

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.
- OBJECTIVES:**
- Reduce economic disparities that affect Milwaukeeans.
 - Provide mission critical city services through annual budgets that limit tax levy and municipal service charge changes on the average value residential property to 3% or less.
 - Limit the proportion of the city tax levies allocated to debt service and employer pension contributions to 60% or lower in a fiscally responsible manner.
 - Increase effectiveness in the operation of citywide information technology.
 - Align economic and environmental interests to improve Milwaukee’s quality of life for current and future generations.
- STRATEGIES:**
- Implement a four year city budget stabilization plan that achieves ongoing structural budget balance by the end of 2016.
 - Implement a stable employer pension contribution policy that is consistent with actuarial principles.
 - Increase the ongoing level of external, non-stimulus funding available for the city budget by \$2 million annually.
 - Continue grant program focus on economic development and employment generation.
 - Implement programs that increase the number of Small Business Enterprise (SBE) firms located in Milwaukee.
 - Promote cost effective sustainability practices for residents, businesses, and city departments through citywide implementation of the *ReFresh Milwaukee* sustainability plan.
 - Collaborate with other city departments to consolidate redundant information systems and reduce costs of technology operations.
 - Provide management oversight of city operations through the Accountability in Management (AIM) program.

BUDGET SUMMARY

	2014 Actual Expenditures	2015 Adopted Budget	2016 Requested Budget	2016 Proposed Budget	Change	
					2016 Proposed Budget Versus 2015 Adopted	2016 Requested
Personnel						
FTEs - Operations and Maintenance	90.98	101.37	103.93	106.67	5.30	2.74
FTEs - Other	27.74	38.47	36.91	40.17	1.70	3.26
Total Positions Authorized	146	150	151	158	8	7
Expenditures						
Salaries and Wages	\$5,658,423	\$6,102,654	\$6,491,720	\$6,617,535	\$514,881	\$125,815
Fringe Benefits	2,531,859	2,746,193	3,116,026	3,176,417	430,224	60,391
Operating Expenditures	1,213,562	1,211,899	1,258,879	1,659,823	447,924	400,944
Equipment	55,192	25,300	33,300	125,300	100,000	92,000
Special Funds	1,635,394	1,722,965	1,777,068	1,752,068	29,103	-25,000
Total	\$11,094,430	\$11,809,011	\$12,676,993	\$13,331,143	\$1,522,132	\$654,150
Revenues						
Charges for Services	\$143,906	\$77,000	\$148,500	\$171,500	\$94,500	\$23,000
Miscellaneous	609,105	575,500	561,000	561,000	-14,500	0
Total	\$753,011	\$652,500	\$709,500	\$732,500	\$80,000	\$23,000

DEPARTMENT MISSION AND RELATIONSHIP TO COMMUNITY GOALS

Community Goals and Department Objectives:

Goals

The Department of Administration supports all of the city’s mission delivery goals through its policy, planning, financial management, procurement, sustainability, and information technology service responsibilities. These are:

1. Build safe and healthy neighborhoods.
2. Increase investment and economic vitality throughout the city.
3. Improve workforce development and connect more citizens to family supporting jobs.
4. Help children succeed, prepare for post-secondary education, and meet their full potential.
5. Sustain Milwaukee’s natural environmental assets.
6. Promote racial, social, and economic equity for all citizens.

Objectives

1. Reduce economic disparities that affect Milwaukeeans.
2. Provide mission critical city services through annual budgets that limit the impact of tax levy and municipal service charge changes on the typical residential property to 3% or less.
3. Limit the proportion of the 2013 to 2016 city tax levies allocated to debt service and employer pension contributions to 60% or lower in a fiscally responsible manner.
4. Increase efficiency and effectiveness in citywide operation information technology.
5. Improve energy efficiency in homes and business firms.

The Department of Administration (DOA) provides planning, policy, and management functions that assist the Mayor, Common Council, and city departments. Through these efforts, DOA supports the city’s community goals. Key functions include providing analysis and recommendations on fiscal issues that affect the city, developing the annual city budget, influencing local, state and federal government policy actions, increasing grant funding, distributing grant funding to city agencies and neighborhood organizations, managing citywide procurement processes, supporting the growth of emerging and local businesses, and developing policy and programs for environmental sustainability. In addition, DOA is the key operating entity for the delivery of city information technology services.

