

# OVERVIEW OF THE 2018 RECOMMENDED BUDGET



Scott B. Manske, CPA  
MILWAUKEE COUNTY COMPTROLLER

Office of the Comptroller Staff

Steve Cady, Research and Policy Director

Erica Hayden, Research and Policy Analyst

Jessica Janz-McKnight, Research and Policy Analyst

Katarina Lucas, Research and Policy Analyst



## COUNTY OF MILWAUKEE INTER-OFFICE COMMUNICATION

DATE : October 6, 2017  
FROM : Comptroller Research Services Staff  
SUBJECT: **Overview of County Executive's 2018 Recommended Budget**

Attached is the Comptroller Research Services Staff's overview of the County Executive's 2018 Recommended Budget. This overview consists of the following four sections:

1. Section 1 is a **General Overview** of the Recommended Budget
2. Section 2 shows **Tax Levy Changes** for each Organizational Unit, comparing the 2018 Recommended Budget with the 2017 Adopted Budget.
3. Section 3 provides a summary of **Major Changes**, proposed by the County Executive in the 2018 Recommended Budget.
4. Section 4 is the **Capital Improvements** section, which summarizes the capital improvement projects proposed by the County Executive.

This overview serves as an initial analysis to highlight major policy and budget changes proposed by the County Executive and is intended to assist interested parties in their understanding of the budget. The Committee on Finance and Audit will begin its formal review of all budgets as a full committee beginning October 9<sup>th</sup> at 9:00 a.m.

Please note that although changes in departmental appropriations and revenues are generally clear, the corresponding impact on programs and services is not always apparent.

Comptroller-Research Services Division

Steve Cady  
Jessica Janz-McKnight  
Erica Hayden  
Katarina Lucas

With Assistance from Comptroller staff:

Scott Manske, Comptroller  
Michelle Nate, Deputy Comptroller  
Pam Bryant  
Alexis Gassenhuber  
CJ Pahl  
Justin Rodriguez

# Table of Contents

<i>SECTION 1 – GENERAL OVERVIEW</i>	<i>3</i>
<i>SECTION 2 – TAX LEVY CHANGES</i>	<i>22</i>
<i>SECTION 3 – MAJOR CHANGES</i>	<i>25</i>
DEBT SERVICE	25
NON-DEPARTMENTAL REVENUES	25
NON-DEPARTMENTAL EXPENDITURES	29
LEGISLATIVE & EXECUTIVE	33
GENERAL GOVERNMENT FUNCTION	34
ADMINISTRATIVE	35
COURTS AND JUDICIARY	40
PUBLIC SAFETY	41
TRANSPORTATION	44
HEALTH AND HUMAN SERVICES	48
<i>SECTION 4 – CAPITAL IMPROVEMENTS BUDGET</i>	<i>60</i>

# SECTION 1 – GENERAL OVERVIEW

## SUMMARY ANALYSIS

The 2018 Recommended Budget reignites last year’s budget debate regarding the use of a vehicle registration fee (VRF), as well as other revenue enhancements, to help balance the budget without significant cuts to programs and services. After the County Board pared down a proposed \$60 VRF to \$30 last fall, and 72 percent of the voters opposed a \$60 VRF in an advisory referendum this spring, it may have surprised some people that the County Executive again built his budget around a \$60 fee. But the County Executive’s Recommended Budget boldly addresses one of the largest near and long-term problems confronting Milwaukee County: to provide adequate revenues to maintain current programs and services, fund critical infrastructure needs, and invest in a few new initiatives to meet the changing needs of our community. The decision to double the VRF to \$60 and lean heavily on other revenue increases acknowledges that the expenditure cuts that otherwise would have been needed may have been a more unpopular alternative.

In recent budgets the County, aided by 2011 Wisconsin Act 10, reaped large employee/retiree fringe benefit and wage savings which led to annual budget surpluses in excess of \$21 million from 2012 through 2015. Fringe benefit expenditure savings and limits on wage growth, coupled with numerous other cost-saving initiatives approved by policymakers, have helped balance annual budgets despite strict tax levy limits and stagnant state and federal aids. The 2016 surplus dipped to \$11.8 million with strong signals that the surpluses in fringe benefits were evaporating. The latest 2017 fiscal forecast suggests that the County may not even achieve a surplus this year, let alone a large surplus to help fund future budgets. Moreover, annual Five-Year Fiscal Forecasts by the Comptroller warn the “structural deficit” problem will continue - because ongoing expenditures are rising faster than ongoing revenues. As forecasted, tax levy costs in 2018 for pension, health care and other employee/retiree benefit obligations alone rise by a projected \$18.9 million to \$172.2 million that had to be managed in the overall budget.

Similar to the past two budgets, the 2018 Recommended Budget provides most departments a “cost to continue” budget with few significant cuts and even new investments in some areas. The overall approach of the County Executive’s budget is that it addressed many of the budget challenges with additional revenue sources, such as a \$30 increase in the VRF, higher transit fares, and new parking fees in the parks. Individually, or collectively, these revenue enhancements are likely to meet resistance by policymakers wishing to focus more on the expenditure side of the budget equation. The revenue enhancement tools that the County has the authority to implement are restricted primarily to state-limited tax levy increases, vehicle registration fees, and service user fees. The County Executive points to the public’s interaction this past summer with Balancing Act, a tool that allows individuals to develop County budget balancing scenarios, that a majority of users favored revenue increases to maintain programs and services.

Beyond the benefit cost increases for pension and health care, the Recommended Budget provides a one percent salary increase mid-year to employees, wage increases for anticipated protective services contracts, and potential wage enhancements for positions difficult to fill. There are also approximately 40 positions either created or funded in the Recommended Budget, although several of them are offset with outside revenue or the abolishment of other positions. Some of them, such as two positions in the Office of the

Medical Examiner are created to address rising caseloads and retain accreditation. Others are focused in Information Technology efforts to maintain a secure network and provide the County technological efficiencies. Further additions were also needed in the Parks and Zoo to assist them in obtaining and/or increasing outside revenues. Partially offsetting these increases is an overall addition of one percent in Vacancy and Turnover, which reduces salary appropriations.

The Mental Health Board, which was created by state legislation in 2014, assumed the oversight role previously performed by the County Board of Supervisors for the Behavioral Health Division (BHD). As required by State Statute, the County Executive determines the tax levy for BHD, and the County Board is unable to adjust the amount of such levy. The Recommended Budget tax levy for BHD is \$1.25 million more than this year's and still more than \$6.3 million under the legal limit. It should be noted that BHD absorbed \$4.5 million more in legacy health care and pension charges to reflect past employee costs. Further required by State Statute, any surpluses generated by BHD are maintained by BHD for offsetting future costs, deficits, or capital needs. The BHD reserve fund has grown to a projected year-end balance of \$23.6 million<sup>1</sup> as of August 31, 2017.

The County has made considerable progress to reduce its structural deficit, but the challenge becomes greater each passing year as it will be more difficult to wring additional savings out of employee wage and fringe benefit costs or find additional state and federal funding. Options still available to the County to bridge the structural deficit are service limitations, continued deferral of maintenance, and proposing further increases to charges for services. The expansion of the Vehicle Registration Fee to \$60 offers a local government revenue that will offer an additional option to fund transportation-related needs and help close the annual gap between expenditures and revenues. In recent years, the annual cost to operate the Transit/Paratransit system has grown by nearly \$3 million annually, and is likely to continue at that pace if federal and state aids remain flat, and if fuel costs rise from historically low levels.

A preliminary review of State revenue from 2007 to present, excluding programs transferred to the State, shows that State revenues have not risen with inflation, or have been enhanced in any way to meet the County's expenditure increases, but have remained flat. While Act 10 provided the County savings, the State recognized this benefit for local governments and reduced the County's State Shared Revenue payments.

While representing less than 10 percent of the total VRF funding, the VRF would allow for investment in needed transportation-related projects. But the likelihood of stagnant state and federal revenues and strict limits on tax levy increases is high, making the task of closing future budget gaps even more challenging. As policymakers consider the expansion of the vehicle registration fee, they should carefully review which programs and services should be eliminated or reduced if the decision is to deny the fee increase. Since the VRF focuses on Transit and Highway, it allows that previous tax levy support to be reallocated to support the County's cost to continue and maintain its discretionary programs. With DHHS-BHD tax levy controlled by the County Executive and Mental Health Board, the remaining tax levy is heavy with public safety (e.g. jails) and mandated programs and services that may be difficult to reduce. The "discretionary" tax levy is dominated with

---

<sup>1</sup> The BHD Reserves are comprised of an Operational Reserve (\$19.6 million) and a Capital Reserve (\$4 million). State Statutes dictate the allowable uses of each Reserve.

quality of life programming, such as Parks, Zoo, and cultural institutions that are highly valued by the public.

Later in this section more information is provided about the major items in the 2018 Budget, including:

- The use of \$14.7 million in additional revenues from increasing the VRF \$30 to \$60 and raising transit fares \$0.25 to supplant all of the existing tax levy in the Transit and Department of Transportation budget . (See page 10)
- Expenditures of \$25.2 million for Phase 1 of a capital project for a new International terminal at General Mitchell International Airport (GMIA) (See pg. 14)
- The implementation of \$1.7 million in new parking fee revenue and \$493,000 in park user fees/naming rights revenue to fund Parks Department operations (See page 16)
- The use of \$6.75 million from the Debt Service Reserve to help reduce debt service costs, thus providing \$35.6 million in sales tax revenue support for the general fund. (See page 6)
- Changes to employee/retiree health care benefits to address a \$13.8 million rise in expenses (See page 17)
- Increase of \$2.94 million in the tax levy, or 1.01 percent, to fund County operations (See page 8 for more information on tax levy limits)

**“BUDGET DRIVERS” - EXPENDITURE AND REVENUE INCREASES/DECREASES**

Policymakers should be aware of the major “budget drivers” in the 2018 Recommended Budget that were used to assemble the spending plan for next year. In the chart below, major changes to expenditures and revenues are highlighted to help policymakers understand how the spending plan for next year was assembled. Please note that the list below is not meant to be a complete list of all expenditure/revenue changes, but rather some of the key ones that helped shape the Recommended Budget.

**2018 Budget Drivers**

	<u>Amount</u>
<b>Expenditure Increases/Revenue Decreases</b>	
Health Care cost increase for Employees/Retirees	\$13.8 M
Pension Contribution increase	\$6.0 M
1% Raise (2017 full year + 2018 half year)	\$2.1 M
Behavioral Health Division Tax Levy increase	\$1.3 M
Transit increase to Maintain Services	\$2.9 M
Funds to Settle Deputy Sheriff's 2015-17 Contracts	\$2.4 M
Land Sale Revenue decrease	\$1 M
Unclaimed & Misc. Money Revenue decrease	<u>\$2.1 M</u>
<b>Total:</b>	<b>\$31.6 M</b>

## Expenditure Decreases/Revenue Increases

New \$30 VRF (11 Months of Revenue)	\$14.7 M
Existing \$30 VRF for Full Year (Additional 2 months)	\$2.5 M
Sales Tax Revenue increase	\$1.3 M
Tax Levy increase	\$2.9 M
Park Parking and Naming Rights Revenue increase	\$2.2 M
Inmate Telephone Revenue increase	\$1.1 M
Zoos Admission and Parking Rental Revenue increase	\$0.9 M
Employee/Retiree Health Costs increase	\$1.8 M
1% V&T across-the-board (Salary funding reduction)	\$1.9 M
Transit Fare Revenue increase	<u>\$1.5 M</u>
<b>Total:</b>	<b>\$30.8 M</b>

Note: These are key changes and do not reflect all budget changes.

## FIVE-YEAR FINANCIAL FORECAST

In September 2017, the Comptroller issued an annual report regarding the County's five-year financial forecast. The goal of the State-mandated report is to develop a consensus of the County's fiscal status and future outlook as well as help promote a more data-driven decision-making process that comports with the forecast. The report indicated that the County faced an *estimated* structural deficit (shortfall) of \$31 million for 2018 with the gap growing to \$101 million in 2022 if no permanent fixes were made. In summary, the County's cost-to-continue existing programs and services are growing faster than the anticipated revenue sources available to pay for them.

To the extent that the County makes permanent fixes, as opposed to using *one-time* expenditure or revenue changes, the following year's structural deficit will be reduced. For example, if permanent fixes solve the 2018 projected shortfall of \$31 million, then the projected shortfall for 2019 would be \$10.4 million, not the \$41.4 million that is currently projected.

Policymakers should keep in mind the type of fixes that are made to annual budgets (one-time or permanent) with an eye on the challenges that lay in the years ahead so that thoughtful planning can be made to address the projected shortfalls. The 2018 Recommended Budget addresses a significant portion of the budget shortfall by increasing the vehicle registration fee \$30 to \$60. This will make it less difficult in subsequent budgets to close the structural deficit because the new revenue is not a "one-time" occurrence.

## USE OF DEBT SERVICE RESERVE FUND

The 2018 Recommended Budget proposes to use \$6.75 million from the Debt Service Reserve (DSR) to balance the budget. The *projected* balance in the Debt Service Reserve at the end of 2017 will be \$33.4 million. It should be noted that contributions from the

Debt Service Reserve reduce tax levy funding requirements. The County earmarks sales tax revenues to pay debt service costs, so surplus sales tax revenues can be used to cash finance capital projects and then to offset the general operating budget. The use of reserves is considered a “one-time” use of funds and does not reduce the County’s structural deficit for future years. The chart below outlines the recent history of the Debt Service Reserve and the projected impact on using \$6.75 million in 2018 to fund the budget.

<b>Debt Service Reserve Recent Activity &amp; Projection</b>			
		<b>Outflows</b>	<b>Inflows</b>
<b>Balance As of December 31, 2015</b>			<b>\$47,176,189</b>
2016 Budget Contribution	2016 Budget	(\$10,500,000)	
2016 Transfers Included in 2015 Carryover Resolution	CB Res16-255	(\$626,194)	
Menomonee River Parkway	May Transfer	(\$651,172)	
Bus Replacement Program	June Transfer	(\$148,196)	
War Memorial- Sub basement Structures	June Transfer	(\$165,526)	
Brown Deer Clubhouse Roof	June Transfer	(\$128,968)	
CJF Roof Replacement	June Transfer	(\$100,000)	
Wil-O-Way Rec Center Entrance	July Transfer	(\$66,200)	
HOC Visiting Center Safety/Security Improvements	Sept Transfer	(\$140,000)	
Highway Bond Reallocation	Sept Transfer	(\$27,558)	
Bond Sale Surplus Bonds/Net Premium	17-117		\$1,181,428
Carryover Surplus Bonds	17-375		\$1,850,313
2016 Year-End Surplus	17-390		\$6,827,125
<b>Balance As of December 31, 2016</b>			<b>\$44,481,241</b>
2017 Budget Contribution	2017 Budget	(\$6,750,000)	
Kinnickinnic Parkway (Lake Park Ravine)	17-117	(\$430,000)	
Clarke Square Pavilion	17-375	(\$91,145)	
<b>Pending Item</b> -- Payment of 2017 Debt Service (IMSD Positions)	17-358	(\$647,916)	
<b>Pending Item</b> -- Payment of 2017 Debt Service (Parks Positions)	17-376	(\$582,246)	
Unspent Bonds Transfers to Capital Projects	17-483	(\$1,853,468)	
Bid Premium/Surplus Bond Transfer - Refunding Bond Contribution	17-662	(\$713,100)	
<b>Projected Balance as of December 31, 2017</b>			<b>\$33,413,366</b>
2018 CEX Rec Budget Contribution		(\$6,750,000)	
<b>Projected Balance as of December 31, 2018</b>			<b>\$26,663,366</b>

## BUDGET FISCAL SYNOPSIS

The 2018 Budget calls for total expenditures of \$1,165,334,116, an increase of \$59,058,390, or 5.34 percent, compared to the 2017 Adopted County Budget<sup>2</sup>. The recommended property tax levy is \$294,015,880, an increase of \$2,938,052, or 1.01 percent, from the 2017 levy. The recommended tax levy is comprised of two components: debt service levy of \$33,771,642 and operating levy of \$260,244,238. The recommended tax levy is \$715,886 under the estimated tax levy cap, and perhaps as much as \$2.8 million under if other factors are considered. (See Tax Levy Cap below)

The Recommended Budget allocates \$100,284,247 in expenditures for capital improvements with \$39.9 million for the airport and \$60.4 million for general government. General obligation bonding is \$39.8 million and is approximately \$93,000 over the self-imposed bonding cap.

### Tax Levy Cap

The Office of the Comptroller recently issued a memo outlining the estimated tax levy limits for 2018. The calculations have been updated to reflect the County Executive's 2018 Recommended Budget. The estimated tax levy limit for 2018 is an increase of \$3,653,938 1.26 percent. As noted above, the County Executive is recommending a tax levy increase of \$2,938,052, or 1.01 percent. This amount is \$715,886 under the tax levy limit.

In addition to the \$3,653,938 tax levy increase limit noted above, an additional \$646,559 is available under the carryforward provision in Wis. Stat. 66.0602 (3) (fm). Claiming the carry forward requires approval by a 2/3 majority vote of the governing body, and the amount of general obligation debt outstanding in the year the carry forward is claimed must be less than the amount of general debt outstanding in the prior year. Adding the carryover amount to the 2018 amount above, the total amount available is \$4,300,497, or 1.48 percent.

In addition to this limit, the County may increase the levy for all or part of the levy associated with a County-wide Emergency Medical Services (EMS) program and for payments to the Federated Library System. The 2018 Recommended Budget includes tax levy of \$3,022,140 for Emergency Medical Services and \$66,650 for the Federated Library System. In 2016 (2017 Budget), the County used \$1,642,868 of the EMS exclusion by levying separately for this item. Combined with the allowable limit explained in the previous paragraphs, the County could increase its tax levy by as much as \$5,746,419 or 1.97 percent. If the County continues to utilize these exclusions, and the combined levy for EMS and MCFLS drops below the amount that the County is currently levying for separately; the County would need to reduce its levy.

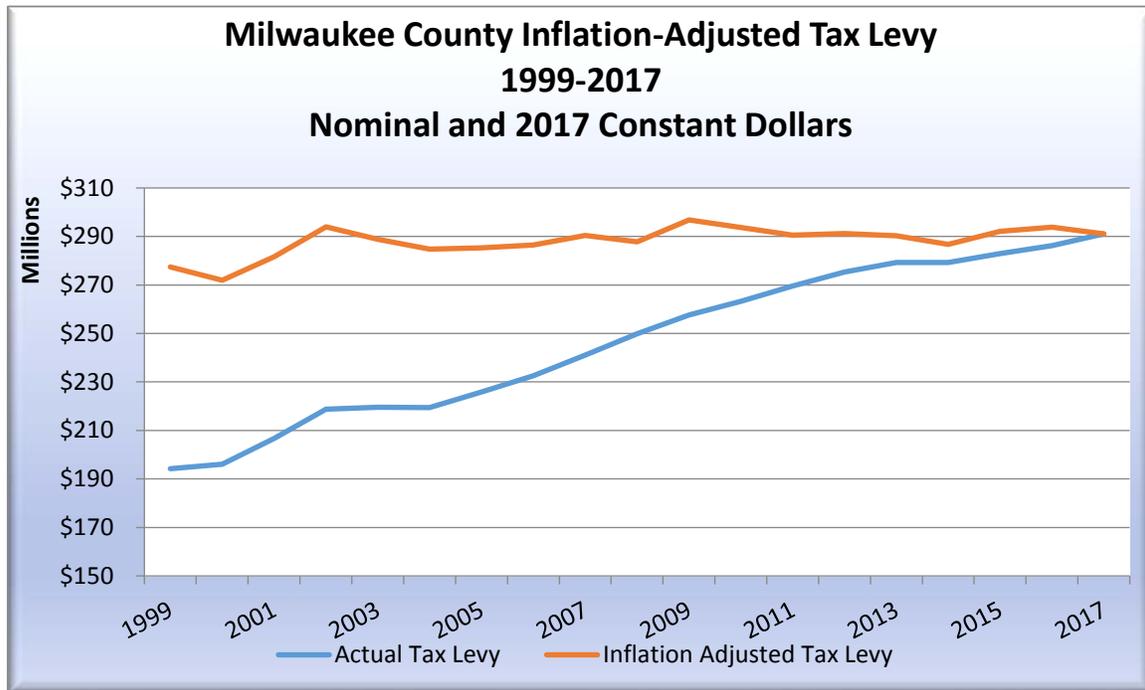
The levy limit will change as modifications are made throughout the budget process. Most significantly, the 2017 bond sales that occur in October will impact the levy limit by changing the required debt service amounts for the 2017 bonds.

---

<sup>2</sup> At the time the 2017 Budget was adopted, an amendment (1A036) to centralize certain cross charges inadvertently understated expenditures and revenues by approximately \$53.1 million with no tax levy impact. In December of 2016, the County Board approved File No. 16-719 to correct the error and "adjust" the 2017 Budget. Factoring in this significant change, the 2018 Recommended Budget increases expenditures by \$5.9 million (one-half percent) and revenues by \$3 million after factoring in the correction.

