen's Benefit Annuity Fund.
1	**0.50**	**0.00**	**Totals**	

DEFERRED COMPENSATION PLAN

EXECUTIVE SUMMARY

MISSION: To provide a tax deferred retirement savings option for city employees that is cost effective and responsive to the needs of its participants and which is in accordance with Section 457 of the Internal Revenue Code.

SERVICES: Deferred compensation administration.

STRATEGIC ISSUES: Market the Deferred Compensation Plan to the 30% of employees that do not participate.

Control program audit and insurance costs.

Control the cost of fiduciary insurance.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	2.00	2.00	2.00	2.00	0.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	2	2	2	2	0	0
EXPENDITURES						
Salaries and Wages	$132,663	$130,146	$133,157	$133,157	$3,011	$0
Fringe Benefits	55,526	54,661	55,926	55,926	1,265	0
Operating Expenditures	762,847	1,141,912	1,143,200	1,143,200	1,288	0
Equipment	0	2,000	0	0	-2,000	0
Special Funds	0	75,000	75,000	75,000	0	0
TOTAL	$951,036	$1,403,719	$1,407,283	$1,407,283	$3,564	$0
REVENUES						
Charges for Services	$951,036	$1,403,719	$1,407,283	$1,407,283	$3,564	$0
TOTAL	$951,036	$1,403,719	$1,407,283	$1,407,283	$3,564	$0

BACKGROUND

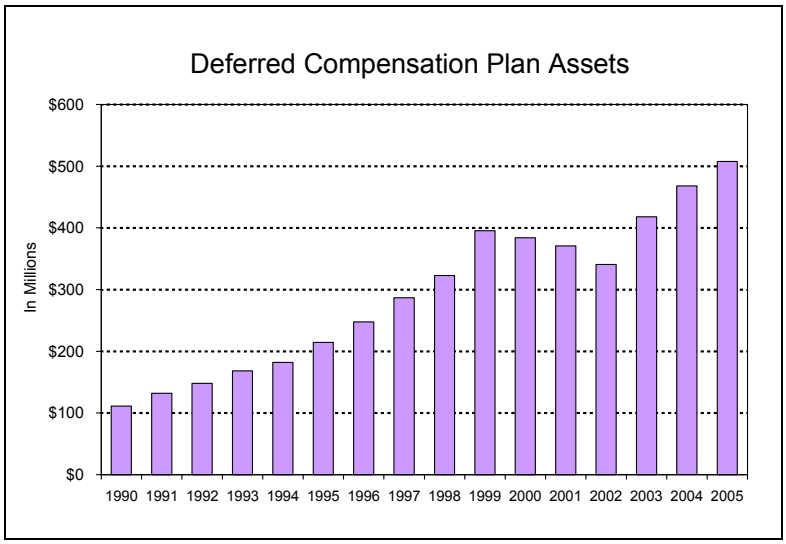
Section 5-50 of the Milwaukee City Charter allows for establishment of a Deferred Compensation Plan. The Plan is a non-qualified, tax deferred retirement plan governed under Section 457 of the Internal Revenue Code. Such a plan allows city employees to set aside a portion of their income before federal and state taxes are withheld. The income is not taxed until it is withdrawn from the plan, usually at retirement when an individual's marginal tax rate may be lower.

The Deferred Compensation Plan is funded entirely by payroll and rollover contributions of city employees and associated earnings. The Plan is administered by a nine member Deferred Compensation Board, which hires contractors to perform daily activities in enrollment, recordkeeping, marketing and investment selection, and monitoring. The Plan has approximately 7,700 active and retired participants, a 70% rate of active participation, and assets of $507 million as of December 31, 2005 (see Figure 1).

Between 1990 and 1999, plan assets increased dramatically peaking at $394.5 million. The Plan experienced below average growth between 1999 and 2002, due to a slowing in the economy and the stock market. The fund has since rebounded and is valued at approximately $529 million as of June 30, 2005, a record high value.

The Deferred Compensation Plan is self-sustaining and does not impact the city's property tax levy.

Figure 1



Service 1

Deferred Compensation				
Activities:	Enrollment, agreement processing, payroll changes, future allocations changes, participant advising, investing, and depositing participants contributions.			
		2005 Experience	**2006 Budget**	**2007 Projection**
Services:	Increase active employee participation by 3.0%.	70.0%	72.0%	71.0%
	Increase participant cash flow by 4.0%.	$5,500	$5,500	$5,500
Funding by Source:	Operating Funds	$951,036	$1,403,719	$1,407,283
	Totals	$951,036	$1,403,719	$1,407,283

SERVICE RESULTS

The success of deferred compensation in maintaining a cost effective and responsive plan is measured by increased employee participation and cash flow.

Plan participants can deposit their payroll contribution into seven different investment options: Stable Value Account, Income Account, Socially Conscious Balanced Account, Passively Managed U.S. Equity Account, Actively Managed Equity Account, Passively Managed International Equity Account, and Schwab Personal Choice Retirement Account. The Board is responsible for specifying the options from which participants make their choices and focuses on broad investment categories in making options available to participants.

By offering a variety of investment options, the Board provides plan participants with an opportunity to diversify their investments. The Board has improved investment returns to participants by actively seeking out manager fee reductions, institutional class fund shares, 12 B-1 fee credits, and low operating cost funds.

To assist members in developing an investment plan, the Deferred Compensation Board hosted 62 "Building Your Portfolio" workshops in 2005. In addition, information was made available at 28 new employee orientations.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES - None

C. CAPITAL IMPROVEMENTS

EXECUTIVE SUMMARY

MISSION: To maintain and enhance the city's infrastructure in a cost efficient and effective way to ensure that the city remains economically competitive.

SERVICES: Prepare a six year capital improvements plan to identify long range capital needs and to establish spending, debt, and tax rate goals.

Develop investment strategies to ensure favorable rates of return on city capital investments.

STRATEGIC ISSUES: Reducing capital borrowing to match debt retirements in order to manage the debt levy and enhance the city's financial flexibility.

Establishing a capital project management process to improve the ability to monitor capital expenditures on a real time basis for specific projects.

Studying and evaluating TID debt structure options that better coordinate debt service payments with increment revenues.

BACKGROUND

The 2007 capital improvements budget represents the initial year of a six year capital improvements plan. The budget and plan identify the city's capital funding needs and provide funding sources to support these identified needs. In general, capital improvements include projects to reconstruct, rehabilitate, or otherwise restore an existing system or facility to full functionality. They may also include projects to construct a new or more expansive facility to meet increased demands or to enhance economic development through job creation, business formation, and housing production.

HIGHLIGHTS

For 2007, the capital improvement budget continues a transitional period. Past capital improvement borrowing levels have translated into a destabilizing debt service tax levy. Problems with cost overruns on several larger capital improvement projects have led to a need for stricter monitoring. Although it is important to fix these problems, the side effect is a capital improvement budget that is difficult to compare to previous capital improvement budgets. To address the debt tax levy, the 2007-2012 Capital Improvements Plan will reduce borrowing levels to a point where the amount of borrowing will equal the amount of debt retired.

The 2007 general city capital improvements budget totals $152.1 million, a decrease of $12.8 million or 7.7% from the 2006 budget of $164.9 million. The tax levy supported portion of the capital budget, which includes tax levy cash resources as well as tax levy supported general obligation debt, totals $66.8 million. Tax levy cash resources will increase $800,000 from $8.6 million in 2006 to $9.4 million in 2007.

The city's long term goal is to reduce tax levy supported borrowing authorizations to match tax levy debt retirements in order to limit future increases in the city's debt service tax levy. Control of new levy supported debt will be accomplished through a combination of prioritizing capital programs and projects through the annual budget process and converting some currently levy supported programs to other revenue sources. For example,

the 2007 capital budget decreases levy supported borrowing for MPS from $9 million to $4 million. As recently as 2006, the city has utilized lease payments from the Sewer Fund and Water Works for the jointly occupied Tower Facility to pay GO debt service.

Figure 1 shows capital improvement budgets from 1998 to 2007. As shown, the capital improvements budget was significantly reduced in 2001 due to increased federal and state grant funding. From 2001 to 2004, the capital improvements budget stabilized between $102.8 million and $109.6 million. In 2005, the capital improvements budget was reduced to $94.9 million, a level that is considered sustainable in the long term. The 2006 capital budget increased to $164.9 million; however this is the result of two large one time projects ($41.7 million) and a large increase in TID funding ($38.7 million). The 2007 capital budget is also significantly impacted by one large one time project ($15 million) and the continuing policy of full, upfront TID funding that began in 2006. Levy supported GO borrowing is about $61 million for city and school purposes, down from $75 million in 2003.

Figure 1

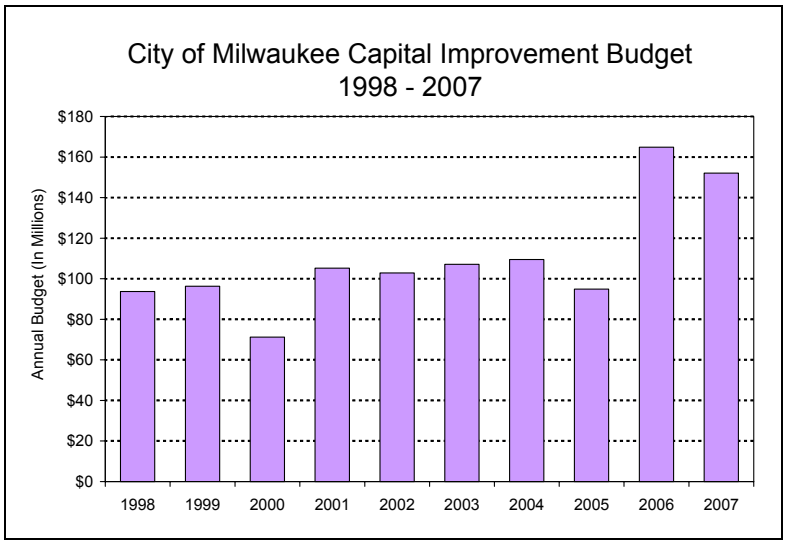
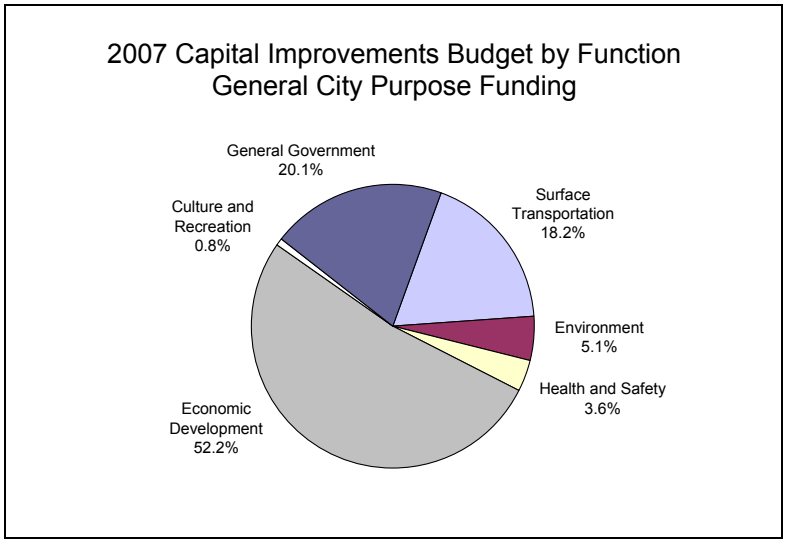


Figure 2



Functional Categories: Projects included in the 2007 general city funded capital improvements budget are categorized in six functional categories including Surface Transportation, Environment, Health and Public Safety, Economic Development, Culture and Recreation, and General Government. Figure 2 illustrates the portion of the capital budget allocated to each functional area (Water, Parking, Sewer Relief and Relay, and Grant and Aids are excluded).

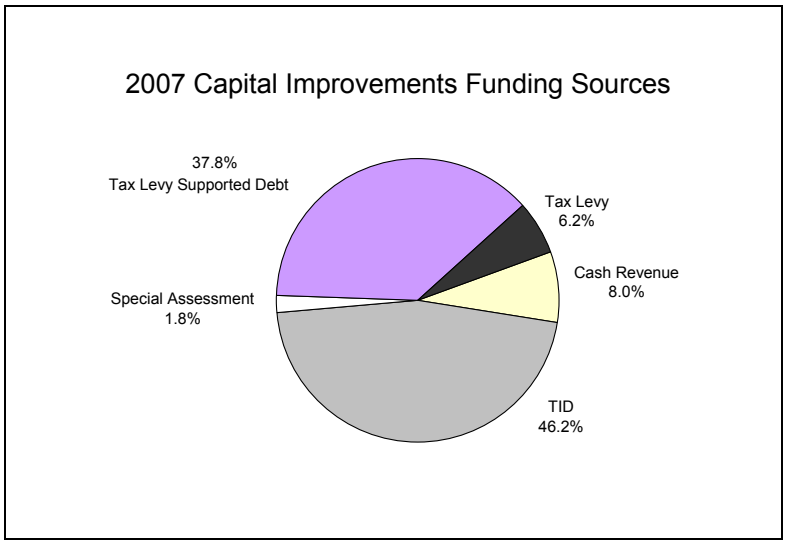
Economic Development projects constitute the largest functional category, which is 52.2% of the general city funded capital budget or $74.4 million. Tax Incremental Districts (TIDs) amount to $70.3 million or 94.5% of funding for economic development projects.

The General Government project category is the second largest capital functional area, with $28.7 million, or 20.1% provided for this purpose. This is a decrease from 2006, but still with significant funding of $15 million for continuation of the City Hall Restoration Project.

Surface Transportation projects constitute the third largest functional area at 18.2% of the general city funded capital budget. An increase of approximately $1.1 million from 2006 reflects increased funding for streets, bridges, and street supporting projects.

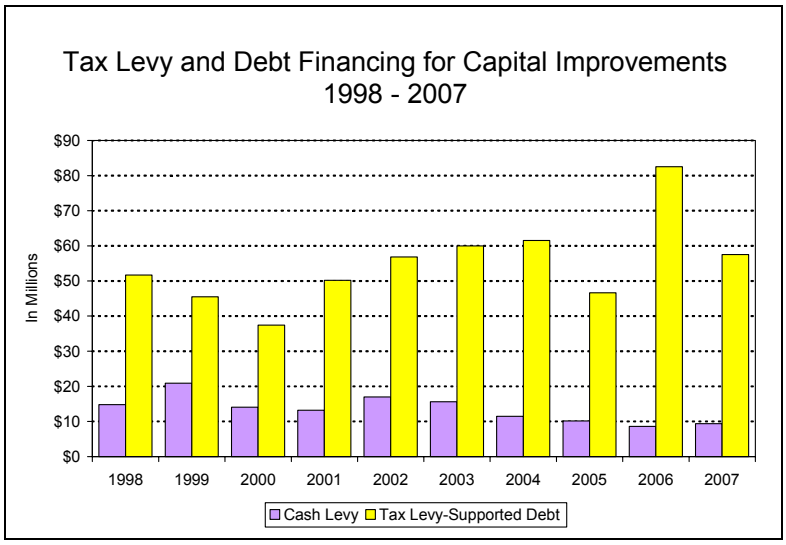
The Health and Safety projects and Environment projects functional categories comprise a total of about 8.7% of the 2007 general city funded capital budget. Health and Safety has funding of $5.1 million and Environment has funding of $7.3 million, respectively. Among Environment Programs is the expansion of sewer capacity, which includes $3.5 million of tax levy supported city funding, an increase of $400,000 from 2006. Culture and Recreation projects are the smallest functional category with $1.1 million, or 0.8% of the city funded capital budget. Within this category, central and neighborhood libraries capital projects funding totals $830,000.

Figure 3



Funding Sources: The 2007 capital budget is financed through several funding sources including the property tax levy, tax levy supported debt, Tax Incremental Districts, special assessments, cash revenues, and grants and aids. Figure 3 shows funding sources for the 2007 city funded capital budget (excluding grant and aid).

Figure 4



For the first time, the largest funding source is Tax Incremental District borrowing with $70.3 million, or 46.2% of total funding sources. TID borrowing is considered self-supporting because the improvements made within these districts are financed through property tax revenue generated from the incremental values resulting from the improvements. The significantly larger TID funding amounts started in 2006 and will continue due to the policy change to fully fund all approved TIDs upfront rather than on an expenditure cash flow basis. While this policy has not changed how TIDs are analyzed, approved, or expended, it produces a major change to capital budget funding.

