

State of Milwaukee County
By County Executive Scott Walker

The state of Milwaukee County is good and it is getting even better.

A year ago, I gave an honest report about the looming financial challenges facing Milwaukee County. As a result of our perseverance, the county's status is much better.

Over the past year, we made progress in three areas: fiscal, social and economic.

Fiscal: Thanks to an agreement with our largest union, we isolated the biggest pension problem. Not one more new employee will be eligible for the lump sum backdrop payment.

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 chances for success in this lawsuit.

Finally, with or without a win in the lawsuit, we will pursue a pension obligation bond plan this year- as recommended by both the Governor's task force and the GMC task force. Using the plan that was unveiled in my budget, the county 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.

The cost of health care is another area of concern for the county. 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 leading to even further savings to county taxpayers.

For example, 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.

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 all of my budgets were approved, the tax levy would be \$22.3 million less than it is today.

Still, we did change the debate over taxes. I proposed no tax levy increase budgets while the board passed budgets with levy increases. In the end, we held the average increase over the past five budgets to just 2% - compared to twice as much over the previous five years. *This year, 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. 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 55%. *I will oppose efforts to raise the sales tax, period.*

Social: Making tough choices to balance our budget haven't stopped us from providing important services to the public. Just last month, we approved plans for 48 new housing units that grew out of the cooperative efforts Mayor Barrett and I initiated last year.

This is a good start, but we must do more. *I propose an ambitious plan to construct housing for senior citizens and people with disabilities at several sites owned by the county.*

Furthermore, I want to move the *county mental health complex into a new structure at the former St. Michael's Hospital site so that it can become a world-class facility that better meets the needs of those served.*

We also made great progress with FamilyCare. The program has a surplus and we served more than 7,100 older adults in need of long-term care assistance in 2006.

The next step is to craft a similar approach for people with disabilities so that they can finally eliminate the lengthy waiting lists. Having gone through this process before, we know the fiscal risks, so we will plan a system that minimizes the burden on county taxpayers and maximizes a true partnership with the state.

Other successes include:

- Funding for the EMS system and a 2-year contract with all of the municipalities to provide paramedics.
- Continued support for the General Assistance Medical Program that provides medical coverage for the poor.
- Expansion of our child support functions to serve more areas.

Economic: This progress comes not just from 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 of our greatest assets is the airport. In 2006, more than 7.3 million passengers came through General Mitchell International Airport. Just three years ago, we broke the record then with 6 million and we haven't looked back.

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 areas for Midwest and Skyway. We also expanded security gates and remodeled the center mall.

While these improvements are important to all at the airport, the largest beneficiary from the changes is Midwest Airlines. They are our largest tenant 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.

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

We will find a home close to the regional medical center for the University of Wisconsin – Milwaukee, to expand studies in engineering and sciences. Access to the talent on the county grounds is key to their future growth in the region.

Another key link in our economic plan is a strong transit system. People without access to cars need to be connected to jobs throughout the region.

To that end, I propose that the state government take the growth in the current sales tax on motor vehicle related sales and designate it for mass transit. If enacted, this plan would provide \$33.4 million for the 2007/2009 state budget and \$103.5 million for the next state budget cycle.

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.

Last year, we added two links to the Oak Leaf Trail. We finished work on upgrading more than 100 outdated playgrounds and nearly 400,000 rounds of golf took place on our courses. Our friends groups grew to 42.

This year, we will kickoff the 100th anniversary of the parks system with a major celebration. 100 concerts and 100 tree plantings are just a sample of the excitement planned for this summer.

The reason I held my State of the County address at the zoo was to highlight the amazing things happening at this attraction. 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.

By the fall, we will break ground for the 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.

In addition, within the next month, we will have bids out for a new water park and hotel at the northwest corner of the Zoo property. We have one of the best zoos in the country and these improvements make it even better.

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

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.

2006 was a year full of great 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 and put into place our bold agenda for the new year.