## TAX LEVY HISTORY

The average increase in the County property tax levy since 1999 is 2.3 percent per year. Through 2017<sup>3</sup>, the average annual inflation since 1999 has been 2.0 percent. The following chart shows the changes in the tax levy from 1999 through 2017 as adjusted for inflation:



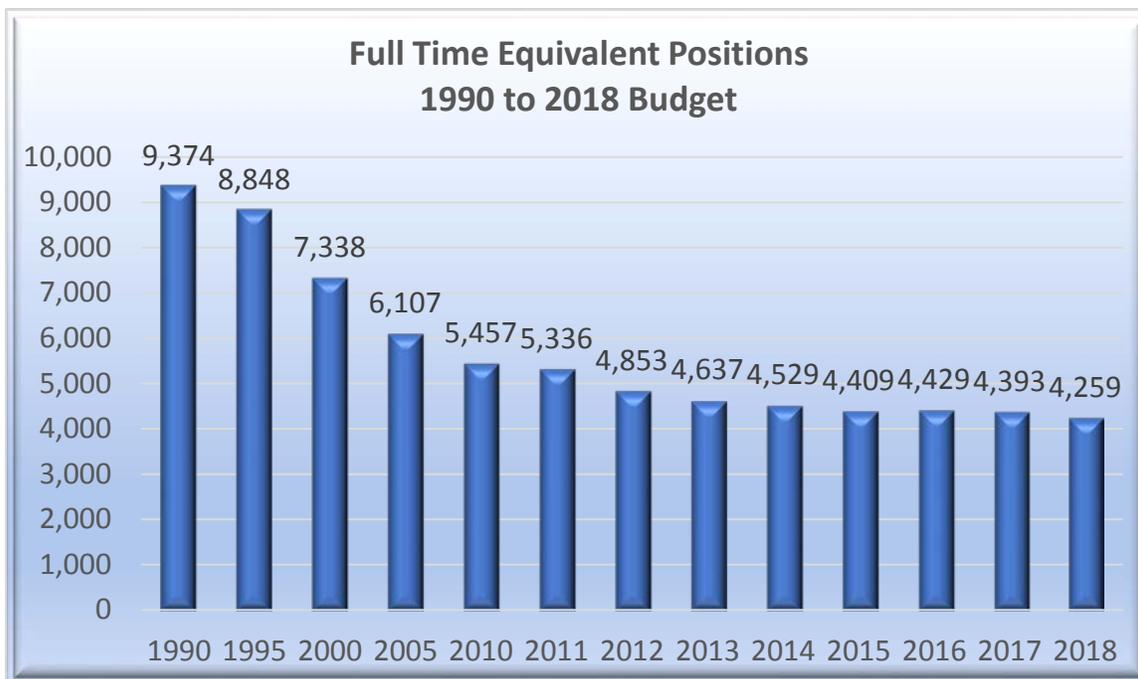
## BUDGET NARRATIVE CHANGES

The format of the 2018 Recommended Budget has changed due to the removal of cross charges and fringe benefits from most departmental budgets. (These charges remain in some departments or areas that are charged to outside revenue sources.) To make accurate comparisons to previous budgets, departmental summary tables are adjusted to remove cross charges and fringe benefits from previous budgets. A separate calculation is made to reflect the “effective tax levy” change between the 2018 Recommended and 2017 Adopted Budget. Policymakers and the public will want to use this number to determine the change in tax levy support with the cross charges and fringe benefits removed that reflects an “apples-to-apples” comparison.

## FUNDED FULL TIME POSITIONS (FTE'S)

The 2018 Recommended Budget includes 4,259 funded FTEs, a decrease of 133.5 from the 2017 Adopted Budget. The FTE count is net of position creates, abolishments and unfunding. Please note that the inclusion of a one percent vacancy and turnover (reduced salary appropriations) for most departments reduces the FTE count. The Department of Administrative Services reported to Research Services staff that two positions are “at-risk” of layoff, including one in DHHS-BHD and one in DAS-Risk Management. The chart below provides a historical summary of the number of FTEs within the County since 1990.

<sup>3</sup> The 2017 inflation figure is based on annualizing the CPI-U Milwaukee/Racine figure based on data through June 30, 2017.



## MAJOR INITIATIVES

### VEHICLE REGISTRATION FEE

The 2018 Recommended Budget proposes an increase of \$30, to \$60, for the vehicle registration fee (VRF) as an option to advance Milwaukee County’s transportation network, while also addressing the continued fiscal pressures facing Milwaukee County.

The VRF is a fee imposed on an owner of a vehicle that has an automobile registration or a truck registration at 8,000 lbs. or less within a given place of residence (WisDOT). The State of Wisconsin gives towns, villages, cities, and counties the authority to establish and implement a VRF without State approval, and also grants municipalities flexibility in setting a fee amount. The revenue generated from a VRF must be used for “transportation purposes only” per Wisconsin State Statute 341.35(6r).



The 2017 Adopted Budget reduced the proposed \$60 VRF in half to \$30, which is estimated to generate a total of \$13.5 million; \$11.5 million allocated for MCTS operations and \$1.97 million for capital projects related to transportation purposes. It is projected that the County will meet the budgeted total of \$13.5 million in VRF revenue for 2017. The 2017 Adopted Budget also called for an advisory referendum on the desirability of the County Executive’s proposal for a \$60 VRF. The non-binding referendum was held in April 2017 with 72 percent of the voters objecting to a \$60 VRF. Additionally, the Adopted Budget requested

the Office of Government Affairs to urge the Wisconsin State Legislature to adopt a sustainable, long-term funding solution for the State Transportation Fund, and to provide the County with flexibility to assess the VRF based on the value or age of the vehicle instead of as a flat fee, which is currently mandated.

While the County’s requests for sustainable funding and flexibility to assess the VRF did not materialize into policy changes at the State level, local VRFs did draw considerable attention from State policymakers. In May 2017, the State Assembly released a proposal on transportation reforms. The proposal would have eliminated the ability of a local government to enact a VRF unless approved by voters in a referendum. Counties that established a local VRF in 2017, like Milwaukee County, would only be allowed to retain their existing VRF if approved by voters in a referendum. This proposal was not enacted, thus the County retains the authority to establish and implement a VRF. The Legislature may revisit this issue as more local governments implement VRFs to finance transportation-related projects.

Looking forward, the 2018 Recommended Budget includes an additional \$17.2 in VRF revenue; \$2.5 million from a full year of implementation of the \$30 VRF and \$14.7 million from increasing the VRF by \$30. In total, the proposed \$60 VRF is estimated to generate \$30.6 million in 2018 based on eleven months of implementation. Of the \$30.6 million: \$26.8 million is allocated for MCTS operations, \$1 million is allocated for the Department of Transportation (DOT) Highway division, and \$2.8 million is allocated for transportation related capital projects. It should be noted that the County Executive’s budget anticipates eleven months of revenue for the new additional \$30 VRF, but that would require the County Board adopting an ordinance in the regular October cycle and approving it on November 2, 2017, which, allowing for the 90-day wait period, could be implemented in February, 2018. Approving an increase in the VRF as part of Budget Adoption Day on November 6, 2017, would delay the implementation until March, 2018 – for a loss of \$1.3 million in revenue.



The \$26.8 million in VRF revenues for MCTS operations helps to fill revenue gaps caused by stagnant state and federal support, a decrease in overall ridership, and the GO Pass Program. Concurrently, the VRF enables the County to use no tax levy to support MCTS operations in 2018, allowing the County to allocate tax levy to support other needs. Additionally, \$1 million in VRF revenues supports the operating expenses of the DOT – Highway division, also enabling the County to use no tax levy to support the Highway division’s operations. For 2018 capital projects, \$2.8 million is allocated for bus replacement and County highway projects.

A VRF imposed by Milwaukee County would be in addition to the regular annual registration fee paid to the state of \$75, as well as to the City of Milwaukee’s VRF of \$20. Consequently, City of Milwaukee vehicle owners would pay a municipal and county VRFs and a State registration fee for a total payment of \$155 per year, per vehicle. All other County residents would pay \$125 per year, per vehicle.

**TRANSIT OPERATIONS - TAX LEVY AND VEHICLE REGISTRATION FEE SUPPORT**

The implementation of the \$30 vehicle registration fee in the 2017 Adopted Budget and the proposed increase to \$60 in the 2018 Recommended Budget allows the remaining tax levy in Transit/Paratransit (and the remaining portions of the Department of Transportation) to be supplanted and used to fund other budgetary needs. Whether funded by tax levy or vehicle registration fee revenues, policymakers should be aware that the tax funding requirements for Transit are increasing by approximately \$3 million per year in recent years. The chart below depicts the tax funding requirements for Transit between 2013 and the 2018 Recommended Budget.



## *GO Pass*

The Growing Opportunities Program (GO Pass), created per the 2015 Adopted Budget, provided fixed route transit rides without charge to persons 65 years of age or older and persons with disabilities. The 2017 Adopted Budget approved three major changes to the GO Pass program: a \$5.00 issuance fee per pass (renewed every three years), a \$1-day pass, and several new income eligibility requirements. The 2018 Recommended Budget contains no new changes to the GO Pass but does have the annual effect of the changes implemented during 2017.

The 2017 Adopted Budget created a workgroup to steer and finalize a plan for implementation of the GO Pass Program, and transferred the daily administration of GO Pass applications, including eligibility screening, from the Milwaukee County Transit System (MCTS) to the Department of Health and Human Services – Disability Resource Center (DRC) and the Department on Aging – Aging Resource Center of Milwaukee County (ARC).

The Reduced Fare Program remains an alternative to the GO Pass for residents who are over 65 or have an eligible disability but do not meet the new criteria for the GO pass program.

### *Implementation of GO Pass Changes pursuant to the 2017 Adopted Budget*

- January 3, 2017: MCTS implemented the \$5 issuance fee to new GO Pass users
- January 17, 2017: MCTS, DRC, and ARC began implementation of the financial means test for new GO Pass applicants, as such, the new eligibility criteria went into effect for new GO Pass users
- February 2017: The GO Pass workgroup held meetings and endorsed an implementation plan pursuant to the 2017 Adopted Budget
- April 28, 2017: Letters, which detailed eligibility status and program changes, were mailed to existing GO Pass users
- June 12, 2017: The new eligibility criteria went into effect for existing GO Pass users
- June 26, 2017: The new GO Pass fare of \$1 for a 1-day pass was implemented for all GO Pass users

### *Fiscal Impact of GO Pass Changes*

As of June, the 2017 Adopted Budget changes are fully implemented and there are approximately 16,000 eligible GO Pass users, which includes elders and individuals with disabilities. In 2018, the changes to the GO Pass program are estimated to generate a total of \$1 million in revenue. Thus far in 2017, a total of \$177,183 in revenue has been generated due to the implementation of a \$5 issuance fee in January 2017, and the implementation of the \$1-day pass fee in late June 2017. In addition to this direct revenue from GO Pass fare changes, MCTS largely attributes the increase in Reduced Fare Revenue of approximately \$75,000 to changes in the eligibility of the GO Pass program.

Prior to the GO Pass program changes, the program was estimated to cost up to \$4 million on an annualized basis per data provided by MCTS. With the implementation of above changes, the GO Pass program is estimated to cost Milwaukee County \$2 million in 2018. This estimate is based on the assumption that the 16,000 eligible GO Pass users would migrate to the Reduced Fare program in the absence of the GO Pass.

## **INTERNATIONAL TERMINAL**

The 2018 Recommended Budget proposes the development of a new International Terminal at General Mitchell International Airport (GMIA). The existing International Arrivals Building (IAB) is a stand-alone building detached from other terminals and the parking structure. The new building will be constructed in the current location of Concourse E with two gates to serve both domestic and international flights. The new building will also include a Federal Inspection Services (FIS) facility that meets the current design standards of United States Department of Homeland Security. The new facility will have a peak passengers processing capacity of 400 passengers per hour, compared to the current processing capacity of 140 per hour.

The 2018 Recommended Budget allocates \$25,198,191 for phase 1 of the project, with financing provided by \$8,198,191 in GMIA Airport Development Funding (ADF) reserve, \$2,000,000 in Passenger Facility Charge (PFC) cash, and \$15,000,000 in PFC backed bonds. Phase 1 includes the construction of a new international concourse building and the demolition of the existing Concourse E. In 2019, a capital request of \$20,112,809 is anticipated for Phase 2. Phase 2 will include the completion of the building, interior finishes, and connection to the existing terminal building.

In June 2017, the GMIA International Concourse Redevelopment Feasibility Study Report (Report) was finalized. The Office of the Comptroller is in the process of gathering additional information and performing an analysis regarding the project. Information that is being pursued includes additional supporting documentation and analysis of market demand to justify a capacity expansion for international traffic. Also, the risk/potential impact to other future airport capital needs of utilizing a significant amount of the ADF reserve and PFC capacity on the International Terminal Redevelopment project. Findings from the analysis will be presented to the Committee on Finance and Audit.

## **OFFICE OF THE SHERIFF**

The Comptroller analyzed the Office of the Sheriff's 2018 Recommended Budget, and based on 2016 actuals and projections for 2017, it is plausible that the Sheriff could have a much smaller deficit in 2018 or around \$2.9 million. (See chart below). This potential reduction is based on the assumption that the department will continue to operate in the manner as it has for most of 2017 and will be able to maintain the same expenditure restraints that were recently put in place that have lessened the current deficit. If that holds true in 2018, the Recommended Budget may be even less problematic than projected in the chart below. However, a future change in leadership could reverse the recent positive fiscal trends and put the department back in a greater deficit situation.

The biggest driver of the deficit is overtime expenditures. Actual overtime was \$8.4 million in 2015, \$9.9 million in 2016, and the department is projecting \$9.5 million in overtime in 2017. These overtime costs are partially offset with a projected surplus in salaries as many positions, such as Correctional Officer, are vacant. The Recommended Budget includes \$3.1 million for overtime in 2018. It is unlikely that even a conservative use of overtime will result in such a reduction significant enough to meet the 2018 Recommended Budget's target.

The projection cannot account for the Sheriff's constitutional authority to run the office how he/she sees fit, or for unforeseen emergencies that require the Sheriff's presence. Any change in operations may change the overall impact of this budget in 2018. These projections assume that additional revenues will be captured by the increase in rates for

inmate phone calls from \$0.14 to \$0.21. The projections do not assume command staff will leave through attrition in 2018, as envisioned in the Recommended Budget.

<b>OFFICE OF THE SHERIFF 2018 BUDGET ANALYSIS</b>	
<b><u>SALARIES &amp; OVERTIME</u></b>	
2017 PROJECTED ACTUAL	\$42,498,705
2018 RECOMMENDED BUDGET	\$37,666,000
	(\$4,832,705)
<b><u>COMMODITIES &amp; SERVICES</u></b>	
2017 PROJECTED ACTUAL	\$5,188,997
2018 RECOMMENDED BUDGET	\$7,508,543
	\$2,319,546
<b><u>REVENUE</u></b>	
2017 PROJECTED ACTUAL	\$10,133,045*
2018 RECOMMENDED BUDGET	\$10,528,591
	(\$395,546)
<b><u>TOTAL</u></b>	
SALARY DEFICIT	(\$4,832,705)
SERVICES & COMMODITIES SURPLUS	\$2,319,546
REVENUE DEFICIT	(\$395,546)
<b>POTENTIAL 2018 FUNDING GAP</b>	<b>(\$2,908,705)</b>

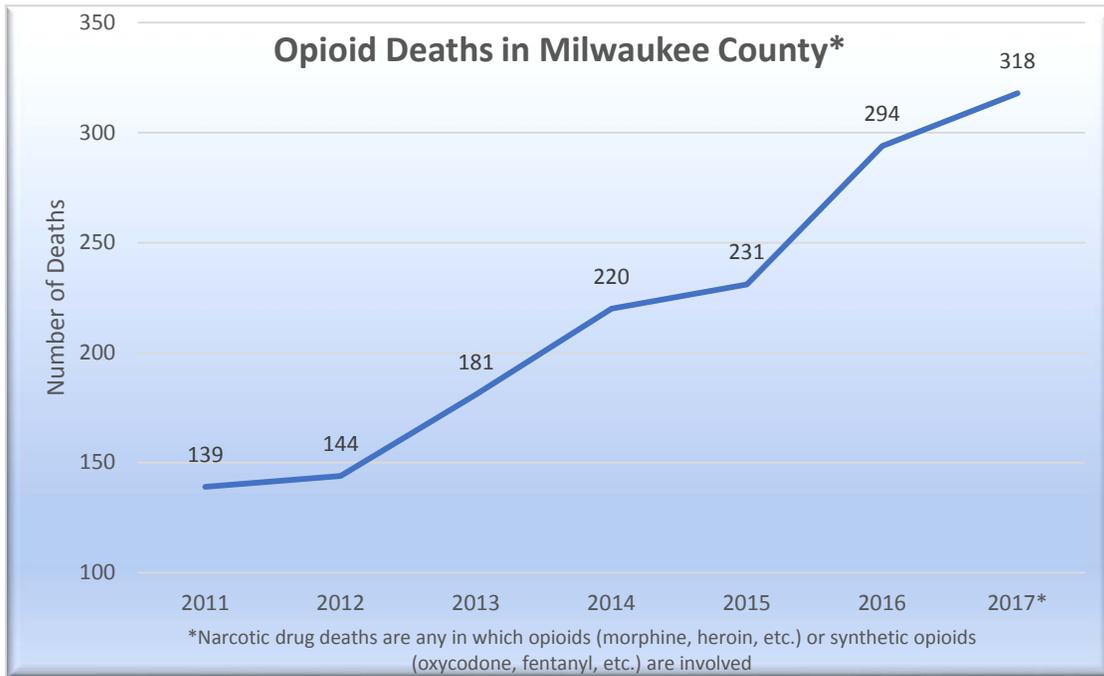
### OPIOID EPIDEMIC INITIATIVE

A major initiative touted in the 2018 Recommended Budget is a multi-faceted plan to address the opioid epidemic that is facing Milwaukee County. According to the Medical Examiner, in 2016, 294 deaths were related to opioids – a 112 percent increase from 2011. The office estimates that opioid deaths may total 318 at the end of 2017, or nearly one person every day will die in Milwaukee County due to opioids (see chart below).

To address this public health crisis one Forensic Chemist and one Forensic Pathologist are added to the Medical Examiner’s office to handle the increased volume of autopsies. Additionally, \$200,000 is allocated to provide approximately half of the funding for a Mass Spectrometer instrument. The other half of the cost of the machine will be provided by the Milwaukee County Byrne Justice Assistance Grant as agreed to by the City of Milwaukee. The equipment will decrease drug screening times by 80 percent providing timely information to law enforcement, which will help in improving response time.

The Behavioral Health Division (BHD) is investing \$700,000 in the Alcohol and Other Drug Addiction (AODA) residential program, which provides recovery services to Milwaukee County residents with a history of alcohol or drug use. In 2017, BHD expanded capacity in the program by 24 beds. The additional funds in 2018 provide rate increases to providers to ensure high quality and accessible treatment for Milwaukee County residents.

An additional \$200,000 is provided to explore, design, and implement a peer run respite program. BHD is currently searching for a partner to operate this program.



### DEPARTMENT OF PARKS AND ZOO REVENUE INCREASES

Similar to many other departments in the 2018 Recommended Budget, both the Department of Parks, Recreation and Culture and the Zoological Department are tasked with identifying new revenue generating opportunities to meet their operating budget and reduce their reliance on tax levy support.

In response to the County Executive’s tax levy targets presented to Parks earlier this year, the department indicated it was facing a \$2.4 million budget gap primarily due to increased costs and the loss of O’Donnell Park parking structure revenue. To help fill the shortfall, the Parks Department proposed a new “Pay-to-Park” program for high-demand lots and parkways within the County Parks. The Recommended Budget calls for a Workgroup to be convened to determine a countywide pay-to-park system to help achieve \$1,662,000 in new revenues in 2018. Although charging for parking (primarily at the lakefront) has been suggested in past Recommended Budgets, the new program aims to implement paid parking widely throughout the County. The \$1.6 million in new parking revenue is based on an average estimate based on numerous scenarios with more than 2,500 potential parking spots across County-owned lots and roadways.



Park user fees also increase in 2018, with an expected \$383,000 in additional revenue as a result. Most of the increases reflect

inflationary increases, but some restructuring to the price of the golf discount card for non-County residents is proposed to encourage players from outside of the County to play. A restructuring of the fee payments for leagues and team sport reservations is also proposed, as well as \$110,000 in additional revenue from advertising and naming rights opportunities.

The Zoo's expenditures decrease in 2018 due in part to their new agreement with SSA to operate concessions and retail operations. Overall, after factoring in this new agreement, as well as the centralizing of cross charges, the "effective" tax levy support for the Zoo decreases primarily due to new revenues. The Zoo is proposing to increase its admission



fee by \$1.25, and the cost of the Zoo Pass, offered through the Zoological Society, by \$5. These increases are anticipated to generate an additional \$454,000 in revenue for 2018. It should be noted that the proposed \$5 increase to the Zoo Pass is contingent upon the County's approval of the Zoo admission increase of \$1.25.

Additionally, \$474,000 in revenue is included for parking space rental within the Zoo's lots. The Zoo has been approached by nearby businesses to consider renting out available parking space to be used as satellite parking for staff and shuttle service, although no formal agreement is proposed.

## EMPLOYEE COMPENSATION AND FRINGE BENEFITS

The County Executive had to grapple with almost a \$20 million increase in active and retired employee fringe benefit costs, including \$6 million more for pension and \$13.8 million for health and dental care costs. The increase in pension is primarily due to a reduction in the assumed rate of return from 8.0 to 7.75 percent and assets not achieving the current assumed rate of return. The health and dental care expense increase was driven by a shortfall in the amount budgeted in 2017 coupled with medical cost inflation of five percent and a pharmaceutical cost inflation of eight percent.

The 2018 Recommended Budget holds the line on employee total compensation with modest raises, funds to correct pay equity issues and to recognize excellent performance. The budget funds the one percent raise authorized in mid-2017 for most employees for all of 2018. In addition, the 2018 Budget includes a proposed one percent raise for employees beginning Pay Period 14, effective June 17, 2018. On top of the one percent raise, departmental budgets include \$400,000 to adjust salary for performance based increases, equity increases, market adjustments, reallocations, and retention based increases. A proposed new compensation system is pending before the County Board, as well as a policy outlining other pay adjustments, therefore no monies are provided for "step" increases under the current pay structure.

The pension contribution for most employees remains at 6.5 percent of pay, while public safety contributions are subject to collective bargaining, but are expected to rise slightly to 8.3 percent. The employee monthly healthcare and dental premiums contributions increase as shown in the chart below. Deductibles also increase for most categories, as

well as office visit co-pays. These changes helped reduce the County's portion of the health and dental cost increase by \$1.4 million. The health and dental employee premium changes were not outlined in the budget narrative.

A proposed modification to the flexible spending account contribution would reduce the County's maximum \$1 to \$1 match to \$1,000 from the \$1,500 currently provided. This reduced the County's cost by \$400,000. There are no other major changes to the health care plan design or prescription drug benefit. The chart on the following page outlines the proposed healthcare benefit changes for 2018.

Modifications to Chapter 17 of the Ordinances to reflect the proposed changes to the flexible spending account contributions and the employee health/dental premiums were not submitted with the budget resolution.