The second largest source of funding for capital projects is tax levy supported debt financing, which is approximately $57.5 million, or 37.8% of total funding. This is a significant decrease from 2006, resulting from funding a one time project in 2006. Given the long life expectancy of the facilities to be constructed, borrowing is the appropriate funding mechanism. School purpose borrowing adds $4 million of new GO.

In addition to TID financing, other self-supporting funding sources include $12.2 million of cash revenues, which is 8% of the total and $2.8 million of special assessments, which represent 1.8% of the total. Not included in Figure 3 are capital grant and aids, which are anticipated to be $37.8 million in 2007.

In addition to tax levy supported debt, cash tax levy is the other non-self supporting funding source for capital. In 2007, tax levy supported capital totals $9.4 million, or 6.2% of all funding sources. This tax levy supported total is

an increase of $800,000 from 2006. Figure 4 shows cash and debt financing trends for capital improvements from 1998 to 2007. As shown, cash financing, while it has fluctuated somewhat, has generally declined from the peak of $20.9 million in 1999 to $9.4 million in 2007.

Debt Levy Control: The 2006 capital budget suspended the Infrastructure Cash Conversion (ICC) Policy goal to institute a change in overall philosophy to managing capital and debt levy impacts. The focus has changed from the basic ICC goal of funding an increasing amount of cash for a defined set of projects considered recurring infrastructure to the larger issue of controlling all capital debt. Through the years, even while the cash percentage for the defined ICC projects increased, overall capital borrowing also increased at an unsustainable rate. This created a situation of significant annual increases to the debt service levy, impacting the city's ability to fund other programs. The capital budget will continue to move in the direction of limiting debt issuance to debt retirements, thus stabilizing the debt service levy.

Note: For purposes of the 2003 and earlier budgets, the Public Debt Amortization Fund (PDAF) withdrawal was reflected in the capital improvements budget by shifting cash funded improvements to debt funded improvements. Fund assets were used to purchase the additional debt. The additional debt was then immediately canceled, thus avoiding future debt service costs. Beginning in 2004, the PDAF draw was applied to reduce the city debt tax levy rather than the capital improvements tax levy. For 2007 the draw is $7.3 million. At the end of 2006, fund assets will be used to prepay a portion of the principal and interest on city debt due in 2006, which will result in a reduction in the debt levy portion of the 2007 city debt budget.

2007 HIGHLIGHTS AND CHANGES

TID Debt Alternatives Study: The Administration has initiated the formation of a work group comprised of designees of the Comptroller, City Attorney, Milwaukee Economic Development Corporation, Department of City Development, Department of Administration, and Common Council to address TID debt issues and how to ensure that it has minimal or no impact to tax levy. Issues to be explored will include variable rate structures, guarantees for increments, and other sources of financing. The goal is to utilize debt structures that better match debt service with increment revenues so that TID projects have a less volatile impact on the tax levy.

Major Capital Equipment: Instituted in 2002, Major Capital Equipment Accounts in the Fire Department and Department of Public Works' budgets will continue to fund the purchase of durable equipment with an original unit cost of $50,000 or more through the capital budget. In 2007, the Fire Department will use $2.5 million and the DPW Operations Division will use $6.1 million to replace major fleet equipment.

City Hall Restoration: Milwaukee's City Hall is an architecturally significant landmark building listed in the National Register of Historic Places. A significant building restoration project is needed to restore the building's watertight integrity and address structural problems with the towers, exterior walls, interior walls, and supporting structure. The 2007 capital budget provides $15 million to continue this multi-year project. The total cost of this restoration contract is expected to be approximately $70 million. This project dramatically affects borrowing authorizations, as it comprises over 26% of the new general obligation authorizations in 2007.

Tax Increment Financing Districts: The 2007 capital budget includes $74.5 million of funding ($70.3 million self supported borrowing and $4.2 million cash revenues) to promote economic development and job growth through tax increment financing.

MPS Facilities: The 2007 proposed budget includes levy borrowing authority of $4 million for MPS facilities, a decrease of $5 million or 55.6% for 2007. This $4 million assists MPS with its continuing program of preserving existing school capacity.

Capital projects are described in more detail in the departmental operating budget sections of the *2007 Proposed Plan and Executive Budget Summary*. Please refer to these sections for more detail on capital improvement projects included in the 2007 budget.

SUMMARY OF DEPARTMENTAL APPROPRIATIONS
OVERVIEW OF 2007 CAPITAL BUDGET
GENERAL CITY PURPOSES

	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
City Funded					
Special Projects	$8,415,000	$8,375,000	$8,325,000	$-90,000	$-50,000
Administration, Department of	521,000	3,200,200	1,276,000	755,000	-1,924,200
City Attorney	0	250,000	250,000	250,000	0
City Development, Department of	65,550,000	72,250,000	77,855,000	12,305,000	5,605,000
Common Council City Clerk	175,000	525,000	525,000	350,000	0
Employee Relations, Department of	0	700,000	400,000	400,000	-300,000
Fire Department	3,381,000	10,558,000	2,918,000	-463,000	-7,640,000
Health Department	550,000	831,000	476,000	-74,000	-355,000
Library	1,060,000	830,000	830,000	-230,000	0
Municipal Court	0	60,000	50,000	50,000	-10,000
Police Department	1,179,000	1,791,000	1,670,000	491,000	-121,000
Port of Milwaukee	1,025,000	750,000	750,000	-275,000	0
Public Works, Department of	83,007,924	68,228,590	56,773,140	-26,234,784	-11,455,450
Subtotal City Funded	$164,863,924	$168,348,790	$152,098,140	$-12,765,784	$-16,250,650
Grants & Aids Funding					
Fire Department	$0	$0	$0	$0	$0
Police Department	0	0	0	0	0
Port of Milwaukee	2,000,000	1,700,000	1,700,000	-300,000	0
Public Works, Department of	40,829,229	37,050,160	36,090,160	-4,739,069	-960,000
Subtotal Grants & Aids Funding	$42,829,229	$38,750,160	$37,790,160	$-5,039,069	$-960,000
Enterprise Funds					
Parking	$2,080,000	$975,000	$595,000	$-1,485,000	$-380,000
Sewer Maintenance	23,500,000	24,500,000	24,500,000	1,000,000	0
Water	20,120,000	28,940,500	25,140,500	5,020,500	-3,800,000
Subtotal Enterprise Funds	$45,700,000	$54,415,500	$50,235,500	$4,535,500	$-4,180,000
Total Capital Plan	$253,393,153	$261,514,450	$240,123,800	$-13,269,353	$-21,390,650

2007 CAPITAL IMPROVEMENTS FINANCED BY CATEGORY

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT PROGRAM TOTAL
SPECIAL CAPITAL PROJECTS								
Technology Initiative								
Carryover	($0)	($820,000)	($0)	($0)	($0)	($820,000)	($0)	($820,000)
Grant and Aid								
Budget	0	300,000	0	0	8,000,000	8,300,000	0	8,300,000
Carryover	(0)	(1,023,167)	(0)	(0)	(0)	(1,023,167)	(0)	(1,023,167)
Municipal Art Fund								
Budget	25,000	0	0	0	0	25,000	0	25,000
TOTAL SPECIAL PROJECTS								
Budget	$25,000	$300,000	$0	$0	$8,000,000	$8,325,000	$0	$8,325,000
Carryover	($0)	($1,843,167)	($0)	($0)	($0)	($1,843,167)	($0)	($1,843,167)
DEPARTMENT OF ADMINISTRATION								
Remodel ITMD 809 Building Fourth Floor								
Carryover	($0)	($41,500)	($0)	($0)	($0)	($41,500)	($0)	($41,500)
Single E-Mail Store								
Budget	0	350,000	0	0	0	350,000	0	350,000
Carryover	(0)	(215,000)	(0)	(0)	(0)	(215,000)	(0)	(215,000)
Server Consolidation/Storage Area Network								
Budget	0	49,000	0	0	0	49,000	0	49,000
Carryover	(0)	(306,000)	(0)	(0)	(0)	(306,000)	(0)	(306,000)
HRMS Upgrade								
Budget	0	710,000	0	0	0	710,000	0	710,000
E-Benefits								
Budget	0	167,000	0	0	0	167,000	0	167,000
TOTAL DEPARTMENT OF ADMINISTRATION								
Budget	$0	$1,276,000	$0	$0	$0	$1,276,000	$0	$1,276,000
Carryover	($0)	($562,500)	($0)	($0)	($0)	($562,500)	($0)	($562,500)
CITY ATTORNEY'S OFFICE								
City Attorney Office Planning and Design								
Budget	$250,000	$0	$0	$0	$0	$250,000	$0	$250,000
TOTAL CITY ATTORNEY'S OFFICE								
Budget	$250,000	$0	$0	$0	$0	$250,000	$0	$250,000
CITY TREASURER'S OFFICE								
Cashier System Upgrade								
Carryover	($0)	(82,160)	(0)	(0)	(0)	(82,160)	(0)	($82,160)
TOTAL CITY TREASURER'S OFFICE								
Carryover	($0)	($82,160)	($0)	($0)	($0)	($82,160)	($0)	($82,160)
DEPARTMENT OF CITY DEVELOPMENT								
Advance Planning								
Budget	$175,000	$0	$0	$0	$0	$175,000	$0	$175,000
Neighborhood Commercial District Street Improvement Fund								
Budget	0	500,000	0	0	0	500,000	0	500,000
Carryover	(0)	(1,987,500)	(0)	(0)	(0)	(1,987,500)	(0)	(1,987,500)
Tax Increment Financed Urban Renewal Projects (Including Grant Funded Projects)								
Budget	0	0	70,280,000	0	4,200,000	74,480,000	0	74,480,000
Carryover	(0)	(0)	(71,151,734)	(0)	(0)	(71,151,734)	(0)	(71,151,734)
Development Fund								
Budget	0	2,200,000	0	0	0	2,200,000	0	2,200,000
Carryover	(0)	(6,101,134)	(0)	(0)	(0)	(6,101,134)	(0)	(6,101,134)
Business Improvement Districts								
Budget	0	500,000	0	0	0	500,000	0	500,000
Carryover	(0)	(1,890,000)	(0)	(0)	(0)	(1,890,000)	(0)	(1,890,000)
TOTAL DEPARTMENT OF CITY DEVELOPMENT								
Budget	$175,000	$3,200,000	$70,280,000	$0	$4,200,000	$77,855,000	$0	$77,855,000
Carryover	($0)	($9,978,634)	($71,151,734)	($0)	($0)	($81,130,368)	($0)	($81,130,368)
COMMON COUNCIL CITY CLERK								
License Management System Requirements Study								
Budget	$0	$525,000	$0	$0	$0	$525,000	$0	$525,000
Carryover	(0)	(175,000)	(0)	(0)	(0)	(175,000)	(0)	(175,000)
TOTAL COMMON COUNCIL CITY CLERK								
Budget	$0	$525,000	$0	$0	$0	$525,000	$0	$525,000
Carryover	($0)	($175,000)	($0)	($0)	($0)	($175,000)	($0)	($175,000)

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT PROGRAM TOTAL
Worker's Compensation Computer System								
Budget	($0)	($400,000)	($0)	($0)	($0)	($400,000)	($0)	($400,000)
TOTAL DEPARTMENT OF EMPLOYEE RELATIONS								
Budget	$0	$400,000	$0	$0	$0	$400,000	$0	$400,000
FIRE DEPARTMENT								
Ventilation System and Window Replacement								
Carryover	($0)	($100,000)	($0)	($0)	($0)	($100,000)	($0)	($100,000)
Computer Aided Dispatch								
Carryover	(0)	(430,516)	(0)	(0)	(0)	(430,516)	(0)	(430,516)
Engine Company 2 Alterations								
Carryover	(0)	(190,000)	(0)	(0)	(0)	(190,000)	(0)	(190,000)
Fire Digital Radio System								
Carryover	(0)	(220,000)	(0)	(0)	(0)	(220,000)	(0)	(220,000)
Fire Repair Shop Design and Construction								
Carryover	(0)	(1,675,000)	(0)	(0)	(0)	(1,675,000)	(0)	(1,675,000)
Interior Building Maintenance								
Budget	50,000	0	0	0	0	50,000	0	50,000
Carryover	(0)	(96,000)	(0)	(0)	(0)	(96,000)	(0)	(96,000)
Mechanical Systems Maintenance								
Budget	0	260,000	0	0	0	260,000	0	260,000
Carryover	(0)	(170,000)	(0)	(0)	(0)	(170,000)	(0)	(170,000)
Exterior Building Maintenance								
Budget	50,000	0	0	0	0	(50,000)	0	50,000
Carryover	(0)	(143,000)	(0)	(0)	(0)	(143,000)	(0)	(143,000)
Major Capital Equipment								
Budget	0	2,458,000	0	0	0	2,458,000	0	2,458,000
Carryover	(0)	(4,422,000)	(0)	(0)	(0)	(4,422,000)	(0)	(4,422,000)
Auxiliary Power Supply								
Budget	0	100,000	0	0	0	100,000	0	100,000
TOTAL FIRE DEPARTMENT								
Budget	$100,000	$2,818,000	$0	$0	$0	$2,918,000	$0	$2,918,000
Carryover	($0)	($7,446,516)	($0)	($0)	($0)	($7,446,516)	($0)	($7,446,516)
HEALTH DEPARTMENT								
Mechanical Systems Maintenance Program								
Carryover	(0)	(616,786)	(0)	(0)	(0)	(616,786)	(0)	(616,786)
Exterior Building Maintenance Program								
Budget	0	111,000	0	0	0	111,000	0	111,000
Carryover	(0)	(621,175)	(0)	(0)	(0)	(621,175)	(0)	(621,175)
Interior Building Maintenance Program								
Budget	0	240,000	0	0	0	240,000	0	240,000
Carryover	(0)	(431,575)	(0)	(0)	(0)	(431,575)	(0)	(431,575)
Client Tracking System Replacement								
Budget	25,000	100,000	0	0	0	125,000	0	125,000
Carryover	(0)	(91,016)	(0)	(0)	(0)	(91,016)	(0)	(91,016)
TOTAL HEALTH DEPARTMENT								
Budget	$25,000	$451,000	$0	$0	$0	$476,000	$0	$476,000
Carryover	($0)	($1,760,552)	($0)	($0)	($0)	($1,760,552)	($0)	($1,760,552)
LIBRARY								
CENTRAL LIBRARY								
Central Library Improvements Fund								
Budget	$0	$387,000	$0	$0	$0	$387,000	$0	$387,000
Carryover	(0)	(972,661)	(0)	(0)	(0)	(972,661)	(0)	(972,661)
Central Library Improvements Fund Mechanical Systems								
Budget	$0	$103,000	$0	$0	$0	$103,000	$0	$103,000
NEIGHBORHOOD LIBRARIES								
Neighborhood Library Improvement Fund								
Budget	40,000	300,000	0	0	0	340,000	0	340,000
Carryover	(0)	(2,105,899)	(0)	(0)	(0)	(2,105,899)	(0)	(2,105,899)
TOTAL LIBRARY								
Budget	$40,000	$790,000	$0	$0	$0	$830,000	$0	$830,000
Carryover	($0)	($3,078,560)	($0)	($0)	($0)	($3,078,560)	($0)	($3,078,560)

