



# Facing Fiscal Realities

Milwaukee County Fiscal Projections  
2007-2011

Scott Walker  
Milwaukee County Executive

Spring 2006

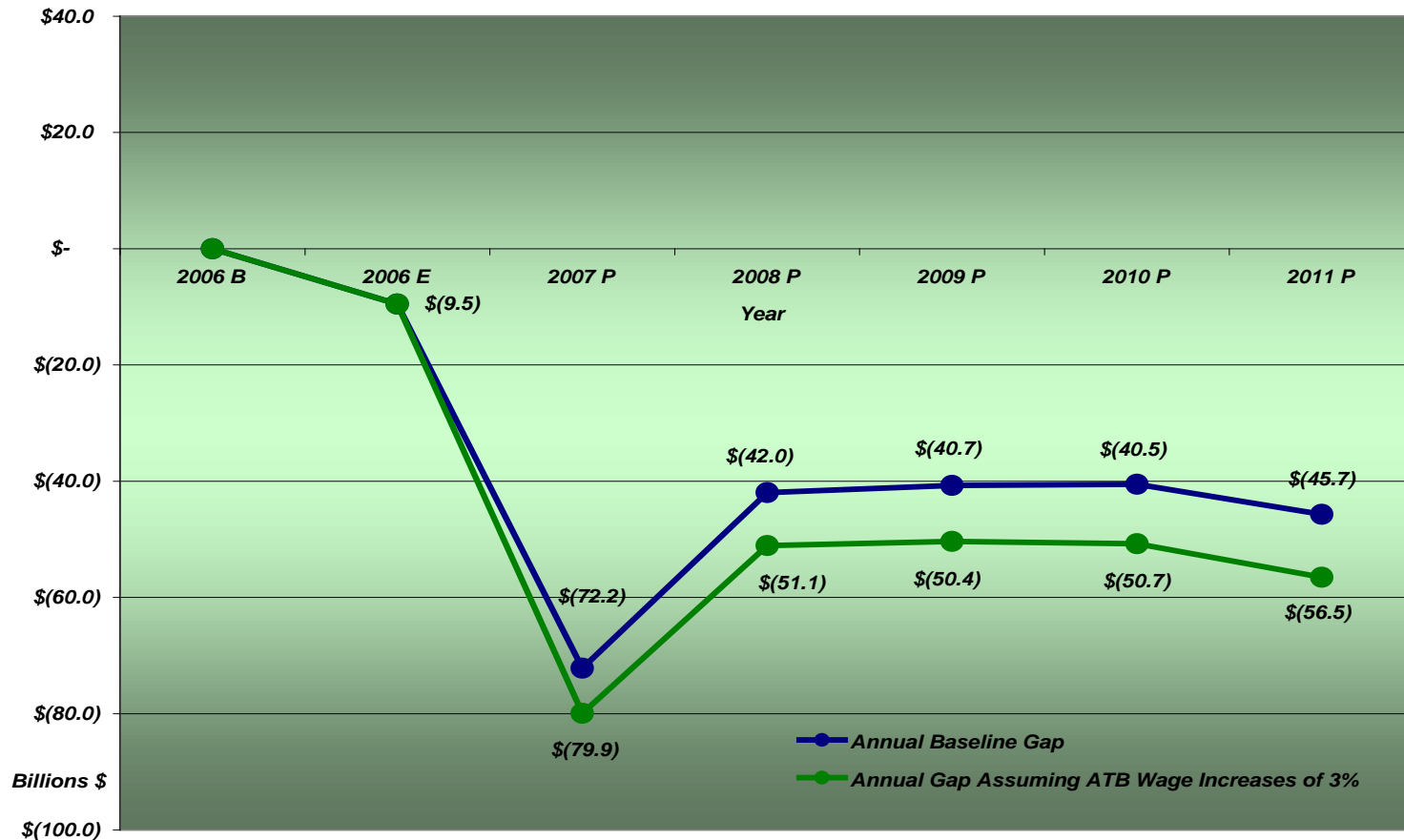
# Milwaukee County will face an ongoing “structural” imbalance: 2007-2011

- Projected annual earned and received revenue will be insufficient to fund projected annual expenditure commitments between 2007 and 2011 (over \$270 million)
- This structural imbalance is approximately \$44 million annually (more than \$80 million in 2007)

