COUNTY OF MILWAUKEE

INTER-OFFICE COMMUNICATION

DATE : October 7, 2011

TO : Milwaukee County Board of Supervisors

FROM : County Board Research Division

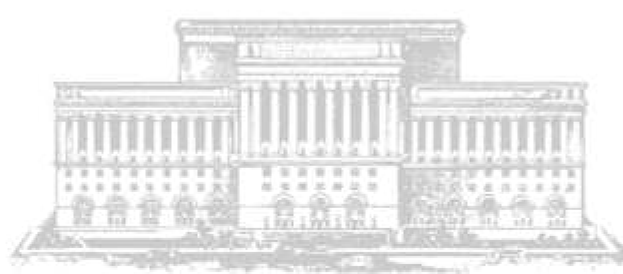
SUBJECT: **Overview of County Executive's 2012 Recommended Budget**

Attached is the County Board Research Division's overview of the County Executive's 2012 Recommended Budget. This overview consists of the following five sections:

1) **Section 1** is a **General Overview** of the Recommended Budget.
2) **Section 2** consists of a spreadsheet that shows **Tax Levy Changes** for each Organizational Unit, comparing the 2012 Recommended Budget with the 2011 Adopted Budget.
3) **Section 3** provides a summary of **Major Changes**, including policy changes, proposed by the County Executive in the 2012 Recommended Budget.
4) **Section 4** is a listing and brief description of **Additional Issues/Concerns/Questions** noted by County Board staff regarding the proposed budget.
5) **Section 5** is the **Capital Improvements** section, which summarizes the capital improvement projects proposed by the County Executive.

This overview should not be construed as a complete and thorough analysis of the Recommended Budget. Although changes in departmental appropriations and revenues are generally clear, the corresponding impact on programs and services is not always as apparent. This overview has been prepared as an initial analysis that highlights the major policy and budget changes proposed by the County Executive and it is intended solely to assist County Board members and other interested parties in their understanding of the budget. The Finance and Audit Committee will begin its formal review of all budgets as a full committee beginning October 10th at 9:00 a.m.

County Board Staff
Steve Cady, Fiscal and Budget Analyst
Glenn Bultman, Research Analyst
Rick Ceschin, Research Analyst
Jennifer Collins, Research Analyst
Martin Weddle, Research Analyst
Carol Mueller, Committee Clerk
Nancy Sebastian, Support Services
Terrence Cooley, Chief of Staff
Bonnie Fong, Graphic Designer



SECTION 1 –GENERAL OVERVIEW
2012 RECOMMENDED BUDGET

Fiscal Synopsis

The County Executive's 2012 Recommended Milwaukee County Budget calls for total expenditures of $1,221,166,445, a decrease of $72,528,255, or 5.6 percent, compared to the 2011 Adopted County Budget. The recommended property tax levy is $269,554,701, the same as the 2011 levy. The recommended tax levy is comprised of two components: debt service levy of $59,290,179 and operating levy of $210,264,522. The recommended tax levy is $15.4 million under the tax levy cap. *(See Tax Levy Cap later in Section 1.)*

The Recommended Budget allocates $30.7 million in expenditures for capital improvements, primarily related to the airport. No new general obligation bonding is proposed for 2012. The County approved two bond issuances in 2009 and two in 2010 to take advantage of stimulus funding (lower cost bonds) provided through the American Recovery and Reinvestment Act (ARRA). As part of the plan to "double up" on debt in 2009 and 2010, no new general obligation debt was to be issued in 2011 and 2012 *(See Capital Improvements later in Section 1 of the Overview.)*

Position Reductions – "At-Risk" for Layoff

The 2012 Recommended Budget continues the trend of reducing the number of funded positions in order to reduce costs. The 2012 Recommended Budget includes 4,777 funded FTEs, a reduction of 559, or 10.5 percent from the 5,336 FTEs in the 2011 Adopted Budget. This includes a total of 262 positions that are reduced due to the DHHS (MiLES & MECA) positions transferring to the State. The FTE reduction is net of position creates, abolishments and unfunding.

The Department of Administrative Services indicates that approximately 278 employees (251.6 FTEs) are at-risk of layoff at the time this overview was published. Of this amount, 244 are in the Office of the Sheriff and 34 are in other departments. Included in the Office of the Sheriff total are 119 Deputy Sheriff positions. The actual number of layoffs that may occur is determined by further attrition, retirements, and job transfers.

Overall Analysis

A significant shift has occurred in the available options Milwaukee County has to choose from to meet its annual fiscal challenges since the adoption of the 2011 budget. Last year, policymakers budgeted $11.6 million in wage and benefit savings for 2011 that was dependent on labor contract concessions with represented employees that then County Executive Walker had included in his Recommended Budget. Since that time, that County Executive became the Governor of Wisconsin and spearheaded the elimination of most collective bargaining by public employee unions. Newly elected County Executive Abele and the County Board must now decide how much in wage and benefit concessions should simply be imposed on workers since, in most cases, collective bargaining is no longer a barrier to implementation. While their budget priorities may have somewhat shifted, County Executive Walker and Abele share the same overall approach to the budget shortfall: large fringe benefit cost shifts to employees with a pledge to freeze the tax levy.

Budgets provide blueprints of priorities. With a new County Executive elected this spring to finish the term, and having to run for re-election in just a few months, these priorities have shifted somewhat for 2012 to meet the challenge of a projected $55 million budget shortfall brought on in substantial part by cuts of almost $29 million in State aids. In some ways, they could be viewed as variations on some past themes or, to phrase it another way, "back to the future." In a few other ways, these shifting priorities have been dramatic.

The clearest variation on a theme is continuation of changes to employee fringe benefits, most notably substantial increases in healthcare premiums, deductibles, copays and co-insurance, along with eliminating the County's HMO-style plan design and retaining the County's PPO-style plan design with a network of preferred providers. These changes expand considerably on initiatives advanced by the previous County Executive in the last two County budgets. For 2012, they would amount to an additional $25 million paid by employees/retirees for health care, over and above increases in the past two years.

A second variation on a past theme might be the reliance on uncertain outside revenue to help balance the budget, in this case, $7.7 million in Federal Congestion Mitigation and Air Quality (CMAQ) funds to stave off drastic cuts in transit and paratransit services. Contingency plans are laid out if the grant funds do not materialize (service cuts) but stop short of identifying how the funding will be replaced when the grant expires in 2014.

Dramatic shifts include, perhaps most obviously, $14 million in reductions to the budget for the Office of the Sheriff, and a $3 million increase in funding of mental health community-based services, offset with elimination of the $3 million subsidy to municipalities for emergency medical services (EMS). Indeed, the Department of Health and Human Services and Behavioral Health Division are largely kept intact while the Sheriff's budget will force policymakers to debate the amount of discretionary "police" services that should be provided within a fully incorporated county.

To repeat, key elements of the Recommended Budget have a "back to the future" feel. One constant of particular note, which provides the overall framework for the entire budget, is the County Executive's publicly stated decision, well in advance of developing a budget, that he would not include any property tax increase in his Recommended Budget.

In August of this year, the Public Policy Forum produced a report titled "Budget Preview: 2012 Milwaukee County Budget." Among the points raised in that report was that the County could look at three models for cutting its $55 million budget shortfall: 1) reducing the number of funded County positions, 2) reducing appropriations for contracted services and 3) increasing revenues from property tax levy and a vehicle registration fee. The Forum recommended a "balanced approach" of all three, plus changes to employee health care contributions. This recommendation was similar to the Forum's recommended approach in 2010 for the 2011 Budget.

The County Executive does not completely follow this recommendation of a "balanced approach." Rather, he recommends primarily utilizing some of the Forum's suggested scenarios – reducing appropriations for contracted services (most notably EMS services), increasing required healthcare contributions, reducing funded positions, and some reduction in positions (notably in the Sheriff's budget and a few other places). Lacking is any look at an increase in property taxes or installation of a vehicle registration fee dedicated to transportation/transit needs. There is no attempt to increase general revenues through a modest increase in property taxes to even the "net new construction" amount.

Aside from the lack of a total balanced approach, the Recommended Budget focuses on other initiatives including various departmental reorganizations. Moving the Department of Labor Relations and the Division of Employee Benefits into Human Resources (where these divisions were formerly located) is a clear "back to the future" move. Other reorganizations considerably expand the authoritative reach of certain administrative departments, specifically the Department of Administrative Services (DAS) where economic development, facilities management and architecture/engineering functions are transferred out of the Department of Transportation and Public Works (making it now just the Department of Transportation) and into DAS. The revamping of the DAS-Procurement Division also aims to ultimately centralize contracting for professional and other services in addition to its current role in procuring commodities.

The Division of Human Resources is also established as a separate department (again, "back to the future" of the 1990's when it was a separate department). The new Department of Human Resources (DHR) includes, in addition to labor relations, employee benefits and retirement (all returned to DHR as in the past), the Ethics Board and Personnel Review Board (PRB). This may be a concern to policymakers who view the ethics and PRB functions as needing the separation required to perform independently, especially ethics and PRB reviews that might in the future involve the executive branch of government. Such disinterested review may not be possible if these functions ultimately report to the County Executive. For all of these reorganizational changes, the devil will surely be in the details of implementation.

Overall, policymakers will have much information and analysis to review and digest in deciding whether they want to approve these organizational initiatives and, in the bigger budget picture, come closer to the Public Policy Forum's suggestion for a more "balanced approach" to budgeting.

Collective Bargaining Law Changes - the "Fiscal Tools" to Absorb State Budget Cuts

In February 2011, Governor Walker proposed a budget repair bill that would save the state an estimated $30 million in the current fiscal year and $300 million over the next two years. The impact on local governments was the elimination of most collective bargaining rights for represented staff, except for wages. For Milwaukee County, the impact of these changes was significant since the 2011 (and 2010) budgets were built on hoped for concessions from represented employees. Given that the labor agreement with the County's largest union, AFSCME DC 48, expired at the end of 2008, Milwaukee County could now impose many of the proposed changes, primarily related to employee pension contributions and health care plan design cost sharing. Law enforcement personnel and firefighters, except for some healthcare plan design issues, were exempted from the bargaining changes.