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT PROGRAM TOTAL
MUNICIPAL COURT								
Court Case Management System								
Budget	$50,000	$0	$0	$0	$0	$50,000	$0	$50,000
Carryover	($0)	($240,841)	($0)	($0)	($0)	($240,841)	($0)	($240,841)
TOTAL MUNICIPAL COURT								
Budget	$50,000	$0	$0	$0	$0	50,000	$0	50,000
Carryover	($0)	($240,841)	($0)	($0)	($0)	($240,841)	($0)	($240,841)
POLICE DEPARTMENT								
Remodel Administration Building Offices								
Budget	$0	$800,000	$0	$0	$0	$800,000	$0	$800,000
Carryover	(0)	(1,150,000)	(0)	(0)	(0)	(1,150,000)	(0)	(1,150,000)
Trunked Radio Communications Citywide								
Carryover	(0)	(4,553,138)	(0)	(0)	(0)	(4,553,138)	(0)	(4,553,138)
District Station 6 Repairs								
Carryover	(0)	(150,000)	(0)	(0)	(0)	(150,000)	(0)	(150,000)
Evidence Storage Warehouse								
Budget	0	120,000	0	0	0	120,000	0	120,000
Carryover	(0)	(469,000)	(0)	(0)	(0)	(469,000)	(0)	(469,000)
Training Academy Parking Lot								
Carryover	(0)	(140,000)	(0)	(0)	(0)	(140,000)	(0)	(140,000)
Training Academy Firing Range								
Carryover	(0)	(15,000)	(0)	(0)	(0)	(15,000)	(0)	(15,000)
Evidence Storage Warehouse								
Budget	0	750,000	0	0	0	750,000	0	750,000
TOTAL POLICE DEPARTMENT								
Budget	$0	$1,670,000	$0	$0	$0	$1,670,000	$0	$1,670,000
Carryover	($0)	($6,477,138)	($0)	($0)	($0)	($6,477,138)	($0)	($6,477,138)
PORT OF MILWAUKEE								
Secured Ferry Terminal Parking Facilities								
Carryover	($0)	($212,580)	($0)	($0)	($0)	($212,580)	($0)	($212,580)
Major Maintenance Terminals and Piers								
Carryover	(0)	(150,000)	(0)	(0)	(0)	(150,000)	(0)	(150,000)
Dockwall Rehabilitation								
Budget	0	250,000	0	0	0	250,000	0	250,000
Carryover	(0)	(150,000)	(0)	(0)	(0)	(150,000)	(0)	(150,000)
Cargo Handling Equipment								
Carryover	(0)	(50,000)	(0)	(0)	(0)	(50,000)	(0)	(50,000)
Analyze and Upgrade Sewer System								
Carryover	(0)	(79,500)	(0)	(0)	(0)	(79,500)	(0)	(79,500)
Pier Berth and Channel Improvements								
Budget	0	400,000	0	0	0	400,000	1,600,000	2,000,000
Carryover	(0)	(800,000)	(0)	(0)	(0)	(800,000)	(0)	(800,000)
Confined Disposal Facility								
Carryover	(0)	(140,858)	(0)	(0)	(0)	(140,858)	(0)	(140,858)
Port Security								
Carryover	(0)	(246,550)	(0)	(0)	(0)	(246,550)	(0)	(246,550)
Rail and Track Service Upgrades								
Budget	100,000	0	0	0	0	100,000	100,000	200,000
TOTAL PORT								
Budget	$100,000	$650,000	$0	$0	$0	$750,000	$1,700,000	$2,450,000
Carryover	($0)	($1,829,488)	($0)	($0)	($0)	($1,829,488)	($0)	($1,829,488)
DPW ADMINISTRATION								
Public Safety Communications								
Budget	$400,000	$225,000	$0	$0	$0	$625,000	$0	$625,000
Carryover	(0)	(465,000)	(0)	(0)	(0)	(465,000)	(0)	(465,000)
TOTAL DPW ADMINISTRATION								
Budget	$400,000	$225,000	$0	$0	$0	$625,000	$0	$625,000
Carryover	($0)	($465,000)	($0)	($0)	($0)	($465,000)	($0)	($465,000)
DPW OPERATIONS DIVISION								
BUILDINGS AND FLEET SECTION								
City Hall Complex Remodeling								
Budget	$0	$100,000	$0	$0	$0	$100,000	$0	$100,000
Carryover	(0)	(829,900)	(0)	(0)	(0)	(829,900)	(0)	(829,900)

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT PROGRAM TOTAL
Space Planning Facilities								
Budget	0	150,000	0	0	0	150,000	0	150,000
Carryover	(0)	(150,000)	(0)	(0)	(0)	(150,000)	(0)	(150,000)
Recreational Facilities Citywide								
Budget	292,000	0	0	0	0	292,000	0	292,000
ADA Compliance Program								
Carryover	(0)	(955,700)	(0)	(0)	(0)	(955,700)	(0)	(955,700)
Facility Systems Program								
Budget	0	1,099,500	0	0	0	1,099,500	0	1,099,500
Carryover	(0)	(6,691,782)	(0)	(0)	(0)	(6,691,782)	(0)	(6,691,782)
Facilities Exterior Upgrades Program								
Budget	0	178,700	0	0	0	178,700	0	178,700
Carryover	(0)	(1,720,418)	(0)	(0)	(0)	(1,720,418)	(0)	(1,720,418)
Environmental Remediation Program								
Budget	0	469,000	0	0	0	469,000	0	469,000
Carryover	(0)	(770,000)	(0)	(0)	(0)	(770,000)	(0)	(770,000)
City Hall Restoration Program								
Budget	0	15,000,000	0	0	0	15,000,000	0	15,000,000
Carryover	(0)	(10,220,272)	(0)	(0)	(0)	(10,220,272)	(0)	(10,220,272)
Municipal Garages/Outlying Facilities Remodeling								
Budget	0	50,000	0	0	0	50,000	0	50,000
Carryover	(0)	(3,452,659)	(0)	(0)	(0)	(3,452,659)	(0)	(3,452,659)
Major Capital Equipment								
Budget	0	6,100,000	0	0	0	6,100,000	0	6,100,000
Carryover	(0)	(4,580,833)	(0)	(0)	(0)	(4,580,833)	(0)	(4,580,833)
Two Way Radio Replacement								
Budget	0	150,000	0	0	0	150,000	0	150,000
Carryover	(0)	(418,000)	(0)	(0)	(0)	(418,000)	(0)	(418,000)
Menomonee Valley Facilities Relocation								
Carryover	(0)	(1,000,000)	(0)	(0)	(0)	(1,000,000)	(0)	(1,000,000)
TOTAL BUILDINGS AND FLEET SECTION								
Budget	$292,000	$23,297,200	$0	$0	$0	$23,589,200	$0	$23,589,200
Carryover	($0)	($30,789,564)	($0)	($0)	($0)	($30,789,564)	($0)	($30,789,564)
FORESTRY SECTION								
Concealed Irrigation and General Landscaping								
Budget	$0	$913,000	$0	$0	$0	$913,000	$0	$913,000
Carryover	(0)	(202,000)	(0)	(0)	(0)	(202,000)	(0)	(202,000)
Planting Program								
Budget	0	1,052,000	0	0	0	1,052,000	0	1,052,000
Carryover	(0)	(355,000)	(0)	(0)	(0)	(355,000)	(0)	(355,000)
Greenhouses (Intergovernmental Agreement with Milwaukee County)								
Carryover	(0)	(150,000)	(0)	(0)	(0)	(150,000)	(0)	(150,000)
Sustainable Boulevard Plan								
Budget	0	500,000	0	0	0	500,000	0	500,000
TOTAL FORESTRY SECTION								
Budget	$0	$2,465,000	$0	$0	$0	$2,465,000	$0	$2,465,000
Carryover	($0)	($707,000)	($0)	($0)	($0)	($707,000)	($0)	($707,000)
SANITATION SECTION								
Sanitation Headquarters Modifications (Various Sites)								
Budget	$0	$906,500	$0	$0	$0	$906,500	$0	$906,500
Carryover	($0)	($1,303,682)	($0)	($0)	($0)	($1,303,682)	($0)	($1,303,682)
TOTAL SANITATION SECTION								
Budget	$0	$906,500	$0	$0	$0	$906,500	$0	$906,500
Carryover	($0)	($1,303,682)	($0)	($0)	($0)	($1,303,682)	($0)	($1,303,682)
TOTAL DPW OPERATIONS DIVISION								
Budget	$292,000	$26,668,700	$0	$0	$0	$26,960,700	$0	$26,960,700
Carryover	($0)	($32,800,246)	($0)	($0)	($0)	($32,800,246)	($0)	($32,800,246)
DPW INFRASTRUCTURE SERVICES								
SEWER CONSTRUCTION								
Expansion of Capacity Sewer Program								
Budget	$0	$3,500,000	$0	$0	$0	$3,500,000	$0	$3,500,000
Carryover	(0)	(5,052,500)	(0)	(20,829)	(0)	(5,073,329)	(0)	(5,073,329)

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT PROGRAM TOTAL
TOTAL SEWER CONSTRUCTION								
Budget	$0	$3,500,000	$0	$0	$0	$3,500,000	$0	$3,500,000
Carryover	($0)	($5,052,500)	($0)	($20,829)	($0)	($5,073,329)	($0)	($5,073,329)
BRIDGE CONSTRUCTION								
Bridge State and Federal Funded								
Budget	$0	$2,841,000	$0	$0	$0	$2,841,000	$12,648,000	$15,489,000
Bridge Reconstruction Local								
Budget	0	1,475,000	0	0	0	1,475,000	0	1,475,000
Carryover	(0)	(6,117,956)	(0)	(0)	(0)	(6,117,956)	(0)	(6,117,956)
TOTAL BRIDGE CONSTRUCTION								
Budget	$0	$4,316,000	$0	$0	$0	$4,316,000	$12,648,000	$16,964,000
Carryover	($0)	($6,117,956)	($0)	($0)	($0)	($6,117,956)	($0)	($6,117,956)
STREET/PAVING CONSTRUCTION								
Street Reconstruction City Contribution to State and Federally Aided Projects								
Budget	$0	$5,397,190	$0	$661,000	$0	$6,058,190	$23,442,160	$29,500,350
Carryover	(0)	(6,467,072)	(0)	(4,696,346)	(0)	(11,163,418)	(0)	(11,163,418)
Street Reconstruction or Resurfacing Regular City Program								
Budget	2,700,000	2,664,600	0	1,417,400	0	6,782,000	0	6,782,000
Carryover	(0)	(2,300,000)	(0)	(7,843,827)	(0)	(10,143,827)	(0)	(10,143,827)
Alley Reconstruction Program								
Budget	125,000	0	0	375,000	0	500,000	0	500,000
Carryover	(0)	(0)	(0)	(913,663)	(0)	(913,663)	(0)	(913,663)
New Street Construction Program								
Budget	0	200,000	0	100,000	0	300,000	0	300,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
TOTAL STREET CONSTRUCTION PROGRAM								
Budget	$2,825,000	$8,261,790	$0	$2,553,400	$0	$13,640,190	$23,442,160	$37,082,350
Carryover	($0)	($8,767,072)	($0)	($13,453,836)	($0)	($22,220,908)	($0)	($22,220,908)
Street Improvements Sidewalk, Driveway, and Gutter Replacement								
Budget	$225,000	$0	$0	$206,250	$0	$431,250	$0	$431,250
Carryover	(0)	(0)	(0)	(3,856,867)	(0)	(3,856,867)	(0)	(3,856,867)
Street Improvements Street Lighting								
Budget	3,750,000	2,250,000	0	0	0	6,000,000	0	6,000,000
Carryover	(0)	(45,000)	(0)	(1,820,107)	(0)	(1,865,107)	(0)	(1,865,107)
Street Improvements Traffic Control Facilities								
Budget	700,000	0	0	0	0	700,000	0	700,000
Underground Electrical Manhole Reconstruction								
Budget	0	200,000	0	0	0	200,000	0	200,000
Carryover	(0)	(499,188)	(0)	(0)	(0)	(499,188)	(0)	(499,188)
Street Improvements Underground Conduit and Manholes								
Budget	400,000	0	0	0	0	400,000	0	400,000
Carryover	(0)	(877,950)	(0)	(0)	(0)	(877,950)	(0)	(877,950)
TOTAL DPW INFRASTRUCTURE SERVICES								
Budget	$7,900,000	$18,527,790	$0	$2,759,650	$0	$29,187,440	$36,090,160	$65,277,600
Carryover	($0)	($21,359,666)	($0)	($19,151,639)	($0)	($40,511,305)	($0)	($40,511,305)
TOTAL DEPARTMENT OF PUBLIC WORKS								
Budget	$8,592,000	$45,421,490	$0	$2,759,650	$0	$56,773,140	$36,090,160	$92,863,300
Carryover	($0)	($54,624,912)	($0)	($19,151,639)	($0)	($73,776,551)	($0)	($73,776,551)
TOTAL PROJECTS								
Budget	$9,357,000	$57,501,490	$70,280,000	$2,759,650	$12,200,000	$152,098,140	$37,790,160	$189,888,300
Carryover	($0)	($88,099,468)	($71,151,734)	($19,151,639)	($0)	($178,402,841)	($0)	($178,402,841)

D. CITY DEBT

EXECUTIVE SUMMARY

PURPOSE: To equitably finance capital improvements and to manage and control the amount of debt outstanding.

SERVICES: Debt management, including monitoring city debt levels and the overlapping debt burden imposed on city residents by other local governments.

STRATEGIC ISSUES: Stabilizing the debt service property tax levy by developing a comprehensive debt policy for debt capacity and capital financing to reduce the amount of debt issued annually.

Ensure compliance with debt policy by developing a working debt forecast model that analyzes the impact of debt financing in future years.

BACKGROUND

Milwaukee faces many of the issues that effect older Midwestern cities. Aging infrastructure and comparably lower income levels than surrounding areas are among the negative issues facing the city.

There are a number of strengths the city has that have offset the impact of the negatives. In 2006, the city experienced property value growth of over 15% including 3.35% of net new construction. The city's strength is also seen in its strong financial management, which is reflected in sizable fund balances and modest levels of debt. Overall, the city's capacity to meet its financial obligations remains strong.

Table 1

City Debt Indicators Relationship to Standard & Poor's Debt Benchmarks

Debt Indicators		S & P Rating
Economic		
Income as Percent of 2000 National Average	76.0%	Low
Market Value Per Capita	$44,310	Moderate
Taxpayer Concentration (Top Ten Taxpayers)	5.0%	Diverse
Financial		
Total General Fund Balances	15.9%	Adequate
Unreserved Fund Balance	9.0%	Adequate
Debt		
Direct Debt Per Capita	$1,483	Moderate
Direct Debt Percent of Market Value	3.3%	Moderate
Debt Maturing Within Ten Years	81.0%	Standard is 50.0%

The current mix of strengths and negatives results in the city having a high bond rating for general obligation debt. Recently, Fitch Ratings assigned an AA+ rating to city bonds, Moody's Investors Services rated them Aa2, and Standard & Poor's rated them AA Stable.

Table 1 details the city's performance on several commonly used debt indicators.

OVERVIEW

The 2007 debt expenditure needs total $132 million, an increase of $6.4 million from 2006. Table 2 shows expenditures for self-supporting and tax levy supported city debt while Table 3 illustrates the distribution of their funding sources. Highlights of the major changes in city debt expenditures and funding sources follow.

Table 2

CITY DEBT EXPENDITURES

	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Self Supporting Debt					
Brewer MEDC Loan	$1,749,352	$1,063,339	$1,063,339	$-686,013	$0
Delinquent Tax Financing	15,239,027	15,130,432	15,130,432	-108,595	0
Industrial Land Bank	42,000	37,104	37,104	-4,896	0
MPS Energy Retrofit	256,088	250,623	250,623	-5,465	0
MPS Loans from the State	2,182,046	2,759,223	2,759,223	577,177	0
MPS Pension Refunding Bonds	1,265,460	25,000	25,000	-1,240,460	0
Parking	2,620,828	2,256,394	2,256,394	-364,434	0
Sewer Maintenance Fund	9,948,000	9,796,003	9,796,003	-151,997	0
Special Assessments	3,555,000	2,833,261	2,833,261	-721,739	0
Tax Increment Districts	11,953,000	15,723,326	15,723,326	3,770,326	0
Water Works	6,050,000	4,482,529	4,482,529	-1,567,471	0
Subtotal	$54,860,801	$54,357,234	$54,357,234	$-503,567	$0
Tax Levy Debt					
General City	$54,537,024	$62,862,453	$62,862,453	$8,325,429	$0
RANs City and MPS	13,910,000	13,562,500	12,437,500	-1,472,500	-1,125,000
Schools	10,789,002	12,132,978	12,132,978	1,343,976	0
Subtotal	$79,236,026	$88,557,931	$87,432,931	$8,196,905	$-1,125,000
Total Debt Needs	$134,096,827	$142,915,165	$141,790,165	$7,693,338	$-1,125,000
Fees and Issuance Costs	$0	$1,040,000	$1,040,000	$1,040,000	$0
Deduction for PDAF Prepayment	-5,000,000	-5,000,000	-7,300,000	-2,300,000	-2,300,000
Deduction for Segregated S.A.	-3,555,000	-3,553,762	-3,553,762	1,238	0
Total	$125,541,827	$135,401,403	$131,976,403	$6,434,576	$-3,425,000

Table 3

CITY DEBT SOURCE OF FUNDS

	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Self Supporting Debt					
Brewer MEDC Loan	$1,063,339	$1,063,339	$1,063,339	$0	$0
Delinquent Tax Financing	14,489,027	14,973,326	14,973,326	484,299	0
Industrial Land Bank	0	0	0	0	0
MPS Energy Retrofit	256,000	250,623	250,623	-5,377	0
MPS Loans from the State	2,182,046	2,759,223	2,759,223	577,177	0
MPS Pension Refunding Bonds	1,265,460	25,000	25,000	-1,240,460	0
Parking	2,620,828	2,256,394	2,256,394	-364,434	0
Sewer Maintenance Fund	7,000,000	7,843,546	9,843,546	2,843,546	2,000,000
Tax Increment Districts	18,804,333	16,965,898	16,965,898	-1,838,435	0
Water Works	6,050,000	5,715,038	5,715,038	-334,962	0
Subtotal	$53,731,033	$51,852,387	$53,852,387	$121,354	$2,000,000
General Obligation Debt Financing					
Fees and Issuance Costs	$0	$1,040,000	$1,040,000	$1,040,000	$0
Other Revenues	13,085,558	10,156,327	9,656,327	-3,429,231	-500,000
Tax Levy	58,725,236	72,352,689	67,427,689	8,702,453	-4,925,000
Subtotal	$71,810,794	$83,549,016	$78,124,016	$6,313,222	$-5,425,000
Total Debt Needs	$125,541,827	$135,401,403	$131,976,403	$6,434,576	$-3,425,000

CITY DEBT EXPENDITURES AND SOURCES OF FUNDS

General City (Excluding Schools and Revenue Anticipation Notes): Debt service costs associated with city borrowing for capital improvement projects are estimated to total $62.9 million in 2007, an increase of $8.3 million. The property tax levy for debt service is $67.4 million, an increase of $8.7 million from 2006. The increase is due to an increase in tax related debt of $8.3 million.

