

Later this summer, the USS Freedom will be commissioned on our lakefront at Veteran's Park. The Navy could have picked anywhere in the country, but they opted to choose Milwaukee.

In January, a British paper raved that Milwaukee had transformed itself from an area that "went into decline" to an exciting new venue ~~and they encouraged readers to choose Milwaukee as a travel destination.~~

The same goes for businesses like GE Healthcare ~~Technologies~~. They could be based anywhere in the world, yet ~~three a number~~ of their ~~most important argest divisions business units~~ are ~~based located~~ right here in Milwaukee County.

Bucyrus International has sites elsewhere in the county but they opted to choose Milwaukee County to grow their business.

The folks who run the Falk Corporation could have left town after the ~~tragic~~ explosion last December but they decided to rebuild right here in Milwaukee County.

These are just a few of the successes in our county. Today, I ~~would likewant~~ to share the progress we made ~~specifically~~ in county government ~~over the past twelve months~~.

A year ago, I laid out a ~~warning honest picture~~ about the looming financial challenges ~~facing Milwaukee County of the county~~. Thankfully, ~~we got the attention of the public~~ ~~the message was heard~~.

As the result of what I called the Reality Tour, key stakeholders came to the table to assist me in putting together a plan for the long-term financial stability of our county. The Greater Milwaukee Committee ~~representing both business and labor interests~~ put together a task force. The Governor appointed ~~one to~~ ~~appointed a task force to look at our finances and possible state assistance.~~ ~~Each of them looked at the numbers we put together for the next five years and all agreed that our projections were correct.~~ The conclusions of these groups confirmed the fiscal realities I laid out early last year.

Today, our status is much better. Make no mistake, our fiscal challenges are structural and developed over a number of years. It will take time and continued diligence, but now we are headed in the right direction. There is hope and, ~~but~~ there is also much work to be done ~~to protect the vital services provided by the county while still seeking to protect the taxpayers.~~

In the next few moments, I want to talk about our fiscal progress, our social progress and our economic progress. Thankfully there is good news positive progress in each area.

Our fiscal condition improved greatly in the past year. ~~Our~~ As you may recall, my Reality Tour predicted a major shortfall in 2007 and over the next five years. Pension and health care costs were the main drivers for the budget gaps.

Thanks to an ~~tentative~~ agreement with our largest union, we have isolated the largest pension problem ~~for all of our employees~~. Not one more ~~person~~ new employee will be eligible for the lump sum backdrop payment. ~~This will save the county \$XX over the next XX years.~~

In addition, we ~~filed~~ a federal lawsuit against the actuarial firm that gave incorrect information to the county prior to the vote on the pension plan enhancements in 2000. We are confident about our ~~changes~~ for success in this lawsuit. With a win, and we hope that the a court would ~~require them~~ award damages to cover a significant part of the pension liability.

Finally, wWith or without a win in the lawsuit, we will pursue a pension obligation bonds plan this year as recommended in my last budget and as recommended by both the Governor's task force and the GMC task force. I am pleased that the Governor put language into the state budget to help us get the job done this year.

~~A number of the groups that reviewed our finances identified POBs as the way to cover the unfunded liability for the retirement system.~~

Using the plan that was unveiled in ~~our-my~~ budget, the county ~~could~~ would save \$6.25 million annually over the next 30 years. That is long-term budgetary relief with a strong stabilization fund that provides long-term protection. Through the workgroup defined in the budget, we will prepare a plan to approve yet this year.

The cost of health care is another area of concern for the county. Last year, we projected a 100% increase in these costs over the next five years. We made progress on this front as well. During the last year, we converted our employee health care system from fully insured to self-insured resulting in projected savings of \$18.7 million over the next five years. In addition, we negotiated labor agreements with increased employee contributions and lower cost plan alternatives.