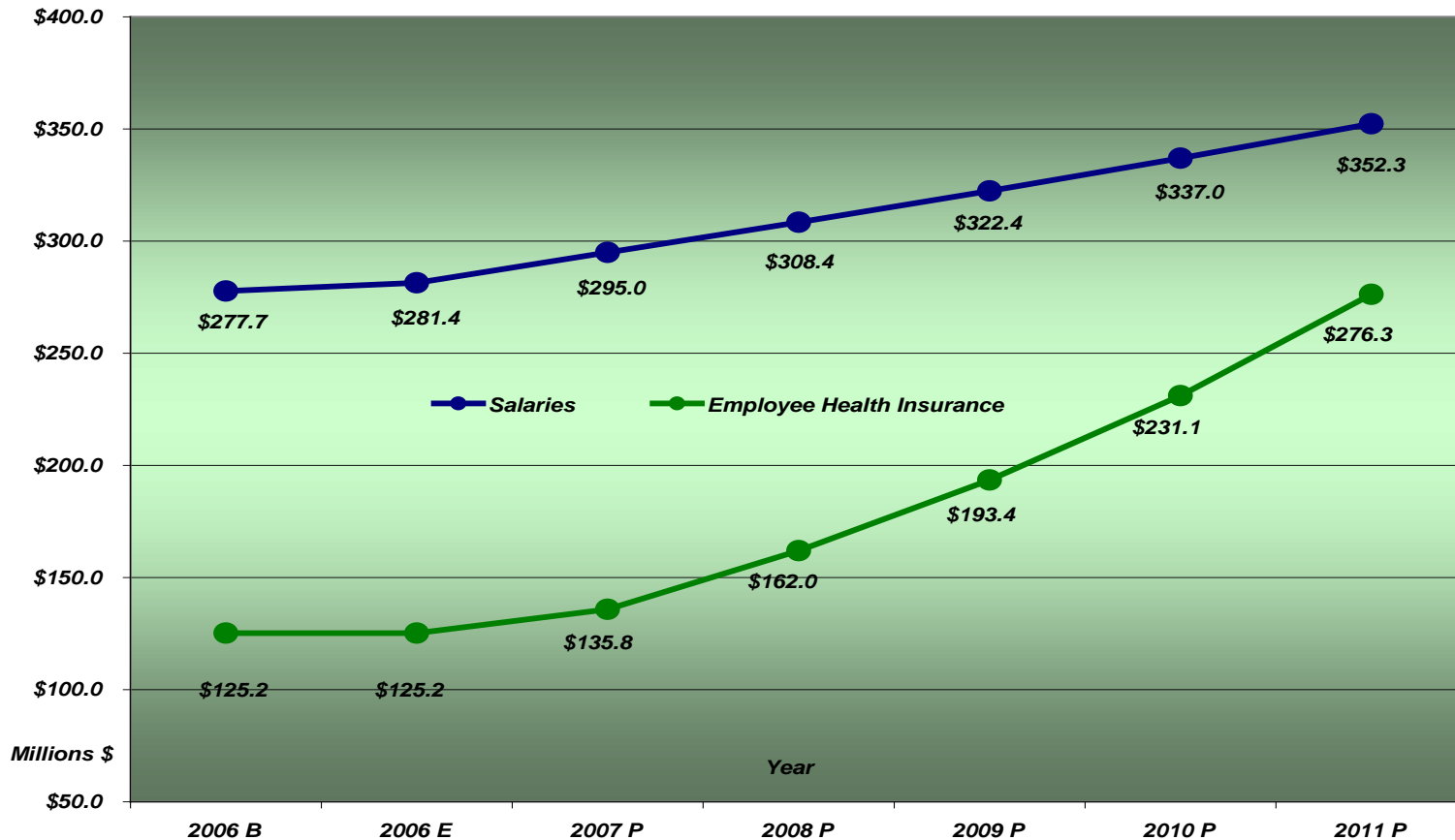
# The County's Structural Imbalance Is Not A New Development

- The County's fiscal situation has been discussed publicly on two occasions over the past two years with the County Board
- Prior policy decisions to increase employee benefits are driving the current fiscal problems
  - Pension
  - Health Insurance