The ability to impose changes to pension and healthcare benefits, as well as working conditions, grievance procedures and other related items without the need for collective bargaining, were referred to as the "fiscal tools" the state was providing local governments. According to the Governor, these fiscal tools would be needed to help offset the cuts in state aid that were to be included in his subsequent 2011-2013 State Budget Bill. For Milwaukee County, the passage of the collective bargaining changes improved its chances of ending 2011 with a balanced budget – since the adopted budget already presumed employee pension contributions of up to 4 percent[1] and changes in healthcare cost sharing. Indeed, the 2011 Adopted Budget included initiatives related to pension and healthcare changes (wage and benefit concessions) designed to save approximately

[1] The employee pension contribution was set a 4.7 percent in mid-2011 and is budgeted at this amount for 2012.

$17.4 million in tax levy. In short, the County already was budgeting savings prior to the State providing the ability to achieve the savings by imposition rather than collective bargaining.

The 2011-2013 State Budget cut approximately $28.7 million in net State aid to Milwaukee County for 2012. This included major items such as shared revenue ($8.3 million), Transit aids ($6.9 million), Youth Aids ($3.6 million), child support funding ($3.7 million), mental health and alcohol substance abuse ($1.2 million) as well as other smaller cuts. The $28.7 million cut even includes a $1.45 million *increase* in paratransit aids for 2012. The following chart was prepared by the Department of Administrative Services and Intergovernmental Relations staff and included in a report to the County Board in July 2011 regarding the 2012 state budget cuts:

Item	Year 2012 Impact
Total Reductions in State Aid	$ (28,715,991)
Total Wage and Benefit Savings	$ 24,686,509
Surplus/Deficit	$ (4,029,482)
Budgeted Wage and Benefit Savings	$ 17,420,317
TOTAL 2012 Impact	$(21,449,799)

Note: Assumes pension contribution of 4.7 percent and all employees participating in the 2011 healthcare plan design

Since Milwaukee County already budgeted[2] significant savings in pension and healthcare costs, the value of the fiscal tools were diminished greatly compared to most other local governments that had yet to make these changes. A $21.5 million shortfall in 2012 represents the difference in state budget cuts versus the value of the fiscal tools that had not already been built into the county budget. To be clear, while the state had set a goal of employees paying at least 12.6 percent of the total cost of employee healthcare coverage, it did not set a maximum amount that employees could be charged. (The employee pension contribution was limited by law to half of the actuarially required contributions). Further, Milwaukee County employees and retirees participate in a separate healthcare plan and not the one the State provides on behalf of its and many local government employees.

Major Initiatives

- **Employee/Retiree Healthcare Plan Changes**

The unchecked increase in costs for healthcare services – a problem certainly not unique to Milwaukee County – continues to propel the discussion of risk-sharing in employee health plans. The 2010 Adopted Budget included health benefit changes that increased employee premiums, increased out-of-pocket maximums and deductibles, and increased co-pays and co-insurance. For 2011, the Adopted Budget again reduced employer health costs through costs shifted to the employee on many of the same cost centers. Due to unsettled labor contracts, the anticipated expenditure reductions connected with the cost-sharing for 2010 and 2011 never fully materialized.

[2] The changes to expected employee pension contributions and healthcare cost participation were initially budgeted in 2011 and serve as the base budget for the development of the 2012 budget.

The proper level of cost-sharing for health services is a legitimate point for policy debate, provided that debate is fully informed and that all stakeholders initiate deliberations from a proper data set. In the 2012 Recommended Budget, the County Executive asserts that County health plan enrollees pay only five to seven percent of healthcare expenses while utilizing health services more than an "average" amount – an assertion that has been made in prior Recommended Budgets. However, a review by Cambridge (healthcare actuary) staff of employee contributions to healthcare demonstrates a different base line for comparison. See the following table:

Milwaukee County - Employees Out-of-Pocket as a percentage of Total Cost of Care

Based on Cambridge Actuarial Models and value of plan benefit estimates

	CY2011*			CEX	% Change
	2009 Plan	**2011 Plan**	**2011 Total**	**2012**	**2011 to 2012**
Actives					
Employee Monthly Premiums	5.9%	9.5%	6.5%	13.9%	
Employee Out-of-Pocket Costs**	4.8%	7.0%	5.1%	15.1%	
Total	**10.7%**	**16.5%**	**11.6%**	**29.0%**	**150%**
Pre-65 Retirees					
Employee Monthly Premiums	0.0%	0.0%	0.0%	0.0%	
Employee Out-of-Pocket Costs	7.0%	11.0%	8.0%	19.9%	
Total	**7.0%**	**11.0%**	**8.0%**	**19.9%**	**149%**
Post-65 Retirees					
Employee Monthly Premiums	0.0%	0.0%	0.0%	0.0%	
Employee Out-of-Pocket Costs	13.9%	15.0%	14.2%	34.3%	
Total	**13.9%**	**15.0%**	**14.2%**	**34.3%**	**142%**
Total					
Employee Monthly Premiums	3.1%	2.8%	2.9%	6.6%	
Employee Out-of-Pocket Costs **	7.9%	10.7%	9.7%	21.6%	
Total	**11.0%**	**13.5%**	**12.6%**	**28.3%**	**125.0%**

* For 2011, represents a mix of 2009 Plan Design and 2011 Plan Design
** Reduces employee out-of-pocket cost (County funded flexible spending contribution)

Indeed, despite differing healthcare plans, (including different monthly premiums paid by various employee groups) employees/retirees are projected to pay 12.6 percent of the total healthcare costs in 2011. For 2012, the County Executive proposes to extend the "non-represented" healthcare changes to most employees[3] and make additional plan design changes aimed at shifting more costs to the employee. The net effect is that employees/retirees are projected to pay 28.3 percent of all healthcare costs, an increase of 125 percent from the 2011 amount.

[3] Excludes changes to monthly employee premiums for members of the Milwaukee Deputy Sheriffs' Association and the Milwaukee County Fire Fighters' Association.

2011 Adopted to 2012 Recommended Healthcare Changes		
EXPENDITURES:		
2011 Adopted basic health benefits cost	$	126,354,947
2011 Adopted flexible spending account (FSA) contribution	$	798,000
Cost to provide same benefits in 2012 (9% trend on projected 2011 actual cost)	$	9,256,927
Subtotal:	**$**	**136,409,874**
Adopted Policy		
Apply 2011 "non-rep" plan design to all employees/retirees	$	(9,170,214)
Provide domestic partner benefits beginning in 2012	$	700,000
2012 FSA contribution (added cost to extend it to other active employees)	$	2,628,525
Adjusted cost to provide "same" benefits in 2012	**$**	**130,568,185**
New Policy		
Apply 2012 "new plan" design to all employees/retirees	$	(8,034,211)
(elimination of HMO option,added co-pays, coinsurance, etc.)		
Mail order prescription change to 2x retail copay	$	(2,805,000)
Generic prescription change to $10	$	(878,087)
Office visit change to $40	$	(1,013,177)
ER charge change to $200	$	(337,726)
Medicare coordination change	$	(5,709,841)
Subtotal:	**$**	**(18,778,042)**
Adopted Policy Less New Policy changes	$	111,790,143
Less MECA/MILES adjustment for employees transferred to the State	$	(2,900,000)
	$	**108,890,143**
REVENUES:		
2011 Employee Health Contributions	$	4,595,050
2011 Retiree Health Contributions	$	1,038,200
Updated 2011 Revenue Projection	$	(223,261)
Subtotal:	**$**	**5,409,989**
New Policy		
Apply higher monthly premiums to employees ($85 single/$250 family)	$	3,602,210
Subtotal:	**$**	**9,012,199**

Additionally, while increased co-pays and co-insurance are customary components when discussing cost-share, the Recommended Budget also includes a change to Medicare coordination of benefits for retirees over age 65, where previously Milwaukee County had covered virtually all charges beyond Medicare's payment. Under this change, a retiree covered by Medicare would be required to pay the co-insurance portion (between 20% and 40%) of the remainder of the bill after Medicare pays. It should be noted that this change to coordination of benefits places post-65 retirees on the same co-insurance level as all other retirees and active employees. However, inasmuch as this change could affect more than 4,000 retired employees covered by Medicare (plus dependents), and that the savings projected from this change in coordination of benefits total $5.7 million, policymakers may wish to exercise due deliberation on this item.

Unlike prior years where the health benefit changes were presumed to be implemented for the majority of employees through collective bargaining concessions, the passage of Wisconsin Act 10 and Act 32 permits the County to implement plan design changes to all active and retired employees, including those represented by a collective bargaining unit. The following table illustrates the differences between the 2011 health plan and the 2012 proposal.

Health Plan Design Comparison			
	Current HMO	**Current PPO**	**2012 CEX PPO Only**
Monthly Premium Contribution	$75 Single/ $150 Family	$75 Single/ $150 Family	$85 Single/ $250 Family
In Network Deductible/Preferred Provider	$500 Single/ $1,500 Family	$500 Single/ $1,500 Family	$500 Single/ $1,500 Family
Out of Network Deductible/All Other Providers	NA	$1,000 Single/ $3,000 Family	$1,000 Single/ $3,000 Family
FSA Contribution	$500 Single/ $1,500 Family	$500 Single/ $1,500 Family	$500 Single/ $1,500 Family
Emergency Room Co-Pay	$150	$150	$200
In-Network Office Visit Co-Pay	$20	$30	$40
Out-of-Network Office Visit Co-Pay	NA	$60	$60
In-Network Coinsurance/Preferred Providers	100%	90%	80%
Out-of-Network Coinsurance/All Other Providers	NA	70%	60%
In-Network Out-of-Pocket Maiximums/Preferred Provider	NA	$2,500 Single/ $5,000 Family	$3,000 Single/ $6,000 Family
Out-of-Network Out-of-Pocket Maximums/All Other Providers	NA	$5,000 Single/ $7,500 Family	$6,000 Single/ $12,000 Family
Prescription Co-Pays			
Generic	$5	$5	$10
Preferred Brand	$30	$30	$30
Non-Preferred	$50	$50	$50
Diabetic Covered Supplies	$0	$0	$20
Mail Order	1 co-pay/90 day mandatory mail	1 co-pay/90 day mandatory mail	Limited 30 day supply at retail pharmacy 2x retail co-pay/ 90 day mandatory mail
Preventative Care	100%	100%	100%

Office of the Sheriff

As noted elsewhere in this Overview, the 2012 Recommended Budget features substantial expenditure reductions in the Office of the Sheriff. The reductions take the form of a material realignment of personnel and serve to open the debate for policymakers regarding the overall form and function of the services heretofore delivered by the Office of the Sheriff. *(Details of the Major Changes in this budget are identified Section 3 of this Overview.)*