## 2018 Proposed Budget Summary of Benefits Changes

	2017 Plan	2018 Plan
<b>In Network Annual Deductible</b>	Single: \$1,000 EE + Child(ren) \$1,250 EE + Spouse \$2,000 EE + Family \$2,250	<b>Single: \$1,250</b> <b>EE + Child(ren) \$1,500</b> <b>EE + Spouse \$2,250</b> <b>EE + Family \$2,500</b>
<b>Office Visits</b>	\$30 Copay	\$30 Copay/ <b>\$40 Specialist (new)</b>
<b>Inpatient Hospital</b>	20% Coinsurance	20% Coinsurance
<b>Outpatient Surgery</b>	20% Coinsurance	20% Coinsurance
<b>Emergency Room</b>	\$200 Copay	\$200 Copay
<b>Preventive Services</b>	100% Coverage	100% Coverage
<b>Medical Out-of Pocket Maximum</b>	In Network: \$3,000 Single \$6,000 Family	In Network: \$3,000 Single \$6,000 Family
<b>Pharmacy Copay</b>	<b>Retail</b> Tier 1: \$10 Tier 2: \$30 Tier 3: \$50 <b>Mail Order</b> Tier 1: \$25 Tier 2: \$75 Tier 3: \$125	<b>Retail</b> Tier 1: \$10 Tier 2: \$30 Tier 3: \$50 <b>Mail Order</b> Tier 1: \$25 Tier 2: \$75 Tier 3: \$125
<b>Pharmacy Out-of-Pocket Maximum</b>	Single: \$2,000 Family: \$4,000	Single: \$2,000 Family: \$4,000

<b>Monthly Employee Medical Premium Contributions</b>				
	2017 Base Premium	2018 Base Premium	2017 with Wellness Credit	2018 with Wellness Credit
<b>Single</b>	\$130	<b>\$138</b>	\$91	<b>\$99</b>
<b>EE + Child(ren)</b>	\$170	<b>\$193</b>	\$120	<b>\$143</b>
<b>EE + Spouse</b>	\$240	<b>\$276</b>	\$190	<b>\$226</b>
<b>Family</b>	\$270	<b>\$304</b>	\$220	<b>\$254</b>
<b>Monthly Employee Dental Premium Contributions</b>				
	Delta Dental (traditional plan)		Dental Associates (DMO)	
	2017	2018	2017	2018
<b>Single</b>	\$20	<b>\$25</b>	\$20	<b>\$15</b>
<b>EE + Child(ren)</b>	\$45	<b>\$50</b>	\$45	<b>\$50</b>
<b>EE + Spouse</b>	\$45	<b>\$50</b>	\$45	<b>\$50</b>
<b>Family</b>	\$45	<b>\$50</b>	\$45	<b>\$50</b>

## CAPITAL IMPROVEMENTS PROGRAM

The Recommended Budget allocates \$100.3 million in expenditures for capital improvements, with \$39.9 million for the airport and \$60.4 million for general government. These expenditures will require \$82.2 million to be financed with: \$39.8 million in general obligation bonds, \$2.8 million in Vehicle Registration Fee revenues, \$6.3 million in sales tax revenues (cash), and \$1.5 million in tax levy. See the financing chart below. A total of \$15 million in Passenger Facility Charge (PFC) backed Bonds is proposed for the development of a new international terminal. The 2018 Recommended Capital Improvements Program allocates funding for 50 new projects; 14 airport and 36 non-airport projects.

Notable non-airport projects include funding to purchase 30 forty-foot replacement buses (\$15 million), \$9 million for General/Sheriff/Parks Fleet equipment, \$5 million to reconstruct 13<sup>th</sup> Street from Drexel to Rawson Avenue, \$2.7 to replace the fire panel at the Milwaukee Public Museum, \$5.8 million for Enterprise Platform Modernization, and \$320,000 to continue the planning of Mitchell Park Conservatory (“Domes”). Major Airport projects include redevelopment of the International Terminal (\$25.2 million), Deicer pads (\$4.5 million) MKE Business Park Electrical Infrastructure (\$2.8 million) and Airfield Safety Improvements (\$483,224).

A total of \$2,821,146 of revenue from a proposed \$60 County Vehicle Registration Fee is used to help cash finance capital improvement projects. This includes \$1.6 million of Highway projects, and \$1.2 million for transit bus replacements. Excluding Airport projects, cash financing accounts for \$10.7 million of the \$50.5 in County Capital commitments, or 21 percent.

A summary of the financing of the 2018 Capital Improvement Program is as follows:

CAPITAL FINANCING SUMMARY			
	Non-Airport	Airport	Combined
Total Number of Projects	36	14	50
Total Expenditures	\$60,376,486	\$39,907,761	\$100,284,247
Total Reimbursement Revenues	<u>\$9,916,088</u>	<u>\$8,156,599</u>	<u>\$18,072,687</u>
<b>Net County Financing</b>	<b>\$50,460,398</b>	<b>\$31,751,162</b>	<b>\$82,211,560</b>
<i>Financed as follows:</i>			
General Obligation Bonds	\$39,762,489	\$0	\$39,762,489
Property Tax Levy	\$1,531,174	\$0	\$1,531,174
Sales Tax Revenue (cash financing)	\$6,345,589	\$0	\$6,345,589
Vehicle Registration Fee	\$2,821,146	\$0	\$2,821,146
PFC Backed Airport Bonds	\$0	\$15,000,000	\$15,000,000
Passenger Facility Charges (PFC)	\$0	\$4,484,252	\$4,484,252
Airport Capital Improvements Reserve	\$0	\$1,240,015	\$1,240,015
Airport Development Fund (ADF)	<u>\$0</u>	<u>\$11,026,895</u>	<u>\$11,026,895</u>
<b>Total Financing</b>	<b>\$50,460,398</b>	<b>\$31,751,162</b>	<b>\$82,211,560</b>

#### CAPITAL IMPROVEMENTS COMMITTEE

The 2013 Adopted Budget included the creation of the Capital Improvements Committee (CIC) to help analyze and rank requested capital improvement projects and develop a five-year plan for capital expenditures. The CIC is comprised of County elected officials, staff, and representatives from local municipalities. The recommendations are not binding on the County Executive or County Board, but help develop a capital improvement project approval process that is based on in-depth analysis and quantifiable scoring.

At its meeting on August 30, 2017, the CIC did not recommend a five-year Capital Improvement Plan (CIP) to the County Executive and County Board of Supervisors.

#### BONDING LIMITS

In 2003, the County Board adopted a change in the County's debt management goal in conjunction with the major debt restructuring to restrict future borrowing. In effect, this policy limited 2005-2007 borrowing to an increase of no more than \$1 million over the previous year's corporate purpose bond amount. In addition, the corporate purpose bond amount for 2008 would be set at a not-to-exceed amount of \$30 million, and future not-to-exceed amounts would increase by 3 percent over the previous year's bond amount. Due to the accelerated capital program in 2009 and 2010 to take advantage of lower interest rates through the Federal Stimulus' Build America Bond program, no additional bonding authority was available in 2011 and 2012 under the County's self-imposed limits.

The self-imposed bonding limit for 2018 is \$39,669,356. A total of \$39,762,489 of general obligation bonding is included in the 2018 Recommended Capital Improvements

Budget, or \$93,133 over the limit. It should be noted that the original bonding cap for 2018, \$42.4 million, was reduced by the County Board's decision to accelerate \$2.7 million of bond financing in 2017 for the Zoo's African Elephants Exhibit.

Remaining sections of this Overview present a more detailed explanation of tax levy changes, major budget changes, and capital improvement projects.

## SECTION 2 – TAX LEVY CHANGES

<u>Unit</u>	<u>Org. Name</u>	<u>2017 Adopted</u>	<u>2018 CEX</u>	<u>Levy Change</u>	<u>% Change</u>
<b>DEPARTMENTAL</b>					
<b>Legislative &amp; Executive</b>					
1000	County Board	\$ 1,159,078	\$ 1,164,311	\$ 5,233	0.45%
1011	County Exec. - General Office	\$ 799,468	\$ 772,419	\$ (27,049)	-3.38%
1020	County Exec. - Intergovernmental Relations	\$ 308,334	\$ 223,357	\$ (84,977)	-27.56%
1021	County Exec. - Veterans Service	\$ 255,096	\$ 197,023	\$ (58,073)	-22.77%
<b>Legislative &amp; Executive Subtotal</b>		<b>\$ 2,521,976</b>	<b>\$ 2,357,110</b>	<b>\$ (164,866)</b>	<b>-6.54%</b>
<b>Staff Agencies</b>					
1090	Office on African American Affairs*	\$ 267,171	\$ 634,484	\$ 367,313	137.48%
1120	Personnel Review Brd /Civil Service Com	\$ 339,296	\$ 280,596	\$ (58,700)	-17.30%
1130	Corporation Counsel	\$ 894,270	\$ 1,029,591	\$ 135,321	15.13%
1140	Human Resources	\$ 5,286,139	\$ 4,050,370	\$ (1,235,769)	-23.38%
<b>Staff Agencies Subtotal</b>		<b>\$ 6,786,876</b>	<b>\$ 5,995,041</b>	<b>\$ (791,835)</b>	<b>-11.67%</b>
*The Office on African American Affairs has an additional appropriation of \$300,000 from 2017 that was held in an allocated contingency account until a Director was appointed and confirmed; the Director was confirmed in September 2017					
<b>Staff Agencies-Consolidated DAS</b>					
1019	DAS - Office For Persons with Disabilities	\$ 642,438	\$ 524,359	\$ (118,079)	-18.38%
1150	DAS - Risk Management	\$ 3,346,630	\$ 11,620,028	\$ 8,273,398	247.22%
1185B	DAS - Fiscal Affairs	\$ 1,694,854	\$ 987,133	\$ (707,721)	-41.76%
1186B	DAS- Performance, Strategy & Budget	\$ 1,123,399	\$ 656,800	\$ (466,599)	-41.53%
1152	DAS - Procurement Division	\$ 1,278,778	\$ 607,331	\$ (671,447)	-52.51%
1040	DAS - Community Business Dev. Partners	\$ 850,418	\$ 577,934	\$ (272,484)	-32.04%
1160	DAS - Information Mgt Services Division	\$ 5,165,214	\$ 13,555,629	\$ 8,390,415	162.44%
1168B	DAS-IMSD Central Purchases	\$ 1,723,170	\$ 7,598,056	\$ 5,874,886	340.93%
1192	DAS - Economic Development	\$ 1,679,087	\$ 704,375	\$ (974,712)	-58.05%
7990	DAS- Department of Family Care	\$ -	\$ -	\$ -	0.00%
5500	DAS - Water Utility	\$ -	\$ -	\$ -	0.00%
5700	DAS - Facilities Management	\$ 14,602,353	\$ 11,691,697	\$ (2,910,656)	-19.93%
<b>Consolidated DAS Subtotal</b>		<b>\$ 32,106,341</b>	<b>\$ 48,523,342</b>	<b>\$ 16,417,001</b>	<b>51.13%</b>
<b>General Government</b>					
3010	Election Commission	\$ 686,636	\$ 559,776	\$ (126,860)	-18.48%
3090	County Treasurer	\$ (3,537,984)	\$ (4,963,999)	\$ (1,426,015)	-40.31%
3270	County Clerk	\$ 314,921	\$ 271,715	\$ (43,206)	-13.72%
3400	Register of Deeds	\$ (2,729,705)	\$ (2,807,413)	\$ (77,708)	-2.85%
3700	Office of the Comptroller	\$ 5,082,491	\$ 3,933,089	\$ (1,149,402)	-22.61%
<b>General Government Subtotal</b>		<b>\$ (183,641)</b>	<b>\$ (3,006,832)</b>	<b>\$ (2,823,191)</b>	<b>1537.34%</b>

<u>Unit</u>	<u>Org. Name</u>	<u>2017 Adopted</u>	<u>2018 CEX</u>	<u>Levy Change</u>	<u>% Change</u>
<b>Courts &amp; Judiciary</b>					
2000	Combined Court Related Operations	\$ 20,110,637	\$ 15,290,167	\$ (4,820,470)	-23.97%
2900	Courts - Pre-Trial Services	\$ 4,573,461	\$ 4,586,916	\$ 13,455	0.29%
2430	Department of Child Support Services	\$ 1,838,007	\$ 2,182,124	\$ 344,117	18.72%
<i>Courts &amp; Judiciary Subtotal</i>		\$ 26,522,105	\$ 22,059,207	\$ (4,462,898)	-16.83%
<b>Public Safety</b>					
4000	Office of the Sheriff	\$ 43,381,907	\$ 33,191,292	\$(10,190,615)	-23.49%
4300	House of Correction	\$ 48,833,430	\$ 37,676,708	\$(11,156,722)	-22.85%
4500	District Attorney	\$ 8,422,367	\$ 5,967,292	\$ (2,455,075)	-29.15%
4800	Emergency Preparedness	\$ 7,682,291	\$ 6,024,885	\$ (1,657,406)	-21.57%
4900	Medical Examiner	\$ 1,394,310	\$ 1,381,576	\$ (12,734)	-0.91%
<i>Public Safety Subtotal</i>		\$ 109,714,305	\$ 84,241,753	\$(25,472,552)	-23.22%
<b>Public Works and Transportation</b>					
5040	DOT - Airport	\$ -	\$ -	\$ -	0.00%
5100	DOT - Highway Maintenance	\$ 1,160,260	\$ -	\$ (1,160,260)	-100.00%
5300	DOT - Fleet Maintenance	\$ 519,478	\$ (1,002,505)	\$ (1,521,983)	292.98%
5600	Milwaukee County Transit/Paratransit Sys	\$ 13,961,512	\$ -	\$(13,961,512)	-100.00%
5800	DOT - Director's Office	\$ -	\$ -	\$ -	0.00%
<i>Public Works and Transportation Subtotal</i>		\$ 15,641,250	\$ (1,002,505)	\$(16,643,755)	-106.41%
<b>Health and Human Services</b>					
6300	DHHS - Behavioral Health Division	\$ 57,385,711	\$ 58,636,816	\$ 1,251,105	2.18%
7900	Department on Aging	\$ 1,612,995	\$ 2,611,588	\$ 998,593	61.91%
8000	Dept. of Health and Human Services	\$ 15,536,396	\$ 11,575,264	\$ (3,961,132)	-25.50%
<i>Health &amp; Human Services Subtotal</i>		\$ 74,535,102	\$ 72,823,668	\$ (1,711,434)	-2.30%
<b>Recreation &amp; Culture</b>					
9000	Parks, Recreation and Culture	\$ 19,638,836	\$ 12,780,435	\$ (6,858,401)	-34.92%
9500	Zoological Dept.	\$ 1,623,953	\$ (655,345)	\$ (2,279,298)	-140.35%
9910	University Extension Service	\$ 412,848	\$ 399,679	\$ (13,169)	-3.19%
<i>Recreation &amp; Culture Subtotal</i>		\$ 21,675,637	\$ 12,524,769	\$ (9,150,868)	-42.22%
<b>Cultural Contributions</b>					
1908	Milwaukee Cty. Historical Society	\$ 258,105	\$ 258,105	\$ -	0.00%
1914	War Memorial Center	\$ 486,000	\$ 486,000	\$ -	0.00%
1915	Villa Terrace/Charles Allis Museums	\$ 225,108	\$ 225,108	\$ -	0.00%
1916	Marcus Center for the Performing Arts	\$ 900,000	\$ 850,000	\$ (50,000)	-5.56%
1917	Milwaukee Art Museum	\$ 1,290,000	\$ 1,290,000	\$ -	100.00%
1900	Federated Library System	\$ 66,650	\$ 66,650	\$ -	0.00%
1900	Fund for the Arts	\$ 407,825	\$ 407,825	\$ -	0.00%
9700	Public Museum	\$ 3,500,000	\$ 3,500,000	\$ -	0.00%
<i>Cultural Contributions Subtotal</i>		\$ 7,133,688	\$ 7,083,688	\$ (50,000)	-0.70%

<u>Unit</u>	<u>Org. Name</u>	<u>2017 Adopted</u>	<u>2018 CEX</u>	<u>Levy Change</u>	<u>% Change</u>
<b>Debt Service</b>					
9960	General County Debt Service	\$ 33,616,438	\$ 33,771,642	\$ 155,204	0.46%
<i>Debt Service Subtotal</i>		\$ 33,616,438	\$ 33,771,642	\$ 155,204	0.46%
<b>Capital Improvements</b>					
	Capital Improvements - Exp 1200-1876	\$ 1,475,000	\$ 1,531,174	\$ 56,174	3.81%
<i>* Allocated from County Sales Tax Revenue</i>					
<i>Capital Improvements Subtotal</i>		\$ 1,475,000	\$ 1,531,174	\$ 56,174	3.81%
<b>NON-DEPARTMENTAL</b>					
<b>Revenues</b>					
1901	Unclaimed Money	\$ (1,250,000)	\$ -	\$ 1,250,000	100%
1933	Land Sales	\$ (1,000,000)	\$ -	\$ 1,000,000	0.00%
1937	Potawatomi Allocation	\$ (4,184,628)	\$ (4,184,628)	\$ -	0.00%
1993	State Shared Taxes	\$ (31,229,789)	\$ (31,229,789)	\$ -	0.00%
1994	State Exempt Computer Aid	\$ (4,922,176)	\$ (4,994,531)	\$ (72,355)	1.47%
1995	Milwaukee Bucks Sports Arena	\$ 4,000,000	\$ 4,000,000	\$ -	
1996	County Sales Tax Revenue	\$ (67,625,203)	\$ (69,380,817)	\$ (1,755,614)	-2.60%
1998	Surplus from Prior Year	\$ (5,000,000)	\$ (5,000,000)	\$ -	0.00%
1999	Other Misc. Revenue	\$ (906,516)	\$ (100,000)	\$ 806,516	88.97%
<i>Non Departmental Revenues Subtotal</i>		\$(112,118,312)	\$(110,889,765)	\$ 1,228,547	1.10%
<b>Expenditures</b>					
1913	Civil Air Patrol	\$ 11,000	\$ 11,000	\$ -	0.00%
1921	Human Resource and Payroll System	\$ 640,315	\$ 1,968,000	\$ 1,327,685	207.35%
1930	Internal Service Abatement	\$ (318,583)	\$ -	\$ 318,583	-100.00%
1935	Charges to Other County Depts.	\$ (10,613,410)	\$ (6,095,572)	\$ 4,517,838	42.57%
1945	Appropriation - Contingencies	\$ 9,704,967	\$ 5,138,755	\$ (4,566,212)	-47.05%
1950	Employee Fringe Benefits	\$ 73,716,069	\$ 124,332,215	\$ 50,616,146	100.00%
1961	Litigation Reserve Account	\$ 545,591	\$ 526,899	\$ (18,692)	-3.43%
1972	Wage and Benefit Modification	\$ 1,558,267	\$ 3,951,600	\$ 2,393,333	153.59%
1975	Law Enforcement Grants	\$ 501,288	\$ 501,288	\$ -	0.00%
1985	Capital Outlay/Depreciation Contra	\$ (4,094,440)	\$ (3,837,674)	\$ 256,766	6.27%
1971	Centralized Crosscharges	\$ -	\$ (8,510,522)	\$ (8,510,522)	100.00%
1987	Debt Issue Expense	\$ -	\$ -	\$ -	0.00%
<i>Non Departmental Expenditures Subtotal</i>		\$ 71,651,064	\$ 117,985,989	\$ 46,334,925	-64.67%
<b>Expendable Trust Funds</b>					
	700 BHD Expendable Trust Fund	\$ -	\$ 17,600	\$ 17,600	100.00%
<i>Expendable Trust Funds Subtotal</i>		\$ -	\$ 17,600	\$ 17,600	100.00%
GRAND TOTAL DEBT SERVICE		\$ 33,616,438	\$ 33,771,642	\$ 155,204	0.46%
GRAND TOTAL OPERATING PURPOSE		\$ 369,579,703	\$ 371,134,004	\$ 1,554,301	0.42%
GRAND TOTAL REVENUES		\$(112,118,312)	\$(110,889,765)	\$ 1,228,547	1.10%
GRAND TOTAL		\$ 291,077,828	\$ 294,015,880	\$ 2,938,052	1.01%

## SECTION 3 – MAJOR CHANGES

### DEBT SERVICE

#### 9960 General County Debt Service

The property tax levy for the General Debt Service Fund Budget increases by \$155,204 due to \$423,561 more in expenditures partially offset with \$268,357 more in revenues.

##### Debt Service Expenditures

Total principal and interest expenses increase by \$215,885, from \$91,056,268 to \$91,272,153. This amount also includes \$33,222,456 for debt service costs for pension obligation notes issued in 2009 and 2013.

##### Debt Service Revenues

The 2017 Recommended Budget includes a Contribution from the Debt Service Reserve (DSR) of \$6,750,000, the same as 2017. As of September 2017, the projected year end DSR balance is \$33.4 million. As part of the 2014 Budget, the County adopted Financial Policies that included sought to build and maintain a minimum balance of \$10 million in the DSR.

Doyle Hospital Sale Revenues increase \$500,000 to \$8.5 million for 2018 based on the 2017 projected payment. Based on the sale agreement between Milwaukee County and Froedtert Hospital, the County receives annual payments over 25 years beginning in 1996 and ending in 2020.

### NON-DEPARTMENTAL REVENUES

#### 1901 Unclaimed Money

Unclaimed Money is budgeted at \$0, a decrease of \$1,250,000 from the amount budgeted in 2017. Every other year unclaimed funds are forfeited and recognized by the County. This revenue represents payments to vendors and individuals that go unclaimed.

#### 1933 Land Sales

Land sale revenue decreases by \$1 million to \$0 for 2018. In July 2015, Milwaukee County experienced substantial changes in land sale policy with the passage of Wisconsin Act 55. Act 55 dramatically altered the authority of the County Executive and the County Board in regards to the sale, acquisition, and lease of County land.

Under Act 55, the County Executive has nearly unilateral authority to sell, acquire or lease land not zoned as park, including non-park real estate and personal property. The sale of land not zoned as park may occur if two of three designated officials certify that they believe the sale is in the best interests of the County. The three designated officials include a) the County Executive or his or her designee, b) the Comptroller or his or her designee, and c) a non-elected resident of the municipality in which the property is located, with expertise in real estate matters. County Board approval is not required for the sale,

acquisition, or lease of non-park land, nor for non-park real estate and personal property. It is required for any multi-year contract except multi-year or single-year contracts for property sales, leases or acquisitions, which the County Executive controls. The County Board retains authority over land that is zoned as park.

In addition to the changes in land sale policy, Act 55 also changed the contracting authority of the County Executive and County Board. It should be noted that in 2017, the Office of Corporation Counsel opined that several modifications should be made to address the contradictory language of Act 55, which interferes with the powers and responsibilities of Milwaukee County Board and County Executive defined in other sections of the Wisconsin State Statutes.

## 1937 Potawatomi Revenue Allocation

An agreement between the Forest County Potawatomi Tribe and both the City and County of Milwaukee specifies that Potawatomi shall contribute an annual payment of 1.5 percent of the annual Class III Net Win from Potawatomi Bingo Casino for every 12-month period, beginning on July 1, 1999. Potawatomi also pays the City of Milwaukee the same amount.

The 2018 Recommended Budget includes \$4,184,628 in Potawatomi Revenue, the same as the 2017 Adopted Budget. This includes an allocation to DHHS in the amount of \$1,488,523. The DHHS allocation amount also remains unchanged from the 2017 levels, and is appropriated to the following areas:

Behavior Health Division (Org. 6300)

- \$337,203 to support the Community Services Section programs.
- \$500,000 to support Alcohol and Other Drug Abuse (AODA) treatment through the Non-Temporary Assistance to Needy Families (TANF) AODA Voucher System.