Milwaukee Public Schools (MPS): Tax levy debt service costs for school borrowing will be $12.1 million in 2007, an increase of $1.3 million from 2006. Since 1989, the city has provided MPS with $182.3 million in borrowing authority for school improvements.

Tax Incremental Districts (TIDs): The incremental property taxes collected on the value increment portion of the property are used to retire the debt incurred for city funded district improvements. In the 2007 proposed budget, debt service for Tax Incremental Districts is expected to be $15.7 million while revenues are projected to be $17 million.

Delinquent Taxes: The 2007 proposed budget includes $15.1 million to finance delinquent tax borrowing which is $0.1 million less than 2006. Sources of funds from the collection of delinquent taxes and interest penalties are expected to be $15 million in 2007, an increase of $0.5 million from 2006.

Parking Debt: A transfer from the Parking Fund, equivalent to the amount of annual outstanding debt service, entirely offsets Parking related debt service costs. In the 2007 debt budget, the Parking Fund provides $2.3 million to finance debt service costs associated with parking capital projects.

Special Assessments: Infrastructure improvements, like repaving streets or alleys, are partially offset by an assessed charge to the abutting property owners for a portion of the project's cost. When taxpayers choose a six year payment option, the city borrows money to finance the project. The 2007 debt budget includes approximately $2.8 million to finance debt service costs associated with special assessment borrowing.

Water Works: The 2007 debt budget includes revenues of $4.5 million for the purpose of retiring Water Works' debt service costs. Debt service costs for Water Works are paid from Water Works' annual earnings.

Sewer Maintenance: Approximately $9.8 million in debt service for 2007 relates to sewer capital projects. Beginning in 2005, a portion of the general obligation debt service related to large diameter sewer projects was supported by the Sewer Maintenance Fund. The Sewer Maintenance Fund made a payment to debt service in 2006 of $7 million. It will make a $9 million payment in 2007.

Miller Park Project: The 2007 proposed budget includes approximately $1.1 million in revenue to offset debt service incurred as a result of the Miller Park Stadium project. This amount reflects an agreement with the Milwaukee Economic Development Corporation (MEDC) and the Southeastern Wisconsin Professional Baseball Park District.

Tower Lease Payment: The city has constructed a new facility for the Sewer Maintenance Fund and Water Works at the Tower Automotive site. The city provided financing that will be recovered through a $2.1 million rental payment from the Sewer Maintenance Fund and Water Works.

DEBT TAX LEVY STABILITY

The city has a structural budget problem that is created by limited revenue sources and growth, substantial wage and health care benefits growth, and instability with the debt budget due to past borrowing practices.

A debt stability plan must start with a solid capital improvements plan. Limits on the level of borrowing directly influence future debt payments. To stabilize the debt tax levy, borrowing must be lowered to the level of annual debt retirements. The city currently retires $55 million to $60 million in property tax levy supported debt annually.

Under a controlled borrowing approach, the city can reduce its annual increase in the debt service tax levy to a stable level. Although borrowing is controlled, it will take three to four years before the debt service levy becomes flat. As shown in Figure 1, the tax levy debt service will level off in 2009 at roughly $75 million. Total debt service will continue to grow at a relatively slow rate to a total of $145.7 million by 2012. The growth in debt service will be in the form of self supporting debt, mainly growth in Tax Incremental District financing.

Figure 1

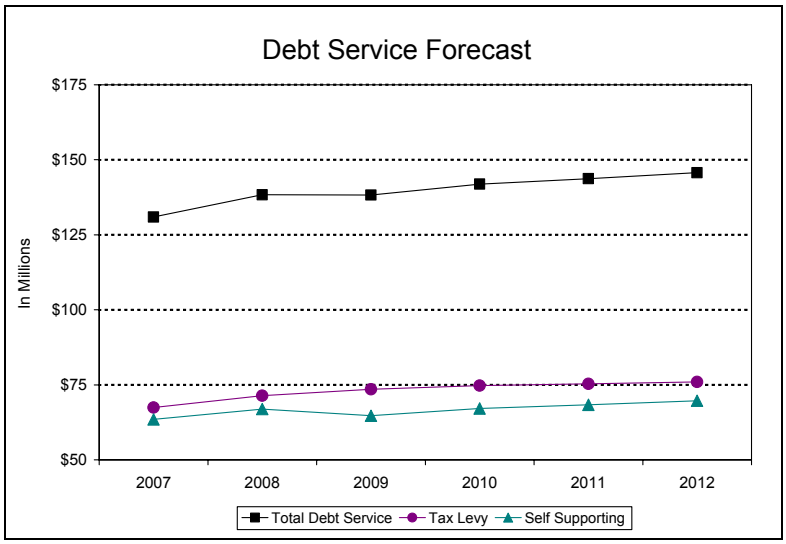
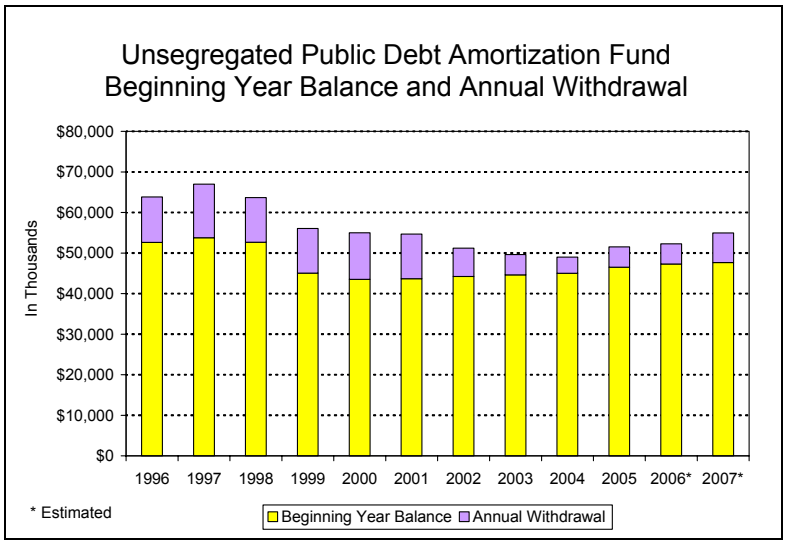


Figure 2



TAX INCREMENTAL DISTRICT FINANCING

The city is able to use tax incremental financing to stimulate economic development through the building of infrastructure or loans. City expenditures are funded using property taxes collected on the incremental value growth in the Tax Incremental District. Often, the city must expend its TID resources prior to generation of incremental revenue. The lag between the investment by the city and the incremental revenue can vary.

During the lag period, any city debt payments that are not covered by incremental revenues are funded through the tax levy. To alleviate some of the start up pressures on the property tax, the city capitalizes the first two interest payments and begins principle payments in the third year. In many TID start ups, this method of issuing debt removed any property tax levy problem. Some of the development projects take longer to generate their incremental revenue, especially when the city provides infrastructure improvements prior to development projects beginning.

The Budget and Management Division and the Comptroller's Office will jointly explore the possibility of using other financing mechanisms to eliminate any short term property tax levy issues. The study should be completed in early 2007 and any recommendations will be included in the 2008 budget.

PUBLIC DEBT AMORTIZATION FUND

The Public Debt Commission oversees the use of the Public Debt Amortization Fund (PADF). The principal sources of revenue for the fund are one-third of earnings on city investments and earnings on the fund's investments.

The PDAF withdrawal for the 2007 proposed budget is $7.3 million. It is expected that the fund will have a 2006 year end balance of $47.3 million or grow $0.5 million from the 2005 balance of $46.8 million.

The annual withdrawal balances the competing goals of reducing the debt service tax levy versus maintaining a sufficient reserve balance. Figure 2 illustrates how the unsegregated balance of the PDAF was drawn down to approximately $43.5 million. Since 2001, the fund balance has grown from a low of $43.5 million to the current 2006 year end balance of $47.3 million.

The 2007 PDAF withdrawal reflects the need to use the fund to control the debt service property tax levy. Even with this level of withdrawal, the debt tax levy increased over $8 million from 2006 to 2007. Figure 3 shows the ratio of the PDAF withdrawal to the debt tax levy. A reasonable 11.5% was used for 2007 purposes. This level is consistent with recent years.

Figure 3

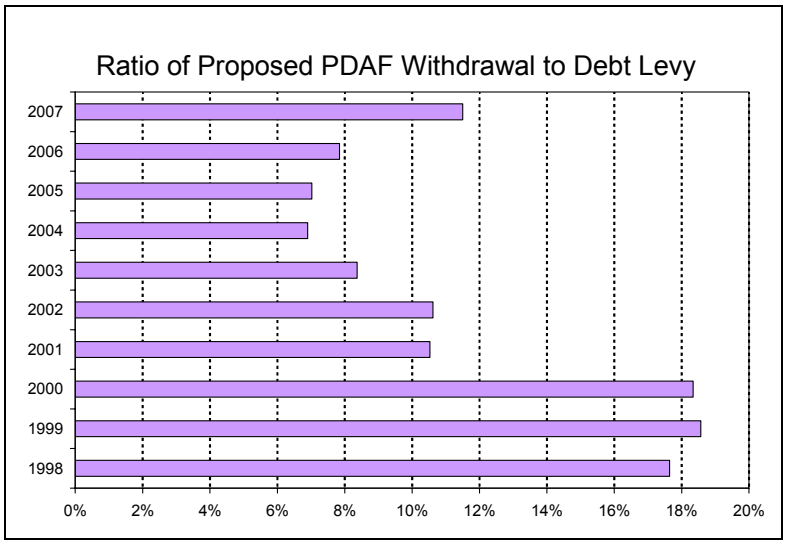


Table 4

Outstanding Debt Service Requirements by Purpose
City of Milwaukee General Obligation Bonds and Notes
As of December 31, 2005
(In Thousands)

Purpose	Principal	Interest	Total	% of Total
Self Supporting Debt				
Tax Incremental Districts	$118,997	$45,500	$164,497	16.80%
Parking	13,953	3,273	17,226	1.76%
Water	27,949	6,982	34,931	3.57%
Delinquent Taxes	26,323	1,658	27,981	2.86%
Special Assessments	20,428	6,374	26,802	2.74%
Land Bank	142	20	162	0.01%
School Debt	33,344	28,722	62,066	6.34%
Subtotal	$241,136	$92,529	$333,665	34.08%
Tax Levy Debt				
Economic Development	$22,296	$9,762	$32,058	3.27%
Public Facilities	186,284	66,073	252,357	25.78%
Streets, Sewers, Bridges	158,607	68,224	226,831	23.17%
Other	8,944	913	9,857	1.01%
School Debt	93,245	30,959	124,204	12.69%
Subtotal	$469,376	$175,931	$645,307	65.92%
Less Prepayment	$0	$0	$0	0.00%
Total Requirements	$710,512	$268,460	$978,972	100.00%

Source: 2005 Comprehensive Annual Financial Report Exhibit I-3

OUTSTANDING DEBT AND DEBT STRUCTURE

As detailed in Table 4, the outstanding debt service requirements for the city totaled $979 million at the end of 2005. Approximately 65.9% or $645.3 million of total outstanding debt is tax levy supported. About $226.8 million is for the street, sewer, and bridge systems. An additional $252.4 million is for public facilities, $124.2 million for schools, $32 million for economic development, and $9.9 million for other miscellaneous projects.

The remaining $333.7 million or 34.1% in general obligation debt is self-supported debt. The largest component of self-supporting debt is Tax Incremental Districts, which total $164.5 million.

General Obligation Debt Limits: State statutes limit direct general obligation borrowing to 5% of the equalized value of taxable property in the city for municipal services and an additional 2% for school purposes. As of December 31, 2005 the city used 53% of its general obligation debt limit.

Debt Structure and Payout: The general policy of the Public Debt Commission for general obligation bonds is to issue 15 year, level principal payment bond issues. As a result of this rapid debt amortization schedule, 81% of the principal is retired in ten years. This is well above the industry standard of 50%.

E. DELINQUENT TAX FUND

EXECUTIVE SUMMARY

PURPOSE: To provide tax levy appropriation authority to fund the loss or shortfall resulting from the sale of tax deed parcels and to provide a reserve for delinquent taxes based on prior uncollectables.

SERVICES: Provide a mechanism to finance uncollectable taxes without affecting the city's tax levy.

STRATEGIC ISSUES: Return tax delinquent properties to the tax rolls.

Pursue *in personam* actions against delinquent taxpayers.

SUMMARY OF EXPENDITURES

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Delinquent Tax Fund	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$0	$0
TOTAL	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$0	$0

SOURCE OF FUNDS

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Property Tax Levy	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$0	$0
TOTAL	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$0	$0

BACKGROUND

When a tax deed parcel is sold or transferred for city use, the net profit or loss on each transaction is charged to the Delinquent Tax Fund Appropriation Account. The Delinquent Tax Fund uses tax levy dollars to fund losses suffered on uncollectable taxes and on the sale of tax deed properties. All costs related to maintenance, destruction, and hazardous waste removal by the city prior to the city's acquisition of the property are delinquent tax costs.

The Comptroller has implemented accounting changes that became effective July, 2001. The Delinquent Tax Fund in the General Fund will be used exclusively to absorb losses on sales of delinquent tax properties acquired prior to July 1, 2001. Subsequent to July 1, losses on delinquent tax properties will be absorbed in the Delinquent Tax Fund that is not part of the General Fund.

SERVICE RESULTS

On average, the city acquires approximately 300 vacant lots and 150 to 200 improved properties per year. Once the city acquires ownership, the Department of City Development (DCD) manages the property until it can be sold. The city has been able to sell approximately the same number of properties as it acquires annually.

Unfortunately, the city is not able to sell all properties. The maintenance costs related to the retained properties creates a budgetary problem because the Delinquent Tax Fund only covers costs to the time of foreclosure. Maintenance costs in the DCD budget are increasing rapidly. Alternatives are being explored that will reduce or eliminate the maintenance cost impact.

F. COMMON COUNCIL CONTINGENT FUND

EXECUTIVE SUMMARY

PURPOSE: To provide budgetary authority and funding to pay for emergencies that may arise during the year for which no express provisions have been made elsewhere in the city's budget.

SERVICES: Contingent Fund.

STRATEGIC ISSUES: Adhere to guidelines and standards in considering requests for withdrawals. Maintain the Fund's integrity as an "emergencies only" source of funds.

SUMMARY OF EXPENDITURES

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Common Council Contingent Fund	$5,000,000	$5,500,000	$5,500,000	$5,500,000	$0	$0
TOTAL	$5,000,000	$5,500,000	$5,500,000	$5,500,000	$0	$0

SOURCE OF FUNDS

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Property Tax Levy	$5,000,000	$5,500,000	$5,500,000	$5,500,000	$0	$0
TOTAL	$5,000,000	$5,500,000	$5,500,000	$5,500,000	$0	$0

BACKGROUND

The Common Council Contingent Fund provides funding for emergency situations that require expenditures above budget authorizations. Requests must be approved by three-quarters of the Common Council before funds can be used and must meet one of the following criteria:

- Emergency circumstances;
- Obligatory circumstances; or
- Fiscal advantage and/or compliance with fiscal management principles.

Additional established guidelines and standards must be met relative to the Finance and Personnel Committee's review of Contingent Fund requests. The guidelines and standards focus on:

- Timelines and process requirements; and
- Information that must be provided to the Finance and Personnel Committee upon request, including:
  - Statement of action requested, including the account where the Contingent Fund appropriation is needed;
  - Purpose of action, including the impact on program service or activity and program objectives; and
  - A description of the emergency that prompts the request.

