

Chairman Holloway, members of the County Board, Constitutional Officers, fellow citizens of Milwaukee County, it is my honor to present our 2011 county budget.

~~As I have said before,~~ Milwaukee County was on the precipice of financial and organizational meltdown eight years ago. ~~Since then, D~~despite constant the challenges presented by the economic recession and the former administration's pension and sick leave benefits that nearly left county government bankrupt and formidable opposition, we have had our share of successes in county government.

We reduced the taxpayer-funded workforce by more than 20%; and overtime is down 12% since 2002.

Our outstanding debt will be nearly 30% lower in 2012 than it was in 2002. And two years ago, we agreed on a fiscal reform to take on our existing pension liability. Like many homeowners these days who are re-financing their homes at a better rate, we used Pension Obligation Bonds to save current and future taxpayers \$237 million.

The national bond rating agencies took note of our positive work. Standard & Poor's recently ranked the county financial practices as "strong," and Moody's attributed the improvement to "strong management and prudent budgetary controls."

"conservative budget practices and increasingly strong oversight," and "management's demonstrated ability to respond to budgetary pressures."

How did we control government spending?

~~We told department heads how much money they would have and asked them to prioritize spending based on available revenue. Department heads were required to prioritize spending based on available revenue.~~ Unlike other governments in this area, we crafted eight straight budgets with no increase in the property tax levy from the previous year. Last year, when other state and local governments faced massive budget shortfalls, Milwaukee County finished the year ~~with~~with a slight budget surplus.

And we did it without sacrificing quality.

Since my last budget address, the Milwaukee County Parks Department was awarded the prestigious 2009 National Gold Medal for Excellence as the best park system in the country. Congratulations again to Sue Black and her team for doing such a great job.

Congratulations too go out to Stephanie Sue Stein who helped us start Family Care in Milwaukee County. Ten years ago, there were **2,500** older adults on a waiting list for long-term care services. By the middle of 2002, the county had eliminated the waiting list. And today, we serve some **XXXXX** seniors through Family Care.

General Mitchell International Airport is another award-winning county asset. Since 2002, we have invested \$199 million dollars in airport renovations and improvements without increasing the property tax levy. Those investments have paid off. Today, our airport is the fastest growing airport in America and one of the fastest in the world.

Those investments, along with the hard work of Barry Bateman and his team, helped us bring in a new hub, new airlines and expanded service.

This all means more jobs, more flights and lower fares.

~~These are just a few of our success stories.~~

~~Now, looking forward,~~ our budget is built on five major objectives:

1. To make it more affordable for families to live and work in Milwaukee County.
2. To create a better environment to retain and attract new jobs.
3. To maintain a high quality of life for Milwaukee County residents.
4. To provide a balance between public and private sector benefits.
5. To enact major budget reforms to protect taxpayers and ensure the long-term viability of county assets and services.

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1. Afford to Live and Work in Milwaukee County

~~There has never been a more important time to commit to the principles of limited government and fiscal responsibility.~~

~~Our Intense focus on our flagging economy has been the subject of numerous commentaries and reports. Without exception, the authors agree that we need generated a groundswell for~~ fundamental change to put our economy back on track---

~~And the first order of business is to~~We must continue to change the way government does business to helps employers maintain and grow jobs, rather than making it more expensive for employers and families to make ends meet.

~~_That is what we've done for eight years, and it is what we will do again next year.~~

~~We know that it won't be easy.~~ Since ~~the beginning~~2002, we've been engaged in perpetual battle with those who refuse to keep spending in check and are determined to maintain a status quo that Milwaukee County families and employers can no longer afford.

For years, I've been talking about the need to keep it affordable to live and work in our county. ~~Remember A perfect example is~~ the story I've told of about Bob Bitters.² He is the retiree who expressed his concern about all of the seniors in his neighborhood who could barely afford to live in their homes.