Department of Health and Human Services (Org. 8000)

- \$350,000 to increase the revenue in the Birth-to-Three program to avoid an anticipated Federal revenue reduction.
- \$201,320 to support programs within the Delinquency and Court Services Division.
- \$100,000 is appropriated for case management services for homeless and disabled veterans.

## 1991 Property Taxes

Property Tax revenue is budgeted at \$294,015,880 an increase of \$2,938,052, or 1.01%, from the 2017 Adopted Budget. (See *Section 1 for tax levy limit discussion.*)

## 1993 State Shared Taxes

State Shared Taxes (Shared Revenue) remains at \$31,229,789 for 2018. In 2016, the County absorbed a \$3,933,858 reduction in shared revenue primarily due to a \$4 million annual contribution the County is making toward the Milwaukee Sports Arena as outlined in 2015 Wisconsin Act 60. The \$4 million annual contribution is for 20 years, beginning in 2016 and ending in 2035. (See *Org. Unit 1995 – Milwaukee Bucks Sports Arena below for discussion on changes to the presentation of the Arena contribution.*) The State previously modified the shared revenue formula so that the previous year's base, plus the utility payment, determines the budgeted amount. The components previously used to

calculate the County's shared revenue payment; aidable revenues, county mandate relief and maximum-minimum adjustment have been discontinued. Only the utility aid component is used to calculate adjustments to the shared revenue payment.

Gross shared revenue payments are approximately \$51.3 million, with \$20.1 million intercepted by the State for the Child Welfare reallocation, for the twentieth consecutive year. (County Community Aids are also reduced by \$38.8 million, for a total reallocation of \$58.9 million to the State Bureau of Milwaukee Child Welfare). The Milwaukee Sports Arena contribution of \$4 million annually from 2016-2035 also reduces the actual amount of shared revenue received by the County.

### 1994 State Exempt Computer Aid

State Exempt Computer Aid is budgeted at \$4,994,531, an increase of \$72,355 from the 2017 amount. This State aid payment originated in the 2000 Budget as an offset to a State-enacted property tax exemption on business computers that went into effect that year. The annual payment was previously based on the equalized value of exempt computers, the Milwaukee County equalized value (excluding TID) and the property tax levy. The formula was changed in the 2017-19 State Budget and replaced with a flat increase of 1.47 percent in 2018 and a percentage equal to inflation thereafter.

### 1995 Milwaukee Bucks Sports Arena

This non-departmental revenue account was established in the 2016 Adopted Budget to reflect the County's annual contribution of \$4 million to the new arena for 20 years, from 2016 through 2035. The State collects the County's contribution by reducing its Shared Revenue payments to the County by \$4 million each year. To better highlight the commitment Milwaukee County is making to the new Bucks Sports Arena, Org. Unit 1995 was established in the 2016 Adopted Budget to reflect a *negative* revenue of \$4 million that, coupled with the shared revenue payment budgeted in Org. 1993, would reflect the County's anticipated receipts. The \$4 million shared revenue decrement is continued in 2018 and presented in the Milwaukee Bucks Sports Arena account.

### 1996 County Sales Tax Revenue

Total County sales tax receipts are projected to increase by \$1,257,703 from \$74.5 million in 2017 to \$75.7 million in 2018. The 2018 recommendation reflects a 1.7 percent increase from the 2017 budgeted amount.

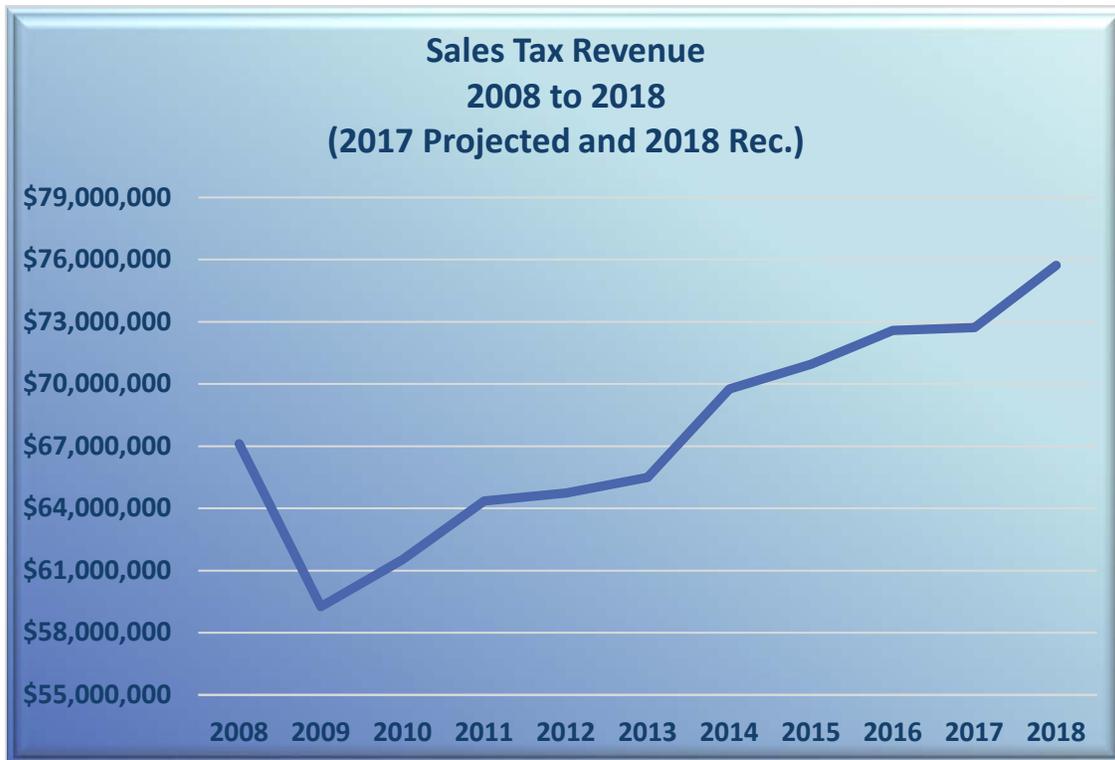
The Comptroller, based on an analysis dated September 11, 2017, projects 2017 sales tax collections will be \$1.75<sup>4</sup> million short of the \$74.5 million budget. The Comptroller recommended budgeting \$74.1 million for sales tax in 2018 based on the lower than expected receipts anticipated for 2017 and applying a 2.3 percent growth rate, or the five-year average. The 2018 Recommended Budget for sales tax revenue is \$1.6 million higher than the Comptroller's recommendation and reflects a 4.4 percent increase in sales tax receipts compared to the 2017 projected amount.

---

<sup>4</sup> The Comptroller revised the sales tax projection for 2017 to be \$1.75 million short of the adopted budget based on data received after the September 11, 2017, report was submitted. This is an improvement of \$250,000 from the earlier projection. Future reports will reflect the updated projections.

A total of \$33.8 million in net sales tax revenue is earmarked for debt service costs and \$6.3 million is dedicated to cash finance capital improvement projects. Net County sales tax revenue is projected to exceed debt service/cash financing costs by \$35.6 million, an increase of approximately \$1.6 million from 2017. These monies are therefore available as revenues to offset general operating fund expenses. The Sales and Use Tax Ordinance, Section 22.04, was amended to allow 'surplus' sales tax revenue to cash-finance capital improvement projects, prepay outstanding bonds, fund employee benefit cost increases or supplement the appropriation for contingencies.

The chart below provides a history of sales tax collections in Milwaukee County from 2007 actual through 2017 projected and the 2018 County Executive Recommended amount.



### 1998 Surplus (or Deficit) From Prior Year

The 2016 adjusted surplus applied to the 2018 budget is \$5 million, the same as 2017. Therefore, there is no tax levy impact. This account is required by State law to ensure that year-end surplus and deficit amounts are reconciled from two-years prior. (Note: the 2016 surplus was \$11.8 million. The County Board approved (File No. 17-390) the transfer of \$6,827,125 million to the debt service reserve, Org. Unit 9960, to establish the “official” surplus as \$5 million for 2016.)

### 1999 Miscellaneous Revenue

Other miscellaneous revenue is budgeted at \$100,000, a decrease of \$806,516 from 2017. Revenue is expected due to the closure of a Tax Increment Financing (TIF) districts (Districts #17, 18, 27, & 28) in the City of Milwaukee. Other miscellaneous revenue is primarily due to cancellation of uncashed county checks and Jury Fee revenue from employees on Jury Duty.

## NON-DEPARTMENTAL EXPENDITURES

### 1913 Civil Air Patrol

There are no major changes in this area.

### 1921 Human Resource and Payroll System

The non-departmental account established in 2006 for the implementation of the contracted Ceridian system continues. Operational costs of \$1.97 million are included for 2018. This includes \$1.76 million for Ceridian services (of which, a portion is used for Morneau Shepell benefits administration services) and \$205,407 for Learning Management System software, Onbase, salary survey and recruiting software. Transit employees use the Morneau Shepell benefits system, which is reimbursed by MCTS. For 2018, the tax levy remains in this account as the cross charge to user departments has been discontinued.

### 1930 Offset to Internal Service Charges

This budget includes offsets to charges by internal service fund departments and cross charging departments so those budgets are not overstated. In 2018, expenditure offsets are equal to revenue offsets for a zero property tax levy impact.

### 1935 Charges to Other County Organization Units

This budget reflects the offset to Central Service costs allocated to departments to show the full cost of operating a department. The Central Service Allocation amounts for 2018 are based upon the 2018 Cost Allocation Plan, which uses 2016 actual costs as its basis. The central service allocation decreases for 2018 as it is only charged to departments or areas with offsetting revenue. The Office of the Comptroller calculates the amounts of the Central Service Allocation.

### 1945 Appropriation for Contingencies

The Recommended Budget includes \$5.1 million in the Appropriation for Contingencies, a decrease of \$4.5 million from the amount provided in 2017. However, the \$5.1 million is the same as the amount recommended in 2017 prior to “one-time” appropriations that were removed from departmental budgets and placed into the Appropriation for Contingencies for consideration during the budget year.

The policy related to any unanticipated one-time revenues received during the year, which was modified in the 2015 Budget, remains the same for 2018. The policy is outlined in the Fiscal Management Policies section which states:

#### *Land Sales & Other One-Time Revenues*

*It is the general policy of Milwaukee County that significant one-time revenues be utilized for one-time projects or acquisitions and shall not be used to offset ongoing operating costs of County Government. The policy shall be consistent with File Number 11-145, developed by the Long-Range Strategic Planning Steering Committee.*

*Large, unanticipated one-time revenues not related to grants, insurance proceeds, or other previously- identified projects or uses shall be utilized as follows:*

Land sale revenue accounts for the sale of County land as authorized by state statute. As in previous years, \$400,000 is budgeted in Real Estate Services to cover its operating expenditures. This represents the first \$400,000 of unallocated land sales and is historically realized through the sale of foreclosed properties and other miscellaneous land.

If the revenue is from a county asset that is being sold and the asset has outstanding debt, the County will use the proceeds to defease the outstanding debt and pay all associated costs of defeasance.

If the Office of the Comptroller is projecting a countywide deficit at the time funds are received, the Office of Performance, Strategy and Budget may recommend that all or part of the proceeds be deposited into the Appropriation for Contingencies.

The next \$1,000,000 from land sales will be directed to job programs and economic development initiatives as identified by the Milwaukee County Office on African American Affairs.

The remaining balance shall be utilized as follows:

Twenty-five percent (25%) shall be made available for economic development projects funded through the Economic Development Fund consistent with File Number 11-601.

Twenty-five percent (25%) shall be made available to departments on a competitive basis via the Milwaukee County Innovation Fund. The Innovation Fund is managed and allocations distributed using the process established in File Number 13- 756. Departments that receive funds issue an informational report to the County Executive and the relevant policy oversight committee no more than six months after funding is made available.

Fifty percent (50%) shall be deposited into the Appropriation for Contingencies.

## 1950 Employee Fringe Benefits

Employee fringe benefits for 2018 are primarily driven by health care and pension benefits provided to active and retired employees. Gross health and dental costs<sup>5</sup> increase by \$13.9 million, from \$98.8 million to \$112.7 million based primarily on experience. Additionally, gross pension costs<sup>6</sup> increase \$6 million from \$100.8 million to \$106.8 million primarily due to an increase in the unfunded actuarial liability. This is primarily due to lower investment returns.

### Employee/Retiree Health Care

After a couple of years without significant changes, several initiatives are proposed for employee/retiree health and dental benefits. Monthly premiums, deductibles, and office visit co-payments are increased. (See the chart on page 18 of Section 1 for a detailed listing of the changes) These changes are mostly aimed to capture additional payments from employees/retirees to help offset the rising costs to provide health and dental benefits. In the past few years, employee fringe benefit savings have contributed significantly to the annual budget surpluses realized by the County. The County's success

---

<sup>5</sup> Gross health care costs are before employee and retiree premium payments, other minor program revenues, and departmental revenue offsets (e.g. Airport) and do not reflect the net tax levy costs.

<sup>6</sup> Gross pension costs are before employee and state contributions and departmental revenue offsets and do not reflect net tax levy costs.

in moderating the growth in health care costs the past few years has contributed significantly to the County's ability to positively "bend the curve" on the five-year fiscal forecasts for employee benefits. However, it appears that the savings have been wrung out by rising costs and more aggressive budgeting.

The aggressive budgeting was highlighted last fall when it was determined that the 2017 Recommended Budget did not apply the 5 percent projected cost increase to all of the health care costs. (The Recommended Budget used a 5 percent cost inflation factor despite the County's health care actuary recommending 7 percent). This resulted in an estimated shortfall of \$2.5 million which is adversely impacting the health care budget in 2017. The 2018 Recommended Budget uses a cost inflation factor of 5 percent for medical and 8 percent for prescription drugs, which is slightly less than the County's actuary recommendation of 7 and 10 percent, respectively. Past projections by the actuary have proven to be somewhat conservative, however, the County has few reserves to cover actual health care costs that exceed the budget.

It should be noted that the provisions of the health care benefits are specified in Milwaukee County General Ordinances Sections 17.14(7) & 17.14(8). The recommended changes to the plan were not accompanied by a proposed ordinance modification, although past changes have been codified in the ordinances after budget adoption, typically in December.

#### *Flexible Spending Account (FSA) Contribution*

The Recommended Budget reduces the flexible spending account contribution made to employees. For 2017, this included a dollar-for-dollar employer match of up to \$1,500 contributed per employee. For 2018, the Recommended Budget proposes to reduce the employer match to make it \$1 to \$1 match up to a maximum employer contribution of \$1,000. Therefore, if the employee contributed \$1,000, the County would provide \$1,000 for a total of \$2,000 for eligible FSA expenses. This change saves the County \$400,000. For 2018, the maximum contribution by an employee is \$2,600, which would result in \$3,600 available for FSA expenses. This change would require an amendment to M.C.G.O. Section 17.14(7).

## **Pension**

5405-Annuity-County Mandatory Contribution is \$0, a decrease of \$17,700. This budget is for the mandatory annuity contribution relating to eligible employees who have been members of the pension system prior to January 1, 1971.

5406-Retirement System Contribution-OBRA account is used to separately budget for OBRA benefit contributions. This amount increases \$51,000 to \$369,000. This pension plan covers seasonal and certain temporary employees who do not elect to enroll in the ERS.

5409-Retirement System Contribution account includes an increase of \$6,709,822, from \$99,173,634 to \$105,883,456. The pension contribution includes a normal cost contribution of \$19,424,000, an unfunded actuarial accrued liability payment of \$53,237,000, and debt service costs on the pension obligation notes of \$33,222,456. The increase is primarily due to a \$6.4 million rise in the unfunded actuarial liability.

Beginning in 2011, most employees (except law enforcement and firefighters who were exempted under state law) began contributing one-half of the actuarially required amount toward pension costs. Deputy Sheriffs were later added as part of a new labor agreement. For 2018, the employee pension contribution rates for general employees remain at 6.5 percent. Public safety employees' contribution rates are subject to collective bargaining, but are estimated to rise to 8.3 percent from 8.1 percent. The contribution amounts are recalculated each year by the county's actuary.

## **WAGE AND STEP INCREASES**

The Recommended Budget includes funding in departmental budgets to provide full-year funding of the one percent raise given to employees in mid-2017 and provide a one percent general raise to most employees beginning with Pay Period 14 June 17, 2018. In addition, departmental budgets include a total of \$400,000 to provide funds for performance based increases, equity increases, market adjustments, reallocations, and retention based increases. These funds are earmarked for the fourth quarter of 2018 that, if awarded, would raise subsequent year payroll costs by \$1.6 million.

A new County Compensation System, currently before the County Board, that eliminates the current wage "step system" and establishes new pay ranges has yet to be approved. No funds are included for step increases since the new system is not based on steps. It should be noted that disagreements over employee compensation authority issues between the County Executive and County Board have not yet been resolved despite a court ruling earlier in 2017. The two parties are engaged in mediation in an effort to resolve the outstanding issues.

## **1961 Litigation Reserve**

The 2018 Recommended Budget maintains \$500,000 in the litigation reserve for unanticipated legal expenses based on actual experience. An additional \$26,899 is also included in the litigation reserve to pay the fourth and final installment to the City of South Milwaukee as part of a settlement between the City of South Milwaukee and Caterpillar Global Mining, LLC (CGM). CGM filed a refund claim for excessive property taxes assessed and the portion that Milwaukee County mistakenly received was \$205,451, which is paid back over four years.

## **1972 Wages and Benefits Modifications**

A total of \$3,951,600 is included in this non-departmental account to cover potential increases in salary for members of the Milwaukee County Deputy Sheriff's Association (MDSA). An agreement has yet to be reached for years 2015 through 2017.

## **1975 Law Enforcement Grants**

An appropriation of \$501,288 is provided for the Milwaukee Police Department's support of 911 cellular. MPD through agreement with the County handles all cellular 911 calls placed within or near the City of Milwaukee. The current memorandum of understanding was approved by the County Board in the December 2015 cycle with a 2 percent escalator. The current agreement ends on January 1, 2018 and a new agreement is expected to be considered later this year.

## 1985 Capital Outlay/Depreciation Contra

This account is a budgetary device used to provide for proper accounting of capital outlays in Proprietary Fund departments (i.e. Enterprise and Internal Service Fund departments) and depreciation. There is no county-wide tax levy impact from this account.

## LEGISLATIVE & EXECUTIVE

### 1000 County Board

Under 2013 Wisconsin Act 14, expenditures for the County Board are limited to a maximum of 0.4% of the County levy, with limited exceptions for other expenses. With the County Executive's proposed increase in the tax levy, the Act 14 cap is \$2,617,847. The amount in the 2018 Budget is \$10,373 below this cap. For each additional \$1,000,000 in the levy, the cap for Board expenditures increases an additional \$4,000.

### 1011 County Executive

The County Executive – General Office budget for 2018 is similar to the 2017 Adopted Budget with nine FTE positions. The 2017 Adopted Budget included an expenditure abatement of \$188,150 “to establish expenditure authority that matches the 2011 Adopted Budget. In 2011, the County Executive pledged to freeze General Office expenditures at the 2011 level.” The 2018 Recommended Budget eliminates the expenditure abatement and, after adjusting for the removal of interdepartmental charges and fringe benefit costs, has an effective tax levy increase of \$195,290. This includes \$7,668 (approximately 1 percent) in additional vacancy and turnover that was applied to most departments.

### 1020 Office of Government Affairs

The Office of Government Affairs sees a reduction of \$84,977 in expenditures from the 2017 levels. This reduction is partially due to the elimination of one FTE Government Affairs Liaison position, leaving one remaining funded position within the department for 2018. Appropriations are included in contractual services accounts for the contract employee currently serving the County Board. In recent years, two authorized County positions are included in the Government Affairs Office, one each appointed by the County Executive and the County Board, respectively. This division was created in 2013 by Wisconsin Act 14, and was subsequently established within the 2014 Adopted Budget.

Although not outlined in the narrative, membership dues will remain the same as the 2017 levels, at \$6,000. In 2017, the Office of Government Affairs membership appropriations were provided for the Public Policy Forum, Intergovernmental Cooperation Council, National Association of County LGBT Leaders and Allies, Transportation Development Association of Wisconsin, The Wisconsin Group, Association of Wisconsin Lobbyists, the National Association of County Intergovernmental Relations Officers and the Wisconsin Counties Association (WCA).

### 1021 County Executive - Veteran's Services

Service levels and staffing remain the same in 2018. The Needy Veteran's Fund, which was increased by \$10,000 in 2017, remains at \$40,000. The fund provides limited emergency assistance to veterans and/or their families.

## GENERAL GOVERNMENT FUNCTION

### 3090 Office of the County Treasurer

The 2018 Recommended Budget for the County Treasurer includes 8.50 budgeted positions, an increase of one position from the 2017 Adopted Budget. (The County Board in File No. 17-393 approved the creation of a Clerical Assistant 2 position in June 2017).

Total revenue increases by \$1,012,560 primarily due to an anticipated increase of \$1.52 million in investment revenue, partially offset with a \$500,000 decrease in interest on delinquent real estate property taxes. The return on investment is projected to increase to 0.68% from 0.47%.

A process change included in the 2017 Recommended Budget is to discontinue the budgeting of interest earnings revenue in individual capital improvement budgets. Instead, the Comptroller will process an administrative appropriation transfer to adjust the Earnings on Investments budget and the individual capital budgets based on actual earnings and unspent bond amounts. This will also be shown in the presentation of projects in the Capital Improvements Budget.

### 3270 Office of the County Clerk & Election Commission

Staffing and service levels remain the same in the County Clerk's office. Operation costs rise by \$127,100 mainly due to an increase in elections from two in 2017 to four in 2018. One election clerk is added in 2018 to handle the increased workload.

An amount of \$15,000 is included in the Election Commission budget to continue the opt-in program that will notify citizens, through text-messaging and/or e-mail, of upcoming elections.

### 3400 Office of the Register of Deeds

The 2018 Recommended Budget maintains the staffing and service levels in the Register of Deeds. The effective tax levy is a negative \$2,739,587, which is an increase of \$97,589 from 2017 levels. Revenues are adjusted based on actual experience for a net gain of \$53,000.

The Recommended Budget states under Real Estate Services "no revenue is projected in object 3224." Object 3224 is related to Wisconsin's Rental Weatherization Program. The Register of Deeds received \$30 for a stamp that needed to be included on a stipulation for individuals selling certain property. The revenues collected from this program were under \$20,000. The program is eliminated in the 2017-2019 State Biennial Budget, so the Register of Deeds will no longer receive this revenue.