The agreement we just negotiated with the county's largest union will save the county at least a quarter of a million dollars per month. We will continue to negotiate better rates with our health care providers and invest in the wellness of our employees to ensure continued efficiencies and savings in this area. ~~Again, thanks to the tentative agreement with our largest union, the county will save \$300,000 per month.~~

Our next step should be to work with the other leaders in the Milwaukee 7 project coalition to get local governments from the region into the state health care plan or into a regional plan that can drive down costs even further.

The third area of fiscal progress is with our tax burden. In September, I introduced my fifth straight budget with no increase in the property tax levy. If ~~each-all~~ of my budgets were approved, the tax levy would be \$22.3 million less ~~in 2007~~ than it is today.

Still, we did ~~changed~~ the debate over taxes. While I want no increase I proposed five no tax levy increase budgets while the board passed budgets with levy increases. In the end, we held and the board has added some increases, the average increase over the past five budgets is to just X2% - compared to twice as much over the previous

five years. Later in 2007, I will propose my sixth budget with no levy increase.

One area of concern that I will continue to monitor is efforts to push for a new sales tax increase to fund various programs. In 1991, the county enacted a .5% sales tax with the promise of property tax relief. From 1992 to 2002, the tax levy went up 5255%. We do not need another tax increase. -I will oppose efforts to raise the sales tax, period.

~~In 2008, I will propose my sixth budget with no levy increase. I will also oppose efforts to raise the sales tax, period.~~

Making tough choices to balance our budget hasn't stopped us from providing important services to the public. Our second area of progress is with social programs.

The renewed attention on serving people with mental illness brought the city and the county together – along with many community groups – to address housing options for people with mental illness. Just last month, we approved plans for ~~XXX~~ 48 new housing units that were recommended by the panel the Mayor and I appointed last year.

This is a good start, but we must do more. Today, I propose an ambitious plan to construct housing for senior citizens and people with disabilities – as well as those suffering from mental illness – at nine different sites owned by the county. At two of the sites, we hope to build new senior centers and all of the construction would be done by the private sector with the county providing access to the land.

Furthermore, I am happy with the progress we ~~made with the members of the County Board~~ are making to acquire the former St. Michael's Hospital property. The county mental health complex should move into a new structure so that it can become a world-class facility that better meets the needs of those served. ~~The county mental health complex could move into a new structure that would help it become a world-class facility. It would also protect the neighborhood from the blight of a vacant building once they move out.~~

Once we negotiate an agreement for the building, we need to put out bids for the sale of the property currently holding the mental health complex. A reasonable sale price should cover the costs of acquiring St. Mike's, transforming it into a world class mental health complex and having some left over to create a fund to protect mental health services for years to come. It is clear to me that we must ~~sell~~ sell this land. Today, I call on the members of the County Board to act on this bold proposal. ~~land — not only to cover the costs of a move, but to insure that we have the resources needed to care for those in need.~~

A report by the XXX task force in XXXX pointed to the need for a new structure for the mental health complex. This is not a new problem, but it does demand ~~immediate attention~~ a new approach.

In addition to improving services for the mentally ill, we have made great progress with FamilyCare. Just two years ago, the state changed the terms of the program with the county and that created a deficit. Now, the program has a surplus, which not only ~~allows~~ provides repayment to the county, it also allows the program to serve more older adults. The number of people served by the county through FamilyCare ~~in 2006 went up XXX~~ went up from 6,887 in 2005 to 7,181 in 2006.

The next phase for us is to craft a way for people with disabilities who are under 60 to get service through FamilyCare. Having gone through this process before, we know the pitfalls and we ~~don't want to get into~~ want to avoid financial troubles with the state.

Young or old, an effective EMS system is important to all of us. Last year, we maintained funding for the paramedic program. Then, we reached a two-year agreement with all of the municipal governments in the county. ~~on the system.~~ This is a great example of regional cooperation and I want to thank the Mayors and Village Presidents who are here today.