The County Executive recommends expenditure reductions totaling $14,765,707, reduces property tax levy support for the Office by $14.4 million, and has noted that, even with the reductions, the budget for the Office of the Sheriff remains the single largest County department in terms of property tax levy. The lion's share of the expenditure reductions can be directly attributed to the elimination of Deputy Sheriff positions in favor of Correctional Officers (CO), hourly employees, outsourcing, or the cessation of a particular service. The position actions, shown here in aggregate, reduce the personal services line of the Sheriff's budget by more than $23 million in salary and fringe benefits and place as many as 244 employees in the Sheriff's Office at risk for layoff:

Abolish 99 Deputy Sheriff positions
Abolish 25 Deputy Sheriff Sergeant positions
Abolish 2 Deputy Sheriff Captain positions
Unfund 3 Deputy Sheriff Lieutenant positions
Unfund 5 positions in Dispatch
Unfund 30 (29.5 FTE) support-related positions
Unfund 7 skilled trades positions
Unfund 132 positions (119.1 FTE) in the inmate medical unit
Create 36 Bailiff Hourly positions
Fund 18 CO Lt. positions (offset with an increase in vacancy and turnover, netting 6 positions)
Create 9 (8.5 FTE) Investigator Hourly positions

To be clear, several of the County Executive's proposed reductions were included in the Sheriff's Requested Budget, including the continuation of the conversion to Correctional Officers in the correctional facilities, the downsizing of the Communications Division, deploying hourly bailiffs, and the outsourcing of inmate medical services. The County Executive has chosen to extend the Sheriff's efficiency models by *accelerating* the conversion to COs, removing position authority for a variety of non-mandated policing functions and converting higher cost Deputy positions to hourly employees or COs.

In his budget presentation to the County Board, the County Executive noted "By statute and by practice, the sheriff plays only a limited role as a traditional law enforcement agency." As those policy considerations are debated, and as noted by the County Executive, it bears repeating that the Office of the Sheriff has largely been spared the budget pressures other departments have confronted in recent years. This is not to say that the Sheriff's Office has not been responsive to budget constraints – the Sheriff should be recognized for implementing many reforms to constrain costs while simultaneously maintaining a high standard for services.

The substance of the matter is in the what and the how. The Sheriff's duties, more so than perhaps any County official, are determined principally by State statutes and interpretations of the Office's constitutional authority. The budget puts the question to policymakers of what discretionary services can, should, or must the Sheriff deliver and how those services should be delivered. Is the Sheriff required to perform – and should property taxpayers fund – all of the activities currently performed by that Office, or are there alternatives that can dually maintain public safety and answer the needs of the taxpayer? An assessment of the Office's statutory duties and constitutional powers may be required in light of the recommendations contained in this budget proposal.

One final point on the configuration and activities of the Sheriff's Office: in recent years the County Board has restored cuts in the District Attorney's Office and the Courts, citing, among other things, the interdependence of all players in Milwaukee County's public safety arena. The mutual interest of the Courts, the Sheriff's Office and the District Attorney drives the successful operation of the criminal justice system. A case could be made that a cut to one may cascade into difficulties for the others, causing injury to the County's very effective public safety apparatus.

In addition to the broader policy discussion on the form and function of the Sheriff's Office, the 2012 Recommended Budget includes a number of additional policy considerations that merit further review by the County Board. Those include:

- The proposal to contract with a private vendor (Armor) to provide inmate medical and mental health services. The County continues to operate its correctional facilities under the strictures of the Christensen Consent Decree with regard to inmate housing and medical services. The proposed contract – while effectively reducing costs – must be viewed in light of the terms of Christensen, and the policy question will benefit from the input of the court-appointed medical services monitor.

- While expenditures are cut markedly, revenues remain level. Are these revenue assumptions realistic? Namely, the implementation of a jail processing fee is expected to generate $500,000 in revenue, although the legalities of such a fee may need to be addressed.

- The Sheriff is directed to provide an Annual Report, and is subject to County workgroup reviews of service delivery. While such periodic reviews are advisable for all County departments, the narrative language in no way compels the Sheriff to comply and may encroach on that Office's constitutional authority.

❑ **Transit/Paratransit**

As with prior years, Milwaukee County's transit/paratransit system continues to face significant challenges. Sustainable funding for the transit system has long been a topic of concern in Milwaukee County, resulting in repeated fare increases coupled with service reductions. A May 2008 Public Policy Forum report entitled *Milwaukee County Transit Crisis: How did we get here and what do we do now?* provided a comprehensive review of the Milwaukee County Transit System's funding history and warned of an imminent crisis resulting from over-reliance on property tax revenues and uncertain and finite pots of Federal formula funds, initially intended for capitalized maintenance.

In 2008, an advisory referendum was approved by Milwaukee County voters, with 52 percent of the population voting in favor of a one percent sales tax increase to provide a dedicated funding source for parks, recreation, culture, transit, EMS services and property tax relief. Moving the aforementioned services off the property tax rolls, where multiple programs compete for scarce resources, was seen as a way to ensure stable funding for these services into the future. Ultimately, the State of Wisconsin has the final say regarding the imposition of a sales tax increase beyond the 0.5 percent, and the provision that would have allowed Milwaukee County to move forward with this was vetoed out of the 2009-2011 State Biennial Budget.

Moving on to 2012, the Milwaukee County Transit System again faces problems, which are compounded by a $6.9 million reduction in State transit aid. Though the reduction is partially offset with $1,449,200 in State revenue for the maintenance of Americans with Disabilities Act (ADA) required paratransit service, initial estimates of the service cuts necessitated by the funding deficit that were presented in the department's Requested Budget were drastic.

CMAQ Funding

The 2012 Recommended Budget relies on one-time funding to piece the system back together. The County Executive is anticipating that the County will receive a 3-year allocation of Congestion Mitigation and Air Quality (CMAQ) funding totaling $16.9 million, which, if awarded in the anticipated amounts, would hold the system together through early 2014. This funding was originally designated for Bus Rapid Transit and the now-defunct Southeastern Wisconsin Regional Transit Authority/Kenosha-Racine-Milwaukee commuter rail project.

As part of this funding scheme, the Milwaukee County Transit System (MCTS) would have to alter a portion of their existing service routes (11, 15, 18, 23, 62, and 68) into "Express Bus Service," which would result in the following changes on some route segments:

- Elimination of service
- Decrease in the frequency of service
- Increase in the distance between bus stops

The 2012 proposed budget assumes CMAQ funding of approximately $7.7 million, of which $2.9 million is designated for Express Route 23; $3.4 million is designated for Express Route 15; and $1.4 million is designated for Express Route 62.

The CMAQ funding awards included in the budget are based on estimates provided by Milwaukee Transport Services, Inc. (MTS) and Department of Transportation and Public Works staff. Milwaukee County anticipates notification of CMAQ award receipt in late October 2011. If anticipated amounts do not materialize as planned, the budget includes a chart depicting which routes would be recommended for service reductions/eliminations.

Federal Surface Transportation Funding Reauthorization

Additionally, MCTS has budgeted federal revenue of approximately $18,877,000 for 2012. However, this funding is also subject to change due to the uncertainty of funding that will be allocated when the current federal surface transportation law Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA-LU) is reauthorized. Should this amount change, transit staff will adjust transit services and/or fares. In the event the County would receive more funding than what is budgeted for in 2012, transit staff will provide a fund transfer and identify service funding to which it would be applied.

Paratransit

Earlier estimates anticipated that MCTS may have to cut the County-wide paratransit service to the minimum required by Federal law in order to balance the 2012 budget. The 2012 Recommended Budget maintains full County-wide Paratransit routes in 2012, though fares are due to increase $1.25

from $3.25 per one-way trip to $4.50. This is the legal maximum allowed under federal law, which is set at twice the transit cash fare of $2.25.

The Future of MCTS

The CMAQ funding included in the 2012 budget, if realized, is only short-term assistance to MCTS financial difficulties. As part of the budget, MTS and Milwaukee County transportation staff are directed to create a 5-year Transit sustainability plan (2013-2017) and submit their report to the County Board in July 2012.

At a minimum, this budget reaffirms that a long-term solution for MCTS financial stability and sustainability should be identified as soon as possible, not only to alleviate already stressed taxpayers, but also to ensure transit in the region is strengthened and does not continue to deteriorate as it has since 2001.

- **Behavioral Health/Department of Health and Human Services/EMS Subsidy**

Over the last couple of years, mental health operations and planning for the future have been on the forefront in Milwaukee County. Several large-scale studies have attempted to incorporate the multi-faceted challenges facing the current system, and offer possible solutions. The County Board has reviewed numerous proposals to reform the mental health system, and has adopted policy directing funding for emergency capital improvements at the current Behavioral Health Division (BHD) Facility. The Board also created committees to help plan for operating and capital needs, directed BHD to study various proposals through the budget process, and approved various resolutions directing further efforts to redesign the mental health system and the facility that houses it in Milwaukee County.

In keeping with the trend to strive for improvements in mental health care delivery, the 2012 Recommended BHD budget largely maintains existing service levels, while moving forward with funding and position creates to implement initiatives that have been discussed by various committees and the County Board throughout 2011.

Foremost, the budget narrative opens with a description of a multifaceted $3 million-plus *Mental Health Redesign and Community Resource Investment*. This initiative attaches funding and positions to plans discussed throughout 2011, including investment in additional crisis support services and the development of a Crisis Resource Center in the northern portion of Milwaukee County, which BHD was directed to study per an amendment to the 2011 budget. Of the $3 million-plus allocation, $1.4 million is directed to support “up-to-two” new North Side Crisis Intervention Programs which, though not detailed in the narrative, appear to be based on the Crisis Resource Model currently in place on the south side. Milwaukee County would also increase its contracts to provide additional crisis respite beds.

