

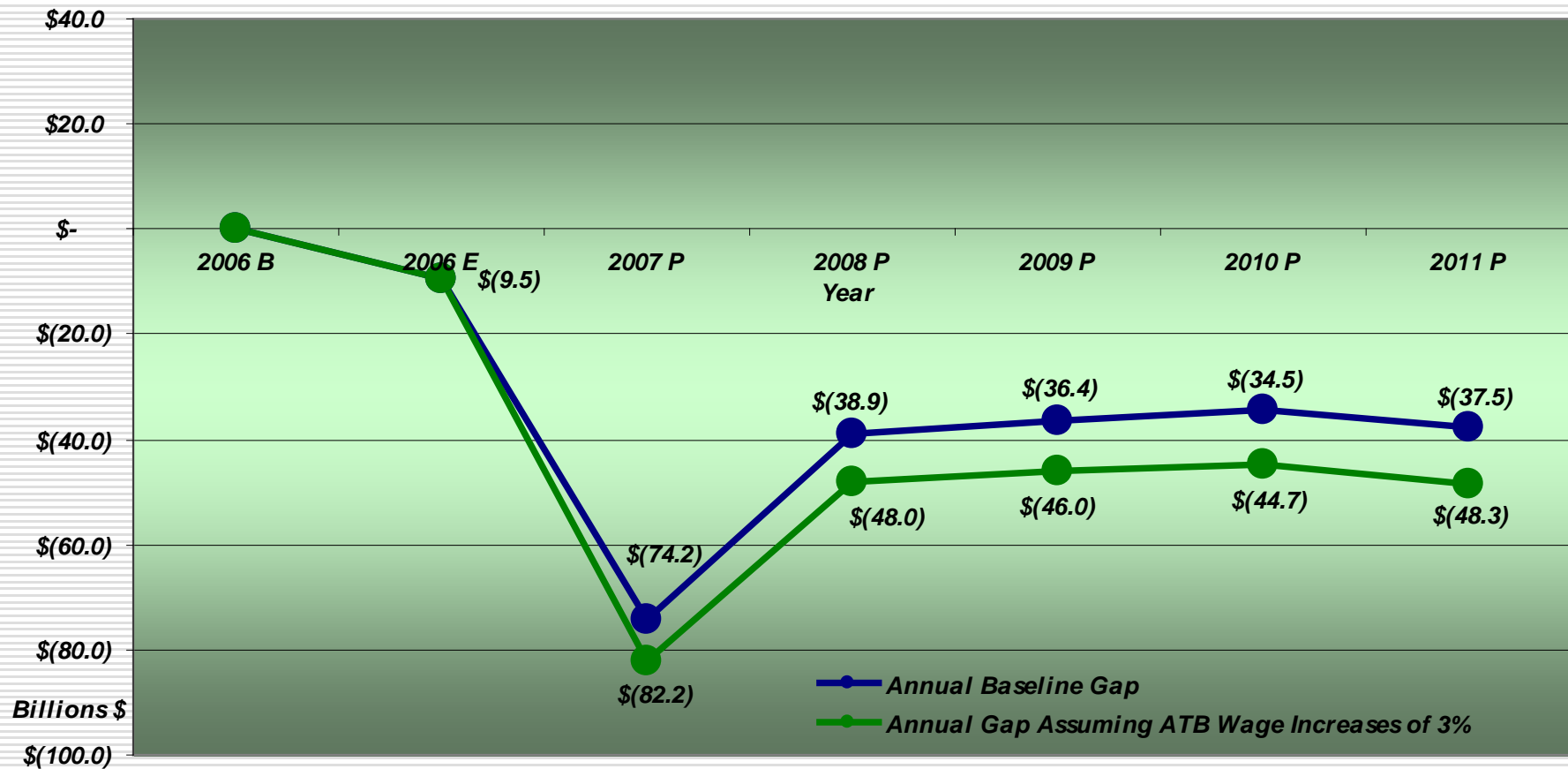
**Presentation to Milwaukee Journal Sentinel
Milwaukee County
April 6, 2006**