Key Performance Measures

Measure	2014 Actual	2015 Planned	2016 Planned
Combined percentage increase from prior year of changes to the property tax levy and municipal service charges on the average valued residential property.	1.4%	1.9%	0%
Percent of tax levy allocated to debt service and employer pension contribution.	48.6%	45.9%	47.4%
Combined number of jobs created and persons trained and placed in jobs through CDBG and HOME funded projects.	393	420	400
Number of firms receiving SBE certification.	24	50	50
Average speed time for response at Unified Contact Center {minutes:seconds}.	:31	:36	:35
Days needed to resolve IT service requests.	6.52	4.40	5
Number of homes receiving energy efficiency upgrades via Me2.	30	100	100
Number of manufacturing firms receiving Me3 grants.	9	10	8

STRATEGY IMPLEMENTATION

Fiscal Sustainability: Structural balance refers to a government's capacity to fund existing service levels over time with its projected ongoing revenues. The difference between current expenditures and ongoing revenues is typically referred to as a structural imbalance.

Changes in State Shared Revenue policy and the growing costs of employee health care benefits caused challenges to the city's structural budget balance dating back to the mid-1990's. More recent events, especially the need to return to employer pension contributions after a 15 year hiatus, heightened these challenges and produced a persistent structural gap. The 2013 city budget initiated a four year budget plan to "Resize, Restructure, and Reinvest" in city government as a means to restore structural balance by the end of 2016.

During 2013, the Department of Administration's Budget and Management Division (BMD) projected the need to achieve \$65 million to \$75 million of structural budgetary improvement in order to achieve ongoing budget sustainability by the end of 2016. The projection was based on the amount of combined revenue increases and expense reductions needed by 2016 for structural balance.

The 2013 budget achieved approximately \$21 million of structural budget improvement. After the 2013 budget adoption, additional developments pertaining to the employer pension contribution and employee health care benefits occurred to improve structural balance by an additional \$17 million. The 2014 and 2015 budgets continued to make progress through approximately \$15 million of improved structural balance. During this period, the need to address housing issues through the Strong Neighborhoods Plan has added to expenditure pressure.

Over the last year the city's strategy pertaining to health care cost containment has yielded additional dividends. It appears that a sustainable reduction to the annual expenditure growth rate, combined with favorable 2014 experience, will enable the annual appropriation level for employee health care benefits to remain below the 2015 appropriation level for at least two years. This will contribute to restoring structural balance.

A key DOA objective is improving the city's fiscal sustainability. DOA's annual budgetary objective is to provide mission critical city services through annual budgets that limit the impact of tax levy and municipal service charge changes on the typical residential property to 3% or less. From a long term perspective, DOA intends to manage long term obligations such as core infrastructure, debt, and pension benefits in a manner that stabilizes ongoing funding requirements and minimizes transfer to future generations. The 2016 proposed budget meets both of these objectives.

Sustainable Pension Financing: The City of Milwaukee operates a home rule retirement plan, the Employees Retirement System (CMERS). Currently employed members include all city government employees and certain employees from "city agencies" such as Milwaukee Public Schools, the Milwaukee Metropolitan Sewerage District, the Wisconsin Center District, and the Housing and Redevelopment Authorities.

The plan's January 1, 2015 actuarial funded ratio of 97.2% makes it one of the best funded Public Employee Retirement System (PERS) plans in the United States. This compares with a median funded ratio of 74% for 150 major PERS according to findings by the Boston College Center for Retirement Research.

The primary financial issue for the city has been the move from no employer contributions as recently as 2009, to an annual contribution level of approximately \$60 million. The secondary issue has been significant potential year-to-year volatility in the city's required contribution.

On April 30, 2013, the Common Council adopted a stable employer contribution policy under which the actuary establishes a stable percent of payroll for five years, thus facilitating budget planning and avoiding year-to-year volatility. As a result, the annual budget for employer pension contributions is essentially stable at approximately \$60-\$63 million for five years, thus eliminating potential volatility of between \$10 million and \$20 million a year. The new policy also eliminates the "full funding limit", which means the city will continue to contribute the employer share of normal cost after the system's funded status returns to 100%.