The *Mental Health Redesign and Community Resource Investment* plan also includes funding for a Developmental Disabilities-Mental Health Pilot Respite Program. This initiative—supported jointly by the Disabilities Services Division and BHD—creates specialized treatment and supports for individuals with dual diagnoses of Developmental Disability and Mental Illness. In 2011, following efforts to implement Chairman Holloway’s Mental Health Community-based Care Pilot Program, BHD staff identified this client population as a frequent user of inpatient-acute hospital care, in part due to a lack of an appropriate community-based treatment model targeted toward the needs of this population. This budget initiative focuses on implementing a new treatment model and increasing contractually provided community-based supports to prevent inpatient admissions. Perhaps working hand-in-hand with the aforementioned proposal, the 2012 Recommended Budget continues to contemplate the downsizing of Hilltop, Milwaukee County's 72-bed Title XIX certified facility for Persons with Developmental Disabilities. The study of this was also directed in an amendment in the 2011 budget.

Finally, this *Redesign* initiative seeks to utilize peer specialists to provide support for clients transitioning out of inpatient care to community-based care. Filling this service gap is seen to be a critical component of a well-working mental health delivery system.

Even with the increased up-front investment in support of redesigning the mental health system in Milwaukee County, BHD is not without its challenges. The 2011-2013 State Biennial budget included some direct cuts to mental health and AODA funding, and perhaps more worrisome is how the State's efforts to cut $500 million in Medicaid costs will affect BHD revenues.

Elimination of EMS Subsidy to Municipalities

The County Executive proposes eliminating the $3 million subsidy for municipalities providing Emergency Medical Services (EMS) under contract with Milwaukee County, a move previously contemplated when billing and collection was fully transitioned from Milwaukee County to the municipalities directly providing the service in 2007. In making this change, the County Executive is linking the $3 million reduction in EMS to the $3 million-plus crisis resource/community investment ramp-up also included in the BHD budget.

A breakdown of how the $3 million subsidy has been distributed among municipalities is included below.

Municipality	**Percentage**	**2011 EMS Payment**
Milwaukee	40.07%	$1,202,133
North Shore	12.08%	$362,505
South Milwaukee	9.66%	$289,833
Oak Creek	9.10%	273,183
Franklin	8.33%	250,008
Greenfield	7.68%	230,298
West Allis	6.59%	197,571
Wauwatosa	6.49%	194,469
Total	**100%**	**$3,000,000**

Milwaukee County's current contract with municipalities was approved by the County Board on December 17, 2009, and is set to continue through December 31, 2012, with a one year extension. As discussed earlier under "Fiscal Tools," state revenue cuts initiated in the 2011-2013 state budget disadvantaged Milwaukee County more so than many of the area municipalities. Policymakers will need to contemplate whether the County can continue to afford this subsidy to other governments in light of the recent fiscal changes implemented by the State.

Departmental Restructuring

- **Human Resources Department – Consolidation of Functions**

In 2002, the Department of Human Resources was absorbed as a Division within the reconfigured Department of Administrative Services to reflect a centralized services model. In the 2010 Adopted Budget, the Division of Human Resources relinquished oversight of departmental HR Managers and HR Coordinators to the departments in which they were assigned under a decentralized model "to improve responsiveness to departmental human resource activities."

In the 2012 Recommended Budget, the Human Resources function is reorganized into a stand-alone Department and HR field staff are recentralized under the control of the Director of Human Resources. In addition to HR field staff, Human Resources expands to include the Division of Employee Benefits, the Department of Labor Relations, the Employee Retirement System (all of which were previously part of the department at one time, and administration for the Ethics Board and the Personnel Review Board (PRB). Under the new structure, the department redeploys a net 17.5 FTEs.

In an organization the size of Milwaukee County, the delivery of internal services – HR, information technology, facilities management, fiscal affairs, etc. – is often subject to tinkering. An independent Human Resources Department, with a focus on meeting internal customer demands with high quality service, is most likely desirable.

This reorganization is notable and worthy of closer scrutiny due to the inclusion of Employee Benefits, Labor Relations, and administration for the Ethics Board and the PRB. The Division of Employee Benefits was created in 2007 by a budget amendment sponsored by Chairman Holloway to correct the mismanagement of Employee Benefits under the Human Resources umbrella – specifically employee health care – and, as a result, has helped save more than $130 million in health expenditures. This Division has functioned well as a professional enterprise and it would be an unsettling outcome if the County loses focus on employee benefits due to this reorganization.

The inclusion of Labor Relations, and administration for the Ethics Board and PRB in the new department poses a challenge to the autonomy of those bodies. Each of these areas are addressed in the Milwaukee County Code of General Ordinances (MCGO Chapters 79, 80, 9 and 33) with language that either explicitly or implicitly leaves some distance between the body and the administration. For Labor Relations, MCGO Chapter 80 clearly indicates that the Personnel Committee of the County Board directs labor negotiations. Crafting that Department as a Division within Human Resources – and under the County Executive's administration – may compromise the Board's authority as established in the ordinances.

Similarly, the Ethics Board and Personnel Review Board, due to the nature of the duties and activities assigned to each, need to maintain more than a little distance from the administration (and the legislative branch). With these functions housed administratively under Human Resources, the citizens who serve on these boards may rightly wonder whether they retain the unimpeded authority to fulfill their charge. Consultation with the Ethics Board, PRB and Corporation Counsel (with regard to Labor Relations) is advised.

DAS – Facilities Management

The County Executive proposes to transfer the Facilities Management Division from the Department of Transportation and Public Works (DTPW is now the Department of Transportation) as a division of the Department of Administrative Services. In addition, DTPW- Architectural, Engineering, and Environmental Services Division (AE & ES) is moved under the new DAS-Facilities Management Division. The Milwaukee County Automated Mapping and Land Information System (MCAMLIS) is moved from AE & ES to the new DAS-Economic Development Division.

The new DAS-Facilities Management Division has three sections: facilities maintenance, AE & ES and sustainability. Sustainability will provide guidance, management and development of sustainability functions related to the County's building and infrastructure assets. This section will also be responsible for the implementation of the County's Green Print Initiative. A new Sustainability Director is created at a salary cost of $85,286 to head up this area.

The purpose of the reorganization is to create "a more coordinated approach towards strategic management, long-term planning and development, and maintenance of County-owned property and infrastructure. The existing Chief of Operations position is retitled Facilities Management Director and the former Assistant Director of Facilities Management is retitled the Facilities Maintenance Manager. Facilities Maintenance oversees the Courthouse Complex, City Campus, Child Adolescent Treatment Center (CATC) and Vel R. Phillips Juvenile Justice Center. The Marcia P. Coggs Building and Behavioral Health Division buildings are handled by separate staff.

One of the fiscal benefits to this reorganization is the conversion of AE & ES from an internal service fund to a general fund. This saves approximately $576,004 in 2012, which will require Other Post Employment Benefits (OPEB) and other liabilities to be funded in the future on an as-you-go basis rather than accrued each year and saved until the expenditure occurs.

The 2008 Recommended Budget also included an initiative to consolidate Facilities Management into a new division within DAS called Property Management. That initiative was not approved as part of the 2008 Adopted Budget. It should be noted that a centralized property management function could make it easier to retrieve information and ensure coordination in the maintenance of buildings and has been recommended by Audit. Still, policymakers may wish to hear the benefits of aligning property management functions and AE & ES functions under the command and control of the Department of Administrative Services.

Earlier this year, the County Board approved a resolution from the Milwaukee County Long Range Strategic Planning Committee to perform a comprehensive strategic facilities plan. A report back to the County Board last month indicated that a study that incorporates 25 of the largest buildings would cost approximately $450,000. No funding for this purpose has been included in the 2012 Recommended Budget.

DAS-Procurement

The 2012 Recommended Budget proposes to revamp and centralize services within the Procurement Division of the Department of Administrative Services (DAS). Three distinct areas would be created: Commodities (to which existing Procurement staff would be deployed), Services and Contracts. A new position of Contracts Administrator is funded for half the year in 2012 to "create standard contracts language and to determine fair market value for lease rates." The goal is to create a central location for review and recordkeeping of all County contracts and leases. Departmental contract staff would move into the reconfigured division in 2013. Similar to the contracts area, a services area is established to oversee all County service contracts, although no new staff is created at this time. A new Procurement Director is established at a salary cost of $97,976 to oversee the division. The current Purchasing Administrator position remains to serve the division.

The ability to coordinate all county contracts into one division is something that is done at some other units of government, including the State of Wisconsin, and may help bring uniformity to County contracting. Departmental staff may be concerned that the centralization of contracting could slow down the contracting approval process and delay the implementation of needed services as DAS signs off on each agreement.

As part of the revamping of the Procurement Division, an appropriation of $100,000 is included to "work with a consultant on a study of best management practices in Procurement." According to the Recommended Budget, the study would focus on the recommendations included in the Department of Audit's 2008 review of the Procurement Division. Although no vendor has been identified, policymakers may wish to probe further as to the benefits of such a study. Two new positions are recommended to be hired, and the expertise of these individuals, in conjunction with Audit's recent recommendations, may not warrant such a comprehensive study of best practices for procurement.

Legal Issues

In the 2011 Recommended Budget Overview, staff raised several legal questions related to the ability to impose fringe benefit changes primarily related to employee pension contributions, annual pension multiplier reduction and the termination of Medicare Part B reimbursement. Corporation Counsel provided an opinion on many of these issues last fall during budget deliberations that will not be summarized as part of this overview. Although no formal legal challenges have yet been made to the fringe benefit changes imposed in the 2010 and 2011 budgets, staff believes it is important that policymakers keep in mind that future legal challenges could jeopardize the savings that have been included as part of this budget. It should be noted that no new legal concerns are raised based on initiatives included in the 2012 Recommended Budget. However, given the magnitude of the fiscal savings booked related to fringe benefit savings thus far, any successful challenge to those changes could have significant fiscal consequences. Also, at some point it may be necessary to set aside a portion of expected savings as a reserve in the event that changes are not sustained.

Tax Levy Cap

DAS-Fiscal Affairs staff, with review by the County's bond counsel and financial advisor, has calculated the estimated maximum tax levy permitted under current law to be an increase of approximately $15.4 million, or 5.7 percent, above the County Executive's Recommended Budget.

The County tax levy limit was significantly altered as part of the 2011-2013 State Budget bill. The levy limit is the greater of the percentage change in the County's net new construction between the previous year and the current or zero percent. The County's net new construction factor for the 2012 levy limit is 0.426 (just over four tenths of one percent). However, for 2012 **only**, the State is permitting the change in debt service for debt issued prior to 2005 to not count against the local government's allowable levy. For Milwaukee County, that amount is approximately $9.6 million.

