

Elected and appointed leaders from state, county and municipal governments, business and civic leaders, fellow citizens of Milwaukee County; it is my honor to be with you here today at TAPCO's headquarters in Brown Deer to address the state of Milwaukee County in 2010.

TAPCO ---which stands for Traffic and Parking Control Company--- is a worldwide supplier of energy efficient traffic safety signs. During these difficult economic times, TAPCO stands out as a shining success story for Milwaukee County and the State of Wisconsin.

Ray Bergholz started TAPCO in the basement of his Wauwatosa home back in 1956. Over the years, this family owned and operated business has out grown three buildings, and today TAPCO has over 100 employees and enjoys sales worldwide.

We were delighted last January, when TAPCO announced that it grown too big for its 57,000 square foot building in Elm Grove and decided to occupy this 128,000 square foot facility right here in Milwaukee County. TAPCO's move made a significant and immediate economic impact on our county just when we needed it most.

TAPCO's early achievements can be attributed to the ingenuity and hard work of its founder. Today, that success is passed on from one generation to the next in both the Bergholz and Kugel families. The company's persistent investment in new technology and innovation throughout the years will lead to even brighter days in the future.

We can learn a lot from TAPCO's success.

As leaders here in Milwaukee County, we are entrusted by our fellow citizens to manage county resources and services. We owe it to our neighbors to constantly look for new ways to provide the highest quality service at the lowest possible cost to taxpayers.

That's what we've done for more than seven years. It hasn't been easy, but we've had our share of success.

Since 2002, we've lowered our debt by 10% and reduced the county workforce by more than 20%. Last year, when other state and local governments faced massive budget shortfalls, Milwaukee County finished the year with a slight budget surplus.

Milwaukee County's bond rating had a negative outlook in 2002, but Standard & Poor's recently ranked county financial practices as "strong," and Moody's

attributed the improvement to our “strong management and prudent budgetary controls.”

And we were finally able to implement a Pension Obligation Bond (POB) plan in 2009. Much like refinancing a home, at a lower interest rate, our plan will save Milwaukee County taxpayers \$ 237 million.

We accomplished all of this while consistently proposing budgets with no increase in the property tax levy from the previous year. More importantly, we protected essential services and the community assets that enhance our quality of life.

Over the past year, we worked with the Sheriff and District Attorney to ensure that they have the resources they need to preserve public safety throughout Milwaukee County. Specifically, we directed the successful transition of all corrections facilities under the control of the Sheriff, and we maintained support for a successful witness protection program in the DA’s office.

Since taking office, we eliminated the waiting list for long-term care for older adults through the Family Care program. Last year, we began enrolling people under the age of 60 with developmental and physical disabilities into Family Care. And despite a tight budget, we included \$4.5 million to further expand that program in 2010.

In 2009, the Milwaukee County Parks Department won the prestigious National Gold Medal for Excellence as the best park system in the country. During the past year, we opened the David F. Schulz aquatic center, welcomed huge crowds at our beaches, developed new dog parks, constructed a new open-air pavilion at the site of the old Coast Guard station, and added a new Music under Glass series at the Domes.

When compared to its peers, the Milwaukee County Transit System consistently delivers more rides for less and has the lowest per passenger cost and highest ridership per capita. This year we will provide funding for 125 new green and clean buses.

Milwaukee’s Wraparound program for emotionally disturbed youth was chosen as one of six programs ---from over 700 applicants--- to receive Harvard University’s prestigious *Innovation in American Government* award. The Annie E. Casey Foundation said: “Wraparound Milwaukee is leading the nation with a more effective response to treating emotionally disturbed youth.”

While final numbers won't be in for a couple of weeks, in 2009, General Mitchell International Airport served nearly eight million passengers, close to 2008's record number, and remarkable seeing as most

U.S. airports experienced a significant decline in passengers, and received the Transportation Safety Administration's Partnership Award. In November, Southwest Airlines kicked off service from Mitchell International, occupying 2 gates and adding 40 full time employees. Then, Republic Airlines announced that it would move 800 jobs to Milwaukee. And two weeks ago, AirTran Airlines announced plans to make Milwaukee a hub, adding as many as 50 pilots and 50 flight attendants and increasing its level of operations at MKE.

Our effective operations of the airport is a key reason for this growth. The cost per passenger at Mitchell is \$4.64 compared to \$8.69 at O'Hare (I don't have the Denver number, but if you prefer it, I can try to hunt it down) competitive with other airports our size. And our continued investments in the airport make it attractive for growth as it continues to be one of the most convenient and cost effective airports in the country.

All of this success also means good news for our customers too. Average fares at Mitchell are now lower than 75 other airports in the country. More passengers and more airlines mean better service and lower fares.

Looking ahead, we must balance the importance of maintaining vital human services and investing in our future, with the need to control the growth of government spending to reflect the taxpayers' ability to pay.