# Structural Imbalance: Expenditure Commitments Will Exceed Revenues



# Health Insurance Is Driving Personnel Costs-Retiree Health Care is a Large Part of This Growth

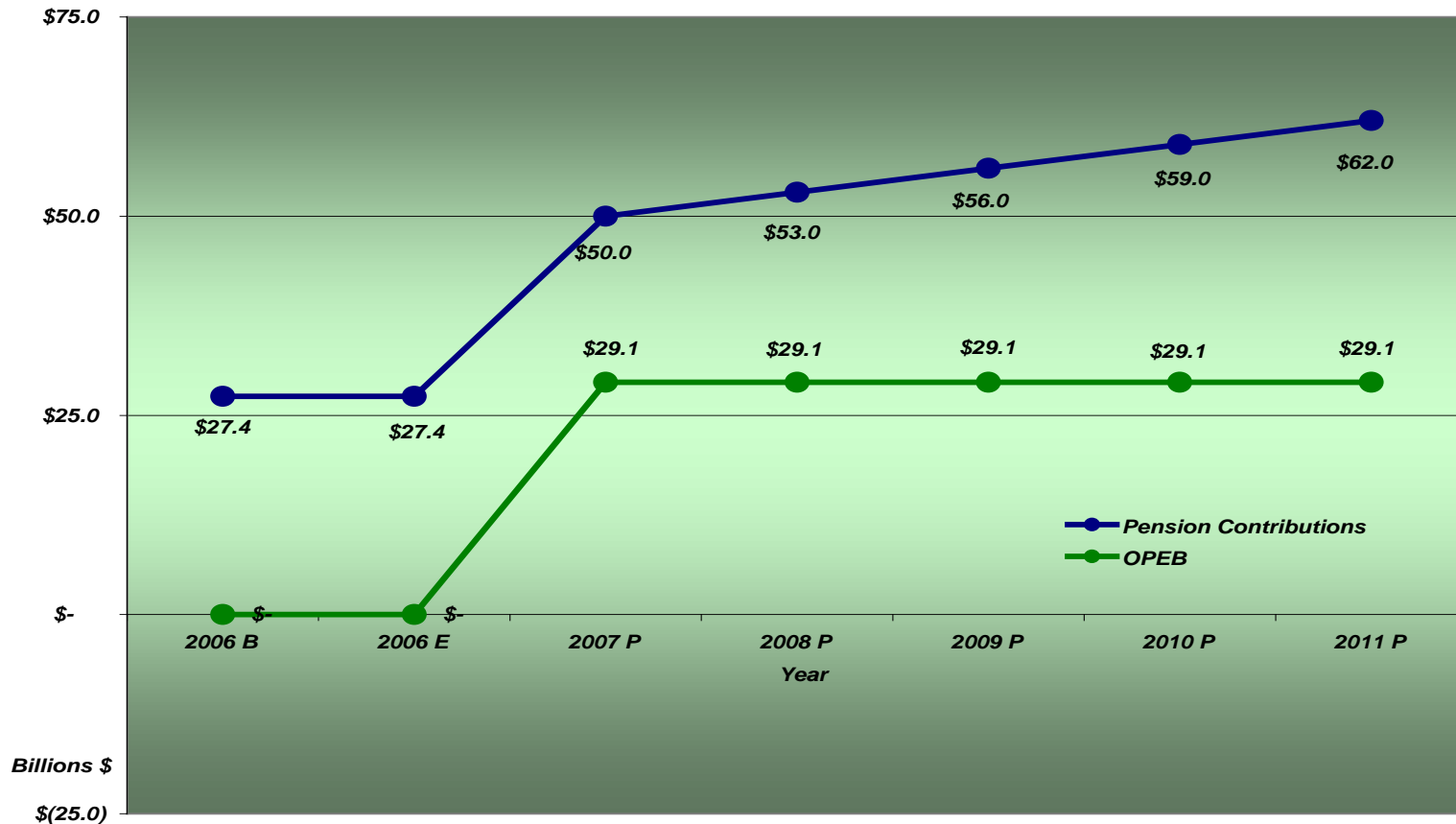





# Overall shortfall is projected to be \$80 million in 2007

- Pension contribution of \$50 million
- OPEB (other post employment benefits) of \$29 million