Modifications to the plan design for new general city employees hired on or after January 1, 2014 were adopted in 2013. Under the modifications, which are projected to save the city \$93 million over 20 years, the plan design remains defined benefit but at a lower normal cost than the pre-existing design. In addition, the Budget and Management Division has initiated pre-payment of the employer contribution, which is projected to save a net of almost \$20 million over five years.

Intergovernmental Relations Division (IRD): In 2016, Milwaukee continues to face a challenging political environment. As a result, the IRD is dedicated to seeking bipartisan opportunities, building collaborative partnerships with other jurisdictions and state departments, as well as continuing efforts to maintain local control and flexibility. Milwaukee is the heart of Wisconsin's economy; therefore it is essential that IRD ensures strong representation at the state level and supports the ability of local leaders to make decisions that address their constituent's needs.

IRD's lobbying efforts are defined through the city's legislative package which contains 156 issue items. The legislative package is prioritized by working closely with the Mayor and Common Council. For example, public safety policies include increasing funds for domestic and youth violence prevention, as well as legislation that discourages the proliferation of illegal guns. Another priority is neighborhood stabilization which involves supporting job creation and training programs and foreclosure prevention and intervention.

As the largest contributor to the state's economy, opportunities for investment and reinvestment in Milwaukee will reap dividends for the rest of the state. IRD will continue to advance the message that Milwaukee is worthy of more investment by the state and federal governments.

Cost Effective and Environmentally Friendly Procurement: DOA's Business Operations Division (BOD) is the city's centralized buying and supply management agency responsible for the procurement of approximately \$65 million in goods and services annually and disposal of the city's surplus, obsolete, and confiscated goods. BOD contributes to fiscal sustainability by managing a competitive procurement system which delivers value to city departments. In addition, BOD continues to incorporate an environmentally conscious approach through initiatives such as the procurement of recycled printing toner. This initiative achieved \$186,500 in savings in 2014 with another \$185,000 projected in 2015.

Helping Small Businesses Succeed: BOD's Office of Small Business Development (OSBD) provides access to resources such as the revolving loan program and Milwaukee Small Business Week to help increase the number of thriving, certified small businesses throughout the city.

OSBD's revolving loan program issued loans to two small businesses in 2014 totaling \$55,000 and two through August 2015 totaling \$61,000. OSBD anticipates issuing another five loans to qualifying small businesses in 2016.

Through Milwaukee Small Business Week, small business owners participate in events such as professional networking sessions, business workshops and seminars, and the annual Small Business Sustainability Conference. These events enable small business owners to make vital connections with other businesses and organizations and gain insight on how to achieve sustainable success.

In 2016, OSBD will continue enhancing relationships with partnering organizations and aligning Milwaukee Small Business Week with National Small Business Week to achieve greater visibility.

External Funding Opportunities: Cities across the nation are using their assets in innovative ways to help finance local services. The Milwaukee Civic Partnership Initiative (MCPI) aims to increase city revenue by expanding marketing partnerships with private sector businesses and nonprofit organizations in the areas of advertising, naming rights, sponsorships, and in-kind contributions.

Promoting Racial Equity and Inclusion in Milwaukee: An important priority for the Mayor is enhancing local capacity to improve the life outcomes of boys and men of color and other populations of color through citywide collaboration. City departments, the school district, organizations and neighborhoods are working to promote racial equity and inclusion in Milwaukee, with the support of foundations and corporations.

Since the city established the Black Male Achievement Advisory Council (BMAAC) in 2013 and accepted President Obama's My Brother's Keeper (MBK) Community Challenge in 2014, community stakeholders have agreed that Milwaukee must change its collective effort to open opportunities for boys and men of color and other populations of color. The Department of Administration provides strategic direction and leadership to advance BMAAC, MBK, Milwaukee Fatherhood Initiative (MFI) and other racial equity and inclusion programs and goals.