He sent me a Christmas card after our first budget that affirmed why I work so hard to hold the line. Inside the card, was a copy of his tax bill with a circle around the county ~~line~~tax. It was the only part of the bill that went down. He wrote a big THANK YOU above it. Guys like him remind me how important that it is to hold the line on spending.

But it is not just our seniors who are suffering. Young couples just starting out,³ small business owners struggling to get-by pay, working families trying to avoid foreclosure – these are the stories I hear too often and these are the people who need our help in this budget.

With these concerns in mind, I am doing more than just holding the line on the tax levy this year, I am proposing a budget that will lower the property tax levy for Milwaukee County by \$1 million.

2. Attract and retain jobs

~~Milwaukee County is blessed by the beauty of our great lake and our pristine parks and trails. Our natural resources combined with the ingenuity and strong work ethic of our people, make Milwaukee County — and the state of Wisconsin — a great place to live, work, raise a family and to retire in.~~

~~Our companies are recognized as world leaders in everything from manufacturing motorcycles, to brewing beer. Our people are famous for our midwestern work ethic.~~

~~But too often we hear businesses say that government is getting in the way, making it harder for employers of all sizes to maintain and grow jobs right here.~~

Residents and visitors enjoy our beautiful lakefront, parks and trails. Our zoo and museums are world-class attractions. As a result of these resources and of the strong work ethic of our people, Milwaukee County is a great place to live, work raise a family and retire.

We take pride in the companies here that have become Milwaukee brands – world leaders in manufacturing motorcycles, padlocks and giant cranes, to employment services and brewing beer.

Last year, I proposed an aggressive plan to retain and attract jobs in Milwaukee County. That proposal included an Executive Office of Business Development that would work with each of the 19 municipalities to promote economic development throughout the county.

Because ~~of the fact that~~ our county is the only one in the state filled entirely with incorporated cities and villages, economic development work is driven at the municipal level. For example, Milwaukee has a Department of City Development with more than 200 employees.

Still, the county can play an important ~~roll~~role in helping to support and coordinate efforts throughout the county. In the past, we helped the City of Wauwatosa attract GE Healthcare and plenty of high paying jobs to the Milwaukee County Research Park. Today, there are 113 businesses in the research park that employ approximately 4,600 people.

This office can help spur more development like this throughout the county. In addition, I propose a new position within the Mitchell International management to oversee the rapid development of land at the airport.

Our investment in transit includes maintaining existing routes and does not raise fares on regular bus routes. These are major concerns for employers and we responded in this budget.

And to get people to and from work faster, the plan includes a new Bus Rapid Transit line along the corridor on Fond du Lac and National avenues. The ten-mile BRT line will include upgraded shelters, signal controls and dedicated traffic lanes to improve travel time on the route.

Last but not least, Finally, the plan includes major investment to improve and expand capacity at General Mitchell International Airport. For many, this is our front door to the business community and we continue to make major improvements at our record-breaking airport.

3. Maintain Quality of Life

~~Our~~ Our budget also maintains the quality of life for Milwaukee County residents.

It once again starts with our budget priorities to keep public safety funding intact while fully funding - and in some ~~eases~~ areas expanding funding - for safety net programs for low-income families, children, veterans, and people with ~~disabilities~~ disabilities.

Working with the Sheriff, we built a budget to protect public safety. We will construct a special area for domestic violence victims to meet with the District Attorney – much as we supported a witness protection program in the past. And we continue to support our Emergency Medical Services (EMS) system to ensure paramedic service in all parts of the county.

Despite a tough economy and a tight budget, we maintain safety net services for people with disabilities, older adults and veterans. In fact, our plan provides an additional **\$1.7 million** for the expansion of Family Care to include people with developmental and physical disabilities.

Milwaukee County serves 20,000 people each year who suffer from mental illness. But if just one person falls through the cracks, this is unacceptable. Our budget adds **\$5.5 million** to improve our mental health services. This includes additional positions for patient care, increased security and more community-based care.

And we are investing in our parks and recreation facilities too.

