

Former baseball great Yogi Berra once said, "It's deja vu all over again."

The challenges we face in putting together our 2004 county budget are a lot like that. Pension payments and sick leave benefits are at the top of the list again this year. Growing costs for wage increases and health care benefits approved by the past administration also add to our problems. Add in the millions cut by Governor Doyle's budget and we have a shortfall that totals \$97.3 million.

Financial Legacy Inherited from Ament

Tom Ament's pension enhancements and sick leave payments approved in November of 2000 are such a financial albatross around the neck of county taxpayers, it is no wonder that the Finance and Audit Committee chair at the time and the current chair both voted against the plan. In fact, the pension payment is twice what it was last year and \$36 million more than what was requested in the 2002 budget left by the previous administration. Sick leave payments are four times as much as a year ago.

This is important to note since it is the legacy of financial mismanagement left by the Ament administration that leads to the overwhelming majority of reductions in this budget. Under the current state law, less than \$3.5 million of the \$97.3 million shortfall could be made up with an increase in the property tax levy. Regardless of your view on a property tax freeze, the remainder must come from reductions in county spending.

This is an important point and it merits repeating. Even if the county board chooses to go against my position and raise property taxes to the maximum amount allowed under current state law, you will still have to consider more than \$90 million worth of cuts.

This is the financial legacy we inherited from the Ament administration.

Add to these challenges the millions cut by state government and you can see that balancing this 2004 county budget was no easy task. Thankfully the budget passed by the State Legislature reduced the impact of the cuts originally proposed by the Governor or the shortfall could be well over 100 million dollars.

Simply put: the problems inherited from the Ament administration and the problems brought on by the Governor's budget are the cause of the shortfall for 2004. My pledge to freeze property taxes is not the reason for these cuts, but it is the Ament administration putting the interests of a select few ahead of all of us who live, work and pay taxes in this county.

I will not, however, pay for the sins of the past by raising the property taxes of senior citizens nor of working men and women in this county. They do not support these pension and sick leave benefits and they should not have to pay extra for them.

Property Tax Freeze

Holding the line on property taxes would be much easier if not for the financial albatross of the Ament administration. In fact, if I were looking for political cover to balance the budget, many people would say that the problems are not my fault and give me a pass.

The fact is, however, that I was elected to provide leadership to this county government. True leadership means looking for solutions and not political excuses.

It is clear to me that the economy has taken a toll on our working families and on our senior citizens. At a time when many households have the same or less income than they did a year ago, the last thing we should do in government is talk about raising their taxes.

While some will point to things out of our control - like past pensions, sick leave benefits, negotiated wage increases, health care costs and state aid cuts – and say that government cannot make that many reductions in spending, I know that we must. The grim alternative would be to ask our seniors and our working families to cut further into their own budgets.

People all over the county are affirming this – from senior citizens to young parents just starting out on their own. Last December, I got a Christmas card from Bob Bitters with a copy of his property tax bill inside. Bob is retired and lives on the south side of Milwaukee. He was happy with the bill because his county portion went down enough to make up for the increase in the other areas on the bill. Without this help, he said that many retirees like him would be forced out of their homes. Thanks for the card and support Bob.

Alma Linda Ramirez came to one of our briefings at the United Community Center. She grew up with 11 other brothers and sisters, worked hard, and now – she is the first in her family to own a home. Alma Linda told the crowd and me at the UCC about her dream of a home for her and her three kids and how she is afraid that rising property taxes will force her to sell her house. I was moved by her passion and asked her to join us here today. Thank you for your courage, Alma Linda.

When I have to choose between siding with more faceless government bureaucracy or siding with overburdened property taxpayers like Bob and Alma Linda, I choose to stand with the working men and women and with the retirees in our area who say enough is enough. For them, this budget provides the lowest equalized county tax rate since 1981.

Lean and Clean

With this in mind, I put together a budget that provides for a Lean and Clean county government.

This budget will freeze the salaries of all non-represented employees at the 2002 level – in addition to me keeping my promise to give \$60,000 of my personal salary back each year. This is the second year in a row that most of these folks have gone without a

salary increase because of the budget. I want to thank them and let them know that I truly appreciate their work and their sacrifice for the county.

Overall, this budget includes a major reduction in the number of managers while maintaining steady numbers of employees at the front line in key programs. The most dynamic example of that comes in the areas of parks and public works – which I will discuss in a few moments.

During August, I held 10 different Interactive Budget Briefings and got many ideas from the general public – as well as interested employees. Our county workers also shared cost cutting measures on a special web site.

Many of these common sense ideas are in this budget: we end personally assigned vehicles (except for emergency personnel); we reduce travel and membership dues; we cut professional service contracts; county employees will drink the same tap water as everyone else instead of taxpayer funded bottled water; we limit temporary hires and limit retired county employees coming back to work; and we end the buy back and carry over of vacation time.

Parks and Public Infrastructure

After a great deal of work by a number of dedicated employees and groups, I am happy to announce our plans for a new, reformed Department of Parks and Public Infrastructure. This department will consolidate the services and administration of the previous Parks Department and Department of Public Works.