Limiting Contingent Fund requests to these criteria forces departments to manage within their allocated budgets and discourages use of the fund for initiating new projects or programs.

Energy Uncertainty: The Common Council Contingent Fund budget was increased by $500,000 in 2006 to $5.5 million. The amount will be maintained for 2007 to compensate for the additional risk of uncertain energy costs. Continued uncertainty in the fuel markets make it difficult to accurately project gasoline, electrical, and natural gas prices. The Contingent Fund will still remain at roughly 0.6% of total tax levy supported budget.

SPECIAL REVENUE FUNDS

This section of the budget includes funds supported by revenues other than the city property tax levy. Revenues other than the city property tax offset the appropriations in this section. Any property tax levies related to these special revenue funds are provided in other sections of the city's budget.

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
G. Parking Fund	$41,463,328	$49,271,593	$47,843,606	$47,454,606	$-1,816,987	$-389,000
H. Grant and Aid Project Fund	62,702,361	79,020,376	72,603,054	74,433,047	-4,587,329	1,829,993
I. Economic Development Fund	5,052,590	10,534,254	5,975,307	5,975,307	-4,558,947	0
J. Water Works	91,642,044	107,370,974	124,978,566	117,409,842	10,038,868	-7,568,724
K. Sewer Maintenance Fund	51,639,508	58,920,730	63,694,082	63,887,171	4,966,441	193,089
M. Delinquent County Taxes Fund	9,111,076	9,000,000	9,855,000	9,855,000	855,000	0
TOTAL	$261,610,907	$314,117,927	$324,949,615	$319,014,973	$4,897,046	$-5,934,642

G. PARKING FUND

EXECUTIVE SUMMARY

MISSION: To provide clean and safe on- and off-street parking in a manner which integrates parking policies and economic development goals and maintains the financial solvency of the Parking Fund and independence from city tax levy funding.

SERVICES: Parking regulation including on- and off-street parking activities.

STRATEGIC ISSUES: Procure and install multi-space meters in advantageous areas of the Central Business District.

Explore new technology to improve the efficiency of parking enforcement.

Study the feasibility of debt refinancing for some city owned parking structures in order to capitalize on private parking agreements.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	126.25	126.75	125.75	125.75	-1.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00	0.00	0.00
Total Positions Authorized	128	129	128	128	-1	0
EXPENDITURES						
Salaries and Wages	$4,718,855	$4,948,159	$5,032,933	$5,032,933	$84,774	$0
Fringe Benefits	1,775,107	1,974,234	2,013,173	2,013,173	38,939	0
Operating Expenditures	12,646,709	12,950,200	13,381,000	13,381,000	430,800	0
Equipment	88,214	494,000	187,500	187,500	-306,500	0
Special Funds	6,135,108	6,625,000	5,445,000	5,445,000	-1,180,000	0
Transfer to General Fund	15,210,000	15,200,000	15,800,000	15,800,000	600,000	0
TOTAL OPERATING	$40,573,993	$42,191,593	$41,859,606	$41,859,606	$-331,987	$0
Capital Projects	$889,335	$2,080,000	$975,000	$595,000	$-1,485,000	$-380,000
TOTAL BUDGET	$41,463,328	$44,271,593	$42,834,606	$42,454,606	$-1,816,987	$-380,000

STATEMENT OF REVENUES AND EXPENSES

OPERATING EXPENDITURES						
Structures	$2,645,569	$2,304,937	$2,500,000	$2,500,000	$195,063	$0
Meters	626,252	666,074	675,000	675,000	8,926	0
Permits	90,181	173,861	192,000	192,000	18,139	0
Towing	3,807,796	4,166,028	4,175,000	4,175,000	8,972	0
Lots	241,606	166,894	175,000	175,000	8,106	0
Parking Enforcement	11,038,782	12,045,972	12,040,000	12,040,000	-5,972	0
Debt Service	5,043,246	5,100,000	4,000,000	4,000,000	-1,100,000	0
PILOT	1,091,862	1,100,000	1,020,000	1,020,000	-80,000	0
Administration	778,699	842,827	857,606	857,606	14,779	0
Contingent Fund	0	425,000	425,000	425,000	0	0
Transfer Excess Revenue to General Fund	15,210,000	15,200,000	15,800,000	15,800,000	600,000	0
TOTAL	$40,573,993	$42,191,593	$41,859,606	$41,859,606	$-331,987	$0

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
OPERATING REVENUES						
Structures	$6,698,385	$6,739,857	$6,704,388	$6,704,388	$-35,469	$0
Meters	4,197,616	4,098,000	4,081,000	4,081,000	-17,000	0
Permits	2,672,788	2,915,000	2,714,000	2,714,000	-201,000	0
Towing	2,315,415	1,950,000	2,500,000	2,500,000	550,000	0
Lots	43,081	30,000	30,000	30,000	0	0
Parking Citation Revenue	19,757,472	19,000,000	19,600,000	19,600,000	600,000	0
Miscellaneous	151,172	0	0	0	0	0
Vehicle Disposal	2,636,887	2,300,000	2,400,000	2,400,000	100,000	0
Sale of Real Property	1,535,964	0	0	0	0	0
Withdrawal From Reserves	565,213	5,158,736	3,830,218	3,830,218	-1,328,518	0
TOTAL	$40,573,993	$42,191,593	$41,859,606	$41,859,606	$-331,987	$0
CAPITAL EXPENDITURES						
Structures	$889,335	$7,080,000	$5,975,000	$5,595,000	$-1,485,000	$-380,000
TOTAL	$889,335	$7,080,000	$5,975,000	$5,595,000	$-1,485,000	$-380,000
CAPITAL FINANCING						
Proceeds from Borrowing	$889,335	$2,080,000	$975,000	$595,000	$-1,485,000	$-380,000
Retained Earnings	0	5,000,000	5,000,000	5,000,000	0	0
Carryover Borrowing (Informational Purposes Only)	(0)	(1,935,369)	(3,681,369)	(3,681,369)	(1,746,000)	(0)
TOTAL	$889,335	$7,080,000	$5,975,000	$5,595,000	$-1,485,000	$-380,000

BACKGROUND

The Parking Fund is an Enterprise Fund administered by the Department of Public Works (DPW). It receives revenues from parking activities, which finance the city's on- and off-street parking expenses. The Parking Fund's responsibilities include managing city owned parking structures and lots, towing, storing and disposing of vehicles, managing parking enforcement, information desk operations, and the citation processing contract. Operating the Parking Fund as an Enterprise Fund allows the city to finance parking activities through parking revenues rather than burdening taxpayers through the property tax.

The Parking Fund oversees five city owned parking structures; operates and maintains approximately 6,300 parking meters throughout the city; manages approximately 50 metered, leased, and permit parking lots; issues more than one million parking citations each year; tows approximately 30,000 illegally parked and abandoned vehicles per year to the city's Tow Lot; and works with the Police Department to issue more than 190,000 parking permits each year. Combined, these activities provide clean and safe on- and off-street parking for Milwaukee's residents, businesses, and visitors.

Service 1

Parking Regulation

Activities: Parking meter operation and maintenance, parking structure operation and capital management, parking lot management, towing and tow lot management, parking ordinance enforcement, citation processing and collection, and parking permit administration.

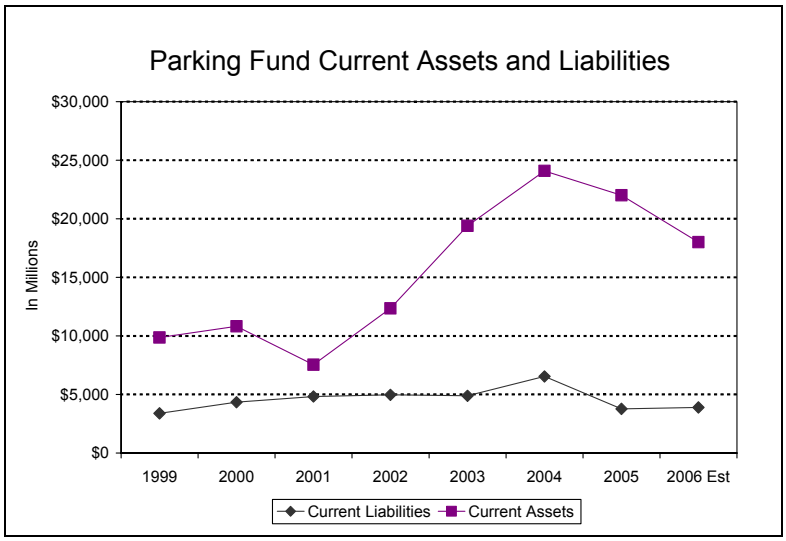
		2005 Experience	2006 Budget	2007 Projection
Services:	Asset to liability ratio.	5.84	3.00	4.40
Funding by Source:	Operating Funds	$40,573,993	$42,191,593	$41,859,606
	Capital Budget*	889,335	2,080,000	595,000
	Totals	$41,463,328	$44,271,593	$42,454,606

*Note: Program funding does not include capital improvements funded from the Permanent Reserve Fund.

SERVICE RESULTS

As of December 31, 2005 the Parking Fund had $63 million in assets and $15.7 million in total liabilities, most of which is for outstanding debt. Although this represents a decrease in total assets from 2004, it is a notable improvement from the 2004 year end liabilities of $19.5 million. The Fund's assets consist primarily of parking structures and cash reserves. To remain financially viable, the Parking Fund's goal is to maintain a 2:1 ratio of current assets to liabilities. Due to lower than anticipated levels of expenditures, the Fund had a 5.8:1 ratio at the end of 2005 (see Figure 1).

Figure 1



The Fund's strength results from its diverse array of revenue streams (see Figure 2). This diversity is highly desirable because it provides financial stability. If one type of revenue underperforms in any given year, it is not as damaging as a fund with more limited revenue sources. The largest source of parking revenue is parking citations. In 2007, citation issuance activities are projected to generate $19.6 million in revenue.

SERVICE CHANGES

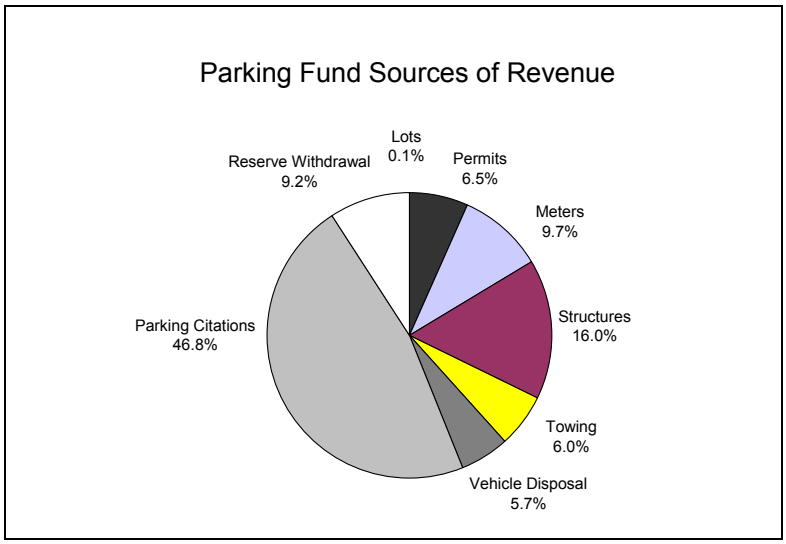
Multi-Space Parking Meters: In 2004, a pilot program was successful at increasing parking meter revenues and the results of the pilot project revealed the following: 1) 25% of all meter revenue was derived from credit cards; 2) 14% of all transactions used credit cards for payment; 3) the average payment with a credit card totaled $1.71 compared to $0.78 with cash; 4) 64% of all credit card payments were at the maximum value of $2 compared to 6% of coin payments; and 5) meter revenue increased 3.2%.

After reviewing the results of the pilot project, the department determined that parking patrons, area businesses, and the city would benefit if multi-space parking meters were installed in areas of the city with high meter use and turnover. The 2006 Parking Fund capital budget included $1.3 million to purchase and install electronic, multi-space meters (and appropriate signage) to replace approximately 1,500 single space meters in the downtown central business district. The installation of the meters should be completed in the spring of 2007. Each meter will

control multiple parking spaces, and will accept coins, credit and debit card payments. The meters will communicate through wireless communications and provide real time information for adjudication, financial management, auditing, monitoring meter uptime and cashbox capacity, malfunctions, and frequency of coin collection.

Outstanding Parking Revenue Collection Strategies: DPW continues to take a proactive approach to increase the collection of unpaid parking citations and outstanding towing and storage fees. Results from the following initiatives have been successful at maximizing the collection of outstanding fees.

Figure 2



- **Tax Revenue Intercept Program (TRIP):** The city began participating in the TRIP Program in 2002. Currently, all persons with unpaid parking citation balances exceeding $75 are registered with the Wisconsin Department of Revenue (DOR). In 2005, the city intercepted over $1.3 million through this program. In the first six months of 2006, more than $2.4 million has been intercepted. Although TRIP has been successful in collecting citations that would have otherwise gone unpaid, DOR requirements for a social security number or driver's license number to certify the debt have reduced certifications to about 47% of those eligible. A recent change in state law and a cooperative working relationship with the State Department of Transportation (DOT) has allowed the city to obtain driver's license number information as of August 2006. DPW anticipates this will improve the certification rate to 90% and significantly increase TRIP collections in 2007 and thereafter.

- **Bundling Vehicle Registration Holds:** Previously, the city paid $5 to place a registration hold on a vehicle that had at least one parking citation 58 days overdue. If there were multiple citations overdue, the city placed a registration hold on the oldest citation. If a registration hold was placed, the statute of limitations to adjudicate the citation increased from two to four years. The city requests over 100,000 registration holds per year. In 2005, the Municipal Court Judges issued an order requiring the City Attorney to prevent the filing of any actions in the Municipal Court which contained parking citations that were more than two years old unless the citations had been submitted to the DOT for registration holds. Because it was cost prohibitive for the city to place a registration hold on every outstanding citation, the city negotiated with the DOT to allow the city to bundle all overdue citations under one registration hold. Consequently, all outstanding parking citations will have to be paid before a vehicle registration hold is released. Although not fully implemented, the city has been given test access to the DOT database to directly place vehicle registration holds. There are still several issues that need to be addressed with the DOT database. However, DPW anticipates full implementation by January 2007.

- **Towing or Booting Legally/Illegally Parked Vehicles:** A recommendation of the Outstanding Debt Task Force to encourage payment of outstanding parking citations is to seek legislation that would allow municipalities to ticket and tow or boot any legally parked vehicle with three or more outstanding parking citations and require the citations to be paid or scheduled to be adjudicated prior to releasing the vehicle. Under current law, if a vehicle with outstanding citations is legally parked, the city cannot tow or boot the vehicle for unpaid citations. The proposed legislation is an attempt to encourage violators to adjudicate or pay outstanding parking citations in a timely manner. As of August 2006, DPW estimates that there are over 98,500 violators with three or more open citations valued at $30.6 million.

- **Time Limitations for Citation Adjudication:** Another recommendation of the Outstanding Debt Task Force to encourage timely payment of outstanding parking citations is to seek legislation establishing a time frame to adjudicate parking citations for cities of the first class. The legislation would require a parking citation to be paid, adjudicated or arranged to be adjudicated within 180 days after issuance. For a violator who does not do any of these things, the legislation would also allow the Municipal Court to enter a default judgment without requiring signed acceptance or responsibility by the vehicle owner or violator.

Parking Kiosks: Customer service kiosks that sell and dispense quarterly and annual night parking permits and accept payments for parking citations are installed at Police Stations (Districts 2, 3, 5, 6, and 7) and available for public use. The kiosks accept cash, check, or credit cards and electronically dispense parking permits 24 hours a day, 7 days a week. No transaction fees are assessed to purchase a night parking permit. To date in 2006 over 66,600 quarterly and annual permits have been sold in these districts through the kiosks. In addition, over 16,000 parking citations have been paid totaling nearly $400,000. This self-serve technology has significantly reduced Police Department staff workload related to processing parking permits, freeing officers and support staff for crime fighting duties. In 2007, DPW intends to install a kiosk at District 4 and is contemplating installation in other areas. In addition, DPW has negotiated at least one agreement with a utility company to allow payment of utility bills through the kiosk. The city receives $0.50 for each transaction processed. Since its inception in mid-2005, 862 utility bills have been paid through the kiosks.