We also have a unique partnership with the hospitals in the county. The GAMP program is a national model. Because of state and federal changes, we need to move one step ahead and our health

care task force ~~e will finalize a plan yet this year.~~ ~~e is meeting to prepare these changes.~~

In 2006, we started taking child support related calls for Racine County. It saved them money and it earned us revenue: a win all the way around. Now, we hope to expand that concept to surrounding counties.

The architect of that plan was our director John Hayes. Late last year, John lost his battle with cancer. At his funeral, it was clear that John's work was more than just a job, it was his passion. To honor his legacy, I am announcing today that the offices ~~s~~ that hold ~~s~~ the staff of Child Support Enforcement will be forever named the John P. Hayes Center.

John's wife Eileen is with us here today – along with XXXX. On behalf of the county, I want to again thank ~~them-you~~ for the support ~~they-you~~ gave to John throughout the years as he worked so hard ~~for to support~~ families in this county.

John Hayes was also a mentor. One of the people he trained well ~~rose-was~~ was his deputy. Together, they transformed the department. Today, I ~~also want to announce that I will submit~~ nominate the name of Lisa Jo Marks to head the Department of Child Support Enforcement.

These are just a few of the ways we care for people in Milwaukee County.

So how do we balance our fiscal needs with our social needs? Much credit goes to our employees for finding new ways to provide more with less. In particular, ~~many of our areas~~ we are making huge improvements through e-government.

The county is now ~~tracking-accepting~~ bids online. We are taking registrations in parks via the Internet. The Interactive Voice Response System will field benefits calls in less than 15 minutes and will be available 24 hours a day. Work orders will be tracked with

barcodes. And zoo tickets will be available on the website. These are just a few of the ~~advantages~~ examples of e-government.

In addition, the size of our workforce is 20% less than five years ago. Finding better ways to do more with less is the key to our success.

Our third progress report is economic and that comes not just from economic development projects, but also from using all of our assets to improve the quality of life in our county – and in turn the business climate.

One our greatest assets is the airport. In 2006, ~~cared for~~ more than 7 million passengers ~~came through~~ General Mitchell International Airport. Just three years ago, we broke the record then with 6 million.

Since the airport is our front door to the business traveler, keeping ahead of the competition is important. In addition to the expanded parking garage, we remodeled each of our concourses and opened up new levels for Midwest and Skyway. We also expanded security gates and remodeled the center mall.

In 2007, I propose a project to get the baggage screening out from in front of the ticket stands. In addition, we will pursue a long-term plan to add a third runway and extend the two current runways to provide for safe and efficient operations.

While these improvements are important to all ~~of the airlines~~ at the airport, the largest beneficiary from the changes is Midwest Airlines. They are ~~the our~~ largest tenant ~~at the airport~~ and one of the largest employers in the county. Most importantly, they are one of our key brands in the region – like Harley and Miller. ~~We want them to stay and grow and we are doing all that we can to help them~~ In 2004, we stepped up to keep Midwest in business. This assistance, along with our continued efforts to improve the airport to make them more efficient, is key to their success.

~~If Air Tran wants more gates to attract customers from Chicago, we will offer more gates, but not at the expense of Midwest. Between our current remodeling and our long-term goals, there can be room for both at Mitchell.~~

Speaking of key brands, GE Healthcare is our anchor at the Milwaukee County Research Park. And we are growing there too. Last month, w~~We~~ just broke ground for a new corporate headquarters and work is already started on a ~~new~~ Crowne Plaza Hotel.

We ~~are looking to announce~~ will move forward on the development of the northeast quadrant of the county grounds by this summer. And with the move of the mental health complex to the St. Michael's site, I propose that the county put bids out for the land across the street. That could be a major new addition to the regional medical center.

We are also working with the University of Wisconsin – Milwaukee to find a home for their expanding studies in engineering and sciences. Access to the talent on the county grounds is key to their future growth in the region.

Another area of potential growth is in our transit system. Currently, I am working with the Mayor of Milwaukee to designate a portion of the \$91.5 million of federal funds for a new Bus Rapid Transit pilot project.