In July 2011, a preliminary tax levy limit allowing for a maximum $9.8 million increase over the 2011 adopted levy was reported to the County Board based on an initial review of the budget bill. After examining Department of Revenue instructions that were recently released, it was determined that certain expenditures are exempt from the property tax levy limit. For the 2012 Recommended Budget, this includes: countywide emergency medical systems ($4,357,335), Milwaukee County Federated Library System ($56,652), and the expenditure for the Wauwatosa tax refund ($1,375,000) budgeted in the Litigation Reserve account. These exemptions have effectively raised the cap to allow for an increase of up to 5.7 percent, as compared to the 3.6 percent reported in July. Please note, for example, that if the County Board were to restore any of the $3 million emergency medical services subsidy, it would be classified as a tax levy exemption and not count against the revised limit.

Policymakers may want to consider that much of the extra tax levy cap room for 2012 is a one-year only exemption under current law. Growing infrastructure needs (see Capital Improvements Five-Year Plan) and more restrictive levy caps in the future are likely to result in further cuts to County discretionary spending.

<u>Privatization Initiatives</u>

The County Executive puts forth several privatization initiatives in the 2012 Recommended Budget that should be carefully reviewed by policymakers. In the past, Milwaukee County has implemented a number of privatization initiatives. The following examples provide a track record of previous County privatization efforts: Doyne Hospital, Transit, County Grounds/Power Plant, Information Technology, House of Correction and BHD Food Service, Milwaukee Public Museum, Construction Management, Health and Human Services and Aging Services, County Stadium, School of Nursing, Golf Management, Lake Park and O'Donnell Park Restaurants and claims processing to name a few.

The noted privatization efforts in the 2012 Recommended Budget include:

- **Building Security.** Courthouse, Safety Building, City Campus, Criminal Justice Facility and the Vel R. Phillip's Juvenile Justice facilities security were privatized in 2010. A labor arbitrator's ruling, however, reinstated 27 workers, of which 21 accepted the offer to return to County work. Twenty County security staff are now subject to layoff as the current security vendor's contract is expanded to cover these posts.
- **Sheriff's Inmate Medical and Mental Health Services.** The Sheriff proposed and the County Executive agreed to outsource these services in 2012 at a contractual cost of $11.8 million. A tax levy savings of $641,000 is budgeted, although the Sheriff asserts the tax levy avoidance is $1.6 million.
- **Process Servers.** The Sheriff intends to outsource approximately 30 percent of the caseload that does not require service by sworn law enforcement. A total of five Deputy Sheriff positions are abolished or unfunded related to this initiative. The outside contract is expected to cost $315,000, providing a net savings to the Sheriff of $134,158.
- **Targeted Case Management.** The caseload covered by the Behavioral Health Division's Targeted Case Management will be assumed by community providers through increases to purchase of service contracts. A tax levy savings of $136,552 is expected. Some existing staff will be redeployed to other vacancies and other positions will be abolished upon vacancy. No layoffs are planned as part of this outsourcing.

Capital Improvements Program

The 2012 Capital Improvements Program allocates $30.7 million in expenditures for capital improvements, primarily related to the airport. No new general obligation bonding is proposed for 2012. The County approved two bond issuances in 2009 and two in 2010 to take advantage of stimulus funding (lower cost bonds) provided through the American Recovery and Reinvestment Act (ARRA). As part of the plan to "double up" on debt in 2009 and 2010, no new general obligation debt was to be issued in 2011 and 2012.

The 2012 Capital Improvements Program allocates funding for 19 new projects; 13 airport and six non-airport projects. The airport projects include funds to improve runways, signage, lighting and terminal electrical service. Funding of $2.4 million is also included to continue the construction phase of the 2,400 square foot Training Facility. This is aimed at providing workstations for computer based training for the more than 6,000 badged employees that have access to General Mitchell Airport.

Non-airport projects include $100,000 for a Zoo Master Plan, half of the cost paid by the Milwaukee County Zoological Society. A cash financed (tax levy) appropriation of $1.5 million is also included for Priority One façade work on the Criminal Justice Facility and Safety Building. Along with other appropriations made during 2011, this completes the Priority One façade work list. This project was originally financed with UWM Innovation Park land sale proceeds, but the restructuring of the payments earlier in 2011 required alternate sources of funding to be used.

A Revolving Loan Fund project is also established although no funding is provided. According to the narrative, this new capital project is created to contribute funds to the newly created Milwaukee County Economic Development Corporation (MCEDC) of which 80 percent shall be deposited into a Milwaukee County Revolving Loan Fund and 20 percent shall be allocated to a non-profit agency actively managed by minority group members and principally serving minority group members. Financing will be provided from anticipated land sale revenue, up to a maximum of $5 million.

Financing for the MCEDC will be provided from Milwaukee County land sale revenue.

A summary of the 2012 Capital Improvement Program is as follows:

	Non-Airport	Airport	Combined
Total Number of Projects	6	13	19
Total Expenditures	$ 3,145,000	$ 27,519,000	$ 30,664,000
Total Reimbursement Revenues	$ -	$ 7,556,925	$ 7,556,925
Net County Financing	**$ 3,145,000**	**$ 19,962,075**	**$ 23,107,075**
Financed as follows:			
Airport Revenue Bonds	$ -	$ 6,117,500	$ 6,117,500
Passenger Facility Charges (PFC)	$ 1,100,000	$ 12,958,750	$ 14,058,750
Sales Tax Revenue (cash financing)	$ 445,000	$ -	$ 445,000
Property Tax Levy	$ 1,550,000		$ 1,550,000
Airport Capital Improvements Reserve	$ -	$ 885,825	$ 885,825
Private Donations	$ 50,000	$ -	$ 50,000
Total Financing	**$ 3,145,000**	**$ 19,962,075**	**$ 23,107,075**

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 is available until 2013 under the County's self-imposed limits.

Five-Year Capital Improvements Plan
As part of the Capital Improvements Budget, a five-year capital improvements plan is also provided to give policymakers an idea of the projects that are awaiting funding, beginning in 2012 through 2016. <u>It should be noted that the list, excluding airport projects, has $187.5 million in projects requiring $112.8 million in bonding in 2013 alone.</u> Since the self-imposed annual general obligation bonding limit for 2013 is approximately $35 million[4], it is clear that many projects will be pushed off to 2014 and beyond, which are already projected to far exceed our bonding limits. Given the County Executive's publicly stated concerns with County debt, policymakers may wish to get a better explanation as to how the County will address the growing infrastructure needs this county faces in the coming years. *(See Section 5 of the Overview for a complete listing of the Capital Improvement projects.)*

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

[4] A total of $9.3 million has already been committed earlier this year for the 2013 general obligation bond issuance, including $5.2 million for Moody pool and $4.1 million for highway projects. That reduces the remaining general obligation bond limit to $25.7 million for other bond eligible projects.

SECTION 2 - TAX LEVY CHANGES IN 2012 COUNTY EXECUTIVE RECOMMENDED BUDGET

Org. Unit	Org. Name	2011 Adopted	2012 County Exec.	Levy Change	% Change
Non-Departmental					
REVENUES					
1901	Unclaimed Money	$ (1,100,000)	$ -	$ 1,100,000	100.00%
1933	Land Sales	$ -	$ -	$ -	0.00%
1937	Potawatomi Revenue Allocation**	$ (4,058,477)	$ (4,084,441)	$ (25,964)	-0.64%
1969	Medicare Part D Revenue	$ (3,023,647)	$ (3,023,647)	$ -	0.00%
1992	Earnings on Investments	$ (1,779,839)	$ (1,711,411)	$ 68,428	3.84%
1993	State Shared Taxes	$ (39,207,108)	$ (30,890,224)	$ 8,316,884	21.21%
1994	State Exempt Computer Aid	$ (3,572,445)	$ (3,572,445)	$ -	0.00%
1996	County Sales Tax Revenue	$ (64,426,365)	$ (64,000,880)	$ 425,485	0.66%
1997	Power Plant Revenue	$ (356,880)	$ -	$ 356,880	100.00%
1998	Surplus/Deficit from Prior Year	$ (4,144,018)	$ (8,179)	$ 4,135,839	99.80%
1999	Other Misc. Revenue	$ (180,000)	$ (140,000)	$ 40,000	22.22%
Non Departmental Revenues Subtotal		$ (121,848,779)	$ (107,431,227)	$ 14,417,552	-11.83%
EXPENDITURES					
1905[#]	Ethics Board	$ -	$ -	$ -	0.00%
1908	Milwaukee Cty. Historical Society	$ 242,550	$ 206,167	$ (36,383)	-15.00%
1912	Visit Milwaukee***	$ -	$ -	$ -	0.00%
1913	Civil Air Patrol	$ 10,000	$ 10,000	$ -	0.00%
1914	War Memorial Center	$ 1,504,594	$ 1,278,905	$ (225,689)	-15.00%
1915	Villa Terrace/Charles Allis Musuems	$ 243,656	$ 207,108	$ (36,548)	-15.00%
1916	Marcus Center for the Performing Arts	$ 1,280,000	$ 1,088,000	$ (192,000)	-15.00%
1921	Human Resource and Payroll System	$ -	$ -	$ -	0.00%
1930	Internal Service Abatement	$ -	$ -	$ -	0.00%
1935	Charges to Other County Org Units	$ (10,587,574)	$ (8,189,535)	$ 2,398,039	22.65%
1945	Appropriation - Contingencies	$ 5,400,000	$ 1,000,000	$ (4,400,000)	-81.48%
1950	Employee Fringe Benefits	$ -	$ -	$ -	0.00%
1961	Litigation Reserve Account	$ 275,000	$ 1,650,000	$ 1,375,000	500.00%
1966	Federated Library System	$ 66,650	$ 56,652	$ (9,998)	-15.00%
1974	Fund for the Arts	$ 377,688	$ -	$ (377,688)	-100.00%
1985	Capital Outlay/Depreciation Contra	$ (3,844,798)	$ (3,200,157)	$ 644,641	16.77%
1987	Debt Issue Expense	$ 11,500	$ 11,500	$ -	0.00%
1989	Investment Advisory Services	$ 245,000	$ 245,000	$ -	0.00%
Non Departmental Expenditures Subtotal		$ (4,775,734)	$ (5,636,360)	$ (860,626)	18.02%
Departmental					
Legislative & Executive					
1000	County Board	$ 6,749,327	$ 6,497,860	$ (251,467)	-3.73%
1001	Audit Department	$ 2,701,900	$ 2,677,443	$ (24,457)	-0.91%
1040	Community Business Development Partners	$ 980,147	$ 876,333	$ (103,814)	-10.59%
1011	County Exec. - General Office	$ 1,229,547	$ 1,229,547	$ -	0.00%
1021	County Exec. - Veterans Service	$ 334,566	$ 316,912	$ (17,654)	-5.28%
Legislative & Executive Subtotal		$ 11,995,487	$ 11,598,095	$ (397,392)	-3.31%

