

Later this summer, the USS Freedom will be commissioned on our lakefront at Veteran's Park. The Navy could have picked anywhere in the country, but they opted to choose Milwaukee. In January, a British paper raved that Milwaukee had transformed itself from an area that "went into decline" to an exciting new venue and they encouraged readers to choose Milwaukee as a travel destination.

The same goes for businesses like GE Healthcare Technologies. They could be based anywhere in the world, yet three of their largest divisions are based right here in Milwaukee County. Bucyrus International has sites elsewhere in the county but they opted to choose Milwaukee County to grow their business. The folks who run the Falk Corporation could have left town after the tragic explosion last December but they decided to rebuild right here in Milwaukee County.

These are just a few of the successes in our county. Today, I would like to share the progress we made specifically in county government over the past twelve months.

A year ago, I laid out a warning about the looming financial challenges of the county. Thankfully, we got the attention of the public. The Greater Milwaukee Committee put together a task force. The Governor appointed one too. Each of them looked at the numbers we put together for the next five years and all agreed that our projections were correct.

Today, our status is much better. There is hope, but there is also much work to be done to protect the vital services provided by the county while still seeking to protect the taxpayers.

In the next few moments, I want to talk about our fiscal progress, our social progress and our economic progress. Thankfully there is good news in each area.

Our fiscal condition improved greatly in the past year. Our Reality Tour predicted a major shortfall in 2007 and over the next five years. Pension and health care costs were the main drivers for the budget gaps.

Thanks to a tentative agreement with our largest union, we have isolated the largest pension problem for all of our employees. Not one more person will be eligible for the lump sum backdrop payment. This will save the county \$XX over the next XX years.

In addition, we filed a federal lawsuit against the firm that gave incorrect information to the county prior to the vote on the pension plan in 2000. We are confident about our chances for success and we hope that the court would require them to cover a significant part of pension liability.

With or without a win in the lawsuit, we will pursue a pension obligation bonds plan this year. A number of the groups that reviewed our finances identified POBs as the way to cover the unfunded liability for the retirement system.

Using the plan that was unveiled in our budget, the county could save \$6.25 million annually over the next 30 years. That is long-term budgetary relief with a strong stabilization fund that provides long-term protection. Through the workgroup defined in the budget, we will prepare a plan to approve yet this year.

The cost of health care is another area of concern for the county. Last year, we projected a 100% increase in these costs over the next five years. Again, thanks to the tentative agreement with our largest union, the county will save \$300,000 per month.

Our next step should be to work with the other leaders in the Milwaukee 7 project to get local governments from the region into the state health care plan or into a regional plan that can drive down costs even further.

The third area of fiscal progress is with our tax burden. In September, I introduced my fifth straight budget with no increase in the property tax levy. If each of my budgets were approved, the tax levy would be \$22.3 million less in 2007.

Still, we changed the debate over taxes. While I want no increase and the board has added some increases, the average increase over the past five budgets is just X%.

One area of concern that I will continue to monitor is efforts to push for a sales tax increase to fund various programs. In 1991, the county enacted a .5% sales tax with the promise of property tax relief. From 1992 to 2002, the tax levy went up 52%. We do not need another tax increase.

Later this year, ~~In 2008~~, I will propose my sixth budget with no levy increase. I will also oppose efforts to raise the sales tax, period.

Making tough choices to balance our budget hasn't stopped us from providing important services to the public. Our second area of progress is with social programs.

The renewed attention on serving people with mental illness brought the city and the county together – along with many community groups – to address housing options for people with mental illness. Just last month, we approved plans for XXX new housing units that were recommended by the panel the Mayor and I appointed last year.

Furthermore, I am happy with progress we made with the members of the County Board to acquire the former St. Michael's Hospital property. The county mental health complex could move into a new structure that would help it become a world-class facility. It would also protect the neighborhood from the blight of a vacant building. once they move out.

Once we negotiate an agreement for the building, we need to put out bids for the sale of the property currently holding the mental health complex. A reasonable sale price should cover the costs of acquiring St. Mike's, transforming it into a mental health complex and having some left over to create a fund to protect mental health services for years to come. It is clear to me that we must sell this land – not only to cover the costs of a move, but to insure that we have the resources needed to care for those in need.

A report by the XXX task force in XXXX pointed to the need for a new structure for the mental health complex. This is not a new problem, but it does demand immediate attention.

In addition to improving services for the mentally ill, we have made great progress with FamilyCare. Just two years ago, the state changed the terms of the program with the county and created a deficit. Now, the program has a surplus, which not only allows repayment to the county, it allows the program to serve more older adults. The number of people served by the county through FamilyCare in 2006 went up XXX.

The next phase for us is to craft a way for people with disabilities who are under 60 to get service through FamilyCare. Having gone through this process before, we know the pitfalls and we don't want to get into financial troubles with the state.

Young or old, an effective EMS system is important to all of us. Last year, we maintained funding for the paramedic program. Then, we reached a two-year agreement with all of the municipal governments in the county on the system. This is a great example of regional cooperation and I want to thank the Mayors and Village Presidents who are here today.

We also have a unique partnership with the hospitals in the county. The GAMP program is a national model. Because of state and federal changes, we need to move one step ahead and our health care task force is meeting to prepare those changes.

In 2006, we started taking child support related calls for Racine County. It saved them money and it earned us revenue: a win all the way around. Now, we hope to expand that concept to surrounding counties.

