



OFFICE OF THE COUNTY EXECUTIVE

Chris Abele

MILWAUKEE COUNTY EXECUTIVE

DATE: June 24, 2015

TO: The Honorable Milwaukee Board of Supervisors

FROM: Chris Abele, Milwaukee County Executive

RE: County Board File No. 15-349 on authorizing the Department of Administrative Services to process an appropriation transfer of \$1.5 million from Org. Unit 1945 – Appropriation for Contingencies to Org. Unit 4000 – Office of the Sheriff to enable the hiring of 30 deputy-trainees and to cover the current projected budget deficit in the Office of the Sheriff

I am vetoing County Board File No. 15-349 pursuant to the authority granted to me by Article IV, Section 23(a) of the Wisconsin Constitution and Section 59.17(6) of the Wisconsin Statutes.

I have always been committed to maintaining public safety in Milwaukee. Together, we created the Office Emergency Management, bolstered programming at the House of Correction, funded Universal Screening and other programs through the Courts, and strengthened the District Attorney's Office.

At the same time, Milwaukee County's fiscal outlook has significantly improved in the last four years. Thanks to many tough decisions that we have made, we have been able to maintain services while reducing our structural deficit. We've done this by providing services differently, reducing the County's footprint, increasing operating efficiency, increasing benefit cost sharing, building reserves, and utilizing one-time revenues properly. That's the good news. The bad news is that, despite the significant improvements made over the past few years, Milwaukee County still faces a long-term fiscal imbalance. The Office of the Comptroller has estimated that over the five-year period from 2015 to 2019, the annual structural deficit will increase from \$32 million in 2015 to \$94 million if no sustainable, long-term decisions are made to the County's current operations.

It is in this context that we have to analyze all funding decisions, including funding decisions related to the Sheriff's Office. In its 2015 budget request, the Sheriff's Office asked for a 42.5% increase to its budget, an amount that exceeded \$28 million dollars, along with 181 additional FTE positions. When the final budget ultimately provided his Office with a more realistic increase, the Sheriff filed suit against the County Executive and County Board, requesting "an order declaring that the County Board of Supervisors and the County Executive's 2015 budget is arbitrary and unreasonable."

Recognizing both the importance of public safety and the need for basic responsibility in budgeting, I proposed a major increase of \$3.9 million in tax levy support to the Sheriff's Office in 2015. The County funds the Sheriff's Office with a lump sum payment that the Sheriff then has autonomy

over, which he can use to support mandated service areas while focusing the Department on its core mission of serving a fully-incorporated county. The \$3.9 million dollar increase I proposed was one of the single biggest increases in 2015 to any department, division or office countywide.

The County Board ultimately approved an increase to the Sheriff Office's spending budget of over \$6 million dollars. However, they did so using budget gimmicks and unrealistic revenue projections. Their budget did not provide full funding for added positions. Eleven command staff positions went unfunded. Additionally, the Board added \$500,000 in "anticipated" revenue that even a Sheriff's Office variance report indicated would not be available in 2015.

Currently, the Sheriff's Office is projecting a deficit of approximately \$900,000. According to an April 28 memo written by Corporation Counsel, the salary impact of the Board's decision to leave the 11 command staff positions unfunded is comparable to the size of the Sheriff Office's deficit. At the time the Board made these decisions, I said that the County was setting itself up for another deficit in the Sheriff's Office. Unfortunately, that prediction proved accurate.

State law determines that contingency funds can be transferred to address unforeseen conditions and public emergencies. The present case is neither. Management decisions and budget gimmicks conspired to create an entirely predictable deficit in the Sheriff's Office. Although the Sheriff is solely responsible for determining how to best structure and manage his Office, the taxpayers of Milwaukee County expect responsible fiscal management and balanced budgets. The Sheriff ran a \$6 million dollar deficit in 2014. He's running a deficit again. I respect the Sheriff's autonomy over his operations, but I would not be doing my job if I stood by and watched repeated deficits occur under his watch.

The Sheriff's Office has had turnover in its ranks and has unfilled positions that a new class of Deputies could fill. As I have said previously, we can fund the hiring of new Deputies when the need arises so long as the County's finances are protected by having a balanced budget out of the Sheriff's Office. I do not support the use of budget tricks and one-time contingency funds to pay for what will be a regular expense starting in 2016. This resolution will increase what is already projected to be a significant structural deficit in the 2016 budget, and it will be important to address this when that budget is taken up.