[#] *Indicates new division under Human Resources*

*** An additional $1,388,523 is budgeted in DHHS and BHD for a total of $5,472,964 in Potawatomi revenue for 2012.*

****The $25,000 funding is included in the DAS - Economic Development Budget.*

SECTION 2 - TAX LEVY CHANGES IN 2012 COUNTY EXECUTIVE RECOMMENDED BUDGET

Org. Unit	Org. Name	2011 Adopted	2012 County Exec.	Levy Change	% Change
Staff Agencies					
1110	Civil Service Commission	$ 54,037	$ 13,821	$ (40,216)	-74.42%
1120#	Personnel Review Board	$ 219,711	$ 18,182	$ (201,529)	-91.72%
1130	Corporation Counsel	$ 1,580,537	$ 1,553,431	$ (27,106)	-1.71%
1135#	Labor Relations	$ -	$ -	$ -	0.00%
1019	DAS - Ofc. For Persons w/Disabilities	$ 710,864	$ 703,570	$ (7,294)	-1.03%
1140	Human Resources	$ 3,613,351	$ 4,285,246	$ 671,895	18.59%
1188#	DAS - Employee Benefits	$ -	$ -	$ -	0.00%
1150	DAS - Risk Management	$ -	$ -	$ -	0.00%
1151	DAS - Administration and Fiscal Affairs	$ 4,284,290	$ 4,615,481	$ 331,191	7.73%
1152	DAS - Procurement Division	$ 703,083	$ 1,013,014	$ 309,931	44.08%
1160	DAS - Information Mgt Services Division	$ -	$ -	$ -	0.00%
1192	DAS - Economic Development*	$ (495,746)	$ (156,004)	$ 339,742	-68.53%
5500##	DAS - Water Utility	$ -	$ -	$ -	0.00%
5700##	DAS - Facilities Management	$ (2,209,827)	$ (2,069,688)	$ 140,139	-6.34%
Staff Agencies Subtotal		$ 8,460,300	$ 9,977,053	$ 1,516,753	17.93%
Courts & Judiciary					
2000	Combined Court Related Operations	$ 29,583,256	$ 29,323,896	$ (259,360)	-0.88%
2900	Courts - Pre-trial Services	$ 3,422,847	$ 4,337,613	$ 914,766	474.18%
2430	Department of Child Support Services	$ 1,316,221	$ 1,315,869	$ (352)	-0.03%
Courts & Judiciary Subtotal		$ 34,322,324	$ 34,977,378	$ 655,054	1.91%
General Government					
3010	Election Commission	$ 606,506	$ 941,094	$ 334,588	55.17%
3090	County Treasurer	$ (1,341,798)	$ (1,649,987)	$ (308,189)	-22.97%
3270	County Clerk	$ 294,703	$ 319,695	$ 24,992	8.48%
3400	Register of Deeds	$ (177,524)	$ (139,752)	$ 37,772	21.28%
General Government Subtotal		$ (618,113)	$ (528,950)	$ 89,163	14.43%
Public Safety					
4000	Office of the Sheriff	$ 132,473,004	$ 118,069,779	$ (14,403,225)	-10.87%
4500	District Attorney	$ 11,934,035	$ 11,518,235	$ (415,800)	-3.48%
4900	Medical Examiner	$ 2,991,777	$ 2,680,739	$ (311,038)	-10.40%
Public Safety Subtotal		$ 147,398,816	$ 132,268,753	$ (15,130,063)	-10.26%
Public Works and Transportation					
5040	DOT - Airport	$ -	$ -	$ -	0.00%
5070###	DOT - Transportation Services	$ 203,944	$ -	$ (203,944)	-100.00%
5080##	DOT - Arch/Eng/Env Services	$ 607,458	$ -	$ (607,458)	-100.00%
5100	DOT - Highway Maintenance	$ 974,055	$ 884,794	$ (89,261)	-9.16%
5300	DOT - Fleet Management	$ (1,750,147)	$ (1,994,293)	$ (244,146)	-13.95%
5600	Milwaukee County Transit/Paratransit	$ 17,567,763	$ 18,722,245	$ 1,154,482	6.57%
5800	DOT - Director's Office	$ 65,904	$ (129,178)	$ (195,082)	-296.01%
Public Works and Transportation Subtotal		$ 17,668,977	$ 17,483,568	$ (185,409)	-1.05%

* *Indicates new budget*

Indicates new division under Human Resources

Indicates new division under DAS - Facilities Management

Indicates new division under DOT - Highways

SECTION 2 - TAX LEVY CHANGES IN 2012 COUNTY EXECUTIVE RECOMMENDED BUDGET

Org. Unit	Org. Name	2011 Adopted	2012 County Exec.	Levy Change	% Change
Health and Human Services					
6300	DHHS - Behavioral Health Division	$ 59,305,205	$ 58,717,128	$ (588,077)	-0.99%
7900	Dept. on Aging	$ 1,811,509	$ 1,891,874	$ 80,365	4.44%
7990	Dept. of Family Care	$ -	$ -	$ -	0.00%
8000	Dept. of Health and Human Services	$ 28,603,692	$ 24,418,500	$ (4,185,192)	-14.63%
Health & Human Services Subtotal		$ 89,720,406	$ 85,027,502	$ (4,692,904)	-5.23%
Parks Recreation & Culture					
9000	Parks, Recreation and Culture	$ 25,310,260	$ 21,837,797	$ (3,472,463)	-13.72%
9500	Zoological Dept.	$ 4,781,699	$ 5,301,318	$ 519,619	10.87%
9700	Milwaukee Public Museum	$ 3,502,376	$ 3,502,376	$ -	0.00%
9910	University Extension Service	$ 336,808	$ 337,217	$ 409	0.12%
Parks, Recreation & Culture Subtotal		$ 33,931,143	$ 30,978,708	$ (2,952,435)	-8.70%
Debt Service					
9960	General County Debt Service	$ 53,259,873	$ 59,290,179	$ 6,030,306	11.32%
Debt Service Subtotal		$ 53,259,873	$ 59,290,179	$ 6,030,306	11.32%
Capital Improvements					
1200-1876	Capital Improvements - Exp	$ 40,000	$ 1,550,000	$ 1,510,000	3775.00%
Capital Improvements Subtotal		$ 40,000	$ 1,550,000	$ 1,510,000	3775.00%
GRAND TOTAL DEBT SERVICE		$ 53,259,873	$ 59,290,179	$ 6,030,306	11.32%
GRAND TOTAL OPERATING PURPOSE		$ 338,143,606	$ 317,695,747	$ (20,447,859)	-6.05%
GRAND TOTAL REVENUES		$ (121,848,779)	$ (107,431,227)	$ 14,417,552	11.83%
GRAND TOTAL		$ 269,554,701	$ 269,554,701	$ -	0.00%

SECTION 3 – OVERVIEW/MAJOR CHANGES
2012 RECOMMENDED BUDGET

Non-Departmental – Revenues:

1901 **Unclaimed Money**

Unclaimed Money is budgeted at $0, a decrease of $1,100,000 from the amount budgeted in 2011. Every other year, unclaimed funds are forfeited and recognized by the County. The amount is based on the 2010 actual collections.

1933 **Land Sales**

No revenue is budgeted in Org. Unit 1933 for land sales in 2012.

Land Sales accounts for the sale of County land approved by the County Board. As in past years, $400,000 is budgeted in Real Estate Services to cover 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.

Beginning in 2012, any land sale revenue received by the County, above the amount budgeted in Real Estate Services to cover operating expenditures, shall be allocated as described below:

Fifty percent of the land sale revenue shall be allocated to the Debt Service Reserve and will be specifically earmarked for the County's newly created Debt Retirement Program (see Org. Unit 9960 Debt Service).

Fifty percent of the land sale revenue, up to a maximum of $5,000,000 shall be allocated to the newly created Milwaukee County Economic Development Corporation (MCEDC) to provide funding to the Milwaukee County Revolving Loan Fund (MCRLF) and financing to a non-profit agency actively managed by minority group members and principally serving minority group members. After $5,000,000 has been deposited into the MCRLF, 100% of land sale proceeds above the amount budgeted in Real Estate Services to cover operating expenditures shall be allocated to the Debt Service Reserve, specifically earmarked for the Debt Retirement Program.

Any land sale revenue allocated to the MCEDC for the MCRLF that is not disbursed within eighteen (18) months of its receipt must be returned to Milwaukee County and shall be deposited into the Debt Service Reserve and will be specifically earmarked for the County's Debt Retirement Program.

Under the 2011 Budget, all land sales revenue received in 2011 that exceeds the budgeted amounts shall be allocated to the Org. Unit 1945 – Appropriation for Contingences.

1937 **Potawatomi Revenue**

This non-departmental revenue was created to reflect the receipt of revenue from the Potawatomi Tribe. The agreement between the Forest County Potawatomi Community and the City and County of Milwaukee specifies that the City of Milwaukee and Milwaukee County will each receive an annual payment of 1.5% of the annual Class III Net Win at the Potawatomi Bingo Casino for each twelve month period, beginning July 1, 1999.

Overall the 2012 budget includes a total of $5,472,964 in Potawatomi Revenue, a $74,036 reduction from what was budgeted in 2011. Of this amount, $1,388,523 is allocated to DHHS to off-set various programs. The allocations are the same as 2011 with the exception of the $100,000 in Safe Alternatives for Youth (SAY) funding, which is financed with property tax levy in DHHS. SAY had been financed with Potawatomi Revenue since 2009.

This non-departmental account reflects the remaining revenue amount, $4,084,441 for general County purposes an overall reduction of tax levy, a $25,964 increase over 2011. The City of Milwaukee's Proposed Budget includes $5,500,000 in Potawatomi Revenue for 2012.

1969 **Medicare Part D Revenue**

Milwaukee County offers prescription drug coverage for eligible retirees and the Centers for Medicare and Medicaid reimburse 28% of the County's eligible drug costs.