Prepared by Milwaukee County Executive Scott Walker

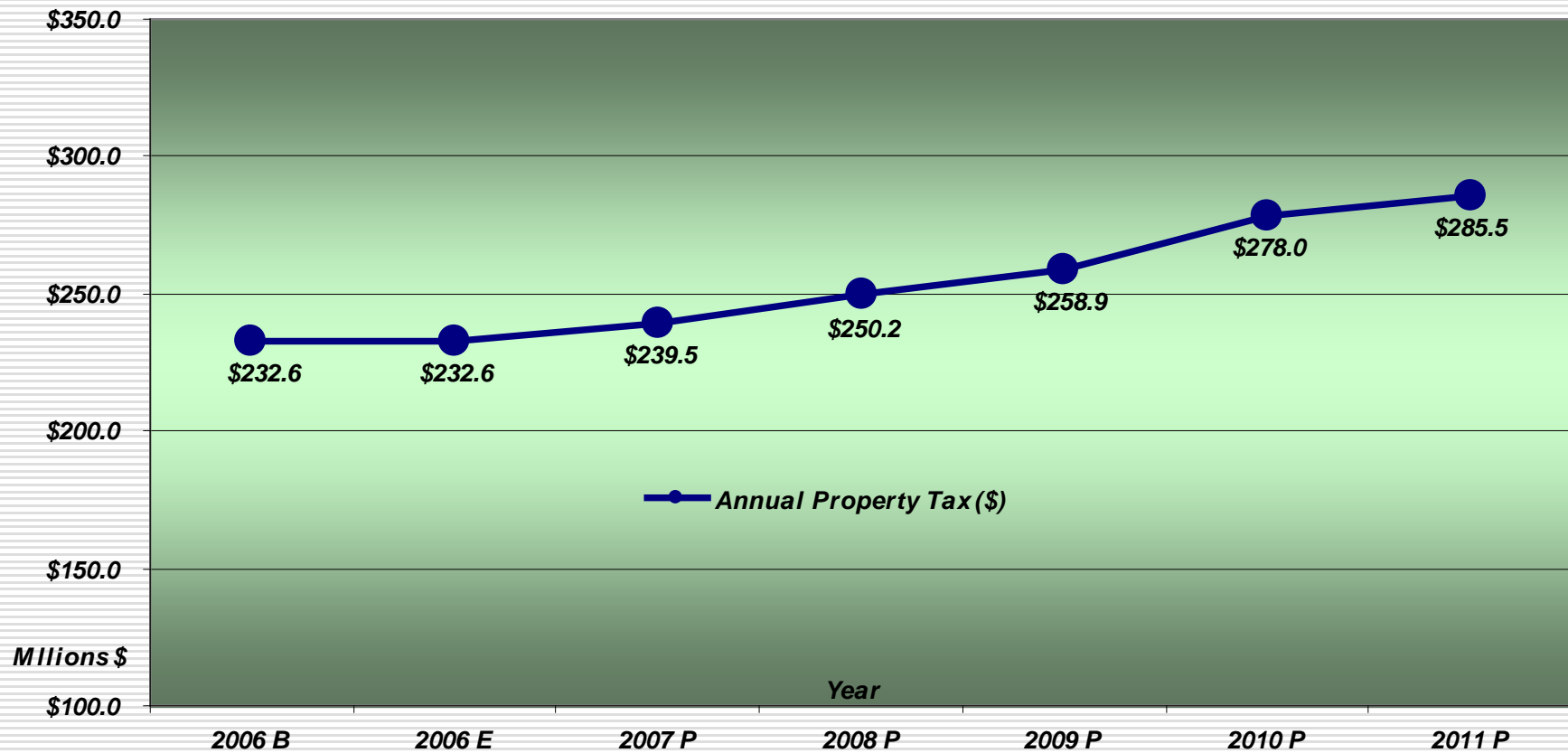
Milwaukee County Financial Management: Milwaukee County is Facing Significant Financial Challenges Between 2007 and 2011

- The County will face an ongoing “structural” imbalance between 2007-2011:
 - The Department of Administrative Services (DAS) has prepared a preliminary 5-year forecast of the County’s operating results for 2007 through 2011
 - Projected annual earned and received revenue will be insufficient to fund projected annual expenditure commitments between 2007 and 2011 based on current program levels
 - This structural imbalance could total \$278 million by the end of 2011
 - This structural problem is being driven primarily by the growth in personnel related costs

Milwaukee County Structural Imbalance: Expenditure Commitments Will Exceed Revenues 5 Year Projection, 2007 through 2011