- **Milwaukee Fatherhood Initiative:** In 2005, Mayor Barrett and other community partners launched the MFI to increase the number of children with involved, committed, and responsible fathers. The MFI summit is the largest gathering of men in the state, drawing an average of 1,000 men annually. The MFI has reduced over \$10 million in child support debt to help fathers better meet the financial needs of their children. Through the MFI driver's license recovery program, thousands of fathers have restored their driving privileges and improved their employability. Over 95% of men served by MFI are males of color. In addition to DOA, the Housing Authority of the City of Milwaukee provides financial and in-kind support to advance MFI's mission. The MFI also receives philanthropic support.

- **Community Engagement and Achievement Collaborative:** The 2016 proposed budget creates the Community Engagement and Achievement Collaborative (CEAC) to enhance local capacity to improve the life outcomes of boys and men of color and other populations of color through citywide collaboration. A CEAC Manager is created to manage MFI operations and collaborate with city departments and agencies, standing committees, commissions, task forces, other advisory councils, and community partners. This will advance the BMAAC, MBK, and city racial equity and inclusion programs and goals through community engagement and citywide collaboration.
- **Equal Rights Commission:** The Equal Rights Commission (ERC) was re-established in 2009 and consists of seven members appointed by the Mayor subject to Common Council approval. The ERC is responsible for identifying opportunities to improve the equal rights climate in Milwaukee. The position of Equal Rights Specialist is created to provide operational support and assist the ERC to fulfill its mission. The ERC's work includes three major areas:
 - Enforcing housing and employment discrimination laws;
 - Working with neighborhoods to improve community relations and address equal rights issues; and
 - Creating internal accountability within city departments.

Investments in the BMAAC, MBK, CEAC, MFI and ERC will strengthen the city's ability to reduce racial disparities, bring about social change and spark additional public and private investment to support the Mayor's vision of a "Milwaukee where opportunity is abundant and accessible to all."

Office of Environmental Sustainability: The City of Milwaukee's Office of Environmental Sustainability (OES) promotes cost effective sustainability practices for residents, businesses, and city departments. OES leads the citywide implementation of *ReFresh Milwaukee*, which serves as Milwaukee's roadmap to securing a more sustainable future. This plan sets goals, targets, and strategies in the following areas:

- Buildings,
- Energy,
- Food systems,
- Human capital,
- Land and urban ecosystems,
- Mobility,
- Resource recovery, and
- Water.

OES also operates programs that meet direct needs for Milwaukeeans.

OES chairs the Mayor's Energy Reduction Team, which is tasked with reducing energy usage from city facilities by 20% by the year 2020 as part of the national *Better Buildings Challenge*. Since 2009, this strategy has helped city facilities reduce energy usage by 12%.

The Milwaukee Energy Efficiency (Me2) and commercial Me2 programs help households live more comfortably and efficiently and helps businesses realize reinvestment opportunities through energy saving improvements. Since 2011, Me2 has improved over 1,000 homes with energy saving projects such as insulation and efficient furnaces and boilers. Commercial Me2 has stimulated \$14 million of energy saving projects on over 130 properties.

A Community Workforce Agreement, implemented as part Me2, ensures that the jobs created through the program benefit people who live in the city. All commercial and residential contractors are committed to hiring city residents as part of the Residents Preference Program (RPP) and paying family supporting wages. Additionally, minority owned and operated Milwaukee firms have collectively completed hundreds of Me2 projects.

OES also assists small and medium sized Milwaukee manufacturers improve their competitiveness. The Me3 sustainable manufacturing program helps firms lower their costs by reducing waste, pollution, and other production inefficiencies. The 2016 proposed budget includes \$50,000 to continue this program.

OES has contributed to the city's vacant lot beautification efforts through its HOME GR/OWN program, a catalytic project outlined in the *ReFresh Milwaukee* plan. HOME GR/OWN empowers residents to transform neighborhoods by repurposing vacant lots into community assets that spark new economic opportunities around local, healthy food production and distribution. The program helps build neighborhood pocket parks and green space and has helped revise city codes to make urban agriculture easier. In 2015, 44 vacant lots were rehabilitated to food related uses. In 2016, the program will continue to rehabilitate vacant lots across the city with a concentration on at least one strategic commercial corridor.