This non-departmental account was created in 2006 to reflect this Federal revenue stream. The Medicare Prescription Drug Improvement and Modernization Act of 2003 and implementing regulations of 42 C.F.R. subpart R, plan sponsors (employers, unions) who offer prescription drug coverage to their qualified covered retirees, are eligible to receive a 28% tax-free subsidy for allowable drug costs. The budget includes $3,023,647 in Medicare Part D revenues, the same as the amount anticipated in 2011.

1991 **Property Taxes**

Property Tax revenue is budgeted at $269,554,701, the same as the 2011 Adopted Budget.

1992 **Earnings on Investments**

Earnings on Investments decrease $68,428, from $1,779,839 to $1,711,411. This decrease is due to continued low interest rates in the current investment market. The average daily balance for 2012 is projected at approximately $242.8 million with a credited interest rate of less than one percent. Investment management services funding is budgeted at $245,000 and is included in **non-departmental account 1989 – Investment Advisory Services**. This amount is the same as 2011.

1993 **State Shared Taxes**

State Shared Taxes (Shared Revenue) decreases $8,316,884, from $39,207,108 to $30,890,224. The reduction is due to aid cuts contained in the 2011-2013 State Budget. 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. The utility aid portion of the shared revenue payment remains at $3,965,044 for 2012.

Gross shared revenue payments are approximately $47 million, with $20.1 million intercepted by the State for the Child Welfare reallocation, for the fourteenth 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).

1994 **State Exempt Computer Aid**

State Exempt Computer Aid is budgeted at $3,572,445, the same as 2011. 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 is based on the equalized value of exempt computers, the Milwaukee County equalized value (excluding TID) and the property tax levy.

1996 **County Sales Tax Revenue**

Total County sales tax receipts are projected to decrease by $360,485, from $64.8 million in 2011 to $64.4 million in 2012. A total of $59.3 million in net sales tax revenue is earmarked for debt service costs and $445,000 is dedicated to cash finance capital improvement projects. Net County sales tax revenue is projected to exceed debt service costs by $4,710,701, a decrease of $6,455,791 from 2011. These monies are therefore available as revenues to offset general operating fund expenses. The Sales and Use Tax Ordinance, Section 22.04, was amended in November 2010 to allow for 2011 only 'surplus' sales tax revenue to cash-finance capital improvement projects, prepay outstanding bonds, fund employee benefit cost increases or supplement the appropriation for contingencies. DAS intends to bring an ordinance modification during the budget review process to make this change permanent.

1997 **Power Plant Revenue**

The Recommended Budget contains $0, a decrease of $356,880 from 2011. The Power Plant Revenue account was created in the 2001 Budget to account for excess proceeds from the County's annual power plant payment that is not needed to offset debt service costs. Previously, all revenue from the County's 1995 power plant sale had been placed in Org. Unit 9960, General County Debt Service. The 2011 payment reflects the last year of payments from WE Energies for the sale of the power plant.

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

The 2010 adjusted surplus applied to the 2012 budget is $8,179, a decrease of $4,135,839 from 2011. The impact of this is a $4.1 million tax levy shortfall that must be covered in the 2012 budget. This account is required by State law to ensure that year-end surplus and deficit amounts are reconciled from two-years prior.

1999 **Miscellaneous Revenue**
Other miscellaneous revenue is budgeted at $140,000, a decrease of $40,000 from 2011. This is primarily due to the cancellation of uncashed County checks and Jury Fee revenue from County employees on Jury Duty. This account also receives proceeds from TIF district closures, although none are anticipated for 2012.

Non-Departmental – Expenditures:

1905 **Ethics Board**
The administration of the Ethics Board is transferred to Human Resources. *Please see Section 1 of this Overview for a more complete discussion related to the proposed reorganization of Human Resources functions.*

1908 **Milwaukee County Historical Society**
Due to fiscal constraints, the County's contribution to the Historical Society decreases 15% from $242,550 to $206,167.

1912 **VISIT Milwaukee**
The 2012 Budget moves the $25,000 in funding for VISIT Milwaukee from Org. Unit 1912 to Org. Unit 1192 DAS – Economic Development.

1913 **Civil Air Patrol**
No change.

1914 **War Memorial Center**
Due to fiscal constraints, the County's contribution decreases 15% from $1,504,594 to $1,278,905.

The War Memorial Center will continue to provide quarterly reports of financial status and projections through the fiscal year in accordance with past practice.

1915 **Villa Terrace/Charles Allis Art Museums**
Due to fiscal constraints, the County's contribution to the Charles Allis/Villa Terrace decreases 15% from $243,656 to $207,108.

1916 **Marcus Center for the Performing Arts**
Due to fiscal constraints, the County's contribution to the Marcus Center decreases 15% from $1,280,000 to $1,088,000.

The Marcus Center will continue to provide quarterly reports of current financial status and projections through the fiscal year in accordance with past practice.

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 $1,839,999 are included for 2012. This total includes an increase in contract costs of 3%, effective August 1, 2012, and funding to include Transit employees in the Ceridian benefits system, which will be reimbursed by MCTS.

1930 **Offset to Internal Service Charges**
This budget includes offsets to charges by internal service fund departments and crosscharging departments so those budgets are not overstated. In 2011, 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 2012 are based upon the 2012 Cost Allocation Plan, which uses 2010 actual costs as its basis.

1945 **Appropriation for Contingencies**
The Recommended Budget includes $1 million, a decrease of $4.4 million from the $5.4 million provided in 2011. The policy that any unanticipated revenue received during the year be first placed in the Appropriation for Contingencies is continued for 2011. However, the County Executive recommends that this policy not apply to land sale revenue. Any land sale revenue received would be split 50-50 with half earmarked for the Debt Service Reserve for debt reduction and the other half allocated to a newly created Milwaukee County Economic Development Corporation (MCEDC) for the purposes of providing financing to the Milwaukee County Revolving Loan Fund. *(See Org. Unit 1192 DAS-Economic Development for more information)* After a maximum of $5 million has been placed into the MCEDC, all land sale revenues would be earmarked for debt reduction.

1950 **Employee Fringe Benefits**
Employee fringe benefit expenditures, including health, pension and other employment benefits, decrease $20,302,119 (9.7%) to $189,471,312, with the decrease attributed to employee pension contributions and a reduction in health expenditures due to a redesign of the health benefit.

Direct revenue increases to $12,360,522 (175%) from $7,072,042 due to significant modifications in the anticipated employee and retiree contributions for health care and employee pensions. For health care, employee health contributions increase 78.4% or $3.6 million.

<u>Pension Related Expenditures</u>
5405-Annuity-County Mandatory Contribution is reduced $5,900 to $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 is increased $108,000 to $880,000.

5409-Retirement System Contribution account decreases $4,025,950, from $64,738,388 to $60,712,438. The pension contribution includes a normal cost contribution of $17,171,519, an unfunded actuarial accrued liability payment of $10,236,000, and debt service costs on the pension obligation notes issued in 2009 of $33,304,919. The 2011 Adopted Budget included language on the pension stabilization fund that "following the close of each fiscal year, a contribution to the stabilization fund shall be made in an amount equal to the difference between the amount budgeted for the County's pension contribution and the actuarially required contribution provided the budgeted amount is greater and provided the County does not end the year with an overall budget deficit."

The stabilization fund and debt service payments are related to the $400 million pension obligation notes that were issued in 2009 to help reduce the unfunded liability of the pension fund and hopefully reduce the County's future pension contributions. The stabilization fund contribution is managed separately from the pension fund and will ultimately be used to fund pension costs. In the meantime, it serves to protect the County from any unexpected losses related to the pension obligation note issuance. As of January 1, 2011, the pension fund is 92.2 percent funded.

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. Based on the 4.7 percent required contribution as determined by the actuary, employees are expected to contribute $9,053,000 in 2012 towards the pension payment.

<u>Health Care Related Expenditures</u>

Please see Section 1 of this Overview for a more complete discussion of this non-departmental account.

New Plan Design

For the third consecutive year, the Recommended Budget includes a new health benefit plan design. The 2012 plan design discontinues the HMO, increases active employee premium contributions, increases co-insurance, increases a number of co-pays and boosts out-of-pocket maximums. Year-over-year, the new plan design reduces health expenditures by $18 million, offset by a decrease in reimbursement for revenue positions, yielding $14.9 million in property tax levy savings. The expenditure totals reflect the State takeover of economic support positions and the implementation of domestic partner benefits.

Medicare Coordination of Benefits

A change to Medicare coordination of benefits aligns benefits for Medicare-eligible retirees with other retirees and active employees. Under the change, prior to payment by the County health plan, co-insurance will be charged for Medicare eligible patients on the portion of health services not covered by Medicare. This coordination of benefits change is valued by the health care actuary at $5.7 million.

Wellness and Disease Management

An allocation of $700,000 is included to fund a disease management initiative that focuses on adherence to recommendations rather than employee participation. This initiative is assigned to the Employee Benefit Workgroup with a direction to implement the program in late 2012.

Medicare Part B Reimbursement

Medicare Part B reimbursement expenses increase by $351,281 to $6,334,581. Actions in 2011 to eliminate eligibility for this benefit will take effect in most instances for those employees who retire after December 31, 2011. Retirees who currently receive this benefit will not be affected.

Other Employee Benefits Expenditures
Milwaukee County offers group life insurance for eligible employees on a shared-premium basis. For 2012, group life insurance costs increase $533,280 (20%) to $3,199,680. Additionally, $300,000 is included for a new assessment of Milwaukee County's Other Post-Employment Benefits (OPEB) liability, and $300,000 for outside consultants, actuaries and other professional services to support the Employee Benefits Work Group.

1961 **Litigation Reserve Account**
The Litigation Reserve Account is increased $1,375,000, from $275,000 to $1,650,000. The increase is not directly related to litigation, but rather is a set aside to cover reimbursement of tax payments as ordered in a July 2011 Supreme Court ruling.

1966 **Federated Library System**
Due to fiscal constraints, the County's 2012 tax levy contribution decreases 15% from $66,650 to $56,652. The statute that prohibited a reduction in this account was repealed in the 2011 Wisconsin Act 32.

1974 **Milwaukee County Fund for the Arts**
Due to fiscal constraints, the funding for CAMPAC is suspended in the 2012 Budget.

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.