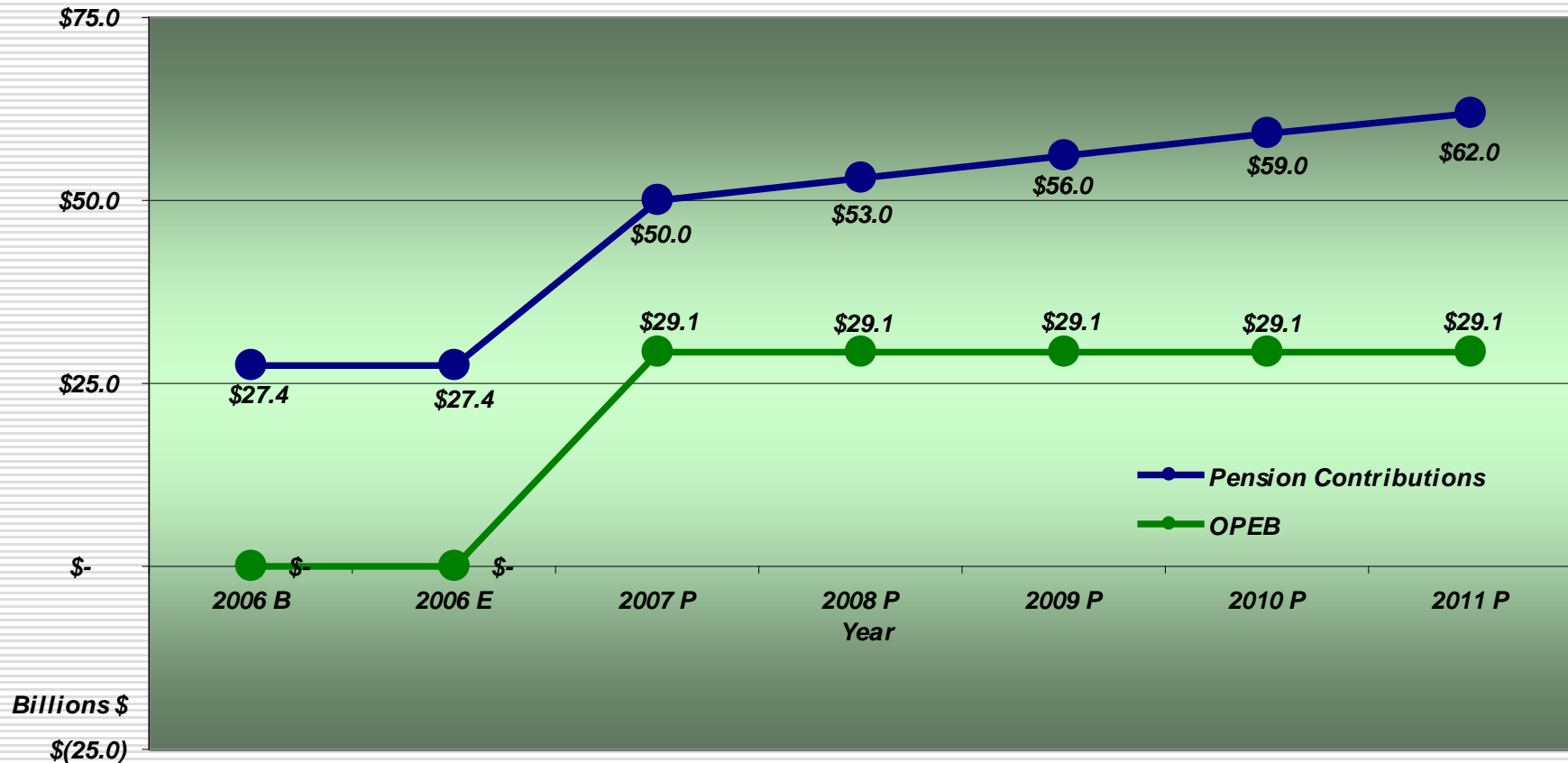
Milwaukee County Structural Imbalance: “Capped” Property Tax Growth Will Not Bridge Gap