In 2014, the City of Milwaukee and OES successfully intervened in the WE Energies rate case by proposing a new time-of-use street lighting tariff. As a result, a modified 12 hour on-peak period was established that will help the city achieve lower energy costs in street lighting operations by changing the times for which the city is charged "peak" rates. This change is expected to save taxpayers \$630,000 annually.

Community Development Grants Administration: DOA's Community Development Grants Administration (CDGA) applies for, recommends the allocation of, and oversees the effective use of local, state, and federal funds for programs in targeted neighborhoods throughout the city. Most of the funding goes towards assisting lower income families and removing blight, including access to job training and placement services. For 2014, the combined number of jobs created and persons trained and placed in jobs through Community Development Block Grant (CDBG) and HOME funded projects was nearly 400 with another 400 planned for 2016.

In 2015, the Common Council voted to amend CDGA's 2016 funding allocation plan. The amendment to Common Council File Number 150324 includes reallocations to increase funding for the following programs by the amounts specified:

- Youth Internship Program - \$100,000
- Owner Occupied Home Rehab Loan Program - \$150,000
- Neighborhood Cleanups - \$50,000

In addition, \$200,000 was reallocated to help fund the placement of workers in the Department of Public Works' Transitional Jobs Urban Landscaping program.

Improving the Effectiveness and Efficiency of Information Technology: The 2016 proposed budget continues to consolidate city information technology (IT) and management under the Information Technology and Management Division (ITMD). In 2016, ITMD will begin the consolidation process for the Department of Neighborhood Services and Assessor's Office. IT positions from these departments will move to ITMD and IT hardware and software will be budgeted centrally in and purchased by ITMD. ITMD will also begin to centrally budget and purchase hardware and software for the Department of Public Works' (DPW) Infrastructure and Operations divisions in 2016. IT staff from DPW and MHD were integrated into ITMD in 2013.

Restructuring efforts support a more centralized approach to IT development and maintenance and will accomplish the following:

- Align the city's IT organization and structure with national public sector best practices.
- Establish clear accountability and responsibility for the operation of IT systems and network communications.
- Improve the overall IT environment related to security and data integrity.
- Provide IT focus on enterprise wide needs and service delivery.
- Generate various economies of scale, especially in the area of Help Desk and application support.
- Reduce risk through uniformity and standardization of IT systems and applications.

Major IT projects undertaken by ITMD in 2015 included involvement in selecting and planning for the City Treasurer's new tax collection system and the purchase and deployment of computers through the division's Desktop Replacement program. ITMD also works with the Department of Neighborhood Services, Health Department, Department of City Development, Department of Public Works, and the City Clerk's Office to implement a new Land Management System (LMS). The LMS will replace several older applications supported by the departments with one unified system supported by ITMD.

In 2016, ITMD will continue to operate its Desktop Replacement program and assist in the selection and implementation of new software systems with a goal of maximizing efficiencies, functionality, and compatibility across IT equipment and systems used citywide.

Unified Contact Center (UCC): The UCC provides residents with access to city information and non-emergency services through a single, multi-channel point of contact that includes the Call Center, online service request system, e-mail, and MKE mobile application.

Since 2013, operational changes and management initiatives have improved UCC's overall effectiveness. Total interactions increased by 2,000 during the first half of 2015 compared to the first half of 2013. During that same time, average speed of answer improved to 26 seconds from 40 seconds, abandoned calls reduced from 11% to 4%, and the percentage of calls answered increased to 94% from 90%.

The UCC handles more than 90% of parking information, permission, and complaint calls on a daily basis. The UCC has also made progress with other department call types, including the creation of "virtual" call coordination with the city hall operator desk and continuing joint efforts with Parking, the Milwaukee Water Works, the Department of Neighborhood Services, the Department of City Development, and several special programs in the areas of energy efficiency, housing programs, and city grants.

During the 2014 gubernatorial election, UCC handled over 3,100 election related calls with just over 500 deferred to the Election Commission Office. UCC staff will provide similar assistance during the 2016 elections. This enables the Election staff to focus on higher priority work.