### 3700 Office of the Comptroller

The Office of the Comptroller was created in 2012 in accordance with State Statute 59.255. The elected Comptroller maintains Milwaukee County's accounting books, monitors and reports on budget versus actual fiscal results, prepares annual financial reports of the government and analyzes proposals for the use of County funds. The Comptroller serves as the County's Chief Financial Officer and therefore administers the payroll functions as well.

The 2018 Recommended Budget reflects a cost to continue budget with no major changes proposed.

## **ADMINISTRATIVE FUNCTION**

### **1040 DAS – Community Business Development Partners**

The Community Business Development Partners Division (CBDP) is responsible for administering Milwaukee County's Targeted, Small and Disadvantaged Business Enterprise (DBE) Programs, in compliance with County Ordinances and Federal Regulations. The 2018 Recommended Budget reflects a cost to continue budget with no major changes proposed. As in past years, CBDP is funded solely by tax levy.

Similar to 2017, the goal is to integrate contract information from Marketplace Central into B2G Now, so to streamline the contract monitoring process. Additionally, CBDP aims to report and monitor employment and residential hiring for County projects using LCP Tracker online software system, which will provide a broad assessment of the economic impact on communities in Milwaukee County.

### **1090 Office on African American Affairs**

The Office on African American Affairs (OAAA) was officially established in 2016, after it was initially proposed in File No. 15-636, which encouraged the County Executive to create a department to specifically address the rights and needs of African Americans through programs and policies that promote equal opportunities. The 2017 Adopted Budget designated that a portion of OAAA's budgeted funds be held within an allocated contingency account until a Director for the department was appointed and confirmed. On September 28, 2017, the County Board confirmed the appointment of a Director for OAAA, which will allow the department to request funding that was held in contingency for the remainder of 2017.

In the County Executive's 2018 recommendation, OAAA's operating budget is funded without restrictions at \$634,484 in effective tax levy support, with six fully funded FTE positions, which is an increase of three additionally funded positions from 2017. For 2018, there is funding included within OAAA's budget for continued intern services provided through PS Company. This intern assists with the County's contract with Comcentia that begun in 2017, and OAAA anticipates the work with Comcentia will roll over into 2018. Comcentia is a Milwaukee-based IT company that works with government agencies and non-profits to develop a CCAP database to measure inmate recidivism rates from the HOC.

### **1120 Personnel Review Board, Civil Service Commission, and Ethics Board**

Staffing and service levels remain the same. The Ethics Board has a new initiative to create an online filing system for Statements of Economic Interest (SEI's). The Board is hoping that electronic filing will help with compliance. In 2016, 288 of 325 people complied with filing requirements.

### **1130 Corporation Counsel**

Staffing levels increase in the Office of Corporation Counsel (OCC). One paralegal position and one Assistant Corporation Counsel are added to expedite pension plan changes and

coordinate the pension review process. The authority to create these positions is currently pending before the Board (File No. 17-654). The funding for these positions is included in the 2018 Recommended Budget on the assumption the positions will be approved.

Additionally, one Legal Assistant and two Assistant Corporation Counsel positions are added in 2018 to decrease the use of outside counsel. These positions are partially offset with Vacancy & Turnover with the expectation that they will not be filled until the second or third quarter of 2018.

## **1140 Department of Human Resources**

The 2018 Recommended Budget for the Department of Human Resources anticipates four additional positions, three of them funded. Overall, the “effective” tax levy support for Human Resources increases by \$489,546, or 17 percent, to \$3,404,022. Appropriations will help fund new positions of Diversity and Inclusion Coordinator, Outward Facing Recruiter, and Recruitment Representative. These positions were authorized earlier in 2017 (File No. 17-146) but no additional funds were provided. One position of HR Analyst 3 is created but not funded.

## **Agency 115 – Department of Administrative Services (DAS)**

The Department of Administrative Services (DAS) previously presented the various divisions as separate organizational units. Beginning in 2015, the Budget placed each of these organizational units under Agency 115. A listing of the divisions under DAS includes:

- Office for Persons with Disabilities (Org. 1019)
- Community Business Development Partners (Org. 1040)
- Procurement (Org. 1152)
- IMSD Central Purchases (Org. 1168)
- Fiscal Affairs (Org. 1185)
- Administrative Group (Org. 1186) (DAS Central Business Office)
- Economic Development Real Estate Services (Org. 1192)
- Facilities Management (Org. 5700)
- Water Distribution System (Org. 5500)
- Risk Management (Org. 1150)

## **1150 DAS – Risk Management**

DAS-Risk Management is an internal service fund that charges its expenses to other County departments. Risk Management is moving towards a centralized safety management model to oversee safety programs, policies and claims investigation. One position of Program Safety Manager is transferred into the Division from the Parks Department, offset by the abolishment of one position of Claims Technician. The remainder of the budget is similar to the 2017 Adopted spending plan.

## **1156/1186 DAS – Administration and Business Office**

The 2015 Budget created a new DAS Business Office (Central Business Office “CBO”) to assist the other DAS Divisions and provide a more seamless and consolidated view of the department. The CBO will focus more on assisting other Divisions with continuous improvement efforts and the implementation of a change management program in 2019.

One position of Account Analyst is abolished after the first quarter and a lower cost position of Associate Accountant is created at that time.

## **1152 DAS - Procurement Division**

The Procurement Division remains at eight FTE positions in 2018. The new e-Procurement initiative (Marketplace Central) was fully implemented in 2016. The Division will migrate all competitive acquisitions to technology platforms that provide better visibility and a broader base of potential participants. The Division continues to provide training and assistance to other departments in sourcing and performance-based contracting.

## **1160 DAS – Information Management Services Division**

The DAS-IMSD Division is part of the combined DAS department with portions of its budget in the General Fund, while the remainder stays as an Internal Service Fund. The 2018 Budget includes a reduction in revenue of approximately \$10 million, from \$10.4 million to \$400,000 as cross charges have been removed from most departmental budgets. These costs (and related tax levy) remain in the DAS-IMSD Division. Services provided to the Behavioral Health Division are still directly charged.

Overall, DAS-IMSD is continuing its effort to reduce the County's software footprint and transition from legacy, non-supported applications to modern applications. The Division strives to become a sustainable IT services organization and, a key part of this effort is the migration of servers containing the most critical applications and data to an external Managed Services Provider. DAS-IMSD will continue to assist in the deployment of a new Enterprise Resource Planning (ERP) system that will allow for the discontinuation of the Mainframe (which is now hosted until that occurs) and focusing on risk mitigation by using hosted services.

A significant area of focus in 2018 includes the development of a Cybersecurity area to protect the County from cyber threats and intrusion in systems and data. The County Board adopted File 15-495 in July 2015 that provided for an audit of the County's cybersecurity and the recommendations (File Nos. 16-352 and 17-78) are helping to inform the new initiative. The multi-faceted program will include new monitoring tools, creation of security standards, awareness and training and access controls. A Capital Improvements Project, Information Technology Security, includes a 2018 appropriation of \$163,200 that adds to the \$1.1 million provided in 2017 for this effort.

An additional \$309,000, net of cost savings, is provided in 2018 for licensing fees related to projects implemented in 2017 and to implement new technology, such as \$125,000 in internet access, disaster recovery, and hosting fees for the Register of Deeds' land records application and related data storage. Staffing in DAS-IMSD remains similar to 2017 with 51.3 FTE positions.

It should be noted that capital funding was pared back for the telephone and voice mail replacement and not provided for the personal computer replacement as outlined in the operating budget narrative.

## **1185 DAS-Fiscal Affairs**

Fiscal Affairs includes eight positions in the Office of Performance, Strategy and Budget (DAS-PSB). The Reimbursement Unit is no longer continued in 2018 because the positions were eliminated in past budgets. DAS-PSB focuses on long-range fiscal service, strategic

development and budget development. The focus in 2018 will be the implementation of a new countywide Enterprise Resource Program (ERP) to help consolidate fiscal and human resource programs, including the replacement of Advantage, the County's fiscal system. This will also include a replacement for the BRASS budgeting application.

### **1151 Office for Persons with Disabilities Division**

Staffing and service levels remain the same in 2018. Wil-O-Way rental rates increase by \$15 per four-hour rental during the peak season and \$10 per four-hour rental during the off season. This is the first increase in fees since 2013. The department reports that demand of the Wil-O-Way rental is high with some days being booked for two rental periods and that the fee increase is still well below the market rate.

### **1151 Department of Family Care**

On September 1, 2016, MCFC completed its transition from a department of Milwaukee County government to a private, not-for-profit company, with 15 staff remaining as Milwaukee County employees. Currently, five employees remain Milwaukee County employees. The 2018 Recommended Budget anticipates that all positions will be unfunded and abolished upon vacancy.

### **1191/1193 DAS – Economic Development**

The Economic Development Division is one program area composed of both Economic Development and Real Estate Services consistent with the 2016 Recommended Budget. In 2018, \$250,000 is allocated for the expansion of the Uplift Milwaukee program.

The Economic Development Division will engage in the following efforts to strengthen the regional economy:

- Continue to negotiate on behalf of the Office of the Medical Examiner and the Office of Emergency Management in the search for new facilities, and exploring the possibility of the creation of a center of forensic research.
- Monitor the Small Business Loan Program (MEDC), PACE financing program, and Near West Side Partners Economic Development Grant program.
- Monitor compliance with real estate and redevelopment projects, including City Campus, Huber-Community Correctional Center supportive housing, the Couture, and Park East redevelopments
- Connect job training and workforce development efforts with County services, such as Employ Milwaukee and the Section 8 Homeownership program of the Housing Division.
- Contribute resources and expertise to Opportunity Knocks, a job training and homeownership program.

The Economic Development Division will continue to advance the centralization of lease administration. The Land Information Office formerly under DAS – Economic Development is moved to DAS – Facilities Management.

### **5500 DAS – Water Distribution System**

There are no major changes in this area. The expenses for the Water Distribution System are fully funded by revenue from users. The fire protection charge will continue to be budgeted in the Water Distribution System and charged out to all County Grounds users of

the water system. There continues to be challenges in collecting payments from some non-County users. However, the County will continue to pursue payment of these charges.

## **5700 DAS – Facilities Management**

### *Director's Office*

There are no major changes in this area. Consistent with 2017, the tax levy for the Director's Office is \$0, as all costs are cross charged in the Facilities Management division and the Water Distribution System.

### *Architecture & Engineering*

There are several staffing changes. One Coordinator Administrative position and one Coordinator Construction position are created, and one vacant Technician Engineering position is abolished. The Facilities Planning low-org is transferred from Facilities Operations & Maintenance program area to Architecture & Engineering.

### *Environmental Services*

There are no major expenditure or revenue changes in this area, as staffing and service levels remain consistent with 2017.

### *Office of Sustainability*

The Office of Sustainability is a new program area, previously located within the Environmental Services program area. The 2018 Recommended Budget reflects a cost to continue budget with no major changes proposed. There is no revenue for the Office of Sustainability.

### *Facilities Operations & Maintenance*

For 2018, Facilities Operations & Maintenance will focus on the implementation of the Enterprise-wide Computerized Maintenance Management System, Cityworks. The decrease in expenditures by \$5,474,779 for a total of \$18,470,372, is driven by changes in the budgeting of certain cross charges and fringe benefits. However, the planned closure of the Child Adolescent Treatment Center (CATC) building decreases expenditures by \$983,874. The closure will avoid facility deficits in future years, the net 2018 savings from this closure are estimated at \$186,000. Revenue decreases by \$4,957,942 for a total of \$5,522,717 primarily due to the mothballing of CATC, and a reduction in Space Allocation revenue for the Courthouse Complex, Vel Phillips, Coggs Center and 633 W. Wisconsin. There are two positions changes: One Mechanical Services Manager position is abolished and one Clerical Specialist – DPW position is created. The Facilities Planning low-org is transferred from the Facilities Operations & Maintenance program area to Architecture & Engineering.

### *Land Information Office*

The Land Information Office (LIO) is transferred to DAS – Facilities Management, the LIO was previously housed in DAS – Economic Development. LIO manages the County's Geographic Information System (GIS) and records related to land. In 2018, LIO's primary focus centers upon the implementation of the Cityworks program.

The LIO is non-tax levy funded and derives much of its revenue from document recording fees. Both expenditures and revenues decrease \$1,000 for a total expenditure and a total revenue of \$891,000.

## COURTS AND JUDICIARY

### 2000 Combined Court Related Operations

Combined Court Related Operations includes the Chief Judge, the Clerk of Circuit Court, the Family Drug Treatment Grant Division, Permanency Plan Review, Self Help Services, and 47 Circuit Courts including Criminal, Children's, Civil, Family, and Probate.

Staffing levels are reduced .5 FTE due to current year actions. No staffing changes are proposed in 2018.

Commodities & Services increase from \$9.8 million to \$10.48 million. This increase is partially due to an increase in Guardian ad litem costs of \$176,570 to \$3,230,695 and adversary counsel costs of \$200,000 to \$1.9 million based on actual experience. Additionally, psychiatrist costs increase \$211,000 to a total of \$827,000. In November 2016, Courts requested, and the County Board approved a repeal of Section 60.01 of the Milwaukee County Code of General Ordinances regarding the payment of physician fees in mental commitment cases (File No. 16-584). The reason for the repeal was multi-faceted - fees had not been updated since 1989, it was becoming increasingly difficult to find qualified experts to serve in mental commitment cases, and all other court-appointed experts fees are set by the courts. The appointment of a Guardian ad litem or psychiatrist is required by statute in certain cases and the appointment of adversary counsel is required by case law.

In year three of upgrades to courtrooms, \$200,000 is budgeted to replace furniture in five courtrooms that are more than 25 years old. The last county purchase to replace aging and failing equipment in court occurred over ten years ago and court staff reports that existing equipment fails on a regular basis and is difficult or impossible to replace. In response to these issues, \$185,000 is budgeted for digital audio recording equipment and video conferencing equipment.

In lieu of separate review and approval by the County Board, the following contracts are included for approval as part of the 2018 budget:

CONTRACTS		
DESCRIPTION	VENDOR	AMOUNT
Legal Resources Center	State of Wisconsin	\$174,829
Coordinator	Healthy Kids Healthy Minds, LLC	\$65,000
Foreclosure Mediation	Metro Milwaukee Foreclosure	\$100,000
Total		\$339,829

### 2900 Pre-trial Services

The 2018 Recommended Budget maintains staffing and service levels in Pre-Trial Services. The pre-trial programs went through a competitive Request for Proposal in 2016 for three year contracts. The contracting period is from 1/1/2017 through 12/31/2019.

In lieu of separate review and approval by the County Board, the following contracts are included for approval as part of the 2018 budget:

CONTRACTS		
DESCRIPTION	VENDOR	AMOUNT
Universal Screening & Release Planning	Justice Point	\$1,307,776
Treatment Alternatives & Diversion	Justice Point	\$431,631
Repeat Intoxicated Driver Intervention Program	Justice Point	\$377,886
SCRAM	Wisconsin Community Services	\$117,759
Pretrial Drug Testing	Wisconsin Community Services	\$241,505
Pretrial Supervision	Justice Point	\$1,441,688
Pretrial GPS Supervision	Justice Point	\$324,139
Early Interventions Central Liaison Unit	Justice Point	\$303,461
BJA DTC Grant-Trauma Informed Care/CBT	Justice Point	\$56,462
Cognitive Behavioral Programming	Justice Point	\$141,756
<b>TOTAL</b>		<b>\$4,744,063</b>

## 2430 Child Support Services

No change in staffing or service levels from 2017 levels. The office is able to maintain services while reducing expenditures by nearly \$200,000.

In late 2015, Child Support Services (CSS) was notified that it was a recipient of the Pathways to Responsible Fatherhood grant. The grant provides \$10 million over five years to remove stumbling blocks to employment and connect fathers with their children. In 2018, of the \$2 million CSS retains approximately \$400,000 to fund grant related positions and the remaining funds are dispersed to community partners, including MY Father's House, Center for Self Sufficiency, Community Advocates and Compel, as well as service contracts with WCS (Center for Drivers License Recovery), Centro Legal, Alma Center, WRTP and Employ Milwaukee, and partnerships with UWM and AMTC for local evaluation.

ZIPS (Zone Intensive Program Services) was first implemented in 2016 and continues through 2019. The program implements multiple best practices, has increased resources, a caseload more like the statewide average, and focuses on zip code 53206. The department reports that ZIPS exceeded its year one goal by nine percent. The goal was to collect \$1.87 million in its first year and ZIPS exceeded that goal, collecting \$2.04 million in child support.

## PUBLIC SAFETY

### 4000 Office of the Sheriff

The 2018 Recommended Budget provides an additional \$975,283 of tax levy support to the Office of the Sheriff. With the added tax levy, the Comptroller's office projects a potential deficit of approximately \$3 million for 2018. However, recent fiscal trends since the change in Sheriff indicate this gap may be less. See page 14 for more details. An increase in revenue of \$661,867 is expected in 2018 due to a rate increase for inmate phone calls from \$0.14/minute to \$0.21/minute. This increase is in response to a June

2017 decision from the U.S. Court of Appeals, which determined that the Federal Communications Commission (FCC) did not have the authority to limit prices on in-state inmate phone rates. Milwaukee County decreased rates in 2016 due to the FCC regulation that capped inmate phone rates.

Five unfunded Deputy Sheriff 1 positions are created for increased continuity due to many deputies being eligible for retirement. The budget states that Vacancy and Turnover (negative salary appropriations) are included to encourage the rightsizing of command staff and acknowledges that the Sheriff has certain statutory authority to utilize resources allocated to the office.

All strategic program areas remain the same. The department reports that recruiting and retaining correctional officers is an ongoing issue. According to staff, the number of filled Correctional Officer (CO) positions are 40 to 50 short and that one to two positions resign per day. These shortages increase mandatory overtime and associated costs.

### 4300 House of Correction

The House of Correction (HOC) effective tax levy decreases by \$681,058 to \$37,611,266. No new positions are created in 2018. Funding is included for two positions that were created but unfunded in 2017. These two positions were added during the 2017 budget process and are currently filled.

Revenues increase approximately \$1 million in 2018 due in part to a new contract with the Department of Correction (DOC) to house approximately 60 inmates. The department does not anticipate that it will need additional staff to handle the population increase. Another anticipated source of revenue is from an increase in inmate calling rates from \$0.14 a minute to \$0.21 a minute. The rate increase is expected to generate approximately \$480,000 in additional revenue. This increase is in response to a June 2017 decision from the U.S. Court of Appeals, which determined that the Federal Communications Commission (FCC) did not have the authority to limit prices on in-state inmate phone rates. The rates decreased in 2016 due to an FCC regulation that capped inmate phone rates.

The department, similar to the Office of the Sheriff, reports that recruiting and retaining Correctional Officers is exceedingly difficult primarily due to compensation and mandatory overtime.

The following contract is a one-year extension of an existing contract with ARAMARK Correctional Services, LLC, for the provision of food services for the Milwaukee County Jail and House of Correction. In 2014, the contract was approved by the County Board (File No. 14-794). The contract was for a three-year term from January 1, 2015 to January 1, 2018 with the possibility of two one-year extensions. In lieu of separate review and approval by the County Board, the following contract is included for approval as part of the 2018 budget:

CONTRACTS		
DESCRIPTION	VENDOR	AMOUNT
<i>Food Service Contract</i>	ARAMARK Correctional Services, LLC	\$3,200,000
<b>TOTAL</b>		<b>\$3,200,000</b>

## 4500 District Attorney

The budget is mainly a cost to continue budget. Salaries increase \$247,111 mainly due to 2017 actions including the creation of three positions of financial manager, management assistant, and witness protection analyst (File No. 17-301), 2017 pay adjustments, and the one percent increase in base salary in 2017.

One investigator position is authorized, but unfunded. It is anticipated that offsetting revenue from the John D. and Catherine T. MacArthur grant administered by Combined Courts will cover the cost of this position. The position was approved by the County Board in File No. 17-404 and has no tax levy impact. The investigator will serve as the law enforcement professional on the first countywide Crisis Assessment Response Team (CART) to respond with a behavioral health clinician to emergency calls of county residents suffering mental health crises.

Intergovernmental Revenues are reduced by \$343,793. Part of this reduction is the BRYNE JAG Local Milwaukee County grant of approximately \$190,000. The Department of Administrative Services applied for the grant in August and has not yet received notification of approval.

## 4800 Emergency Management

The 2018 Recommended Budget decreases the effective tax levy by \$162,407. This savings is mainly due to the abolishment of five vacant positions.

Initiatives in 2018 include providing paramedic services to patrons of the Milwaukee Bucks, cadet clinical training in partnership with MATC, completion of the transition from analog to digital radio service for Milwaukee County and the 18 participating communities, and launching a countywide knowledge management system for emergency managers.

In November 2016, the County Board approved a Professional Services Contract with area municipalities for the provision of paramedic services. This contract goes through December 31, 2018 with one two-year renewal option.

## 4900 Medical Examiner

One Forensic Chemist and one Forensic Pathologist are added due to the overwhelming number of opioid related deaths. The narrative misstates the title of the Forensic Pathologist as a “Forensic Assistant – Med Examiner.” The department confirmed that the table and budgeting system (BRASS) reflect the correct position of Forensic Pathologist (or Medexdir-Asstmedexam). This distinction is critical as the Forensic Pathologist is a Medical Doctor, which is different than a Forensic Assistant. Also in response to the opioid epidemic expenses increase by \$200,000 for the purchase of a new liquid-chromatograph/mass spectrometer to assist in investigation of opioid cases. Half of the cost of the machine will be provided by the Milwaukee County Byrne Justice Assistance grant as agreed upon with the City of Milwaukee. The equipment will decrease drug screening times by 80 percent and allow the Medical Examiner to more quickly notify law enforcement and first responders of new opioid variants.

Other increases in expenses include \$60,000 to replace five autopsy stations that are more than 30 years old and \$130,000 is budgeted to replace five microscopes purchased in the 1980's.

Revenues increase \$24,080 due to increased referral autopsies. An additional \$23,163 of revenue is captured by a 2.1 percent increase in the fees for death certificates and cremation permits.

## TRANSPORTATION

### 5040 DOT – Airport – General Mitchell International Airport

There are numerous major initiatives for General Mitchell International Airport (GMIA), including the proposed development of an international concourse, a new Central Security Checkpoint, and a new concession program. Construction for these proposed capital projects is anticipated to commence in 2018. United Airlines and Air Canada moved from Concourse E to Concourse C in 2017, as part of the redevelopment of Concourse E into an international concourse. \$60,000 is budgeted to study and begin planning the creation of a new Airline Lease Agreement, to develop a lease structure that better aligns with current industry trends. A new lease would take effect after the current lease expires in 2020. A total of five positions are requested; two Carpenter positions, two Public Safety and Security Coordinators, and one General Aviation (GA) Properties Specialist.