Parks will have a distinctive place in this new department – along with areas for highways, fleet, architecture, building maintenance, the airport and the transit system. Major layers of management are reduced in the plan and jobs are put on the front lines of service. In fact, 56 positions – mainly management – are eliminated and another 10 are moved into lower pay levels. These changes alone save some \$2.3 million.

While much of the bureaucracy is gone, this plan does not eliminate the Park Maintenance Worker One jobs that are currently on lay off. It is my hope that our negotiations with the union will be fruitful and we will find alternative ways to balance the 2004 budget so we can bring these people back to work.

To address the long-term issues of funding for the parks system and making management of our parks system more accountable to the public, I propose that a referendum be held this spring to create an independently elected Parks District. This would remove our parks from the decades old struggle for tax levy with mandated and social service programs.

Even though we face a \$97.3 million shortfall in this budget, I do include significant funds for the upkeep of our parks system. We replace dangerous playground equipment, begin work on shoreline protection, fix the Mitchell Park Domes, continue the Oak Leaf Trail, repair other countywide trails and provide general maintenance of

the parks to make certain that all of our citizens have access to our wonderful system. We also reduce revenue estimates to accurately reflect past experience.

Furthermore, I want to make it clear that I do not look to privatize the entire parks system. I will not sell off our parks. Instead, I want to continue to work with the community to support public access to and support of our wonderful community assets. At times, this may require looking at expanding our partnerships with the private sector to provide specific services within a public parks system.

For example, we begin to phase out the full use of county run green houses. Once done, the county will run operations for the Domes and Boerner Botanical Gardens and will purchase the rest from the private sector. This will save substantial funds that can be used to support the parks system. I will ask our new Parks Superintendent to work on an objective review of other areas – like the operations of our golf courses and our concession stands – to see if we should pursue partnerships there too.

Clearly, we will seek to continue our relationships with parks advocates like the Parks People, Preserve Our Parks, Friends of Lake Park and Friends of Boerner Botanical Gardens. These public/private ventures lead to a better system for everyone.

In another example of a great partnership, we now have an agreement with MPS to use Vincent High School and Pulaski High School to provide for pool hours during the summer for those who currently use Noyes and Pulaski indoor pools. We will provide the lifeguards and they will provide the pools.

Jobs, Jobs, Jobs

Besides Parks and Public Works, we cut the bureaucracy in other areas too. Fighting to reform county government will help keep jobs here and make us more competitive in the fight for new jobs. Our budget includes the merger of Economic Development and Housing into one department. This will reduce one director, plus eliminate and adjust several other positions – all to streamline our efforts to bring more jobs to the county.

We also look to expand opportunities for businesses run by people of color and by women through the new Office of Community Business Development Partners. This will replace the current DBD office and will push to go beyond certification to the active recruitment of minority businesses.

We will also continue our role as a founding partner in the Minority Business Opportunities Committee, which is housed in our space at Schlitz Park. This unique partnership with the private sector and the federal, state and city governments will help us connect minority businesses to real job opportunities within Milwaukee County.

This budget also creates a Community and Economic Development Fund (otherwise known as a CED fund) that is started with revenue generated from the land sales on the old Park East Freeway land. In mid-October, I will host a Jobs Summit with leaders from a variety of areas throughout Milwaukee County. At this summit, I will work to develop specific criteria and guidelines for the use of these funds.

Let me be clear that I will work to use this fund and all the other tools available to attract new jobs to Milwaukee County and to retain and grow the job opportunities already here. Growing our tax base through more jobs is the best way to provide for the future of our county.

Human Services

A healthy economy also helps us care for people in our county. Facing a \$97 million shortfall, some suggested that I cut out key programs for those in need here in Milwaukee County. This budget provides for the vital needs of the most vulnerable in our society:

- While it is not a service mandated by the state, we provide \$14.5 million for the General Assistance Medical Program to provide medical care for the needy.
- We will maintain programs targeted to keep kids out of our criminal justice system and add a new program targeted at young women.
- While they once showed up on a cut list, my budget still includes funding for the homeless, through shelters and for people with disabilities, through programs like respite care and Birth to 3.
- Through new EMS contracts, we will work with municipalities throughout the county to improve billing to fund our paramedic program.

For people who suffer from mental illness, this budget provides funding for Targeted Case Management and Community Support Programs. Since agencies providing these services in the community score well on reviews, we move all of the programs to community-based providers under this budget.

Seniors and Veterans

I reaffirm my commitment to the senior citizens in Milwaukee County by providing funds: to operate our Senior Centers, to provide meal programs; and to continue the Familycare system. Thanks to Stephanie Sue Stein and her staff for doing a great job of being creative in running programs for seniors in our community.

For our veterans, this budget includes funds for staff and services. We are also excited to partner with the State Department of Veterans Affairs to move our offices to the VA grounds so our vets have a one-stop location for assistance. The state is giving us staff to prepare for the move. I also appreciate the help of Interfaith in providing additional positions for this office. It is only right that we serve those who so bravely served their country.