The concept would begin with two highly traveled corridors – 27th Street and Fond du Lac Avenue and would provide a designated lane for bus travel. The new service would provide rapid service for passengers and this is a way for us to grow the system.

I also draw attention to a legislative initiative by Rep. Jeff Stone to move the revenue currently collected on the sales of automobiles from the general fund to the transportation fund. These revenues can then be used to support transit systems all across the state. I urge the Governor and Legislature to support this proposal.

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New developments are also happening in the parks system. Work will begin on the aquatic center in Lincoln Park this year and the new season pass for our pools will start this summer. We also hope to have Bradford and McKinley beaches open through the Adopt-A-Beach program.

~~This year, W~~we added two links to the Oak Leaf Trail ~~this year~~. ~~Our staff has now~~ We replaced/ upgraded more than 100 outdated playgrounds and. ~~Nearly 400,000 rounds of golf~~ took place (some 3,000 of them in December) on our courses ~~took place~~. And our friends groups grew from 10 to 42.

In 2007, we will kickoff the 100th anniversary of the parks system with a major celebration. ~~A~~ 100 concerts and ~~a~~ 100 tree plantings are just a sample of the excitement planned for this season/year.

Finally, the reason that you are all here is to highlight the excitement/ amazing things happening at our zoo. Thanks to our partnership with the Zoological Society of Milwaukee County, we added several new landmarks this year. The Florence Mila Borchert Big Cat Country and Miller Brewing Company Giraffe Experience were two such exhibits in 2006.

By the fall, we break ground for the ~~new~~ US Bank Gathering Place as a new grand entrance to the zoo. At the same time, we will begin work on a new home for the return of the flamingos.

~~Early this year~~ Within the next month, we will have bids out for a new water park and hotel at the ~~northwest~~ northwest corner of the Zoo property. We have one of the best zoos in the country and these improvements make it even better and it could not happen without a great partnership with the community.

One of the super events we hold at the zoo each year is called Operation Freedom. Last year, some/ over 17,000 military personnel, their families and veterans visited the zoo for free – thanks to the generosity of many local businesses. This year, the Military Order of the Purple Heart will help us organize the event and we will once again host it at the zoo on Independence Day weekend.

This is an amazing year for our Armed Forces and veterans from Milwaukee County. Since last January, our County Veterans Service Office Director Domingo Leguizamon was based in Baghdad with the XXX of the United States Army. ~~In a few weeks, he will return home~~Today, we are glad to have you back at home Domingo. Still, -~~but~~ many more from the county are still deployed.

To honor these special ~~people~~men and women and their families – as well as the veterans who went before them – I declare 2007 to be Armed Forces and Veterans Year. I want Domingo to come up here and receive these proclamation on their behalf.

In 2007, we will host the commissioning of the USS Freedom. In July, we host the U.S. Wheelchair Games. And throughout the year – on Memorial Day, Armed Forces Day/Week, Patriots Day, Veterans Day, Pearl Harbor Day, and all other times – we will honor these heroes and their families.

~~And we honor them by the way we protect the historic buildings and gravesites on the grounds of the VA. State Secretary of Veterans Affairs John Scocos and I have appointed a panel to recommend the appropriate use of those grounds and the method of achieving those goals.~~

Overall, this is a year full of activities to celebrate the members of the Armed Forces and our Veterans. That is why we declare a full year in their honor.

As I said, 2006 was a year full of progress. We made progress tackling our financial challenges. We made progress finding new and better ways to provide key services. And we made progress building a climate for more economic growth in our county and region. In 2007, we must build on that progress while remembering to thank those who give us the platform of freedom upon which we build that progress.

Today, the state of our county is much better than it was a year ago. I am pleased with our progress: there is hope. And there is much more

work to be done. I am prepared to work with each of you to get even more positive things done for Milwaukee County in 2007.

Thank you.