Refinancing Debt on City Owned Parking Structures: Due to the recent development activity in the Park East corridor and its proximity to two city owned parking structures (1000 North Water Street and 4th and Highland) DPW has received numerous requests for long term, off-street parking by prospective developers. Because the parking structures were built and maintained using tax exempt bonds, the city is extremely limited in its ability to pursue long term parking agreements. Along with the Comptroller's Office, DPW is exploring either refinancing the existing tax exempt debt or paying off all the remaining debt on these two structures. The 1000 North Water Street parking structure has $600,000 and 4th and Highland has $850,000 in outstanding debt. Converting the tax exempt debt to taxable debt or paying off all existing tax exempt debt would provide the city more flexibility in meeting the parking needs of various development projects in the Park East corridor.

Transfer to the General Fund: The 2007 proposed budget includes a transfer of $15.8 million to the General Fund. The transfer represents a $600,000 increase over the amount transferred in 2006. This is due to a proposed increase in the late fee schedule for unpaid parking citations to reflect a graduated fee schedule. Data collected on late fees imposed by other cities across the country reveals the late fees imposed by the City of Milwaukee are very reasonable. Increasing the late fee will require a change to the Milwaukee Code of Ordinances.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
-1	-1.00		Parking Meter Technician	Operational efficiencies due to multi-space parking meters.
1	1.00		Parking Operations Supervisor	Retitled and reclassified to better reflect duties of the position.
-1	-1.00		Parking Operations Coordinator	
-1	**-1.00**	**0.00**	**Totals**	

H. GRANT AND AID FUND

EXECUTIVE SUMMARY

PURPOSE: The Grant and Aid Fund provides expenditure authority for federal, state, and other grants whose proceeds are restricted to operating expenditures for specific purposes. These expenditures are to be made in accordance with the grant and aid process as stated in Common Council Ordinance 940843. Grants support the services and outcomes of departments.

STRATEGIC ISSUES: Decreasing Community Development Block Grant (CDBG) funding and potential changes in the allowable uses of CDBG funding.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Grantor Share (Non-City)	$62,702,361	$79,020,376	$72,603,054	$74,433,047	$-4,587,329	$1,829,993
TOTAL	$62,702,361	$79,020,376	$72,603,054	$74,433,047	$-4,587,329	$1,829,993

BACKGROUND

The Grant and Aid Fund is a "parent" account that accumulates grant funds prior to allocation on a project-by-project basis during the fiscal year. In order to expend funds, a Common Council resolution is adopted to authorize a specific project, create a sub-account, and allocate specific funding from the "parent" account. The fund provides expenditure authority for both planned and potential or unanticipated grants.

SERVICE CHANGES

The 2007 grant and aid budget reflects a decrease in anticipated grants of $4.6 million (-5.8%) from the 2006 budget (see Table 1).

Table 1

Comparison of Projected Grant Activity (Grantor Share)

Department	2006	2007	Difference
DOA Administration	$27,725,367	$26,521,515	$-1,203,852
City Development	1,540,000	1,837,000	297,000
Fire	257,500	815,000	557,500
Health	15,008,619	13,632,200	-1,376,419
Library	1,022,750	1,038,488	15,738
Police	12,214,536	9,708,986	-2,505,550
Public Works	3,251,604	2,879,858	-371,746
Unanticipated	18,000,000	18,000,000	0
Totals	$79,020,376	$74,433,047	$-4,587,329

Community Development Grants Administration (CDGA): The Community Development Grants Administration anticipates receiving approximately $26.5 million in grant funds. This is a decrease of $1.2 million or 4.3% from the 2006 budget. These funds will be used to continue neighborhood strategic planning efforts to ensure that the city's federal block grant allocation is targeted toward city neighborhood priorities and needs. Approximately $17.7 million of this anticipated funding is through the Community Development Block Grant Program, a decrease of $800,000 (-4.3%) from 2006. This is a continuation of the trend of declining CDBG funding for the City of Milwaukee. Continued reductions in CDBG funding will make it more difficult to target services to city neighborhood priorities and needs. Given likely future decreases in

CDBG funding and potential changes in allowable uses for funding, the Department of Administration (DOA) will lobby to maintain funding and work to transition the city through changes in the CDBG program.

Other grants received by CDGA decreased in 2007 compared to 2006 including:

- HOME Grant, reduced by $400,000 (-5.9%); and
- American Dream Downpayment Initiative, reduced by $105,439 (-50.1%).

The 2007 proposed budget also includes two new grants:

- Weed and Seed Historic Clarke Square, funded at $150,000; and
- Homeland Security Program, funded at $170,000.

Reduction in CDBG Funding: The City of Milwaukee's 2007 CDBG allocation is projected to decrease by $800,000 from 2006. DOA is managing this decrease by recommending funding of $9.6 million for grant projects managed through city departments and $8.1 million for grants to community based organizations. Funding from 2006 is increased for community organizations by approximately 2.3% but reduced for city departments by approximately 5.6%. The increase to community based organizations is the result primarily of a $1 million increase to funding for economic development activities. The reduction in funding for city departments is primarily the result of eliminating the following programs:

- Operation Safe Neighborhoods, managed by the Police Department, funding of $350,000 is eliminated.
- Targeted Weekend Neighborhood Box Program, managed by the Department of Public Works, funding of $295,000 is eliminated.

The 2007 proposed budget recommends $125,000 in CDBG reprogramming funds for a Drivers Licensure and Employment Project. CDBG funding will supplement $75,000 in funding provided through a new Special Purpose Account, for a total funding of $200,000. For more information on this project, refer to the *Municipal Court* section of the *2007 Proposed Plan and Executive Budget Summary*. This is a new initiative, which makes it an appropriate program for reprogramming funding.

Given the federal government's priorities, it is likely that Milwaukee's CDBG allocation will continue to decrease. This will require careful and active evaluation of CDBG funded programs and services.

Increasing Operating Grant Funding: Given the decrease in CDBG funding, as well as funding decreases in other grants, it is critical for Milwaukee to aggressively seek out new grant funding sources. The Department of Administration is taking action to better identify and increase operating grant awards, including use of the eCivis Grants Locator and a dedicated Grant Manager position in DOA.

OTHER GRANT CHANGES

- Department of City Development grant funding increases by $297,000 to $1.8 million, a 19% increase. The 2007 proposed budget includes a new Economic Development Grant funded at $500,000. This grant will be used to provide assistance with environmental studies of potential industrial sites. The grant will enhance the city's ability to plan for economic development and site improvements for potential industries.
- Fire Department grant funding increases by $557,500 (216%), which reflects a $60,000 increase in the EMS Funding Assistance Program and $500,000 for the Urban Areas Security Initiative Program.
- Health Department grant funding decreases by $1.4 million (-9.2%). This is the result of not receiving funding through several grants which the department received in 2006. This includes the following:

- Municipal Health Services Grant, funding of $5 million in 2006;
- Federally Qualified Health Center Grant, funding of $1.1 million in 2006;
- Healthy Homes Demonstration, funding of $1 million in 2006; and
- Meta House Family works, funding of $700,000 in 2006.

The Health Department is also anticipating several new grants in 2007, including:

- Lead Urban Initiatives Extension, funding of $4 million;
- Lead Poisoning Prevention, funding of $525,000;
- Medical Assistance Grant, funding of $200,000; and
- Columbia/St. Mary's Health Initiative, funding of $500,000.

- Library grant funding increases marginally by $16,000 (1.5%), the result of a $47,000 increase in the Wisconsin Regional Library for the Blind and Physically Handicapped Grant, which offsets a $31,000 decrease in the Interlibrary Loan Services Grant.
- Police Department grant funding decreases by $2.5 million (20%), with decreased grant funding including the Milwaukee MSA Interoperability Grant (reduction of $1 million from the 2006 budget) and Miscellaneous Homeland Security Grants (reduction of $2 million from the 2006 budget). The department anticipates several new grants in 2007, including grants for Domestic Violence Liaison, Impaired Driving Reduction, Violence Reduction, and Solving Cold Cases with DNA projects.
- Department of Public Works grant funding decreases by $372,000 (11%), partially as a result of decreased Recycling Grant funding (reduction of $233,000 or 8%).
- Unanticipated grant funding is maintained at $18 million.

Capital Grant Funding: In addition to operating grants, certain city departments, particularly the Department of Public Works, also receive significant grant funding for capital improvement projects. For information on capital grants see the *Capital Improvements* section of the *2007Proposed Plan and Executive Budget Summary*.

I. ECONOMIC DEVELOPMENT FUND

EXECUTIVE SUMMARY

PURPOSE: The Economic Development Fund provides expenditure authority for economic development purposes, including the Business Improvement District Program.

SERVICES: Business Improvement Districts.

Excess Tax Incremental District revenues.

STRATEGIC ISSUES: Continue to promote development in commercial areas by providing owner financed development.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Business Improvement Districts	$5,052,590	$5,784,254	$5,975,307	$5,975,307	$191,053	$0
Excess TID Revenue	0	4,750,000	0	0	-4,750,000	0
TOTAL	$5,052,590	$10,534,254	$5,975,307	$5,975,307	$-4,558,947	$0

BACKGROUND

The 2007 proposed budget for the Economic Development Fund is $5.9 million. There is no tax levy impact in this fund. Revenue of $5.9 million will be received from the BID assessments.

Business Improvement Districts are special assessment districts created at the petition of local commercial property owners. In accordance with Sec. 66.608 Wis. Stats., the city has established over 40 Business Improvement Districts (BIDs). Each year the BIDs, along with the city, develop a plan and budget. This budget becomes the basis for an assessment charged to area businesses in the BID. Because the BIDs do not have taxing authority, the city collects the assessment on their behalf. Through an appropriation in the city budget, the city provides the dollars it collects to the BIDs.

SERVICES

There are 30 active BIDs throughout Milwaukee; each is governed by a local board. Collectively, these BIDs raise nearly $6 million annually for activities ranging from economic development to administration and streetscaping to public safety. The following is a list of the BIDs for 2007 with their corresponding budgeted amount:

BID #2 (Historic Third Ward) $553,082

BID #3 (RiverWalk) $111,276

BID #4 (Greater Mitchell Street) $120,756

BID #5 (Westown) $94,468

BID #8 (Historic King Drive) $168,105

BID #9 (739 North Water RiverWalk) $22,677

BID #10 (Avenues West) $140,026

BID #11 (Brady Street Business Area) $170,508

BID #13 (Oakland Avenue) $52,000

BID #15 (RiverWalk) $384,286

BID #16 (Uptown Triangle) $94,388
BID #17 (Northwest Area Business) $46,800
BID #19 (Villard Avenue) $91,711
BID #20 (North, Prospect, Farwell Avenues) $186,991
BID #21 (Downtown Management District) $2,672,652
BID #25 (Riverworks) $176,822
BID #26 (The Valley) $23,372
BID #27 (Burleigh) $49,158
BID #28 (North Avenue Gateway District) $33,459
BID #29 (Teutonia, Capitol, Atkinson) $85,188
BID #31 (Havenwoods) $154,012
BID #32 (Fifth Ward) $71,281
BID #35 (Becher/Kinnickinnic) $19,645
BID #36 (Riverworks II) $37,099
BID #37 (Center Street Market Place) $164,107
BID #38 (Ceasar Chavez) $28,080
BID #39 (Fifth Ward) $48,358
BID #40 (ICC) $75,000
BID #41 (Midtown) $50,000
BID #42 (Lincoln Avenue) $50,000

J. WATER WORKS

EXECUTIVE SUMMARY

MISSION: Maintain highest quality service while providing a safe, reliable, and aesthetically pleasing supply of water.

Ensure that water service is a key contributor in sustaining the economic prosperity of the City of Milwaukee, while protecting the quality of Milwaukee's environment.

SERVICES: Water distribution and customer service.

Drinking water supply and treatment.

STRATEGIC ISSUES: Developing a position on selling water to communities that "straddle" the intercontinental divide.

Achieving operational efficiencies through consolidation of two distribution facilities at the former Tower Automotive site.

Developing a long term strategy to address the utility's aging distribution infrastructure and the effects of declining consumption on the utility's finances.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	322.79	373.04	363.16	362.66	-10.38	-0.50
FTEs - Other	12.02	10.29	11.03	11.03	0.74	0.00
Total Positions Authorized	363	355	345	346	-9	1
EXPENDITURES						
Salaries and Wages	$16,438,884	$17,790,078	$17,929,057	$17,951,083	$161,005	$22,026
Fringe Benefits	5,928,771	7,518,033	7,530,204	7,539,454	21,421	9,250
Operating Expenditures	29,721,765	33,292,263	34,675,055	34,675,055	1,382,792	0
Equipment	1,413,552	1,704,600	1,704,250	1,704,250	-350	0
Special Funds	7,771,266	7,426,000	5,859,000	5,859,000	-1,567,000	0
TOTAL	$61,274,238	$67,730,974	$67,697,566	$67,728,842	$-2,132	$31,276

CAPITAL BUDGET SUMMARY

CAPITAL BUDGET						
Main Program	$11,849,233	$15,220,000	$15,640,500	$15,640,500	$420,500	$0
Plants and Other	3,363,316	4,900,000	13,300,000	9,500,000	4,600,000	-3,800,000
TOTAL CAPITAL BUDGET	$15,212,549	$20,120,000	$28,940,500	$25,140,500	$5,020,500	$-3,800,000
CAPITAL FINANCING						
Retained Earnings	$15,155,257	$19,520,000	$28,340,500	$24,540,500	$5,020,500	$-3,800,000
Assessments	0	0	0	0	0	0
Developer Financed	57,292	600,000	600,000	600,000	0	0
TOTAL CAPITAL FINANCING	$15,212,549	$20,120,000	$28,940,500	$25,140,500	$5,020,500	$-3,800,000

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
REVENUES						
Operating	$69,050,322	$67,485,733	$65,286,353	$66,849,681	$-636,052	$1,563,328
Non-Operating	7,142,069	8,016,000	8,964,000	8,964,000	948,000	0
Developer Capital and Assessments	57,292	600,000	600,000	600,000	0	0
Withdrawal From Retained Earnings	237,104	11,749,241	21,787,713	16,455,661	4,706,420	-5,332,052
TOTAL REVENUES	$76,486,787	$87,850,974	$96,638,066	$92,869,342	$5,018,368	$-3,768,724
EXPENDITURE AUTHORIZATIONS						
Operating	$61,274,238	$67,730,974	$67,697,566	$67,728,842	$-2,132	$31,276
Capital Funding	15,212,549	20,120,000	28,940,500	25,140,500	5,020,500	-3,800,000
Deposit to Retained Earnings	0	0	0	0	0	0
TOTAL AUTHORIZATIONS AND DEPOSITS	$76,486,787	$87,850,974	$96,638,066	$92,869,342	$5,018,368	$-3,768,724

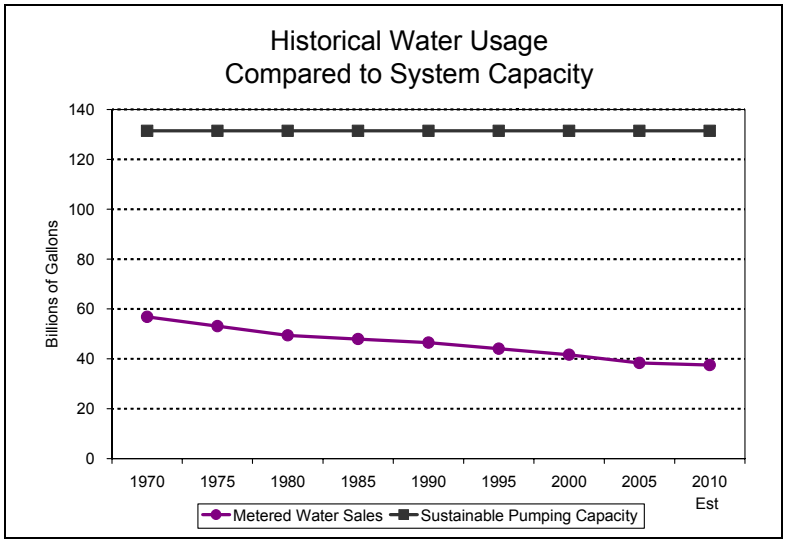
BACKGROUND

The City of Milwaukee Water Works is a municipally owned water utility regulated by the State of Wisconsin Public Service Commission (PSC). From its Howard Avenue and Linnwood Plants, Water Works pumps and treats more than 42 billion gallons of water annually from Lake Michigan. It delivers this water through 1,960 miles of mains to approximately 831,000 customers. In addition to water sales to Milwaukee residents and businesses, Water Works also provides wholesale water services to Milwaukee County institutions and eight suburbs including Brown Deer, Butler, Greendale, Menomonee Falls, Shorewood, Wauwatosa, West Allis, New Berlin, and We Energies and also provides water and billing services to West Milwaukee. Water Works also provides retail service to Greenfield, Hales Corners, and St. Francis.

