

Chairman Holloway, Honorable members of the County Board of Supervisors, County Clerk Ryan, fellow residents of Milwaukee County. Good morning.

First, I want to thank you for giving me the opportunity to address this body to discuss our proposal for the 2003 Milwaukee County budget. Our goal in putting together the budget was to balance the need for county services with the pressures of paying for county government.

Soon after taking the oath of office on May 9th, I started working to find that balance. Making matters even more interesting, I inherited a \$51 million shortfall from the previous administration.

I am happy to report that we met the challenge. The budget that I present to you today is balanced and includes no increase in the property tax levy.

Achieving a balanced budget with no property tax levy increase is the foundation of our efforts to rebuild Milwaukee County government. In the 2000 census and 2001 adjusted census statistics, Milwaukee was the only county in the state to lose population.

We need to send a clear message to our current residents and businesses that we don't want them to leave. In fact, we want to attract more residents and more job creators back to our county. Holding the line on property taxes sends that strong message.

How important is the issue of property taxes? Just ask XXXX who showed up at one of our Interactive Budget Briefings. XXXXX

To build a balanced budget with our turning to the property taxpayer, we started with our priorities. Soon after taking office, I asked our department and division heads to sort programs by priorities into one of three categories: the Must, the Might and the Maybe.

It is my belief that county government cannot be all things to all people. Instead, we must focus on the programs and services that we provide that support our core mission.

We also asked the public to help in this budget process as we held 7 Interactive Budget Briefings across the county and distributed surveys to hundreds of interested individuals. The goal of these sessions was to help us establish priorities and to communicated to the public the shared responsibility of balancing the budget.

Out of this process came the priorities that are the building blocks of this budget.

To support Senior Citizens in our county, this budget maintains support for our senior centers and meal programs. We also continue to support Familycare. This unique partnership with the state helped us eliminate waiting lists for programs starting on July 1.

To support individuals with disabilities and the families and friends that support them, we restored funding for key programs like Birth to 3; respite care, Camp Wil-O-Way and in home care.

Hearing from XXX and XXX XXX at a special briefing we had for families supporting people with disabilities made a huge difference in how we built this budget. They have XXXX

To support efforts to keep youthful offenders out of the costly prison system, we restored cuts for programs that provide an alternative to detention for young people. Hearing from people like XXXXX who works with XXXX ... at the briefing in the King Center...

To support the healthcare and childcare needs in our community, we expand the funding available for the General Assistance Medical Program. We also provide support for Child Day Care Certification and Enforcement – as well as other programs to improve childcare options.

To support those with mental healthcare needs, we continue to operate the Community Support Program and the acute inpatient program in 2003. We must, however, find more effective ways to run these programs in 2004.

To support our public safety needs, we provide increases in funding for the court system and the Sheriff's Department. While all other areas were asked to reduce their budgets, these two areas received significant increases in funding. In fact, we even relieved pressure on the Sheriff's budget by funding the purchase of bulletproof vests through Local Law Enforcement Grants.

To support our valuable resources in the Parks system, we maintain our services and focus much of the capital budget on maintaining our current infrastructure – instead of building new attractions.

These are the key functions of county government and this budget was built to address those priorities – as set by our employees and the public.

To meet the challenge of balancing a \$51 million shortfall - without seriously reducing key services - this budget includes major changes in the operations of county government.

Three former departments are combined to create a new Department of Administrative Services which reduces 20 positions and saves \$1.4 million.

The stature of programs for Disadvantaged Business Development and Economic Development is increased in this budget. Thanks, in particular, to Supervisor Joe Davis for working with us on the DBD improvements.

This budget includes significant reductions in management positions within the Department of Human Services. We also call for a plan – due by June of next year – to create a new County Department that will combine the current DHS with Behavior Health and with County Health Programs.

Managers are asked to take reductions in pay and employees making more than \$50,000 are asked to forgo wage increases; and innovations are put into place for the delivery of health care to our employees and retirees – all in this budget.

The alternative would be to layoff mass numbers of employees. To me, this option was unacceptable, as it would have a direct impact on the services delivered by the county from front line workers.

And let me make it perfectly clear that I believe that the majority of employees in Milwaukee County government are dedicated public servants. The salary changes that I propose in this budget are not a reflection of performance, but a reaction to the reality of our fiscal situation.