The architect of that plan was our director John Hayes. Late last year, John lost his battle with cancer. At his funeral, it was clear that John's work was more than just a job, it was his passion. To honor his legacy, I am announcing today that the offices that hold the staff of

Child Support Enforcement will be forever named the John P. Hayes Center.

John's wife Eileen is with us here today – along with XXXX. On behalf of the county, I want to again thank them for the support they gave to John throughout the years as he worked so hard for families in this county.

John Hayes was also a mentor. One of the people he trained well rose to be was his deputy. Together, they transformed the department. Today, I also want to announce that I will submit the name of Lisa Jo Marks to head the Department of Child Support Enforcement.

So how do we balance our fiscal needs with our social needs? Much credit goes to our employees for finding new ways to provide more with less. In particular, many of our areas are making huge improvements through e-government.

The county is now tracking bids online. We are taking registrations in parks via the Internet. The Interactive Voice Response System will field benefits calls in less than 15 minutes and will be available 24 hours a day. Work orders will be tracked with barcodes. And zoo tickets will be available on the website. These are just a few of the advantages of e-government.

In addition, the size of our workforce is 20% less than five years ago. Finding better ways to do more with less is the key to our success.

Our third progress report is economic and that comes not just from economic development projects, but also from using all of our assets to improve the quality of life in our county – and in turn the business climate.

One our greatest assets is the airport. In 2006, ~~cared for~~ more than 7 million passengers were cared for?at General Mitchell International Airport. Just three years ago, we broke the record with 6 million.

Since the airport is our front door to the business traveler, keeping ahead of the competition is important. In addition to the expanded parking garage, we remodeled each of our concourses and opened up new levels for Midwest and Skyway. We expanded security gates and remodeled the center mall.

In 2007, I propose a project to get the baggage screening out from in front of the ticket stands. In addition, we will pursue a long-term plan to add a third runway and extend the two current runways to provide for safe and efficient operations.

While these improvements are important to all of the airlines at the airport, the largest beneficiary from the changes is Midwest Airlines. They are the largest tenant at the airport and one of the largest employers in the county. Most importantly, they are one of our key brands – like Harley and Miller. We want them to stay and grow and we are doing all that we can to help them.

If Air Tran wants more gates to attract customers from Chicago, we will offer more gates, but not at the expense of Midwest. Between our current remodeling and our long-term goals, there can be room for both at Mitchell.

GE is our anchor at the Milwaukee County Research Park. We just broke ground for a new corporate headquarters and work is already started on a new Crowne Plaza Hotel.

We are looking to announce development of the northeast quadrant of the county grounds by this summer. And with the move of the mental health complex to the St. Michael's site, I propose that the county put bids out for the land across the street. That could be a major new addition to the regional medical center.

New developments are also happening in the parks system. Work will begin on the aquatic center in Lincoln Park this year and the new

season pass for our pools will start this summer. We also hope to have Bradford and McKinley beaches open through the Adopt-A-Beach program.

We added two links to the Oak Leaf Trail this year. Our staff has now replaced more than 100 outdated playgrounds. Nearly 400,000 rounds of golf (some 3,000 in December) took place. And our friends groups grew from 10 to 42.

In 2007, we will kickoff the 100<sup>th</sup> anniversary of the parks system with a major celebration. A-100 concerts and a 100 tree plantings are just a sample of the excitement planned for this season.

Finally, the reason that you are all here is to highlight the excitement at our zoo. Thanks to our partnership with the Zoological Society of Milwaukee County, we added several new landmarks this year. The Florence Mila Borchert Big Cat Country and Miller Brewing Company Giraffe Experience were two such exhibits in 2006.

By the fall, we break ground for the new US Bank Gathering Place as a new grand entrance to the zoo. At the same time, we will begin work on a new home for the return of the flamingos.

Early this year, we will have bids out for a new water park and hotel at the northwest corner of the Zoo property. We have one of the best zoos in the country and these improvements make it even better and it could not happen without a great partnership with the community.

One of the super events we hold at the zoo each year is called Operation Freedom. Last year, some 17,000 military personnel, their families and veterans visited the zoo for free – thanks to the generosity of many local businesses. This year, the Military Order of the Purple Heart will help us organize the event and we will once again host it at the zoo on Independence Day weekend.

This is an amazing year for our Armed Forces and veterans from Milwaukee County. Since last January, our County Veterans Service Office Director Domingo Leguizamon was based in Baghdad with the

XXX of the United States Army. In a few weeks, he will return home, but many more from the county are still deployed.

To honor these special people and their families – as well as the veterans who went before them – I declare 2007 to be Armed Forces and Veterans Year.

In 2007, we will host the commissioning of the USS Freedom. In July, we host the U.S. Wheelchair Games. And throughout the year – on Memorial Day, Armed Forces Day/Week, Patriots Day, Veterans Day, Pearl Harbor Day, and all other times – we will honor these heroes and their families.

And we honor them by the way we protect the historic buildings and gravesites on the grounds of the VA. State Secretary of Veterans Affairs John Scocos and I have appointed a panel to recommend the appropriate use of those grounds and the method of achieving those goals.

Overall, this is a year full of activities to celebrate the members of the Armed Forces and our Veterans. That is why we declare a full year in their honor.

As I said, 2006 was a year full of progress. We made progress tackling our financial challenges. We made progress finding new and better ways to provide key services. And we made progress building a climate for more economic growth in our county and region. In 2007, we must build on that progress while remembering to thank those who give us the platform of freedom upon which we build that progress.