The PSC regulates the rates at which water is sold. Water Works has been granted an inflation based rate increase of 3.4% effective in September of 2006. Additionally, the Water Works has submitted a request to the Public Service Commission for a full rate review, which is expected to increase rates an additional 6.6% in 2007. The actual rate change may be different based on the PSC determination.

The rate increases are the first since 2002. They are necessary, even though the department has achieved operating efficiencies. Since 2001, Water Works has reduced the number of authorized positions by 55, from 400 to 345 in 2007. However, the Water Works is selling less water, while expenses are rising. In 2005, Water Works sold 5% less water than in 2001. This is due to increased water conservation, as well as the loss of some heavy industrial water users. The LeSaffre Yeast plant, which closed in 2005, annually consumed 1.3 billion gallons of water. This represents more than 3% of the Water Works annual water sales. Additionally, the department's expenditures have increased. The increases are due to the $1.4 million annual lease payment for the new distribution facility at the former Tower Automotive site, the new $1.4 million Cross

Figure 1



Connection Program mandated by the Wisconsin Department of Natural Resources Pilot Recalculation, as well as inflation from the rising cost of salaries, fringe benefits, treatment chemicals, and energy.

Milwaukee's water rates are directly affected by the utility's production structure. The majority of Water Works costs are "fixed", meaning that they do not change significantly with the amount of water that is purchased by consumers. Costs for water mains, plant infrastructure, and the staff to support them remain even as water consumption declines. Consequently, rates on the water that is sold must support the fixed costs of the utility.

Figure 1 demonstrates how water sales have declined over the last 35 years, while plant pumping capacity has remained constant. The annual treatment capacity is based on the sustainable pumping capacity of 360 million gallons per day. Plant pumping capacity far outstrips actual usage due to demographic trends in the region. The last water treatment plant was built in 1962 at a time when Milwaukee's population was much higher and expected to grow, and per capita water consumption was much higher due to heavy industries and personal habits. Instead, population declined in the last 30 years, many heavy industrial users ceased operations, and consumers began to more efficiently use and conserve water.

As a result of these charges, city policymakers ultimately must come to grips with three strategic options: regularly raise water rates, sell more water, or restructure the operations of the city's two treatment plants and distribution systems.

The Administration has already begun to address these strategic challenges within the context of regional water needs. In late 2006, the Mayor will convene a Water Infrastructure Work Group. This group will evaluate, analyze, and recommend approaches to integrated water management that will optimize Milwaukee's competitive economic advantage while protecting the region's environment.

Service 1

Water Distribution and Customer Service

Activities: Distribution main design, operation, maintenance and repairs, meter reading, customer accounts, cross connection inspections, and administration.

		2005 Experience	2006 Budget	2007 Projection
Services:	Percentage of main breaks in service within 24 hours.	93.0%	95.0%	95.0%
	Miles of mains installed or replaced.	11.50	14.76	14.31
	Rank of residential water rate in Southeastern Wisconsin.	51 of 53	50 of 53	47 of 53
Funding by Source:	Capital Budget	$12,242,052	$15,220,000	$22,440,500
	Operating Funds	35,876,799	40,950,360	40,484,546
	Totals	$48,118,851	$56,170,360	$62,925,046

SERVICE RESULTS

In 2005, Water Works repaired 93% of main breaks within 24 hours, slightly short of the utility's goal of 95%. In addition to this goal, Water Works is tracking the average time that water service is turned off to customers while the main breaks are repaired. This average time out of service is typically in the range of three to four hours.

Water mains are replaced primarily according to the frequency of main breaks. Since 2000, the department has been installing an average of about 12 miles of water mains annually. In 2006 and 2007, Water Works intends to

install over 14 miles of mains annually. Even with this increase, the Water Works will be replacing less than 1% of the existing mains. As a result, there is a need to gradually increase the Water Main Replacement Program.

Even with the rate increases discussed above, Milwaukee's water rate will continue to be among the lowest in the five county metro area. Of the 53 water utilities in the region, Milwaukee will continue to provide the sixth least expensive water. Milwaukee's residents also seem to believe that the Milwaukee Water Works is a good value. At the July 10th public hearing on the 2007 city budget, residents were asked to rate the value of various city services, with "value" meaning the quality of the service product in relation to its cost. Drinking water provided by the Water Works was rated the best value of any city service, with an average rating of 4.4 on a 5.0 point scale. Overall, city services received an average ranking of 3.2.

SERVICE CHANGES

Distribution Facility Consolidation: In 2006, Water Works consolidated its two distribution facilities at Lincoln and Cameron Avenues at the new DPW facility at the former Tower Automotive site. The new facility allows the Water Works to more efficiently manage the utility's distribution system and maintenance staff. As a result of the consolidation, Water Works will reduce a total of 23 positions in its distribution operation through attrition over several years. The 2007 proposed budget includes a reduction of 11 positions as part of this multi-year strategy.

Computer Information System: In 2005, Water Works completed the installation of a new customer information and billing system. In the third quarter of 2006, the Water Works began billing the new Storm Water Fee, which finances a part of the Sewer Maintenance Fund.

Service 2

Drinking Water Supply and Treatment

Activities: Water pumping, water treatment, water quality monitoring, plant operation and maintenance.

		2005 Experience	2006 Budget	2007 Projection
Services:	Percent compliance with Safe Drinking Water Act standards.	100.0%	100.0%	100.0%
	Substantiated water quality complaints.	2	5	5
Funding by Source:	Capital Budget	$2,970,497	$4,900,000	$2,700,000
	Operating Budget	25,397,439	26,780,614	27,244,296
	Totals	$28,367,936	$31,680,614	$29,944,296

SERVICE RESULTS

In 2005, Water Works achieved its program goal of providing safe, high quality drinking water. The utility was in full compliance with the Safe Drinking Water Act 365 days last year. Only two water quality complaints were substantiated by the utility.

SERVICE CHANGES

Cross Connection Program: In 2007, Water Works will begin full implementation of its Cross Connection Program, which is mandated by the Wisconsin Department of Natural Resources. This program entails inspecting commercial properties for dangerous situations in which incorrect plumbing can contaminate the water supply. The Department of Neighborhood Services administers the program, which the Water Works finances. Beginning mid-year in 2005, the program successfully inspected 107 properties. In 2006, the program anticipates inspecting

1,000 properties. It is expected that in 2007 the program will be fully staffed and will meet the program requirements to inspect 15,000 commercial/industrial properties on a ten year cycle.

CAPITAL PROJECTS

Water Main Replacement Program: In 2007, Water Works plans to increase its Water Main Replacement Program to address the problems in the aging distribution system. Funding of $15.6 million will add 14.3 miles of water mains. This includes $14 million for replacement distribution mains, hydrants and valves, $1,040,500 for the Feeder Main Program, and $600,000 for developer financed mains.

Linnwood Plant Building and Treatment Improvements: In 2007, $2.7 million is proposed for capital improvements at the Linnwood facility. Of this amount, $400,000 will fund a roof and gutter replacement at the facility, as the existing roof is leaking. Funding of $1 million is included for HVAC upgrades at the Filter Building and Water Quality Lab. These areas require controlled environmental conditions to protect sensitive equipment from corrosion. Also, included is $800,000 for replacement of windows at the facility. The windows are approximately 70 years old and leak. The cost estimates for this project rose dramatically as lead based paint and asbestos was discovered in the windows. The 2007 capital budget includes $300,000 for upgrades to the plants fluoride system, as the existing fluoride feed pumps are failing and storage tanks are leaking, and $200,000 for repair of an underground wash water recovery line, which is also leaking.

Pump Facility Improvements: The 2007 proposed budget includes $6.2 million for pump facility improvements, primarily at the Riverside Pumping Station. This pumping station is a critical part of the Water Works infrastructure and is the primary pumping facility from the Linnwood Treatment Plant. Funding is needed to stabilize the slope above which the facility is located, as well as refurbish pumps, valves, and HVAC. Funding is also included for energy efficiency improvements at the site, which will help to reduce operating costs in the future. Payback is expected to be between two and five years.

Storage Facility Improvements: Funding of $200,000 is included to repaint the interior and exterior of the Greenfield water tank. This funding amount could potentially increase for 2008, as the project is scoped in more detail.

Other Projects: The 2007 proposed budget also includes $300,000 for a new HVAC system at the Meter Repair Shop, and $100,000 for a bulk water filling station. This will provide the public with a high capacity pump for bulk water sales. For example, contractors who fill swimming pools could use this facility, rather than using fire hydrants. Building a special facility for bulk water sales is intended to reduce the risk of cross connections that could occur when contractors connect directly to hydrants.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
			Business Section	
1	1.00		Water Systems and Security Coordinator	Reclassification to focus on IT security.
-1	-1.00		Water Security Manager	
-1	-1.00		Office Assistant II	Reclassification of one position and addition of one position to improve customer service.
2	2.00		Customer Service Representative III	
1	1.00		Water Meter Technician I	Staff reorganization.
-1	-1.00		Meter Shop Laborer	
-1	-1.00		Water Revenue Collector (Aux.)	
	0.50		Project Manager (Aux.)	Automatic meter reader device upgrade.
1	0.00		Meter Reader Supervisor (Aux.)	
			Plants North	
1	1.00		Water Maintenance Supervisor	Management addition for workload.
-1	-1.00		Plant Automation Specialist	Moved to South Plant with title changes.
-1	-1.00		Network Coordinator Senior	
-1	-1.00		Network Coordinator Associate	
-2	-2.00		Program Assistant II	
-1	-1.00		Electrical Mechanic	
	-0.26		Miscellaneous Adjustment	
			Engineering Section	
	-0.74	0.74	Miscellaneous Adjustment	
			Distribution Section	
-1	-1.00		Communications Assistant III	Staff consolidation due to facility consolidation at the former Tower Automotive site.
1	1.00		Office Assistant III	
-5	-5.00		Water Distribution Repair Worker I	
	0.33		Water Distribution Operations Manager (Aux.)	
	0.33		Water Distribution Utility Investigator	
-6	-6.00		Water Distribution Laborer (Aux.)	
	-0.95		Miscellaneous Adjustment	

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
			Water Quality Organization	
	0.49		Miscellaneous Adjustment	
			Plants South Section	
1	1.00		Water Plant Automation Manager	Moved from North Plant with title changes.
1	1.00		Network Coordinator Senior (X)	
2	2.00		Automated System Specialist	
2	2.00		Program Assistant II	
1	1.00		Machine Repair Person	Staff reorganization.
-1	-1.00		Water Plant Laborer	
	-0.08		Miscellaneous Adjustment	
-9	**-10.38**	**0.74**	**Totals**	

K. SEWER MAINTENANCE FUND

EXECUTIVE SUMMARY

MISSION: Protect people, property, and the environment from sewage, flooding, erosion, and polluted runoff.

SERVICES: Sewer system services.

STRATEGIC ISSUES: Planning for the financial stability of the Sewer Maintenance Fund in the context of overall city finances.

Developing a strategic plan for the fund that balances the needs of traditional sewer pipe projects, stormwater flow reduction projects, and water quality projects.

Developing a capital plan that complies with the 2020 MMSD Facility Plan and the 2005 Stipulation Agreement with the State of Wisconsin.

BUDGET SUMMARY

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
PERSONNEL						
FTEs - Operations and Maintenance	101.33	113.71	111.65	110.65	-3.06	-1.00
FTEs - Other	23.77	30.17	31.83	31.83	1.66	0.00
Total Positions Authorized	198	199	190	189	-10	-1
EXPENDITURES						
Salaries and Wages	$4,940,663	$5,366,567	$5,444,071	$5,402,763	$36,196	$-41,308
Fringe Benefits	2,093,016	2,253,958	2,286,510	2,269,160	15,202	-17,350
Operating Expenditures	6,959,940	7,301,340	8,646,448	8,083,448	782,108	-563,000
Equipment	1,040,161	448,500	121,800	206,800	-241,700	85,000
Special Funds	16,764,746	20,050,365	22,695,253	23,425,000	3,374,635	729,747
TOTAL	$31,798,526	$35,420,730	$39,194,082	$39,387,171	$3,966,441	$193,089
Capital Projects	$19,840,982	$23,500,000	$24,500,000	$24,500,000	$1,000,000	$0
TOTAL	$51,639,508	$58,920,730	$63,694,082	$63,887,171	$4,966,441	$193,089
REVENUES						
Sewer Maintenance Fee	$30,532,791	$27,600,000	$22,854,474	$23,605,260	$-3,994,740	$750,786
Stormwater Maintenance Fee	0	6,575,552	13,795,000	13,451,392	6,875,840	-343,608
Charges for Services	534,451	198,818	211,122	211,122	12,304	0
Interest Revenue	317,597	252,425	255,150	255,150	2,725	0
Miscellaneous Revenue	4,513	42,503	26,714	26,714	-15,789	0
Proceeds from Borrowing	19,840,982	23,500,000	24,500,000	24,500,000	1,000,000	0
Retained Earnings (-Deposit/+Withdrawal)	409,174	751,432	2,051,622	1,837,533	1,086,101	-214,089
TOTAL	$51,639,508	$58,920,730	$63,694,082	$63,887,171	$4,966,441	$193,089

BACKGROUND

The City of Milwaukee maintains a sewer system that transports sanitary sewage to Milwaukee Metropolitan Sewerage District (MMSD) facilities and prevents flooding during storms. About two-thirds of Milwaukee is served by a separated sewer system that consists of two sewer pipes: a sanitary sewer and a storm sewer. The sanitary sewer takes sewage from homes and businesses to MMSD's interceptor sewer. The storm sewer collects stormwater runoff from streets and yards and delivers that water directly to a river or lake without the benefit of any pollution removal. The central city, including downtown, is served by an older combined sewer system that transports both sanitary sewage and stormwater to MMSD facilities.

The Sewer Maintenance Fund is a self-supporting Enterprise Fund that recovers sewer maintenance costs through user fees rather than through the property tax. The Department of Public Works Infrastructure Services Division administers the Sewer Maintenance Fund, including oversight of personnel and activities.

The Environmental Section plans and designs sewer replacements and repairs. The Environmental Section also manages the city's stormwater permit, which includes reviewing stormwater management plans for new developments, testing storm outfalls, and educating the public on stormwater management. The Underground Section cleans sewers, performs minor repairs of sewers, manholes, catch basins and outfalls, and examines the structural integrity of sewers through inspections and smoke testing. The Sewer Maintenance Fund also funds the city's street sweeping and leaf collection program, which keeps the sewers free of debris and reduces flooding and backups.

Service 1

Sewer System Services

Activities: Sewer examinations, sewer cleaning, structure cleaning, structure repair, main repair, booster pump operation and maintenance, engineering and design, permit administration, and street sweeping.

		2005 Experience	2006 Budget	2007 Projection
Services:	Miles replacement sewers installed.	13.50	12.80	16.80
	Sewer service backups.	45	50	50
	Street flooding complaints.	4,143	4,000	3,700
Funding by Source:	Sewer Maintenance Fund	$31,798,526	$35,420,730	$39,387,171
	Capital Budget*	27,631,930	26,800,000	28,000,000
	Grants and Reimbursables	6,840,000	188,453	0
	Totals	$66,270,456	$62,409,183	$67,387,171

*Includes $3.3 million for expansion of sewer capacity that is supported through general city borrowing.

SERVICE RESULTS

The City of Milwaukee has approximately 2,436 miles of sewers. The Department of Public Works (DPW) annually replaces a small portion of the sewers to reduce leaks and prevent costly sewer collapses. In 2005, DPW installed 13.5 miles of sewer mains. In 2007, DPW plans to install 16.8 miles of mains. DPW will be replacing sewers at a lower cost per mile rate than in 2005, as the department will be doing more small diameter sewers.

The Sewer Maintenance Program has experienced more street flooding complaints in 2005 than 2004, with 4,143 in 2005 compared to 1,724 in 2004. The increase in 2005 can be attributed to two factors. Street flooding complaints in 2004 were abnormally low. Street flooding complaints are also caused by the seasonal rainstorms. Rainstorms in

fall and winter can lead to more complaints, when leaves and ice can block storm inlets. In 2005, 9.95 inches of rain and 12.5 inches of snow fell from September through December. In 2004, 5.62 inches of rain fell and only 3.9 inches of snow in those months, with heavier rains in May and June.

The 2005 budget provided funding for "flow-reduction" projects including inlet restrictors, downspout disconnection, footing drain disconnections, and roof restrictors. Too much stormwater flow into the combined sewer system can overwhelm MMSD's treatment facilities and contribute to the risk of MMSD overflows. Projects that included community cooperation, such as downspout disconnection and footing drain disconnections, were less successful than projects wholly within the city's control, such as the roof restrictors and inlet restrictors. Funding was included in 2005 for 1,200 downspout disconnections. However, DPW was only able to identify 152 residents who were willing to participate. Footing drain disconnections on private property were delayed, but educational efforts and marketing of the program should lead to work commencing late in 2006.