#### *2018 Revenue Enhancements:*

- Parking revenue is estimated to increase \$2 million due to new marketing initiatives by the parking operator, as well as from a full year of revenue from the valet parking program.
- The new MKE Fuel rental fee agreement is anticipated to generate \$64,456 in revenue.
- Clear Channel, the terminal display advertising company, has a contract minimum annual guarantee of \$350,000. For 2018, gross revenue is projected to be \$500,000.

#### *Continuation of Past Revenue Enhancements in 2018:*

- The Customer Facility Charge (CFC) remains at \$0.50 per-day, consistent with the 2017 Adopted Budget, and is projected to generate \$360,000 in revenue for 2018.
- The off airport parking privilege fee is 6% of gross revenue rate, reflective of the rate established by the 2017 Adopted Budget. The estimated revenue in 2018 is \$450,000.
- Transportation Network Company (TNC) pick-up fees remain at \$3 per trip. The estimated revenue in 2018 is 420,000.
- The taxi pick-up fee remains at \$3 per pick-up. The estimated revenue in 2018 is \$120,000. This fee increased from \$1 to \$3 per pick-up in 2016 pursuant to File 16-328.

#### *Passenger Facility Charge (PFC)*

In 2018, the Airport anticipates the approval of PFC Amendments by the Federal Aviation Administration (FAA) for applications 14-17 submitted in mid-2017, which allows for PFC collection levels to remain at the current rate of \$4.50 until 2028.

#### *Expense management initiatives:*

- Interflight began as GMIA's parking operator on April 1, 2017. For 2018, \$728,000 is expected in cost savings when compared to 2016 actual expenses.

- The Sheriff will continue to provide all security per a Memorandum of Understanding (MOU) entered into between the Office of the Sheriff and GMIA in 2017. In 2015 and 2016, there was a mix of Sheriff and HSS providing security to the Airport.

#### *MKE Regional Business Park*

Expenditures increase largely due to electricity costs, costs to demolish buildings, and a partial year calculation for depreciation on the electrical infrastructure upgrade. As a result of increasing operating costs, the airline subsidy increases by \$169,668 for a total subsidy of \$369,579. Revenues remain consistent with 2017. Currently, the occupancy goal is 81.4% for 2018, which assumes the demolition of some buildings.

#### *LJ Timmerman General Aviation*

The goal is to invest and transform Timmerman into the principal General Aviation (GA) airport for Milwaukee County and the region, which is a change from the previous strategy to reduce expenses and keep revenues flat. Fuel sales are up 27 percent year over year, representing a positive indicator of activity and a substantial revenue stream for Timmerman. Expenditures primarily increase due to higher costs for repairing hangers and an unplanned rent abatement in 2017. Increases in expenditures cause the airline subsidy to increase by \$119,893 for a total of \$348,348. Revenues increase by \$3,293 for a total revenue of 244,612. One new FTE, Administrator/Specialist, is created.

### **5100 DOT – Highway Maintenance**

#### *Highway Maintenance*

In 2018, approximately \$1 million in VRF revenue replaces tax levy for the DOT – Highway Maintenance. Staffing and service levels remain consistent with 2017.

#### *Transportation Services*

The 2018 Recommended Budget reflects a cost to continue budget with no major changes proposed.

### **5300 DOT – County Fleet Maintenance**

Milwaukee County Fleet Management Division was recognized as a “100 Best Fleet” in the Americas in 2016, and in 2017 by the 100 Best Fleets of North America. The 2018 Recommended Capital Improvement Budget includes approximately \$9 million for general/Sheriff/Parks fleet equipment. This will allow Fleet Management to catch up on the replacement schedule that was delayed in recent years for other projects. There are no major changes in this area, as staffing and service levels remain consistent with 2017.

### **5600 DOT – Transit – Paratransit**

Expenditures increase by \$844,975 for a total expenditures of \$17,119,007, due to a projected two percent increase in ridership per 2016 actuals. Revenues decrease slightly by \$58,399 for a total revenue of \$14,661,256. Tax levy support is fully offset by revenue provided by Fixed Route service.

### *Fare Increases*

In 2018, MCTS will charge a \$1 day pass fare for the New Freedom bus pass program to persons with eligible disabilities; previously the New Freedom pass was provided free of charge. The \$1 day pass fare is consistent with the price of the GO Pass program.

The paratransit cash fare also increases from \$3.50 to \$4.00 per one-way trip in 2018. The trip subsidy paid by Managed Care Organizations (MCO's) will also increase from \$20.05 to \$20.55 (the subsidy of \$16.55 plus the \$4.00 per one-way trip fare).

### **5600 DOT – Transit – Fixed Route**

In 2018, \$26,821,879 million in revenue is estimated from the proposed \$60 Vehicle Registration Fee (VRF), to support Fixed Route service. This is an additional \$15,323,915 more in VRF revenue than budgeted per the 2017 Adopted Budget. The \$60 VRF enables the use of \$0 tax levy for Fixed Route service, and also enables the use of approximately \$1.3 million less in Federal Section 5307 funds to operate fixed route service compared to 2017.

VRF revenues replace property tax levy for the Metro Express routes (Gold and Purple). The Metro Express routes will also continue be partly funded with Congestion Mitigation and Air Quality (CMAQ) funds. Both routes continue in 2018, however CMAQ funding decreases from \$4 million to \$2.4 million. A new CMAQ grant will continue to provide \$2.4 million in funding in both 2019 and 2020.

### *Cost Controls*

To mitigate future operating cost increases, MCTS is finalizing research of garage/station consolidation. The goal is to close the Fiebrantz garage/station, the smallest location, and shift staff and equipment to the Fond du Lac and Kinnickinnic garage/station locations. The consolidation process is anticipated to begin in 2018, dependent on infrastructure improvements at Fond du Lac and Kinnickinnic garages/stations in the 2018 Recommended Capital Improvements Budget.

### *Minor Service Changes*

- Service levels change less than 1 percent from 2017 levels.
- The purple line is extended south in mid-2018 to provide daily service to the new IKEA store near Drexel Avenue, which is scheduled to open in June 2018.
- Route 17 (Canal Street) service hours are expanded to cover more shift change times for employers in the Menomonee Valley.
- Routes 6 and 61 are discontinued in December 2018, as the Zoo Interchange litigation funds will be exhausted.

### *Fare Increases*

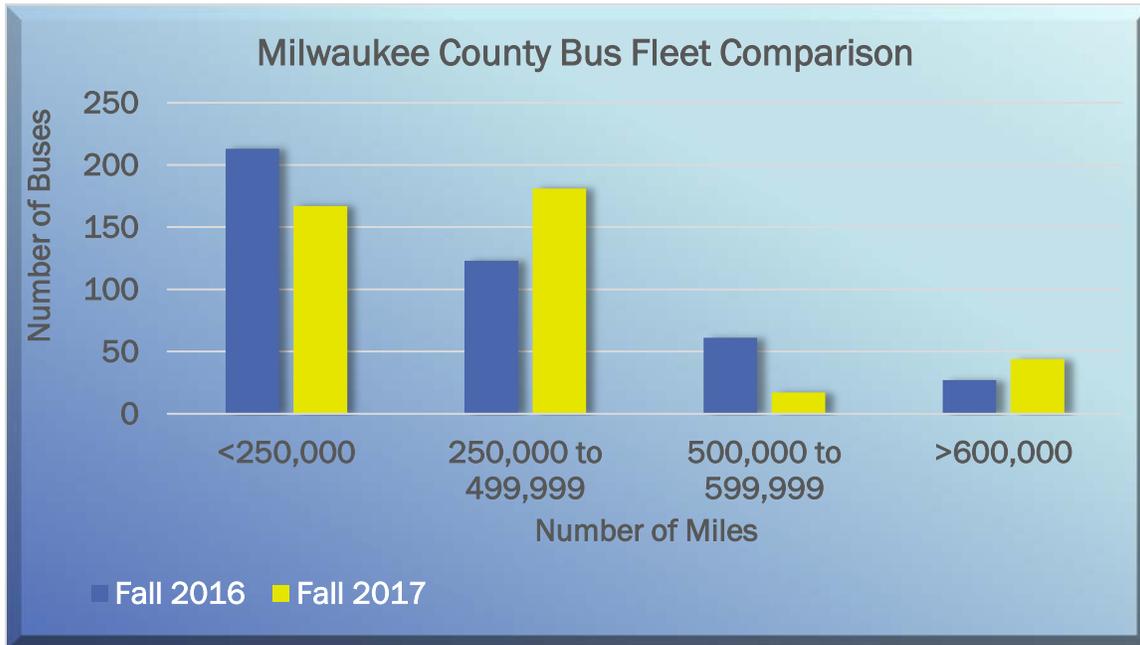
The 2018 Recommended budget includes several fare changes, see table below. The fare increases are estimated to provide approximately \$1.5 million in revenue in 2018, partially offsetting revenue losses from reduced ridership.

Milwaukee County Bus Fleet Comparison				
Bus Miles	Fall 2016	Percent	Fall 2017	Percent
Less than 250,000	213	50.2%	167	40.8%
250,000 to 499,999	123	29.0%	181	44.3%
500,000 to 599,999	61	14.4%	17	4.2%
More than 600,000	27	6.4%	44	10.8%
<b>Total</b>	<b>424</b>	<b>100.0%</b>	<b>409</b>	<b>100.0%</b>

### Bus Replacement

2018 Transit Fares Changes			
Fare Name	Current Fare	Proposed Fare	Explanation
Adult Single Ride	\$1.75	\$2.00	\$0.25 increase
U-PASS Semester Pass	\$45.00	\$50.00	\$5 increase per semester
New Freedom Pass	Free	\$1.00/day	\$1/day; eligible paratransit clients
M-Card Lite: One 90 minute pass	\$2.00	\$2.25	\$0.25 increase; eligible social service agencies/non-profits
M-Card Lite: Two 90 min passes	\$4.00	\$4.25	\$0.25 increase; eligible social service agencies/non-profits
Paratransit Fare	\$3.50	\$4.00	\$0.50 increase per one-way trip

There is no formal policy on bus replacement, however the Milwaukee County Department of Transportation (MCDOT) is guided by Federal Transit Administration (FTA) guidelines coupled with the availability of federal, state, and local monies. The FTA recommends a 12 year or 500,000 mile replacement cycle for buses. It is at this threshold that buses have reached a minimum useful life and are eligible for replacement. An older or more traveled bus can still operate safely, however the bus will likely require more frequent and costly maintenance.



MCDOT aims to follow a 12 year or 500,000 mile replacement schedule, replacing on average 30-35 buses per year, this replacement is largely dependent on the availability of federal grant money. The above table and chart depict the fluctuations in the active bus fleet between fall 2016 and fall 2017. While there are some minor changes in the fleet, the County is on schedule to replace 30 buses in 2018.

Finally, anticipated revenue contracts are not included in the text of the 2018 Recommended Budget. The Department of Transportation will provide public notice of all applicable grants at the Transportation, Public Works, and Transit Committee meetings.

### 5800 DOT – Director

There are no major expenditure or revenue changes in this area, as staffing and service levels remain consistent with 2017.

## HEALTH AND HUMAN SERVICES

### 6300 Milwaukee County Mental Health Board - Behavioral Health Division

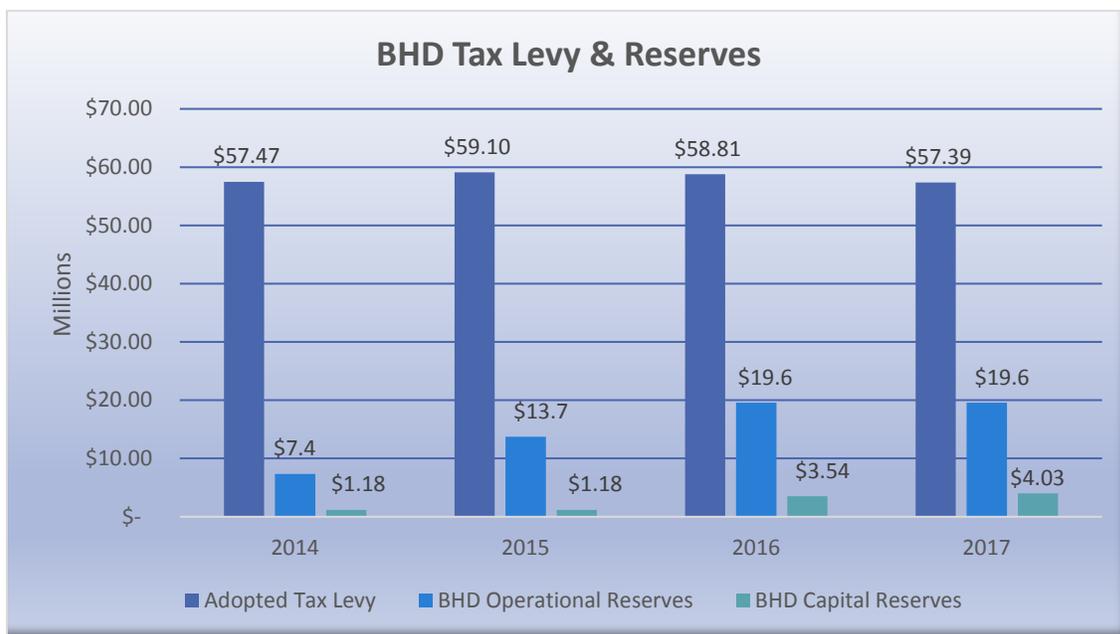
The Wisconsin State Legislature created the Milwaukee County Mental Health Board (MHB) with the passage of 2013 Wisconsin Act 203, removing the Behavioral Health Division from the purview of the Milwaukee County Board of Supervisors.

Per State statute, the County Board “shall incorporate into the budget for Milwaukee County” the “tax levy amount as proposed by the County Executive.” State statute mandates that the MHB may not propose a tax levy that is less than \$53 million, nor more than \$65 million.

The MHB proposed a budget that increased BHD’s tax levy by approximately \$2.6 million to a total tax levy of \$60 million; however, the 2018 Recommended Budget reduces that increase to \$1.25 million for a total tax levy of \$58.6 million, approximately \$6.6 million under the maximum tax levy rate. In 2018 BHD takes on an additional \$4.5 million for legacy health care and pension costs related to former employees.

The savings between the MHB proposed tax levy and the Recommended Budget comes mainly from countywide salary and fringe adjustments. The MHB did request employee merit increases of \$345,699, but reduced to \$39,761 by the County Executive in the Recommended Budget. Additional savings were generated by Intergovernmental Revenue of approximately \$1 million that was awarded after the MHB submitted the budget to the County Executive.

Under Wisconsin Statute § 51.41(4)(d), the treasurer must hold any funds that have not been spent or encumbered by the MHB in a mental health reserve fund. Any funds over \$10 million dollars “may be used at any time for any mental health, function, program, or service in Milwaukee County.” Additionally, Wisconsin Statute § 46.18(13) requires an annual cash reserve contribution of 2% of original cost or appraised value of buildings of “existing mental health infirmary structures and equipment.” The chart below details the adopted levy, operational reserves, and capital reserves for BHD. The comptroller is projecting BHD’s operational reserve balance to be \$19,568,857 and capital reserve balance to be \$4,032,706 at the end of 2017.



## 7900 Aging

Personnel Costs increase \$973,605 due to increases in healthcare, and legacy healthcare/pension. No increase in salaries. Intergovernmental Revenues are reduced \$231,484. This is mainly due to a decrease of \$416,000 in state and Federal reimbursements for Aging Resource Centers, which is mitigated by an increase of \$215,000 in state revenue for Alzheimer’s Family Caregiver Support Programs.

To address increasing service needs and diminishing revenues the department reduces costs of senior center operations by \$200,000. An RFP was sent out in August 2017 which requested providers submit two different staffing plans. One plan at the 2017 funding level of \$1,322,867 and another plan at a funding level of \$1,122,867. One response was received, but did not meet the RFP requirements, so the department is waiting for a revised response from the provider. The proposal must cover programming at all five senior centers. Programming includes all social activities such as exercise, social programs, movie nights, card games, etc.

In 2018 the Aging Resource Center continues to fund two FTE to administer Milwaukee County Transit's Growing Opportunities Pass (GO Pass) to assist with means testing.

The Senior Meal Program continues to operate 23 dining sites throughout the County in 2018. The department notes that the ongoing shift of increasing home delivered meals and decreasing community meals is posing budgetary challenges; however, some savings may be generated in 2018 due to the contract going out to bid in June 2017 with one of the potential providers generating savings of \$100,000. Approval of these contracts is pending before the Committee on Finance and Audit (File No. 17-596).

## **8000 Department of Health and Human Services**

Overall the effective tax levy decreases \$1,598,270 to a total negative tax levy of \$8,040,437. This negative tax levy is due to the removal of cross charges and fringe benefit costs. Personal services increase \$3.1 million primarily due to an increase in salaries and overtime of \$900,000 and an increase in active legacy and fringe of \$1.9 million.

Intergovernmental revenue is down in large part due to the autism benefit of the Children's Long Term Support (CLTS) Waiver Program being covered by Medicaid and no longer a part of the State/County Contract. This decreases revenues by \$5.3 million. This change was reported to the County Board in March of 2017 (File No. 17-250) in a report from DHHS outline the potential fiscal impacts of the 2017-2019 Governor's State Budget.

### *Director's Office & Management Services Division*

The Wisconsin Home Energy Assistance Program (WHEAP) and 211-Impact contracts are managed and accounted for in this area. The 211-Impact contract is funded at \$400,000 by DHHS. BHD will provide \$150,000 to 211-Impact in a separate contract.

The budget includes \$860,000 for the implementation of a case management system, which is charged out to the different divisions in DHHS. \$400,000 of this amount is cross charged to the Behavioral Health Division.

### *Delinquency & Court Services (DCSD)*

DCSD continues working in 2018 to reduce the number of youth being sent to Lincoln Hills and Copper Lake School for Girls, the Wisconsin State Juvenile Correctional Institutions (JCI). The number of youth at the JCI, known as the Average Daily Population, has decreased dramatically since 2015, dropping from 128 in January 2015 to 57 as of August 20(see chart below).

In 2018, it is expected that the Department of Correction charges will decline by approximately \$3.4 million from \$12.3 million to \$9 million. This is what Milwaukee County pays for youth that are placed at DOC Juvenile Institutions. The savings of \$3.4 million is

based on an Average Daily Population of 55 in 2018. This savings comes even after considering the increase in the JCI rate, the cost per day per youth, from \$292.00 to more than \$390.00 beginning in July of 2017 due to the recently approved Wisconsin State Budget.

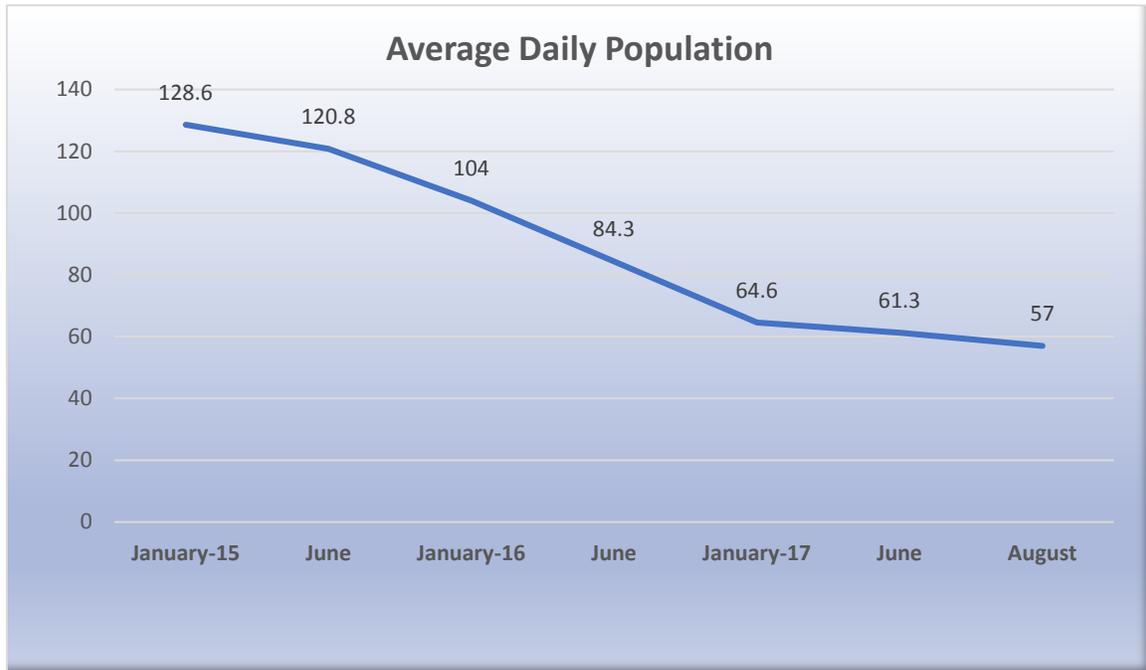


Figure 1 Average Daily Population at Lincoln Hills and Copper Lake

Revenues decline by a total of \$4.9 million. \$1.2 million is due to a decrease in Youth Aids. Of the \$1.2 million reduction in Youth Aids, \$700,000 of the reduction is related to the Youth Aids formula which is weighted on the number of JCI placements and juvenile arrests and \$600,000 is due to fewer slots anticipated in the Corrective Sanctions Program. \$1.5 million of the overall revenue decline is due to a reduction in the Basic County Aids Allocation, which is transferred to the Housing Division to support case management and permanent supportive housing for families with youth either involved in the youth justice system or who can show they are at risk of entering the youth justice system. Additionally, \$2.2 million in Medicaid revenue, which is budgeted in Wraparound to support the Residential Treatment Center.

### *Residential Treatment Center*

In partnership with the Behavioral Health Division’s Wraparound Program, DCSD will contract with a provider to operate a Type II Residential Treatment Center. The facility will have 24 slots and is expected to serve high risk youth in jeopardy of placement at DOC and youth transitioning out of the detention portion of the Milwaukee County Accountability Program (MCAP) or DOC. The department reports that it has a potential site for the facility, Bishop’s Creek Apartments on 32<sup>nd</sup> St., and is continuing community outreach. A provider, which will run the program, has been selected. The department was hoping to bring the contract for the provider to the County Board in October, but a provider that was not chosen has filed for an Administrative Review, so it may delay bringing the contract for approval to December 2017. For 2018, the total cost is anticipated to be \$2.4 million, offset with Medicaid and Youth Aids revenues.