Public Safety

At the House of Corrections, we listened to employees and cut management and reduced payments for things like newspapers, stamps and aspirin. Programs like the Day Reporting Center – which help reduce the number of inmates in the House - are also included in the budget.

The budget ends the farm and fish hatchery program for inmates, but we hope that area fishing groups and food banks will accept our offer to run the fish hatchery and to use the farm. Per our discussions, we know that there is a real interest. In addition, our reductions in management staff will not reduce the number of front line correctional officers.

For years, the budgets of the Sheriff's Office and the courts have forced cuts in other parts of the county budget. This year, the Sheriff's Office asked for a 18.5% increase (or \$9.2 million more) and the courts asked for a 10.3% increase (or a \$2.6 million more). In response, I said no.

Public safety is a priority for county government, but this does not mean that we should not ask for more efficient ways to protect our citizens. I want to thank the Sheriff and his staff for working with me on the 2003 budget deficit and for working with me on ways to reduce their increase for 2004 in a manner that still keeps us safe.

This budget includes a reduction in programs, but the deputies are transferred to other parts of the Sheriff's Office where over-time costs are really hurting our bottom-line. In addition, we will seek to have the state fully cover the costs of expressway patrol. If they will not, I will seek to have the Wisconsin State Patrol take over coverage on the freeway system.

As for the courts, this budget includes reductions that reflect the decrease in state funding for the system. Several positions are eliminated - like legal interns who were making \$44,000 per year. Ironically, the state increased court fees but gave no additional funding to the counties.

With this in mind, my budget calls for the state to take over all operations of the court system. Specifically, I ask the members of the Milwaukee County delegation to request a Legislative audit to cover the transition from the county picking up part of the costs to the state being fully responsible for the costs of the courts. State government controls the court system yet they rarely compensate county taxpayers.

General Government

I brought this same Lean and Clean philosophy to other areas of county government as well; this budget:

- Eliminates paid lobbyists for state government and – instead – relies on our membership in the Wisconsin Counties Association; as well as on department heads, executive staff and supervisors. It is our job to serve as the advocates for the people of this county.
- Transfers one position to a grants coordinator to seek out new funding and to assist our internal pool of talent on grants – instead of paying for outside consultants.
- Maintains the federal government contract, but requires an open bid in 2004.
- Accounts for a reduction in the size of the County Board from 25 to 19.

- Reduces workplace training to just cover OSHA, affirmative action and other mandated programs.

To continue our efforts to clean up county government, I renew my plan to reform the Pension Board. As you recall, a similar provision was included in my 2003 budget, but was removed by the board. It is time to act on this much needed reform plan.

To end the debate over a part-time versus full-time board, I include language for a referendum question on the matter for this spring. To be fair, I also include language on the question of an elected County Executive versus an appointed County Administrator.

Overall, this budget reflects months and months of working with dedicated county employees, endless hours of reviewing alternatives, ten different Interactive Budget Briefings with the public and countless suggestions from employees. Balancing a \$97.3 million shortfall is no easy task. The people who live and work in this county did not make this mess, but I will keep my promise to them to clean it up.

And, we did it without raising property taxes. We did it without an increase in the property tax levy for two important reasons:

- First, the public did not approve the excessive pension payments and sick leave benefits of the past, so they should not be forced to pay for them.
- Second, an increase in property taxes would have a negative impact on jobs – jobs our citizens depend on to pay mortgages and feed themselves and their families.

For people like Bob Bitters and Alma Linda Ramirez that is important so that we build a Milwaukee County that is affordable for them and thousands of other people just like them.

It is also important to remember that this budget includes significant cuts to county programs for two major reasons that are not related to a freeze on property taxes.

- First, the financial legacy of the Ament administration that gave us millions of dollars in pension payouts and sick leave costs – as well as ever increasing wage and benefit costs.
- Second, the budget submitted by the Governor that cut millions from county government in shared revenue and other programs.

Many in this courthouse choose to ignore the reality of our fiscal situation brought on by the pension and sick leave scandals. But isn't ignoring reality really what got this county in trouble in the first place?

Instead, we should work on finding real ways to balance this budget in the best way possible for all of us in the county. You've shown that we can work together to fix the fiscal situation of our county when the board acted to allow the restructuring of our long-

term debt in a move that freed up \$23 million for the 2004 budget. Thanks to Chairman Holloway and Supervisor Nyklewicz for their leadership on this important issue.

I believe that you will again see that we found real ways to balance this budget by building a county government that is lean and clean.

A week ago today, we marked the second anniversary of the devastating attacks on our country. Clearly, the chaos of the days following September 11th, could have torn this country apart. Instead, Americans – including all of us here in Milwaukee County – opted to stand together with a common purpose of good.

Today, we face another time of great challenge here in Milwaukee County. Instead of choosing to tear each other apart, we must unite to conquer our challenges and make this an opportunity to improve Milwaukee County for years to come.

This is what the public expects from us and this is what we must deliver.