In 2010 we will launch a collaborative effort with Racine County to place youth in the Alternative to Corrections through Education (ACE) program, rather than sending them to a State Correctional facility. In addition to providing a shortened secure placement with local control, this intergovernmental initiative anticipates nearly \$200,000 in net savings during the first year.

We continue to streamline county government by contracting out for services, consolidating departments and enhancing the use of technology. Our plan to have private contractors perform janitorial services at three county facilities will save taxpayers \$2.6 million.

I am pleased the County Board adopted many of the wage and benefit changes I proposed for 2010. Each week, the Board Chair, Finance Chair and I meet to review the budget status and we know that enactment of these reforms is key to a balanced budget. Now, we are hopeful that the county employee union representatives will work with us.

With 48% of the county budget going to fund wages and benefits for county employees, --- and the cost of benefits growing at an alarming rate--- these reforms are needed to balance the escalating cost of public sector employee benefits---with the taxpayers' ability to pay - and to ensure that Milwaukee County remains solvent well into the future.

Most importantly, we must work to strengthen our economy and make it easier for the employers in our county to maintain and create jobs.

Our Milwaukee County Works program includes support for 100 projects (previously scheduled to be started over a three-year period) that are estimated to provide more than 1,000 jobs. We help jumpstart the local economy with a \$208.4 million investment in projects that provide work for some of the companies hit hardest by the recession.

At the same time, we save taxpayers up to \$3 million in interest payments through the lower rate Build America Bonds.

Once completed, our Milwaukee County Works plan will provide three-times as many jobs as usual in 2010, lower our interest payments by nearly \$3 million, and reduce our outstanding debt by 28 percent through 2012. If you remove the accelerated building program, our 2010 budget actually reduces spending by .6%.

We are extremely proud of Milwaukee County's award winning resources and exceptional services. Our collective efforts to streamline county government will save the taxpayers of Milwaukee County over \$5 million this year alone.

But the greatest savings from our 2010 budget are yet to come.

I am proud to report that provisions included in the 2010 budget have reduced the County's structural deficit by nearly half. When fully implemented, the 2010 budget will save taxpayers more than \$310 million over the next four years.

We are making great strides toward ensuring Milwaukee County's fiscal sustainability.

But I know we can do even more to preserve and enhance our valuable assets, and save taxpayer money at the same time.

By restructuring the way we provide security services at the courthouse and the staffing of our county parks, we can save county taxpayers millions of dollars every year while adding thousands of hours of labor for park maintenance.

Private firms currently provide security at the federal courthouse in downtown Milwaukee and the Reuss federal building. And many of the best parks systems in the country contract for basic services like mowing, garbage removal and painting. **We can further reduce costs for taxpayers – and improve service - by contracting for security and park maintenance services in Milwaukee County.**

Since 2002, we've invested \$340 million dollars in renovations and improvements to General Mitchell International Airport - all without increasing the property tax levy.

Clearly our investment has paid off for passengers and airlines alike, but we can do more.

By bidding out airport operations, the county can actually turn a profit and use the revenue to pay down debt, and to help fund our mass transit system without relying on an increase in the sales or property tax. **This is an idea whose time has come.**

Cutting wasteful spending and finding more efficient ways to deliver essential services has allowed us to introduce eight consecutive budgets without increasing the property tax levy from the previous year. But simply freezing taxes at current levels will not be enough to turn our economy around. **Therefore, the 2011 budget we will introduce this year will include a reduction in the property tax levy.**

And once again, I call on Governor Doyle and the legislature to repeal the job killing combined reporting tax that was signed into law last year. In 2009, combined reporting increased Harley Davidson's taxes by \$22.5 million and contributed to a 37% decline in profits. The profit loss forced Harley Davidson to lay off 480 more workers and company officials have stated the company will not add back a single job here until the tax is lifted.

For 106 years Harley Davidson's dedicated hardworking employees have created quality motorcycles. Working together we can help Harley create jobs for a new generation of workers.

During my tenure, we have built a solid framework for a new way of governing and our efforts have sparked a spirited and long-overdue debate about the appropriate role and priorities of county government.

It is a debate we welcome and encourage for all levels of government.

While ideas for reform run the gambit from an increased reliance on outsourcing and public-private partnerships, to the complete elimination of county government, let me make two things perfectly clear:

1. The status quo is unacceptable, and
2. No option with the potential to improve the delivery of services while saving taxpayer money will be taken off the table.

Those in the private sector have to make dramatic improvements to stay in business. **We must do the same in county government.** We have great strengths in this county - a strong workforce, excellent employers and wonderful resources - but we must do more to reduce the cost and burden of government on our people and our employers.

TAPCO has grown over the past 54 years through the use of new technology and innovation. **We must demand the same from our government.** When we do, we will get a county government that works, and one we can afford.

Each generation of the Bergholz and Kugel families has helped chart the course for TAPCO's future success. Let our children say we helped chart the course for a strong and vibrant Milwaukee County for years to come.