One Quality Assurance Specialist is created and one existing Administrative Coordinator is allocated to provide oversight and monitoring of contract compliance as well as to support the Residential Treatment Center programming.

#### *Community Based Alternative Programming*

Overall community service spending decreases \$1.5 million due to the elimination of \$400,000 in funding for emergency placement of youth at the Racine County Detention Center. The department reports that the County has enough capacity in Milwaukee County and no longer needs the Racine County Detention Center as an alternative placement. A reduction of \$1.1 million to reflect actual spending on executed contracts.

DCSD continues the supervision and monitoring of youth returning to the community from DOC. This service was taken over in July of 2017. Prior to this DOC provided these services. These services are paid for with Youth Aids.

#### *Juvenile Detention Center*

The 2018 Recommended Budget contains full year funding for the net increase of three Juvenile Correctional Officers (JCO) that were added in 2017.

#### *Disability Services Division (DSD)*

Expenditures and revenues decrease by \$5.3 million due to the autism benefit (formerly included in Children's Long-Term Support Waiver Program) being covered by the Medicaid card benefit instead of under the State/County contract. Service levels remain the same. One additional Disabilities Services Coordinator is funded in 2018. The position was created as an unfunded position in March of 2016 by File No. 16-182.

DSD continues its employment initiative to connect children with intellectual disabilities with employers in the community after they exit high school. As in 2017, \$100,000 is budgeted to provide funding for employment initiative contracts.

DSD continues to administer the Growing Opportunities (GO) Pass Program. The program is now integrated into the Disability Resource and Aging Resource Centers allowing DSD and Aging staff to identify additional services individuals may qualify for. Four FTE's within DSD and administrative costs are shared with Aging. Changes to GO Pass eligibility and cost are expected to create \$50,000 in anticipated replacement card revenue, which is included in DSD's budget.

#### *Housing Division*

Three unfunded FTE's are added to the Housing Division in expectation of grant funding from the MacArthur Foundation Safety and Justice grant. The positions will assist to safely reduce the County's jail population by diverting individuals with mental health and substance abuse issues to prevention alternatives.

The Housing First Initiative continues the work began in 2015 under the initiative to End Chronic Homelessness. The Behavioral Health Division contributes \$1 million to the initiative as it did in 2017.

A new HUD funding grant, Housing First Tenant-Based Rent Assistance, of \$600,000 is included in the 2018 Recommended Budget. This grant is anticipated to provide rent assistance for 62 new households.

Due to HUD's preference to fund permanent housing versus temporary housing, the Save Haven Program is converted into a new Housing First Permanent Housing Project. HUD funding level will remain the same at \$400,000.

Emergency shelter care remains at the 2017 level of \$700,000

The Homeless Outreach PATH Grant from the State to conduct homeless outreach continue in 2018. The budget narrative states funding is at \$0.8m, but actual funding is \$80,000. The funds will be used to support the cost of an existing Community Intervention Specialist.

In 2018, the Housing Division collaborates with the Economic Development Division on a project titled Opportunity Knocks. The Housing Division will take county foreclosures from ECD, do job training with House of Correction inmates to rehab the properties, and then sell the homes to first time homebuyers coming off rent assistance. Anticipated revenues of \$100,000 are included in the 2018 budget.

## RECREATION AND CULTURE

### 9000 Department of Parks, Recreation and Culture (DPRC)

Prior to the release of the 2018 Recommended Budget, the Parks Department was initially facing a projected \$2.5 million shortfall due to a reduction in effective tax levy, increased service costs, as well as lost parking and space rental revenues. In an effort to prepare to fill the expected gap in 2018, consideration of a "pay-to-park" system throughout the County, and fee increases for certain Parks services are proposed as options for the department to avoid a deficit and meet its revenue needs.

Increased Revenue Options: Pay-to-Park, Fees, Marketing and Naming Rights

#### *Pay-to-Park Program*

The 2018 Recommended Budget contains revenue options that include a new "Pay-to-Park" program to be explored and implemented by the department, which is projected to generate \$1,662,000 in revenue for 2018. The program would create a Workgroup that would identify parks and parkways throughout the County that have the potential to generate the most substantial parking revenue based upon capacity and high demand parking spots. Various scenarios and calculations were considered to arrive at the estimated \$1.6 million, including using the areas around the lakefront and the County's larger regional parkways and lots that experience heavy usage. Based on a parking model provided by DAS-PSB staff, approximately 2,511 spots would operate for 12-13 hours a day, for 313 days a year with one free day per week.

Using one scenario model for the lakefront includes approximately 1,474 spots at a range of \$1.50-\$2.50 per hour, Lincoln Memorial Drive and its surrounding parking lots could potentially generate \$1.4 million. The Story Parkway along Mitchell Blvd. near Miller Park could potentially generate approximately \$75,000 during a Brewers baseball season of 81 game dates, based on a capacity of 25 spots at \$2.00 per hour. Other scenarios that include the KK River, Estabrook, Underwood, and the Menomonee River Parkways were

explored as well. The 2018 Recommended Budget does not attempt to outline the potential infrastructure and implementation costs associated with new paid parking, as the Workgroup would ultimately determine the suitable method for parking revenue collection for the Parks department; it is anticipated that modern platforms and media, such as a parking app, would be a preferable medium of implementation more so than antiquated and costly parking meters.

### *Park Fees*

The proposed park fees for 2018 increase for certain park services, ranging from \$.50 for some admissions and passes, up to \$500 for rentals at Boerner Botanical Gardens. One of the major changes for 2018 is the fee structure for leagues and teams sports. Historically, leagues would pay an upfront league sanction fee to the Parks Department, and then pay a discounted hourly rate for games and practice field usage. The new fee structure aims to streamline the field reservation process, by eliminating the league sanction fees altogether and no longer provide the discounted hourly rate for the field usage. Under the new fee structure, groups and teams will be able to make reservations for field use through an online platform and pay in full for the time they will be using the space. The options will be offered on an “a-la-carte” basis, which would allow users to select individual services that meet their needs. In addition to the field and court space rental, the additional service options will include field dragging, lining, lights, and short notice permits. The new process of reserving online would directly synthesize with the new POS system that the department began implementing system-wide in 2017. It is anticipated that a slight increase in field rental revenues will result in 2018 due to the user-friendliness of the new reservation system. The department anticipates that the new league reservation process will be ready to implement in early 2018.

### *Marketing and Naming Rights*

In 2018, the Development Officer is tasked with raising an additional \$110,000 in revenue by identifying advertising and naming rights opportunities.

### *Parks Amenities Matching Fund*

No new funding is added to the Parks Amenities Matching Fund (PAMF) in 2018, and the remaining funds within it shall be appropriated to projects on a case-by-case basis throughout the year. In 2017, revenues from O'Donnell Parking Garage were used as the funding source for the PAMF. Due to the pending sale of O'Donnell to the Milwaukee Art Museum, the Parks Department will no longer receive the additional parking revenue from the property. It is anticipated that once the O'Donnell transaction is complete, the Parks Department could receive approximately \$1.3 million in net revenue from the sale of the property. Based on the directives from the 2017 Adopted Budget, all net parking proceeds received in 2017 shall be earmarked for PAMF. However, given the County's current projected deficit, policymakers may have to revisit the parking proceeds policy. At the time that this overview was prepared, the balance of the PAMF was \$52,095. The department will present any pending PAMF proposals to the County Board in April and September each year, contingent upon available funding.

### *Staffing Arrangements*

The 2018 Recommended Budget reflects new staffing rearrangements and changes for the department, particularly with seasonal positions.

The 2018 Budget Summary table lists that the Parks Department will see a reduction of 64.30 FTE positions, however this is not correctly presented in the budgeting system (BRASS). The 2018 Recommended Budget actually includes an *increase* of funding for both seasonal and full-time positions, which will result in an *increase* of seasonals by 17.62 FTE and full-time workers by 12.13 FTE. However, this is offset by the fact that Parks' vacancy and turnover (negative salary appropriations) is increased by the equivalent of 10.59 FTE in 2018.

A new Park Unit Coordinator-Concessions position is added in 2018 to assist in revenue generation, as well a new Park Ranger position. New unfunded positions include 1.00 FTE Park Maintenance Worker for Wilson Recreation Center, an additional 2.00 FTE Park Maintenance Workers, and 1.00 FTE Parks Restoration Ecologist.

#### *Changes in Operating Budget: Ordinance Changes, Estabrook Trust Fund, and CityWorks System*

Included in the Parks' budget are changes to the Milwaukee County Code of General Ordinances in Chapter 15.17, related to increasing the amount available in their Imprest Fund to structure it similarly to the Zoo's model. Chapter 47.031 related to special event fees for Lincoln Memorial Drive is modified to remove the fees to be flexible for fee schedule changes each year. The change to Chapter 47.32 is related to removing language related admission charges and parking fees at the Mitchell Park Domes. It should be noted that admission fees for the Domes do not increase in 2018.

\$54,000 deposited annually into the Estabrook Dam Trust Fund is redirected to Parks' operating account beginning in 2018. Estabrook Dam is scheduled to be demolished in the spring of 2018, which will free up funds that were previously earmarked for its maintenance.

In 2018, Parks will implement the CityWorks Work Order and Asset Management System, in order to simplify and accurately track work orders in the department with technological improvements. Other departments, including the Airport and Facilities Management, have already been using CityWorks for their work orders with success.

#### *Continuing Initiatives: POS, Domes*

One of the main ongoing initiatives for the Parks Department in 2018 is finalizing the implementation of a new Point-of-Sale (POS) system for the Parks department.

The POS replacement is a significant project for the department and was included in the 2017 Adopted Budget with an appropriation of \$240,000 in the Parks operating budget to begin the process of implementing a new POS. In July 2017, the County Board adopted File No. 17-522, which authorized the Parks Director to execute an agreement with Vermont Systems, Inc., for the software license and maintenance of the POS system. The 2018 Recommended Capital Improvements Budget includes capital project WP525 – Point of Sale Replacement for \$890,000 to continue the implementation of the project that began department-wide in 2017. The POS system handles the sales and reservations for almost all transactions through a computerized network. Reservations for picnic area rentals, ball diamonds, tennis courts, soccer fields, special events permits, golf, and others are conducted through the POS system. Replacement of the current outdated system in 2017 is a time sensitive matter, since the existing systems will not be supported after 2017, due to technological advancements.

### *Mitchell Park Domes*

The 2018 Recommended Capital Improvements Budget includes capital project WP553 – Mitchell Park Conservatory Planning in the amount of \$320,000, which would implement Phase III of an ongoing feasibility on the future of the Domes. In 2016, the Task Force on the Mitchell Park Conservatory Domes was created through File No. 16-200, to address the infrastructure and maintenance needs, as well as develop a comprehensive, long-term plan for the future of the horticultural facility. The Domes had to temporarily close its doors to the public in 2015, due to safety concerns over the deterioration of the building and falling concrete pieces from the structure. Funding was appropriated to install mesh along the interior ceilings of the Domes to prevent further debris from falling on patrons and staff. The task force has continued to meet since October 2016 to develop a strategy for the County to address the condition and continued use of the facility. In June 2017, the task force was authorized by the County Board to use designated planning funds in the amount of \$120,000, with an additional fund transfer of \$64,000 (leftover from the mesh installation) to hire HGA Architects and Engineers, Inc. to conduct Phases I and II of a feasibility study on the future path of the Domes. Between 2015 to date, approximately \$1,472,000 has been spent on long-term planning and improvements to the Domes.

### **9500 Zoological Department (Zoo)**

#### *Revenue Opportunities: Admission Fee Increase, Zoo Pass Increase, Parking Space Rental*

An emphasis on revenue generation is a common theme in the 2018 Recommended Budget. Accordingly, Zoo admission fees will increase by \$1.25 beginning April 1, 2018, in addition to the increased price of the Zoo Pass membership offered through the Zoological Society, which provides a 50-50 revenue split with the Zoo. These fee increases are estimated to generate \$454,000 in additional revenue in 2018.

Expenditures, revenues, and effective tax levy support all decrease for the Zoo in 2018. This is largely due to a reduction in operating costs and revenues, as a result of the full implementation of the Zoo’s agreement with Service Systems Associates (SSA), the private agency that has assumed the concessions and retail operations of the Zoo in May 2017. The agreement with SSA provides that the Zoo will receive 25 percent commission on first \$2 million of food sales, 30 percent in merchandise sales, and 15 percent of catering revenues. Additionally, SSA has agreed to provide \$3 million in capital improvements to the Zoo over five years. The table below shows the per capita spending in the months of June through September from 2016, when the Zoo maintained concessions and retail operations, compared to 2017 when SSA assumed the concessions and retail operations. There has been a 15.6 percent increase in retail and a 32.6 percent increase in concessions under SSA compared to 2016 under the Zoo. According to Zoo Administration, customer response to the new SSA offerings is mostly positive, particularly related to the Beans Sprouts concession stand, which is an allergy-friendly option.

Zoo Retail and Concessions Per Capita Spending June Through September				
	Zoo 2016	SSA 2017	Increase	Percent
Retail	\$ 1.28	\$ 1.48	\$ 0.20	15.63%
Concessions	\$ 2.88	\$ 3.82	\$ 0.94	32.64%

Additional revenue in the amount of \$474,000 is anticipated from potential parking rental opportunities. The Zoo is exploring options to rent a portion of their available parking space to nearby institutions that would use it for satellite parking and shuttle service. However, no agreement for Zoo parking rental is ready at this time.

#### *Finishing Projects: West Entrance, Adventure Africa*

The new West Entrance is expected to open in the spring of 2018, and will include the new otter exhibit. This project was funded with remaining WisDOT revenue funds allocated from 2014.

The largest initiative under way for the Zoo in 2018 is the continuation of the new Adventure Africa Exhibit, which includes the African Plains Exhibit project that is on target to be completed at the end of 2018. This overall ongoing project has total cost of \$16.6 million, 50 percent funded by the Zoological Society. The finished exhibit is anticipated to open in 2019. A new dinosaur exhibit will run from Memorial Day through Labor Day in 2018.

The narrative indicates that Zoo 's 2018 budget includes \$5.4 million in capital funding to complete the Adventure Africa Exhibit, however this is not presented correctly as the capital funding for this project was transferred in 2017 through County Board Adopted Resolution File No. 17-496. In August 2017, a fund transfer in the amount of \$5.4 million was completed for capital project WZ119 Adventure Africa Exhibit. The project progressed more quickly than anticipated, and the funds were appropriated in 2017, after the budget narrative was updated. There are no new capital projects for the Zoo included in the 2018 Recommended Capital Improvements.

#### *Staffing*

The Zoo is creating the following positions in 2018: 1.00 FTE Security Coordinator, 1.00 FTE Systems Control Coordinator, a .58 FTE Zookeeper position, and a .50 FTE Social Media Specialist. The 2018 Recommended Budget indicates that there is a reduction of 50.50 seasonal positions, but this is largely due to the transfer of staff to SSA.

### **9910 UW-Extension**

Effective tax levy support for UW-Extension increases by \$225,027 to \$399,679 in 2018. This is primarily to offset the increased operating costs that are being passed down to UW-Extension by the University of Wisconsin System. This increase will allow UW-Extension to continue to provide the same level of service in 2018. UW-Extension also is expected to relocate from their current space on the County Grounds to their new potential home at Summit Place offices in West Allis. Notwithstanding any complications, it is anticipated that UW-Extension will be in the space by early 2018.

### **1900 Consolidated Non-Departmental Cultural Contributions**

The County's cultural agencies are consolidated into Org. Unit 1900, which consists of the Milwaukee County Fund for the Arts (CAMPAC), the Milwaukee County Historical Society, the Milwaukee County Federated Library System, the Marcus Center for the Performing Arts, the Milwaukee Public Museum, the Charles Allis/Villa Terrace Museums, the War Memorial Center, and the Milwaukee Art Museum.

### ***Strategic Program Area 1: Milwaukee County Fund for the Arts***

The County's contribution to the Milwaukee County Fund for the Arts (CAMPAC) remains unchanged from the previous year at \$407,825 in tax levy support for 2018.

CAMPAC funding is allocated among three program areas:

- *Community Cultural Events*, which are targeted at minority and underserved communities;
- *Matching Grants*, which have the highest priority of sustaining the County's arts organizations;
- *Administrative Services*, whose contract was approved by the County Board in 2006 to provide services for CAMPAC.

### ***Strategic Program Area 2: Milwaukee County Historical Society***

The County's contribution to the Historical Society remains at the 2017 levels of \$258,105 in tax levy support for 2018. The Historical Society is currently undergoing a major capital improvement project to repair the exterior cornice of the Historical Society building.

### ***Strategic Program Area 3: Federated Library System (MCFLS)***

Tax levy support remains at \$66,650 for the County's contribution to the Federated Library System in 2018. This will be used to offset program costs.

### ***Strategic Program Area 4: Marcus Center for the Performing Arts***

The County's contribution to the Marcus Center for the Performing Arts decreases by \$50,000 to the amount of \$850,000 in tax levy in 2018. This amount represents a requested 13 percent reduction in levy support from recent years' levels, and is consistent with the support levels outlined in the Marcus Center's contribution agreement with the County that was finalized in March 2016.

As of July 1, 2017, the Marcus Center's Board of Directors approved a change in the fiscal year end to be on June 30 instead of December 31. Therefore, the fiscal year now runs from July 1, 2017 through June 30, 2018.

### ***Strategic Program Area 5: Milwaukee Public Museum (MPM)***

There is no change in the County's 2018 contribution of \$3,500,000 to MPM from the 2017 allocation. Per the amended Lease and Management Agreement (LMA) executed in 2013 between Milwaukee County and MPM, Milwaukee County commits to the following Operating and Capital budget funding levels:

1. Annual County Operating contributions:

- a. \$3.5 million annually for calendar years 2014-2017
- b. \$3.35 million annually for calendar years 2018-2019
- c. \$3.2 million annually for calendar years 2020-2021
- d. \$3 million annually for calendar year 2022

2. Capital funding contributions:

Capital contributions can amount to up to \$4 million during the calendar years 2014-2017. MPM will provide detailed quarterly reports of financial status and projections through the fiscal year.

The new LMA states that MPM must achieve several operating and financial goals. If the goals are not achieved, the County may reduce its annual operating contribution by \$250,000 for the subsequent year. Additionally, if MPM receives at least \$5 million in cash or donor commitments for capital projects by December 31, 2017, the annual operating contributions will remain at \$3.5 million for calendar years 2018-2022.

In March 2017, the MPM announced its intention to relocate to a smaller, more efficient, new facility in the downtown area of the City of Milwaukee within the next five to ten years. This announcement came after a study was conducted that highlighted the need for cost savings and preservation of the collection of artifacts that may be at risk from the deteriorating condition of the current facility. The 2018 Recommended Capital Improvements Budget includes a Fire Panel Replacement project for MPM at a projected cost of \$2.7 million, which would update the building's fire alarm system. Although the museum is independently operated by MPM, Inc., the County owns the building and the collection of artifacts.

#### ***Strategic Program Area 6: Villa Terrace/Charles Allis Art Museums***

In 2018 the County's contribution to the Charles Allis/Villa Terrace remains at the 2017 level of \$225,108 in tax levy.

#### ***Strategic Program Area 7: War Memorial Center***

The 2018 County Operating contribution for WMC remains unchanged from the 2017 levels, with expenditures of \$486,000 in tax levy. Per the 2013 Lease and Management Agreement, County tax levy contributions for WMC will remain at this funding level annually through 2023.

#### ***Strategic Program Area 8: Milwaukee Art Museum***

The 2018 County Operating contribution for MAM remains unchanged from the 2017 levels, with expenditures of \$1.29 million in tax levy. This amount reflects a result of the arbitration settlement from the sale of O'Donnell Park parking structure to MAM, and therefore a \$190,000 appropriation will continue to be included in the operating budget through 2026, in accordance with the terms of the agreement. This expenditure is in addition to the County tax levy contributions for MAM that continue at the annual funding level determined by the 2013 Lease and Management Agreement through 2023. It is anticipated that the transaction of the O'Donnell parking structure and nearby properties will close in 2017.

## SECTION 4 – CAPITAL IMPROVEMENTS BUDGET

	Non-Airport	Airport	Combined
Total Number of Projects	36	14	50
Total Expenditures	\$60,376,486	\$39,907,761	\$100,284,247
Total Reimbursement Revenues	<u>\$9,916,088</u>	<u>\$8,156,599</u>	<u>\$18,072,687</u>
<b>Net County Financing</b>	<b>\$50,460,398</b>	<b>\$31,751,162</b>	<b>\$82,211,560</b>
<i>Financed as follows:</i>			
General Obligation Bonds	\$39,762,489	\$0	\$39,762,489
Property Tax Levy	\$1,531,174	\$0	\$1,531,174
Sales Tax Revenue (cash financing)	\$6,345,589	\$0	\$6,345,589
Vehicle Registration Fee	\$2,821,146	\$0	\$2,821,146
PFC Backed Airport Bonds	\$0	\$15,000,000	\$15,000,000
Passenger Facility Charges (PFC)	\$0	\$4,484,252	\$4,484,252
Airport Capital Improvements Reserve	\$0	\$1,240,015	\$1,240,015
Airport Development Fund (ADF)	<u>\$0</u>	<u>\$11,026,895</u>	<u>\$11,026,895</u>
<b>Total Financing</b>	<b>\$50,460,398</b>	<b>\$31,751,162</b>	<b>\$82,211,560</b>

### Highways (WH)

**WH01006**     **Reconstruct CTH “Y” Layton Avenue 27<sup>th</sup> to 43<sup>rd</sup>**  
 Expenditure: \$420,000  
 Revenue Reimbursement: \$320,000  
 Net County Commitment: \$100,000 to be financed by general obligation bonds.

Funding is provided to begin the design phase for W. Layton Ave (CTH Y) from S. 27<sup>th</sup> St. to S.43<sup>rd</sup> St. The project is financed with \$320,000 in federal funds, and 100,000 in general obligation bonds.

**WH01008**     **Reconstruct CTH “N” South 92<sup>nd</sup> St.**  
 Expenditure: \$275,000  
 Revenue Reimbursement: \$0  
 Net County Commitment: \$275,000 to be financed by general obligation bonds.

Funding is provided to continue the design phase and begin the acquisition of the right-of-way for S. 92<sup>nd</sup> St from W. Forest Home Ave. to W. Howard Ave. The project is financed with \$275,000 in general obligation bonds.

**WH01016 Reconstruct S. 13th St. (CTH V) W. Drexel Avenue to W. Rawson Avenue**  
Expenditure: \$5,000,000  
Revenue Reimbursement: \$3,960,000  
Net County Commitment: \$1,040,000 to be financed by general obligation bonds.