DPW installed 79 inlet restrictors in 2005. These inlet restrictors are intended to reduce the rate at which stormwater enters the combined sewer system. In effect, the street becomes a storage basin for rain water. Roof restrictors are devices installed to the downspouts of city owned buildings to reduce the rate of flow into the combined sewer system. Fifty-five restrictors were installed in 2005 and an additional 80 are planned for installation. DPW is monitoring all of these pilot projects to measure their effectiveness in reducing flow to MMSD. Unused funds will be reprogrammed for other stormwater control purposes, including additional tree planting on city green spaces.

SERVICE CHANGES

In 2005, the Milwaukee County Circuit Court stipulated a variety of actions that MMSD and its tributary communities must make to improve water quality in the region. The City of Milwaukee was included in this agreement as one of MMSD's tributaries. The stipulation directs the city to take the following actions:

- Enforce existing local sewer ordinances.
- Complete the correction of all defects identified for correction in the 2010 Limited Sewer Service Evaluation Survey by December 31, 2006.
- Inspect all sanitary sewer manholes for leaks by September 30, 2006.
- Implement a regular manhole inspection program by June 30, 2006.
- Develop and Implement a Capacity, Management, Operation, and Maintenance (CMOM) program reflecting MMSD's CMOM program by June 30, 2009.
- Complete and report monitoring of select sewer basins by June 30, 2006.
- Complete and report capacity evaluations of the select sewer basins above and associated action plans by March 31, 2007.
- Monitor sites of sanitary sewer overflows and submit an annual report to DNR describing the sewer condition and corrective actions.

Throughout 2006 and 2007, DPW will take actions to comply with the stipulation agreement.

No other service changes are included in the 2007 proposed budget. One Sewer Scheduler position has been eliminated as part of the facility consolidation at the former Tower Automotive site. One vacant Engineering Drafting Technician IV has also been eliminated. The salary savings for this position will be used to relocate the SCADA computer system, which is used to monitor the city's sewer assets. The relocation is part of the facilities consolidation.

CAPITAL PROJECTS

Relief and Relay Sewer Program: In 2007, $24.5 million has been budgeted in the Sewer Maintenance Fund and $3.5 million has been funded in the city's general capital fund to replace 16.8 miles of sewer mains. The program replaces deteriorating sewers to reduce street flooding, backups, and stormwater infiltration into the system. This funding represents a 5% increase from 2006, as consistent with the 2006-2012 capital plan.

FINANCING CHANGES

Stormwater Management Fee: In July of 2006, the Milwaukee Water Works began billing the new Stormwater Management Fee. The fee is intended to more equitably distribute the cost of the sewer system across customer classes and preserve the financial sustainability of the Sewer Fund. In 2007, the Stormwater Management Fee will remain constant at $8 per quarter per equivalent residential unit (ERU). All one to four unit residential properties are charged one ERU per quarter. Commercial properties are charged based on their actual estimated impervious surface (one ERU is equivalent to 1,610 square feet of impervious surface). Although the rate will remain constant, revenues from this fee is expected to double, as it will be in effect for the entire year.

Sewer Maintenance Fee: In 2006, the Sewer Fund had a split sewer rate. In the first two quarters, the rate was $1.27 per 100 cubic feet (CCF) of water. When the Stormwater Management Fee became effective in July, the rate was dropped to $0.85 per CCF, so that the average overall residential fees for sewer service would not change. In 2007, the rate will increase to $0.925 per CCF. As a result, the average residential bill, including the Stormwater Management Fee, will increase by approximately 6%.

Capital Financing: In 2007, the Sewer Maintenance Fund will borrow for the full capital program. The Sewer Fund will attempt to use the State of Wisconsin's Clean Water Fund to finance this debt. The Clean Water Fund is administered by the Department of Natural Resources and provides below market interest loans to communities to finance stormwater control projects. DPW is currently applying to retroactively finance 2004-2006 sewers using this program. Any sewer capital projects that do not qualify for this funding will be financed with general obligation (GO) debt. The Sewer Fund will then make payments to the city to cover the debt service. This financing strategy will save ratepayer's money, as clean water funding and general obligation bonds have a lower interest rate than revenue bonds, and do not have other "reserve" requirements that further cost ratepayers.

Fund Transfer: The 2007 proposed budget includes a $9 million transfer from the Sewer Maintenance Fund to the Debt Fund for sewer related GO debt service. This payment would retire principal on GO debt associated with the sewer program. The number may be reduced in the future as the outstanding debt service requirements decline. However, the transfer will be reviewed annually in the context of the city's larger financial picture. The debt transfer is partially financed using retained earnings from prior years. Retained earnings will be gradually used over several years to reduce the need to increase sewer rates on the community. In the interim, the Sewer Maintenance Fund will make changes to both revenues and expenditures to ensure the fund's long term sustainability. On the expenditure side, DPW will explore productivity improvement opportunities and consider lower cost alternatives to the current street sweeping and leaf collection programs.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated Full Time Equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Position Title	Reason
	0.20		Engineering Drafting Technician II	Positions were new in 2006 and budgeted for part of the year. They are fully funded in 2007.
	0.27		Civil Engineer II	
-1	-1.00		Engineering Drafting Technician IV	Unneeded vacant position.
-1	-1.00		Sewer Maintenance Scheduler	Eliminated due to district consolidation at former Tower site.
-1			Sewer Crew Leader I	These positions are unneeded auxiliary positions with no service impacts.
-3			Sewer Laborer I	
-2			Sewer Field Investigator	
-1			Sewer Examiner II	
-1			Sewer Mason	
	-1.35	1.35	Various	Increase in reimbursable charges to underground conduit projects.
	-0.18	0.31	Various	Increase in non-O&M hours due to increased capital projects.
-10	**-3.06**	**1.66**	**Totals**	

M. COUNTY DELINQUENT TAX FUND

EXECUTIVE SUMMARY

PURPOSE: To provide appropriation authority to purchase Milwaukee County delinquent property taxes.

SERVICES: Provide a funding mechanism to purchase delinquent county property taxes without affecting the city's tax levy.

STRATEGIC ISSUES: Continue efforts to return tax delinquent properties to the tax rolls and increase future city revenue.

SUMMARY OF EXPENDITURES

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
Purchase of Delinquent County Taxes	$9,111,076	$9,000,000	$9,855,000	$9,855,000	$855,000	$0
TOTAL	$9,111,076	$9,000,000	$9,855,000	$9,855,000	$855,000	$0

SOURCE OF FUNDS

	2005 ACTUAL EXPENDITURES	2006 ADOPTED BUDGET	2007 REQUESTED BUDGET	2007 PROPOSED BUDGET	CHANGE PROPOSED BUDGET VERSUS 2006 ADOPTED	CHANGE PROPOSED BUDGET VERSUS 2007 REQUESTED
County Delinquent Taxes Collected	$9,111,076	$9,000,000	$9,855,000	$9,855,000	$855,000	$0
TOTAL	$9,111,076	$9,000,000	$9,855,000	$9,855,000	$855,000	$0

In accordance with Sec. 74.83 Wis. Stats., the City of Milwaukee is authorized to enter into an agreement with Milwaukee County to purchase county delinquent personal property taxes and real estate tax certificates. The initial agreement was executed on December 18, 1987.

The authority to collect county delinquent property taxes enables the City Treasurer to consolidate the collection of delinquent taxes. Consolidation of the delinquent taxes provides a more efficient and effective tax collection administration by eliminating the burden of duplicate collections by the city and county.

The city purchases the county's delinquent personal property and real estate taxes at the close of the current tax collection period each February. In addition, the city also purchases the county's real estate taxes that become delinquent during the installment collection cycle each month. In effect, the city is acquiring an asset, delinquent county property taxes receivable, and generating revenue by keeping the interest and penalty charges collected on the delinquent taxes outstanding.

This account is the city's mechanism to purchase the county's delinquent property taxes. It is related to other delinquent tax collection efforts in the City Debt budget and Delinquent Tax Fund.

II. PROPOSED BORROWING AUTHORIZATIONS
General Obligation Bonds or Short Term Notes

Purpose	Reauthorization of 2006 Authority (1)(2)	New 2007 Authority	Total
A. Grants and Aids Projects Specific purposes not contemplated at the time the budget was adopted.			
1. For public improvements authorized under section 62.11(5) for any of the purposes enumerated in section 67.05(5)(b).			
2. For harbor improvements authorized under section 30.30.			
3. For library improvements authorized under section 229.11 and 229.17.			
4. For convention complex and exposition center improvements authorized under section 229.26.			
5. For blight elimination, slum clearance, redevelopment, community development and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335, 66.1337 and 66.1105.			
6. For developing sites for industry and commerce to expand the tax base as authorized under section 66.1101 and 66.1103.			
Subtotal Grants and Aids Projects (3)	$1,023,167	$300,000	$1,323,167
B. Renewal and Development Projects			
1. For providing financial assistance to blight elimination, slum clearance, redevelopment and urban renewal projects under section 66.1301 to 66.1327, 66.1331, 66.1333, 66.1335, 66.1337 and 66.1105.			
MEDC Loan Program.			
Subtotal Renewal and Development Projects	$7,991,134	$2,700,000	$10,691,134
C. Public Improvements			
1. Public buildings for housing machinery and equipment.	$35,734,299	$26,855,700	$62,589,999
2. Harbor improvements.	1,829,488	650,000	2,479,488
3. Parking facility improvements.	3,681,369	595,000	4,276,369
4. Purchase of sites for and construction of engine houses, fire stations reconstruction, remodeling, planning, design and site acquisition.	7,446,516	2,818,000	10,264,516
5. Police Department facility construction.	6,477,138	1,670,000	8,147,138
6. Bridge and viaduct.	6,117,956	4,316,000	10,433,956
7. Sewage disposal, sewer improvement and construction.	5,052,500	3,500,000	8,552,500
8. Street improvements and construction.	12,641,710	11,436,790	24,078,500
9. Parks and public grounds.	707,000	2,465,000	3,172,000
10. Library improvements authorized under section 229.11 and 229.17.	3,078,560	790,000	3,868,560
Subtotal General Obligation Bonds or Short Term Notes (Sections A through C)	$91,780,837	$58,096,490	$149,877,327
D. Contingent Borrowing			
Borrowing for a public purpose not contemplated at the time the budget was adopted.			
Contingent borrowing.	$0	$110,000,000	$110,000,000
Subtotal General Obligation Bonds or Short Term Notes	$0	$110,000,000	$110,000,000
E. School Board Borrowing			
1. School purposes (A).	$6,000,000	$4,000,000	$10,000,000
2. For school purposes authorized under section 119.498 and/or 66.1333.	0	0	0
Subtotal General Obligation Bonds or Short Term Notes	$6,000,000	$4,000,000	$10,000,000

Purpose	Reauthorization of 2006 Authority (1)(2)	New 2007 Authority	Total
F. Borrowing for Special Assessments			
1. To finance public improvements in anticipation of special assessments levied against property.			
2. General city.	$19,151,639	$2,759,650	$21,911,289
Subtotal General Obligation Bonds or Local Improvements Bonds	$19,151,639	$2,759,650	$21,911,289
G. Tax Incremental Districts			
1. For paying project costs in accordance with project plans for Tax Incremental Districts.			
2. For providing financial assistance to urban renewal projects authorized under section 67.05(5)(b).	$71,151,734	$70,280,000	$141,431,734
Subtotal General Obligation Bonds, Short Term Notes or Revenue Bonds	$71,151,734	$70,280,000	$141,431,734
H. Borrowing for Delinquent Taxes			
To finance general city purposes for anticipated delinquent taxes.	$0	$17,000,000	$17,000,000
Subtotal General Obligation Bonds or Short Term Notes	$0	$17,000,000	$17,000,000
I. Revenue Anticipation Borrowing			
To borrow in anticipation of revenue in accordance with section 67.12 of the Wisconsin State Statutes.	$0	$300,000,000	$300,000,000
Subtotal General Obligation Bonds or Short Term Notes	$0	$300,000,000	$300,000,000
J. Water Works Borrowing			
Water Works mortgage revenue bonds or general obligation bonds.	$0	$0	$0
Subtotal Revenue Bonds or General Obligation Bonds	$0	$0	$0
K. Sewer Maintenance Fund Borrowing			
Sewer Maintenance Fund revenue bonds or general obligation bonds including prior years.	$49,909,500	$24,500,000	$74,409,500
Subtotal Revenue Bonds or General Obligation Bonds	$49,909,500	$24,500,000	$74,409,500
Total General Obligation Bonds or Short Term Notes	$237,993,710	$586,636,140	$824,629,850

(1) Reauthorization of Prior Unused Borrowing Authority:
It is the intent of such reauthorization to expressly authorize the issuance and sale of such obligations (either bonds or notes) as set forth in this borrowing section of the budget, for the purposes and amounts enumerated herein. Such carryover borrowing (reauthorization of prior unused borrowing authority) is also reflected in the capital budget for informational purposes but such amounts are excluded from the capital budget totals to avoid duplication.

(2) Bond authorizations included and approved by the Common Council in the preceding municipal budget and further approved by the adoption of a resolution of intent are herein continued and are deemed to be with the same force and effect as though they had been specifically enumerated, both as to purpose and amount in this municipal budget.

(3) The purpose of this borrowing is to provide funds in connection with projects undertaken by the city with federal or other financial assistance. Expenditures shall be made only after adoption of a Common Council resolution adopted in accordance with Common Council Resolution File 66-1893 as amended.

(A) Design plans for any alteration to building exteriors and interiors shall be reviewed and approved by the city.

III. CLARIFICATION OF INTENT

Employee Fringe Benefits

Employee fringe benefit costs are allocated to operating and capital budgets on an estimated basis for informational purposes only. Such estimated expenditures are 100% appropriation offset for operating budgets and 100% revenue offset for the capital budget to avoid any impact on the city's tax levy. Actual fringe benefit costs, such as health care benefits, life insurance, and pensions, are budgeted separately in non-departmental accounts, which are funded from the property tax levy.

The amount included in each departmental (or budgetary control unit) operating budget on the line entitled "Estimated Employee Fringe Benefits" is subject to adjustment by unilateral action of the City Comptroller, during the budget year, if the actual rate charged against salaries paid is at variance with the estimated rate used in calculating the budgeted amount.

Changes to Performance Measures to Correct Possible Errors or Omissions

The Budget and Management Division is authorized to make or approve changes in performance measures including additions, deletions, and modifications during the budget year.

Departmental Salary Appropriations

Department net salary and wage appropriations reflect current wage rates and expenditures and are limited to these amounts. Funding of future salary increases from the Wages Supplement Fund will be restricted to wage settlements only. These transfers must be pre-approved by the Budget and Management Director.

Footnotes

Section 18-07-12 of the Milwaukee City Charter states that the adoption of the budget shall be the authority for the expenditure by a department for the purposes therein provided and of the amounts assigned to the department thereby and no further action by the Common Council shall be necessary to authorize any department to make such expenditures. The City Attorney has advised that footnotes contained in the line item budget are informational only and not controlling over expenditures unless a corresponding resolution specifying the footnote's intent is also adopted by the Common Council.

POSITIONS ORDINANCE AND SALARY ORDINANCE

The Positions Ordinance and the Salary Ordinance for the city may be obtained from the City Clerk's Office upon request. They therefore have not been included in this publication.

TAX LEVY TO RATE CONVERSION TABLE

Assessed Value Used in Conversion Calculation: $27,540,335,618

Tax Rate Per $1,000 of Assessed Valuation	Levy Change	Levy Change	Tax Rate Per $1,000 of Assessed Valuation
$0.01	$275,403	$5,000	$0.00
$0.05	$1,377,017	$10,000	$0.00
$0.10	$2,754,034	$50,000	$0.00
$0.25	$6,885,084	$100,000	$0.00
$0.50	$13,770,168	$500,000	$0.02
$1.00	$27,540,336	$1,000,000	$0.04

Formula for deriving tax rate per $1,000 of assessed value from known assessed value and levy:

$$\text{TAX RATE} = \frac{\text{TAX LEVY}}{\text{ASSESSED VALUE}/1{,}000}$$

Formula for deriving levy from known rate and assessed value:

TAX LEVY = TAX RATE x (ASSESSED VALUE/1,000)

Formula for deriving assessed value from known rate and levy:

ASSESSED VALUE = (TAX LEVY/TAX RATE) x 1,000

Note: Results are Approximate Due to Rounding