Our budget continues ~~an~~ the investment in our gold medal-winning parks system. The parks, pools, golf courses and community centers remain open in 2011. In fact, we put over \$4 million in the budget for general maintenance and infrastructure improvements.

~~And we~~ We include funding for a new master plan at the zoo to continue to improve the quality of the attractions through our partnership with the Zoological Society of Milwaukee. We also fully support our cultural institutions and programs.

4. Create Balance between Public and Private Sector Benefits

Probably the most critical part of this budget addresses the need to create a balance between the benefits received by public and private sector

employees.

~~Today, over 48% of the county budget goes to fund wages and benefits for county employees, — Wages and benefits comprise more than 48% of the county budget, and the cost of benefits is growing at an alarming rate. Delivery of necessary services will be affected if these costs are not controlled. Neither the problem nor the proposed solutions are unique to Milwaukee County.~~

~~With so many Many private sector workers in the county are seeing their wages and benefits frozen or cut to preserve jobs, it is hard not to expect the same from those in government. Just ask the workers at Harley-Davidson...~~

~~.And Ww~~ While we have taken actions in the past to help control costs, we must negotiate additional concessions to help balance the escalating cost of public employee benefits for taxpayers, now and in the future.

This budget includes major reforms including:

- asking county workers to make the employee contribution to the pension system,
- ending the step increase for wages,
- redesigning the healthcare plan for non-union employees and retirees to lower costs,
- changing the pension multiplier, and
- ~~plus, no eliminating~~ furlough days for employees who helped balance the budget with the wage and benefit reforms.

~~I want to thank the unions and the non-represented employees who helped balance the budget by accepting reasonable wage and benefit reforms. This budget protects their jobs.~~

~~For members of collective bargaining groups that are not currently helping the county balance its budget, we include a fall back provision. If the wage and benefit reforms are not met, the 2011 budget will be balanced with furloughs and potential layoffs. Public safety and direct patient care will continue to be exempt from these potential changes.~~

~~So it is clear, the budget is NOT built on furlough days or layoffs, but on reasonable wage and benefit reforms. But, if some groups fail to help us with these reforms, we have built in a back up plan to balance the next budget.~~

In tough times, people all across our county are making sacrifices to keep people working. County government should be no ~~acceptio~~ exception.

5. Enact Major Budget Reforms

Developing the budget for Milwaukee County is never an easy task given the financial devastation caused by the county pension deal of 2001.

~~Certainly, our work~~In the past, we worked together to save the taxpayers \$237 million through our pension reforms ~~was a good thing~~. Our 2011 budget proposes even more long-term fiscal reforms:

First, the proceeds from all county land sales will be used to fund a limited number of one-time projects or to pay down the county debt.

Second, the 2011 budget does not issue additional general obligation debt. In fact, outstanding debt in 2012 will be down by nearly 30% from where it was in 2002.

Third, the budget abides by the bonding caps that help maintain our strong bond rating (even while places like Dane County saw their bond rating go down this year).

Fourth, the budget continues the use of public-private partnerships to leverage private sector funds for capital improvements in the parks, the zoo and other cultural institutions. Using tax dollars to leverage private investments, these partnerships help improve the quality of life for Milwaukee County residents while maximizing taxpayer resources.

Each of these items, along with the proposed reforms in wage and benefit packages, will help the county to be financially ly sustainable into the future.

Conclusion

~~Finally~~In conclusion, let me remind you that the objectives of our budget are simple:

1. Make it affordable to live and work in our county.
2. Create an environment to retain and attract jobs.
3. Maintain a high quality of life for our citizens.
4. Provide a balance between public and private sector benefits.

5. Reform the budget process to insure that the county is financially viable into the future.

Our budget balances the importance of maintaining vital human services and investing in our future, with the need to control the growth of government spending to reflect the taxpayers' ability to pay.

| I look forward to working with ~~each of you~~ the members of the County Board to make our county stronger and more vibrant --- and an even better place to live, work, raise a family and ~~(ultimately) to retire~~ in.

| ~~Tuesday, September 27~~ Wednesday, September 29, 2010