# Pensions Contributions and Other Post-Employment Benefit Liabilities Are Also Driving Personnel Costs

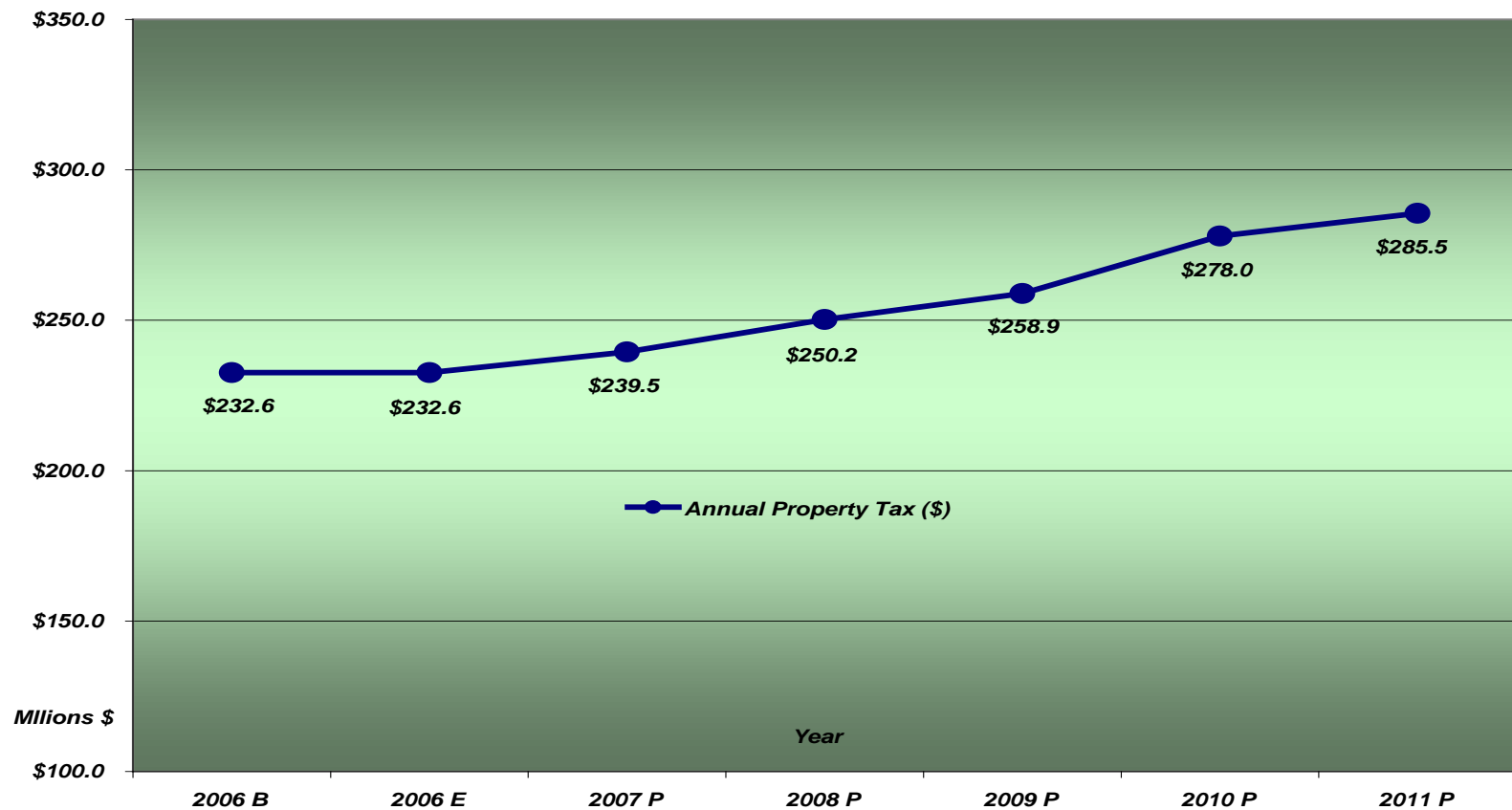




# **Are There Options For Addressing This Structural Imbalance?**



# Not Enough: Property Tax Growth Will Not Bridge Gap



# **Not Enough: Eliminating Discretionary and Some Mandates will Not Close the Gap**

- Eliminating funding for GAMP, EMS, Parks, Zoo, Public Museum, Arts Groups, District Attorney, and Sheriff's discretionary funding will generate \$97.5 million in savings
- This would only fix 37% of the projected problem through 2011

# Business as Usual is Not an Option

- Hard Choices Ahead





# Seek Help from State Government?

- No \$ at state level & no interest in new taxes
- Help with contracts
- End or reduce mandates

# Rethink & Redesign County Government

- Milwaukee, as an urban county, could devolve its operations to a variety of entities
  - Special districts
  - State operation of County human service functions
  - State operations of public safety functions
  - Current spending on administration could be eliminated and used to fund these other entities
  - Metropolitan Government