

Chairman Holloway, members of the County Board, Sheriff Clarke, Clerk Ryan, fellow citizens of Milwaukee County: thank you for the opportunity to address you here today. I also want to acknowledge the XX employees of Milwaukee County who are currently deployed with our Armed Forces. They, and their families and loved ones, are in our thoughts and prayers.

Milwaukee County is a great place to live, work, learn, retire and play. In the current edition of *AARP The Magazine*, Milwaukee is featured as one of the 5 Great Places to Live. Last year, we had more than \$1.1 billion worth of new construction in our county and with all of the cranes popping up, we are on pace to hit that mark again this year.

The number of passengers at Mitchell International Airport exceeded 7.3 million last year and we will break another record in 2007. On Saturday night, we will celebrate the 100th anniversary of the parks system with a big party at Washington Park. Heck, it is September 27th and we are still talking about the Brewers and the playoffs in the same sentence. Overall, life is good in Milwaukee County.

Today, I present a vision for how we can make Milwaukee County even greater.

My vision includes being able to afford to live and to work in this county. The retired couple living on Social Security... the new homeowners with a baby ... the entrepreneur just branching out to start a new business...these are the people we look out for in this budget. This is why we do not raise the tax levy. And it's also why I don't support adding to our overall tax burden with a new sales tax.

My vision includes a safe community. After successfully reclaiming the lakefront, we will give the Sheriff more resources to protect our parks and our buses – and to address violent crime in the City of Milwaukee and beyond. We will invest more into programs that keep our young people out of a cycle of crime. We will do more to supervise offenders and not just check them in at night. And we will preserve one of the best paramedic programs in the country and provide it with advanced equipment to save more lives.

My vision includes a strong economic plan. We will work to break ground for the UWM School of Engineering on the county grounds. We will consolidate our resources to help provide better housing options for those with mental illness. We will transform our assets into new projects that produce jobs.

My vision includes an integrated transportation system. We invest in our bridges, roads and parkways. We maintain our bus routes and our ParaTransit service and will continue to provide discounts for frequent riders and subsidizes for

seniors, students and the people with disabilities. We continue to grow our airport as it is our front door into the region.

My vision includes a safety net for those in need. We continue to provide a managed care system of health care for low-income individuals. We grow our program to provide long-term care for older adults and look to expand FamilyCare for people with disabilities to ultimately eliminate the waiting lists for services. We improve care for people with mental illness.

My vision includes a strong quality of life. We improve our zoo through a powerful partnership with the Zoological Society of Milwaukee and the benefits of some \$30 million of capital investments. We add more hours of work and new equipment for the care of our parks and we move forward with an aggressive new aquatics plan, new playground equipment and new additions to the Domes and the lakefront. And despite our budget challenges, we continue support for our cultural institutions.

My vision includes a long-term plan of reform and good management. We add more financial oversight, propose a solid Pension Obligation Bond program, begin a master space plan and embark on a long-term strategic planning process. We also support a stronger ethics code to reaffirm the public's trust in county government.

So what are the challenges to achieving this vision?

First, we must continue to get a handle on our legacy costs. In 2007, we were able to cap the lump sum backdrop benefit for the final group of employees. Working with the members of the County Board, will continue to push our lawsuit to recover damages including the \$XXX million unfunded liability in the pension system and the additional costs of accelerated retiree health care benefits.

Voluntary agreements this past year with the majority of our unions helped dramatically drop the projected increase in health care costs. Now, we look to fully implement a wellness and disease management program to further drive down those costs.

Overtime is a major issue – particularly at the House of Corrections and the Mental Health Complex. In this budget, we add a major new initiative to improve the recruitment of key employees and the management of overtime. Our challenge is not from the lack of funded positions, but in the difficulty in filling those positions.

Debt service costs from the past continue to drain on the budget. In turn, we present a capital budget that meets our previous target of a \$30 million cap on all bonded projects. This will help us manage the costs of paying off debt in the future.

Finally, we have the challenge of state government. Certainly, the uncertainty about a state budget is a problem for us and all other local governments. With this in mind, we tried to be conservative in our projections for what may or may not be in the 2007/2009 state budget.

Still, the reality is that the state is sticking it to Milwaukee County.

Take the costs of holding a juvenile sentenced into the state system as an example. In every version of the budget (from the Governor's to the Joint Finance Committee; from the Senate to the Assembly to the Conference Committee), all of them jack up the costs by XX%.

Holding a young person in the state system will now cost \$XXX,XXX per year. This is enough to send two kids to XXXXXX on a full scholarship. This is wrong.

Years ago, a former Governor called local government officials big spenders, but it seems that the opposite is true today. In the 2000/2001 fiscal year, the average daily population at state juvenile institutions was X,XXX. Earlier this year, the count was down to XXX. Amazingly, the state has taken little or no action to reduce the overhead costs of running these institutions. So who are the true big spenders? We need the state to cut costs and then lower the rates. Anything less is just a state tax increase on local taxpayers.

Here is one other example. State government requires that the county must hire staff to determine eligibility for food stamps, childcare and Medicaid. There is no choice as this is a state mandate.

Over the past four years, the Governor and the members of the State Legislature have backed away from covering the costs of these programs to the tune of \$X million. Now, to meet another state mandate, we have to take property tax levy from other programs and pour it into this area. It is time for the state to cover the costs of these mandates or eliminate them, period.

Needless to say, we have our hands full with the state. Still, we have faced these challenges before and I am certain that we will prevail. Despite the fiscal storm we inherited, the county is headed in the right direction. Working together, we can accomplish this vision and make Milwaukee County even brighter than it is today.