Funding is budgeted for the construction phase for S. 13th St. (CTH V) W. Drexel Avenue to W. Rawson Avenue. The project is financed with \$3,960,000 in WISDOT funding under the STP, and \$1,040,000 in general obligation bonds.

**WH02019 N. Teutonia Ave. (CTH D) W. Good Hope Rd. to W. Bradley Rd.**  
Expenditure: \$4,408,000  
Revenue Reimbursement: \$1,458,000  
Net County Commitment: \$2,950,000 to be financed by general obligation bonds

Funding is budgeted for the construction phase of the N. Teutonia Ave. (CTH D) project from Good Hope Rd. to Bradley Rd. The project is financed with \$1,458,000 in State funding, and \$2,950,000 in general obligation bonds.

**WH09201 S. 76<sup>th</sup> St. & W. Layton Ave. Adapt Signal System**  
Expenditure: \$440,000  
Revenue Reimbursement: \$340,000  
Net County Commitment: \$100,000 in Vehicle Registration Fee Revenue

Funding is budgeted for the construction phase of S. 76 Ar. (CTH Y) Adaptive Traffic Signal System project. The project is financed with \$340,000 in federal funding, and \$100,000 in Vehicle Registration Fee Revenue.

**WH09401 W Rawson Ave. INT w/ 10<sup>th</sup> St. & 6<sup>th</sup> ST.**  
Expenditure: 1,200,000  
Revenue Reimbursement: \$692,500  
Net County Commitment: \$507,500 to be financed by Vehicle Registration Fee Revenue.

Funding is budgeted for the construction phase of W. Rawson Ave. (CTH BB), and the intersections of 10<sup>th</sup> st. and 6<sup>th</sup> st. The project is financed with \$692,500 in Federal revenue and \$507,500 in Vehicle Registration Fee Revenue.

**WH09501 W. Rawson Ave. S. 27<sup>th</sup> St. to S. 20<sup>th</sup> St.**  
Expenditure: \$460,000  
Revenue Reimbursement: \$360,000

Net County Commitment: \$100,000 to be financed by Vehicle  
Registration Fee Revenue.

Funding is budgeted for the competition of the design phase for W.  
Rawson Ave. (CTH BB) from S. 27th St. to S. 20th St. This project is  
financed with \$360,000 in Federal Revenue, and \$100,000 in Vehicle  
Registration Fee Revenue.

**WH10801 W COLLEGE AVE (31<sup>ST</sup>/34<sup>TH</sup>) BOX CLVRT/RAILING RPRS**  
Expenditure: \$250,000  
Revenue Reimbursement: \$0  
Net County Commitment: \$250,000 to be financed by Vehicle  
Registration Fee Revenue

Funding is budgeted for the design and construction the West College  
Avenue (CTH ZZ) culverts at 34<sup>th</sup> St. and 31<sup>st</sup> St. The project will be  
financed with \$250,000 in Vehicle Registration Fee Revenue.

**WH10901 SIGNAL INSTALL AT W GOOD HOPE RD & PIERRON**  
Expenditure: \$315,000  
Revenue Reimbursement: \$0  
Net County Commitment: \$315,000 to be financed by Vehicle  
Registration Fee Revenue.

Funding is budgeted for the design and construction of a signal  
installation at the intersection of W. Good Hope Rd (CTH PP) & W. Pierron  
Rd. The project will be financed with \$315,000 in in vehicle registration  
fee revenue.

**WH24001 W. RAWSON AVE. (CTH BB) USH 45 TO HAWTHORNE. LN.**  
Expenditure: \$300,000  
Revenue Reimbursement: \$0  
Net County Commitment: \$300,000 to be financed by Vehicle  
Registration Fee Revenue.

Funding is budgeted for the design phase for W. Rawson Ave. (CTH BB)  
project from USH 45 to Hawthorne. Ln. The project will be financed with  
\$300,000 in Vehicle Registration Fee Revenue.

## Mass Transit (WT)

**WT11701 PHONE AND VOICEMAIL REPLACEMENT – MCTS**  
Expenditure: \$310,000  
Revenue Reimbursement: \$0  
Net County Commitment: \$310,000 to be financed by Sales Tax Revenue

Funding is budgeted for the replacement of Transit phone and voicemail system as part of the County-wide phone and voicemail replacement project. The project is financed with \$310,000 in Sales Tax Revenue.

**WT10401 BUS REPLACEMENT PROGRAM**

Expenditure: \$15,000,000

Revenue Reimbursement: \$2,649,085

Net County Commitment: \$12,350,915 to be financed by general obligation bonds and Sales Tax Revenue.

Funding is budgeted for the purchase of thirty, 40-foot replacement buses for the Milwaukee County Transit System (MCTS). The project will be financed with \$9,821,095 in general obligation bonds, \$1,281,174 in property tax, and \$2,649,085 in Federal Section 5339 funds.

**WT07701 FOND DU LAC GARAGE ROOF REPLACEMENT**

Expenditure: \$502,468

Revenue Reimbursement: \$0

Net County Commitment: \$502,468 to be financed by general obligation bonds.

Funding is budgeted for the removal of existing roofs at the Milwaukee County Transit System Fond du Lac Bus Storage Garage. The project is financed with \$502,468 in general obligation bonds.

**Airport (WA)**

**WA18801 LJT NEW FBO TERMINAL FACILITY**

Expenditure: \$348,100

Revenue Reimbursement: \$330,695

Net County Commitment: \$17,405 to be financed by contributions from the Capital Improvement Reserve Account (CIRA)

Funding is budgeted the planning and design of new Terminal Building addition to the existing Fixed Base Operator (FBO) building at Lawrence J. Timmerman Airport (LJT). The project is financed with \$313,290 in Federal Aviation Administration (FAA) Airport Improvements Program (AIP), 17,405 in State funding, and \$17,405 in contributions from the Capital Improvement Reserve Account (CIRA).

**WA22101 GMIA INTERNATIONAL TERMINAL REDEVELOPMENT**

Expenditure: \$25,198,191

Revenue Reimbursement: \$0

Net County Commitment: \$25,198,191 to be financed by the Airport Development Fund (ADF), the Passenger Facility Charge (PFC) revenues, and PFC backed bonds

Funding is budgeted for phase 1 of the construction of a new international concourse building. The project is financed with \$8,198,191 in GMIA

Airport Development Funding (ADF) reserve, \$2,000,000 in PFC cash, and \$15,000,000 in PFC backed bonds.

**WA24001 LJT SECURITY AND WILDLIFE DETERRENT PERIMETER FENCING**

Expenditure: \$257,682

Revenue Reimbursement: \$244,798

Net County Commitment: \$12,884 to be financed by contributions from the Capital Improvement Reserve Account (CIRA)

Funding is budgeted for the removal and replacement Lawrence J. Timmerman Airport (LJT). The project is financed with \$231,914 in Federal Aviation Administration (FAA) Airport Improvements Program (AIP) funding, \$12,884 in State funding, and \$12,884 in contributions from the Capital Improvement Reserve Account (CIRA).

**WA24301 GMIA REPLACEMENT OF JET BRIDGES**

Expenditure: \$1,545,318

Revenue Reimbursement: \$0

Net County Commitment: \$1,545,318 to be financed by the Passenger Facility Charge (PFC) revenues.

Funding is budgeted for the removal and replacement of three passenger loading bridges at the terminal at General Mitchell International Airport (GMIA). The project is financed with by Passenger Facility Charge (PFC) revenues.

**WA24501 GMIA AIRFIELD SAFETY IMPROVEMENTS**

Expenditure: \$483,224

Revenue Reimbursement: \$422,822

Net County Commitment: \$60,402 to be financed by Passenger Facility Charge (PFC) revenues.

Funding is budgeted for the replacement of cabling and airfield lights on Runway 7L-25R at General Mitchell International Airport (GMIA). The project is financed with \$362,419 in Federal Aviation Administration (FAA) Airport Improvements Program (AIP) funding, \$60,403 in State funding, and \$60,402 in Passenger Facility Charge (PFC) revenues.

**WA24601 GMIA AIRFIELD PAVEMENT REPLACEMENT**

Expenditure: \$2,341,701

Revenue Reimbursement: \$2,048,989

Net County Commitment: \$292,712 to be financed by the Passenger Facility Charge (PFC) revenues.

Funding is budgeted for the replacement of asphalt shoulder pavement at General Mitchell International Airport (GMIA). The project is financed with \$1,756,276 in Federal Aviation Administration (FAA) Airport Improvement

Program (AIP) funding, \$292,713 in State Funding, and \$292,712 in Passenger Facility Charge (PFC) revenues

**WA24701 GMIA DEICER PADS**

Expenditure: \$4,476,893

Revenue Reimbursement: \$3,917,282

Net County Commitment: \$559,611 to be financed by Passenger Facility Charge (PFC) revenues.

Funding is budgeted for the planning and design of new concrete deicing pad and associated infrastructure at General Mitchell International Airport (GMIA). The project is financed with \$3,357,670 in Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funding, \$559,612 in State Funding, and \$559,611 in Passenger Facility Charge (PFC) revenues.

**WA24801 LJT AIRFIELD PAVEMENT REPLACEMENT**

Expenditure: \$230,601

Revenue Reimbursement: \$219,071

Net County Commitment: \$11,530 to be financed by contributions from the Capital Improvement Reserve Account (CIRA)

Funding is budgeted for Airfield Pavement Replacement and Rehabilitation at Lawrence J Timmerman Airport (LJT). The project is financed with \$207,541 in Federal Aviation Administration (FAA) General Aviation Airport Improvement Program (AIP) funding, \$11,530 in State revenue and \$11,530 in contributions from the Capital Improvement Reserve Account (CIRA).

**WA25101 GMIA AIRFIELD DRAINAGE IMPROVEMENTS STUDY**

Expenditure: \$109,603

Revenue Reimbursement: \$95,903

Net County Commitment: \$13,700 to be financed by the Airport Development Fund (ADF).

Funding is budgeted for a comprehensive assessment of the airfield storm drainage infrastructure condition at General Mitchell International Airport (GMIA). The project is financed with \$82,203 in Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funding, \$13,700 in State funding, and \$13,700 in the Airport Development Funding (ADF) reserve.

**WA25201 GMIA MIKE BUSINESS PARK ELECTRICAL INFRASTRUCTURE**

Expenditure: \$2,815,004

Revenue Reimbursement: \$0

Net County Commitment: \$2,815,004 is to be financed by Airport Development Fund Depreciated (ADFD) reserve

Funding is budgeted for the removal and replacement of the electrical power distribution network within the MKE Business Park. The project is

financed by \$2,815,004 in Airport Development Fund Depreciated (ADFD) reserve.

**WA25301 GMIA OPERATIONS CONTROL CENTER**

Expenditure: \$209,669

Revenue Reimbursement: \$183,460

Net County Commitment: \$26,209 to be financed by the Passenger Facility Charge (PFC) revenues.

Funding is budgeted planning and design of a new Airport Operations Control Center (AOCC) at General Mitchell International Airport (GMIA). The project is financed with \$157,251 in Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funding, \$26,209 in State Funding, and \$26,209 in Passenger Facility Charge (PFC) revenues.

**WA25401 GMIA PARKING LOT PAVEMENT REPLACEMENT**

Expenditure: \$261,420

Revenue Reimbursement: \$0

Net County Commitment: \$261,420 to be financed by contributions from the Capital Improvement Reserve Account (CIRA)

Funding is budgeted for the design and resurfacing of part of a public parking lot at General Mitchell International Airport (GMIA). The project is financed with \$261,420 in contributions from the Capital Improvement Reserve Account (CIRA).

**WA25601 LJT RUNWAY 15L-33R EXTENSION**

Expenditure: \$730,083

Revenue Reimbursement: \$693,579

Net County Commitment: \$36,504 to be financed by contributions from the Capital Improvement Reserve Account (CIRA)

Funding is budgeted for an environmental assessment, planning and design of an extended runway at Lawrence J Timmerman Airport (LJT). The project is financed with \$657,075 in Federal Aviation Administration (FAA) General Aviation Airport Improvement Program (AIP) funding, \$36,504 in State revenue and \$36,504 in contributions from the Capital Improvement Reserve Account (CIRA).

**WA26001 GMIA PARKING STRUCTURE REPAIRS**

Expenditure: \$900,272

Revenue Reimbursement: \$0

Net County Commitment: \$900,272 to be financed by contributions from the Capital Improvement Reserve Account (CIRA)

Funding is budgeted for parking structure repairs at General Mitchell International Airport (GMIA). The project is financed with \$900,272 in contributions from the Capital Improvement Reserve Account (CIRA).

## Parks (WP)

WP51201 **McKinley Marina Parking Lots**  
Expenditure: \$2,141,305  
Revenue Reimbursement: \$0  
Net County Commitment: \$2,141,305 to be financed by general obligation bonds.

Funding is budgeted in 2018 for the replacement of the McKinley Marina parking lot, storm water management construction, gatehouse improvements, fencing, and underground utility improvements. The full scope of the project is phased through to 2020.

WP52501 **Point-of-Sale Replacement**  
Expenditure: \$890,000  
Revenue Reimbursement: \$0  
Net County Commitment: \$890,000 to be financed by Sales Tax Revenue.

Funding is budgeted for replacing the Parks Department's outdated point-of-sale (POS) system. The department's current system will be discontinued at the end of 2017, and a new POS is necessary to cover and integrate the reservation and transaction data with new technology. The department began the transition to the new POS system in the 2017 Adopted Budget, and in July 2017, the County Board adopted File No. 17-522, which authorized the Parks Director to execute an agreement with Vermont Systems, Inc., for the software license and maintenance of the POS system.

WP54401 **McCarty Electrical Service Replacement**  
Expenditure: \$118,574  
Revenue Reimbursement: \$0  
Net County Commitment: \$118,574 to be financed by general obligation bonds.

Funding is provided to replace the outdated electrical service, located in the pool building and at baseball restroom building at McCarty Park. The equipment is original to the building and is potentially a safety hazard.

WP55201 **Franklin Park Ryan Creek Bridge Replacement**  
Expenditure: \$136,503

Revenue Reimbursement: \$136,503 to be financed by WDNR Outdoor Motorized Recreational Trail Aids Grant  
Net County Commitment: \$0

Funding to replace the snowmobile/pedestrian bridge at Franklin Park is to be provided by the Wisconsin Department of Natural Resources Outdoor Motorized Recreational Trail Aids grant, which the Parks Department will need to secure to finance the total cost of the project prior to construction begins. The bridge is deteriorating and is considered structurally deficient.

WP55301 **Mitchell Park Conservatory Planning**  
Expenditure: \$320,000  
Revenue Reimbursement: \$0  
Net County Commitment: \$320,000 to be financed by Sales Tax Revenue.

Funding is provided to implement Phase III of the ongoing feasibility study of the use and future path of the Mitchell Park Domes. Planning funds were disbursed to HGA Architects and Engineers for the first two phases in 2017.

## Museum (WM)

WM03901 **MPM Fire Panel Replacement**  
Expenditure: \$2,716,341  
Revenue Reimbursement: \$0  
Net County Commitment: \$2,716,341 to be financed by general obligation bonds.

Funding is provided to replace and upgrade the Simplex fire panels at the Milwaukee Public Museum. The current faulty system has set off multiple false alarms, which impact the entire building. The scope includes replacing the fire alarm system with energy efficient and modern equipment.

## Courthouse Complex (WC)

WC15001 **Coggs Fire Alarm System Replacement**  
Expenditure: \$181,312  
Revenue Reimbursement: \$0  
Net County Commitment: \$181,312 to be financed by Sales Tax Revenue

Funding is provided to completely replace the existing Fire Alarm System that is obsolete, with a modernized system to meet the building codes' requirements.

WC15401 **CJF Public Elevators 1 and 2 Upgrade**  
Expenditure: \$794,420  
Revenue Reimbursement: \$0  
Net County Commitment: \$794,420 to be financed by general obligation bonds.

Funding is budgeted for the installation of new elevator equipment for two of the public elevators in the CJF from hydraulic to traction. These elevators are 25 years-old and are frequently malfunctioning. Modernizing them to traction will save on energy costs and perform more reliably.

WC16401     **Safety Building Elevator Modernization (Cars 3, 4, &6)**  
Expenditure: \$1,181,031  
Revenue Reimbursement: \$0  
Net County Commitment: \$1,181,031 to be financed by general obligation bonds.

Funding is provided for the planning, design, and construction of the existing HVAC, mechanical, electrical, and structural systems related to bringing the elevators in the Safety Building to meet building code and ADA compliance.

WC16601     **Slab Replacement MPM/Pioneer Village Area**  
Expenditure: \$1,301,347  
Revenue Reimbursement: \$0  
Net County Commitment: \$1,301,347 to be financed by general obligation bonds.

Funding is provided to replace the voided concrete slab area over the Kilbourn Tunnel. The slab was originally intended for indoor use as part of a Space Center, when the MPM was constructed. The County was granted an easement from the City of Milwaukee in 1976 to construct the Space Center on the property. The Space Center was never constructed, and weather has deteriorated the slab. The total project cost is estimated at \$2.6 million, but the County will split the cost of slab replacement with the City of Milwaukee, who owns the actual property and is serving as the project lead. The County will reimburse the City for 50 percent of the total project cost.

## House of Correction (WJ)

WJ08301     **HOC Security System Replacement**  
Expenditure: \$235,985  
Revenue Reimbursement:  
Net County Commitment: \$235,985 to be financed by Sales Tax Revenue

Funding is budgeted in 2018 for upgrading the existing S2 Access Control system and hardware. This is the mechanical door locking system. It was installed in 1998, and it is becoming out of date with obsolete parts. This includes upgrading the Guard Tour system and hardware and implementing an integration interface between Guard Tour and S2 Access Control System. The full scope of the project is phased through 2019.

## Other Agencies (WO)

*Department of Administrative Services-Information Management Services Division*

WO17601 **Mainframe Retirement**  
Expenditure: \$163,504  
Revenue Reimbursement:  
Net County Commitment: \$163,504 to be financed by Sales Tax Revenue

Milwaukee County currently runs several applications and houses archived data on an unsustainable mainframe environment. To reduce the risk of failure of any of these systems or access to archived data, DAS-IMSD will move all applications and data off to a sustainable platform. A previous appropriation of \$691,500 was approved for this initiative in 2017. This project is the final phase required for mainframe retirement.

WO18001 **Information Technology Security**  
Expenditure: \$388,200  
Revenue Reimbursement:  
Net County Commitment: \$388,200 to be financed by Sales Tax Revenue

The 2018 capital request continues the implementation and refinement of the overall information security program. The security program provides the framework for keeping Milwaukee County at a desired security level by assessing the risks the County faces, deciding how to mitigate those risks, and planning for how to keep the program and security practices up to date. Once fully implemented, operation of the program moves to an operational budget model rather than a capital project.

WO21701 **Phone and Voicemail Replacement**  
Expenditure: \$300,971  
Revenue Reimbursement:  
Net County Commitment: \$300,971 to be financed by Sales Tax Revenue

The Department of Administrative Service - Information Management Services Division (DAS-IMSD) staff has indicated that Milwaukee County (County) is at a critical point in which the aged phone system at many of its facilities (Courthouse, Children's Court, BHD, Coggs, House of Correction, Zoo, and City Campus) is no longer supported. To mitigate the risk of catastrophic failure, the phone system must be replaced.

WO60201 **Enterprise Platform Modernization**  
Expenditure: \$5,781,106  
Revenue Reimbursement:  
Net County Commitment: \$2,781,106 to be financed by Sales Tax Revenue and \$3,000,000 to be financed by general obligation bonds.

Enterprise Resource Planning (ERP) is business management software consisting of a set of integrated applications to consolidate common business operations. This is the foundational piece of software that is critical to the functioning of Milwaukee County (County) and the Milwaukee County Transit System (Transit) functions.

- WO17501 FLEET CENTRAL GARAGE ROOF REPLACEMENT**  
 Expenditure: \$2,838,064  
 Revenue Reimbursement: \$0  
 Net County Commitment: \$2,838,064 to be financed by general obligation bonds.
- Funding is budgeted for the replacement of several roof quadrants. The project is financed with general obligation bonds.
- WO19801 FUEL TRANSACTION SOFTWARE**  
 Expenditure: \$261,861  
 Revenue Reimbursement: \$0  
 Net County Commitment: \$261,861 to be financed by Sales Tax Revenue
- Funding is budgeted for upgrades the fleet focus system. The project is financed with Sales Tax Revenue.
- WO11201 FLEET GENERAL EQUIPMENT**  
 Expenditure: \$4,383,486  
 Revenue Reimbursement: \$0  
 Net County Commitment: \$4,383,486 to be financed by general obligation bonds.
- Funding is budgeted for vehicle and equipment replacement. This is part of a multi-year project to replace vehicles and equipment at the end of its useful life. The project is financed with general obligation bonds.
- WO31201 SHERIFF FLEET EQUIPMENT**  
 Expenditure: \$1,000,000  
 Revenue Reimbursement: \$0  
 Net County Commitment: \$1,000,000 to be financed by general obligation bonds.
- Funding is budgeted for vehicle and equipment replacement. The project is financed with general obligation bonds.
- WO31301 HOUSE OF CORRECTIONS FLEET EQUIPMENT**  
 Expenditure: \$141,000  
 Revenue Reimbursement: \$0  
 Net County Commitment: \$141,000 to be financed by general obligation bonds.
- Funding is budgeted for vehicle and equipment replacement. The project is financed with general obligation bonds.
- WO31401 PARKS FLEET EQUIPMENT**  
 Expenditure: \$3,575,832

Revenue Reimbursement: \$0  
Net County Commitment: \$3,575,832 to be financed by general obligation bonds.

Funding is budgeted for vehicle and equipment replacement. This is an ongoing project to replace equipment that is beyond its useful life. The project is financed with general obligation bonds.

### *Office of Emergency Management*

W030301    **Public Safety Data Interoperability**  
Expenditure: \$762,650  
Revenue Reimbursement:  
Net County Commitment: \$512,650 to be financed by Sales Tax Revenue \$250,000 in property tax.

The Data Interoperability project (project) represents a committed obligation in the Emergency Medical Services (EMS) contract with nine local fire departments for 2017-2020. This has been approved by the Intergovernmental Cooperation Council (ICC) and adopted by the County Board (File No 16-680), and serves as a mechanism to re-divert tax levy that previously went towards payments to communities for EMS.

### *Marcus Center for the Performing Arts*

W089001    **MCPA Uihlein Hall Stage Lifts**  
Expenditure: \$1,882,526  
Revenue Reimbursement: \$0  
Net County Commitment: \$1,882,526 to be financed by general obligation bonds.

Funding is provided to replace the stage lifts in the Uihlein Hall at the Marcus Center. The stage lifts are 48 years old and need to be modernized for ADA and safety updates per State law.