RESIZE, RESTRUCTURE, AND REINVEST

Workforce Data Tracking: In 2015, DOA's Office of Small Business Development (OSBD) implemented LCPTTracker's Workforce Compliance software to track citywide workforce data across various projects and contracts with Residents Preference Program (RPP) requirements as outlined in Chapter 355 of the Milwaukee Code of Ordinances. This software has improved OSBD's tracking and reporting capabilities. The 2016 proposed budget includes \$29,300 for continued use of LCPTTracker.

Improving Accessibility: The city is committed to providing services and operating facilities that are accessible to all citizens. In 2016, departments will evaluate their programs and take steps to prevent and remove access barriers and ensure compliance with the Americans with Disabilities Act (ADA). DOA's 2016 proposed budget includes a new ADA Coordinator position and \$250,000 for expenses related to ADA compliance projects. The ADA Coordinator will be responsible for planning and managing these projects and completing U.S. Department of Justice mandated reporting.

Safety and Civic Program: This program will improve safety and address citywide problems through effective, targeted public education, and public information efforts. It will address problems such as reducing demand for drugs, raising educational achievement, raising attendance and graduation rates, reducing litter, and other topics that affect Milwaukee's quality of life. The DOA Community Outreach Coordinator, retitled from the Public Information Officer position, will manage this program.

Emergency Communications: The 2016 proposed budget includes a new Emergency Communications Policy Manager position in the Office of the Director. This position will oversee the city's emergency communications

system and will be responsible for ensuring that maintenance and operational needs are adequately met and will develop and implement a long term replacement and upgrade strategy for the city's radio system. The Emergency Communications Policy Manager will work closely with the Police and Fire departments.

Position Changes and Reclassifications: DOA's 2016 proposed budget includes a number of staffing changes to better meet department needs and improve service delivery for citizens. New and reclassified positions in the 2016 proposed budget include:

- Community Outreach Coordinator - Office of the Director (Reclassification)
- ADA Coordinator - Budget and Management Division (New Position)
- Equal Rights Specialist - Office of the Director (New Position)
- CEAC Manager - Office of the Director (New Position)
- Emergency Communications Policy Manager - Office of the Director (New Position)
- Community Analytics Analyst - Budget and Management Division (Reclassification)
- Security and Audit Compliance Analyst - Information and Technology Management Division (Reclassification)

In addition, DOA's 2016 proposed budget includes positions moved to ITMD during the IT consolidation process and eliminates the Community Analytics Coordinator position as a cost savings measure.

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		Public Information Officer] Position reclassified.
1	1.00		Community Outreach Coordinator	
1	1.00		ADA Coordinator	Position to oversee ADA compliance projects and reporting.
1		1.00	Equal Rights Specialist	Staff the Equal Rights Commission.
1	0.60	0.40	CEAC Manager	Coordinate Milwaukee Fatherhood Initiative and other racial inclusion efforts.
1	1.00		Emergency Communications Policy Manager	Position to manage the city's emergency communications practices.
-1	-1.00		Community Analytics Coordinator	Position eliminated.
-1	-1.00		Community Analytics Researcher] Position retitled.
1	1.00		Community Analytics Analyst	
1		1.00	Environmental Sustainability Program Coordinator] Position reclassified.
-1		-1.00	Grant Monitor OES	
	0.50	-0.50	Environmental Sustainability Program Coordinator] Funding changes.
	-0.40	0.40	Environmental Sustainability Program Manager	
1		1.00	Grant Monitor CDGA	Position required by SAMHSA grant.
1	1.00		Document Technician	Position to support Document Services Section.
1	1.00		Security and Audit Compliance Analyst	Cyber security and dedicated resource for audit activities.
-1	-1.00		Applications Development Manager] Position retitled to better reflect current duties.
1	1.00		Systems Integration Manager	
-1	-1.00		Programmer Analyst	Reduced number of Programmer Analysts.
1	1.00		Network Administrator] DNS and Assessor's Office IT consolidation.
1	1.00		IT Support Specialist Senior	
1			Systems Analyst Project Leader	
	0.60	-0.60	Various Positions in ITMD	Miscellaneous adjustments.
8	5.30	1.70	Totals	