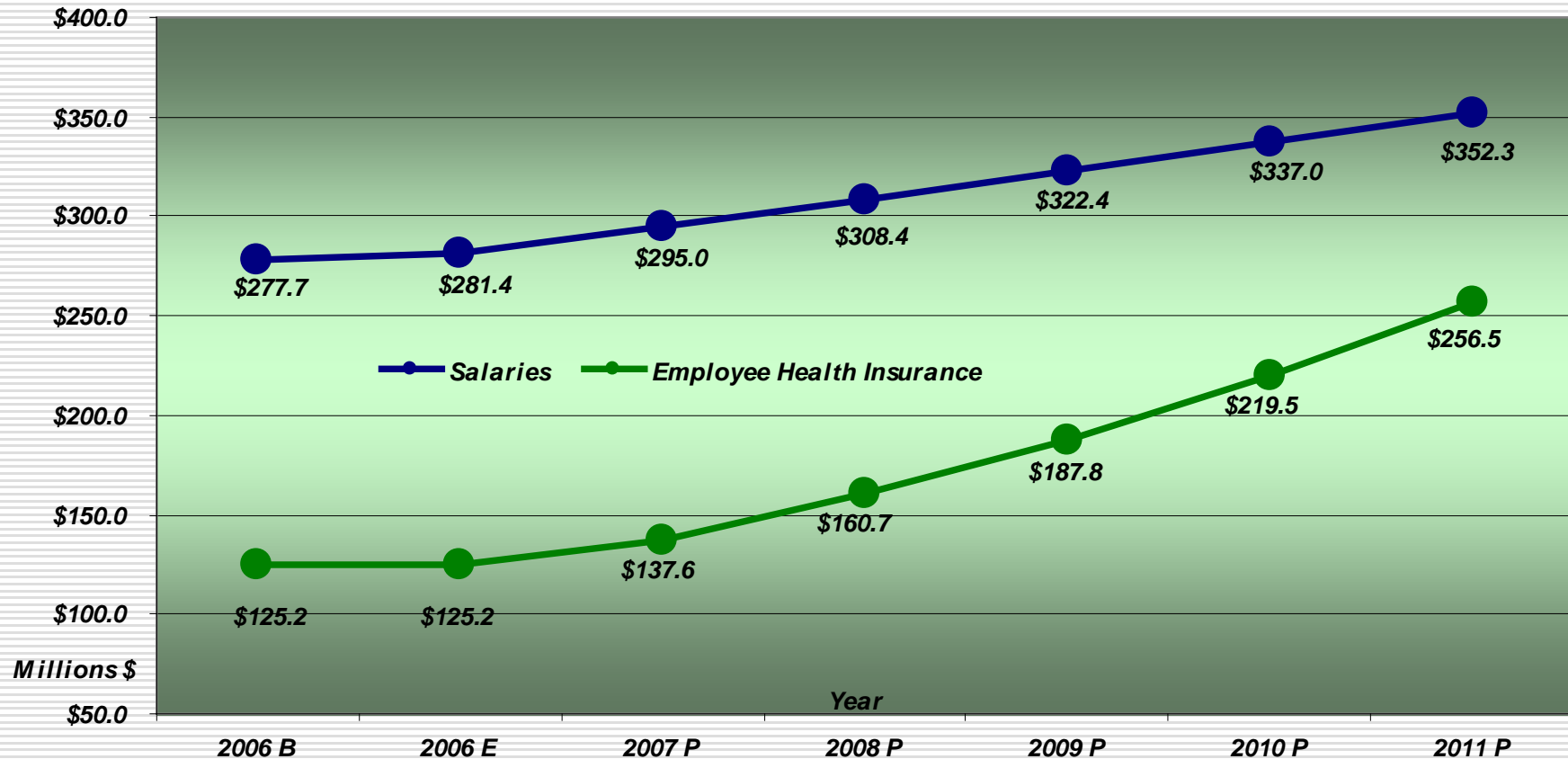
Milwaukee County Financial Management: Milwaukee County is Facing Significant Financial Challenges in the 2007 Budget

- Overall shortfall is projected to be more than \$80 million
 - Pension contribution of \$50 million
 - OPEB (other post employment benefits) of \$29 million

Milwaukee County Structural Imbalance: Pensions Contributions and Preliminary OPEB Liability Are Also Driving Personnel Costs



Milwaukee County Structural Imbalance: Health Insurance Is Driving Personnel Costs- Retiree Health Care is a Large Part of This Growth



Conclusion:

County Will Need Aggressive Management of Finances As It Faces Fiscal Challenges Over the Near and Long-Term

- Consolidate Services**
- Reduce Employees**
- Target Programs**
- Change Process**
- Seek Help**