This budget also assigns many of the recommendations on hiring practices from the Legislative Audit Bureau report released last week to our new head of Human Resources Chuck McDowell. The budget also calls for the creation of a Blue Ribbon Commission to examine the role of the civil service process in the county.

A number of the other areas in which I propose change require the assistance of state government. For the following items, this budget calls for the requests from the State Legislature:

- The creation of a new parks district that will include elected commissioners and will be funded by a transfer of funds and authority from the county tax levy.
- Full funding of all of the costs of operating the courts in Milwaukee County in exchange for a reduction in state shared revenue equal to the court costs.
- A constitutional amendment to allow Milwaukee County to consolidate the positions of Clerk, Treasurer and Register of Deeds into a single appointed position.
- Increase in state aid to cover the full costs of expressway patrols provided by the Sheriff's Department.

In preparation for the future, this budget also includes several measures to improve our financial and budget situation in 2004. We want to build a county government that is fiscally sound for years to come.

A fixed contribution to the pension fund is locked in for the next five years. During the past two years, the contribution was less than 32% of the amount identified by an actuary. In addition, we look to have Corporation Counsel pursue the case brought by District Attorney E. Michael McCann to challenge the legality of the lump sum payouts.

Success in this legal matter will save (at least) \$3.5 million according to the actuary for the Pension Board.

The budget changes the model for the delivery of healthcare to county employees and retirees to reduce costs in 2003 and in future years. I want to acknowledge the work of Matt Janes who took my request to try and find some creative and innovative alternatives to heart and helped to shave \$10 million over the \$13 million increase in healthcare costs. I also want to thank Rich Abelson and others from organized labor for being willing to work together to tackle our healthcare cost problems.

The 2003 capital budget places a heavy emphasis on the maintenance of current county infrastructure and facilities. Gone are the days of new, major projects for the Parks Department. Instead, we aim to maintain our valued resources.

The 2003 capital budget is also \$XXXX less than previous years with \$xxxx in bonding. This reduces the amount of unspent bond proceeds and reduces debt service for 2004.

The Legislative Audit Bureau raised serious concerns about the lack of accounting for the funding of the sick leave benefits granted in the past. A portion of the revenue captured from land sales is targeted for sick leave benefits in the next year and another portion is used to increase Appropriations for Contingencies.

The audit also provided some options regarding the Wisconsin Retirement System. This budget proposal includes the creation of a Blue Ribbon Commission to review the implications of such an idea for Milwaukee County.

Beyond that specific issue, this budget proposes major changes to the membership of the Pension Board. These changes will insure the independence and financial competence of each member. We also include changes to insure the full disclosure of all information about any future changes to the pension system.

The 2003 proposed budget also includes partnerships with other levels of government. Milwaukee County and Waukesha County have reached an agreement for the transit system to administer \$X million in transit funding for Waukesha County. Thanks to Dan Finley for approaching me with the idea.

Milwaukee Mayor John Norquist has an idea for combining nursery operations with the county and we are looking forward to that and some other options for combined purchasing.

All of these changes will build the foundation for us to be better prepared for the next budget.

Thinking ahead to 2004, this budget includes language to change the salary of the county board to a part-time status and to permanently change the salary of the county executive at the start of the next term.

It is not fair to dramatically change compensation in the middle of a term. With this in mind, the only reduction in the salary for members of the board will be the 3% that mirrors the amount received by all other employees in the Executive Compensation Program – including the members of my staff and all of my recent hires.

Finally, our 2003 budget proposal is about more than balancing a \$51 million shortfall. It is about more than just avoiding a property tax increase. This budget is about the courage of the people in Milwaukee County.

Back in January, the people could have allowed anger and outrage to slide into cynicism. Instead, tens of thousands of ordinary people did an extraordinary thing – they rose up and took back their government.

The interest of the people is not waning – as we saw with the overflow crowds at each of our interactive budget briefings.

We have a slogan in our office that matches the courage of the residents in our county. The slogan is “Failure is not an option.” This budget meets that challenge by building on a firm foundation. Together, we can build an even brighter future for the people of Milwaukee County.

Thank you. God bless you and all of the good people in Milwaukee County.