1987 **Debt Issue Expense**
This non-departmental account is to pay bond counsel, financial advisor fees and other costs associated with issuing debt. An appropriation of $11,500 is provided, the same as 2011. DAS-Fiscal Affairs will charge this account for staff associated with the preparation and issuance of the general obligation and airport revenue bond issues that are not eligible to be financed with bond proceeds.

1989 **Investment Advisory Services**
This non-departmental account is established to provide funds for investment advisory contracts related to Earnings on Investments (Org. Unit 1992). For 2012, an appropriation of $245,000 is included, the same as 2011.

Departmental:

1000 **County Board**
Tax levy decreases $251,467 over 2011 due to wage and benefit modifications. One position each of County Supervisor and Legislative Assistant are unfunded part of the year, reflecting changes from redistricting. Also, one position each of Research Analyst and Administrative Assistant are unfunded for part of the year. Continued

from 2011, one position of Grants Writer is unfunded for half the year, and one position of Committee Clerk is unfunded the whole year. These are all currently vacant positions.

Funding of $16,431 is included to support the Legistar legislative tracking and workflow system. The $42,500 allocation for consultant and cross-charged services for redistricting are not repeated in 2012. Due to budget constraints, the $42,000 appropriation for membership in the Wisconsin Counties Association is discontinued. This savings is partly offset by a $7,000 appropriation for other memberships/subscriptions.

1001 **Department of Audit**

Tax levy decreases $24,457 over 2011 due primarily to benefit modifications. An appropriation of $75,000 in the 2011 Budget for a comparative study of employee compensation is not repeated in 2012. County-wide audit costs increase $17,000, to $433,000. Professional services expenses are increased $36,983, to $99,073 for consulting services needed due to recent and pending retirements.

1040 **Office of Community Business Development Partners (CBDP)**

Tax levy decreases $103,813 over 2011 due primarily to benefit modifications and elimination of $125,000 in funding for the Men of Color Task Force. Cross-charge revenue of $45,000 is continued for services to the Airport and Transit System.

1011 **County Executive – General Office**

One unfunded position of Administrative Secretary – Executive Assistant to the County Executive is funded for 1,040 hours (half-time) at a total cost of $54,510. This increases funded full-time equivalent positions to 9.5, or an increase of 5.6 percent.

1021 **County Executive – Veterans Service Office**

No Change.

1110 **Civil Service Commission**

Expenses for administering the Civil Service Commission are transferred to Human Resources. (*Please see Section 1 of this Overview for a more complete discussion related to the proposed reorganization of Human Resources functions.)*

1120 **Personnel Review Board**

The administration of the Personnel Review Board is transferred to Human Resources. The 2012 Recommended Budget for this Org. Unit reflects only PRB member salaries. Priorities for 2012 include workflow and efficiency improvements in anticipation of an increase in PRB cases. *Please see Section 1 of this Overview for a more complete discussion related to the proposed reorganization of Human Resources functions.*

1130 **Corporation Counsel**

Tax levy support is reduced $27,105, to $1,553,431 with wages 99.1% funded. One position each of Deputy Corporation Counsel and Legal Secretary are unfunded, and one Executive Assistant is funded to increase administrative capacity. Crosscharges for legal services to other departments decrease 12.9% based on 2010 actuals.

1135 **Labor Relations**

The Department of Labor Relations is absorbed into the Department of Human Resources. (*Please see Section 1 of this Overview for a more complete discussion related to the proposed reorganization of Human Resources functions.)*

1140 **Department of Human Resources**

Labor Relations, Employee Benefits, Employee Retirement System, and administrative staff for the Personnel Review Board and Ethics Board are absorbed within the newly created Department of Human Resources. HR staff that had been deployed and controlled within various County departments are re-centralized under HR auspices. (*Please see Section 1 of this Overview for a more complete discussion related to the proposed reorganization of Human Resources functions.)*

Expenditures and revenues in the new Department (inclusive of all absorbed Divisions) decrease by 1.5% and 40.4% respectively. The drop in revenue is attributed to reduced reimbursement from the Employee Retirement System *(see below)*. Property tax levy support is increased $671,895 (18.6%) and gross wages are funded at 99%.

The Recommended Budget fully staffs the compensation, employment and staffing units, and restores training for supervisors and managers.

One Deputy Director HR is created, as well as two HR Analyst 3 positions, one HR Compensation Manager and one Management Assistant HR. Elsewhere in the consolidated department, the Directors of Employee Benefits and Labor Relations are abolished and replaced with Manager-level positions, two additional positions in Employee Benefits are abolished, including the Health Care Benefits Coordinator, and four positions in Employee Retirement System (ERS) are abolished, including the Retirement System Coordinator. Overall, personnel changes across all consolidated divisions reduce levy support for the combined department by $215,086.

Tax levy funding is allocated to partially cover ERS administration costs, a departure from the prior practice of borrowing from ERS to cover costs at 8% interest. $250,000 in property tax levy is allocated to begin the transition to full levy support.

Professional services contracting is reduced in the HR division, but increased in the ERS/Health Benefits section to cover temporary staff and programming changes in the Vitech pension system for a net decrease of $16,000.

1019 **Department of Administrative Services - Office for Persons with Disabilities**

Expenditures decrease by $37,760, to $845,604 and revenues decrease by $30,466, to $142,034 for a net tax levy decrease of $7,294, to $703,570. Wil-O-Way rental revenue is anticipated to decrease due to Goodwill's plan to terminate its Wil-O-Way Grant lease in the spring (Goodwill ended their long-term lease at the Wil-O-Way Underwood facility last year). The Office for Persons with Disabilities (DAS-OPD) will continue to contemplate best uses of available recreation and respite resources. DAS-OPD also plans to assist individuals with disabilities to obtain necessary voter identification and register to vote.

1150 **Department of Administrative Services – Risk Management**
DAS-Risk Management is an internal service fund that charges its expenses to other County departments. An additional $500,000 from the Risk Management reserve is included for additional appropriations for worker's compensation claims. Later in 2012, the Controller will reconcile the expenditures and return all or a portion of the contribution back to the Reserve. This is consistent with the 2011 practice.

1151 **Department of Administrative Services – Administration and Fiscal Affairs**
Unfunding of four vacant positions (Fiscal and Management Analyst, Accounting Manager, Fiscal Assistant 2 and Accounting Manager-Aging) saves $214,938. Transferring in one half-time position of Clerical Assistant 2 from DAS-Procurement increases salary costs $18,742. One new position of Senior Policy Advisor is created at a salary cost of $98,000. Revenues increase $35,000 based on garnishment fee collection that was transferred to DAS-Fiscal Affairs from the County Clerk in 2011.

1152 **Department of Administrative Services - Procurement Division**
An expansion of DAS-Procurement is proposed to include three areas: commodities, services and contracts. The current staff would be assigned to the commodities area, with the creation of a new Procurement Director to oversee the redesigned division. A contracts administrator is funded for a half-year and would oversee a central location for the review and recordkeeping of all County contracts and leases. It is envisioned that contract staff located in departments would be transferred into this new division in 2013. Similarly, a services division is established for the review and recordkeeping of service contracts. Staff would be added to this area in 2013. (*Please see Section 1 of this Overview for a more complete discussion of this division.)*

An appropriation of $100,000 is included for a Procurement Study to work with a consultant on best management practices in Procurement. No vendor has been identified.

1160 **DAS – Information Management Services Division**
Revenues are reduced 4.6% to $15,967,457 and expenditures are reduced by the same amount. All expenditures in IMSD, net of revenues, are spread countywide. No direct property tax levy support is included in the IMSD budget.

Four positions are unfunded for a salary and fringe savings of $402,140, offset by a $70,000 increase in contracted positions and the creation of one position, to be partially crosscharged to support Child Support Services.

Revenue totaling $596,395 is included to reflect IMSD providing IT support to the State Departments of Children and Families and Health Services for economic support programs.

The PC Replacement program is suspended, reducing contracting and hardware expenses by $105,000. Changes to the configurations of certain technical solutions reduce expenditures by $123,558.

Expenditures for maintenance and software licensing increase $319,520 to $5,610,371.

1188 **DAS – Division of Employee Benefits**

This division was created in the 2007 Adopted Budget to manage healthcare and retirement benefits oversight. For 2012, this division is absorbed within the Department of Human Resources. (*Please see Section 1 of this Overview for a more complete discussion related to the proposed reorganization of Human Resources functions.)*

1192 **DAS – Economic Development**

A new Division of DAS-Economic Development is created and the Real Estate Services, Economic Development Section, and Milwaukee County Automated Mapping & Land Information System are transferred as sections into the new division.

The Economic Development section will function as the central point of communication for job development, retention and expansion progress and strategy among civic, regional economic development and non-profit community organizations.

The Real Estate Services Section administers the leasing, acquisition and sale of a wide variety of buildings and vacant property owned by Milwaukee County.

The Milwaukee County Automated Mapping and Land Information System (MCAMLIS) Section functions as the County's Land Information Office.

Position Changes

One FTE Geographic Information System Specialist position is created to provide for increased duties and responsibilities relating to on-going and future GIS projects, resulting in a personnel expenditure increase of $78,170. All costs for this position are funded by document recording fee revenues, resulting in no tax levy impact.

An existing GIS Supervisor is transferred into the MCAMLIS section. The Real Estate Manager and two additional positions are transferred to the Real Estate Section. The Economic Development Director will manage this division along with an Economic Development Specialist. Marketing will remain budgeted and physically located in their current locations for 2012.

The Economic Development Division will receive revenue of $400,000 from land sales to cover their operating expenditures. They also will receive revenue from parking lots and cell towers.

The County's M7 membership payment ($33,145) and VISIT Milwaukee membership payment ($25,000) are budgeted in the DAS-ED budget. Both payments are unchanged from the 2011 Adopted Budget for tax levy impact.

2000 **Combined Court Related Operations**

Expenditures decrease 2.0% to $38,563,483 and revenues decrease 5.8%, netting a property tax levy of $29,323,896, a decrease in levy support of less than 1%.

Revenue from the Circuit Court Support Grant Program is reduced $464,336, including a decrease of $366,336 (10.7%) for Court Support and a decrease of $98,000

(10.6%) for Guardian ad Litem (GAL) services. The grant reduction is offset by a corresponding increase in property tax levy. The Court Support grant stand at $3,058,202 and the GAL reimbursement is $830,623.

The Judicial Review Coordinator position is transferred to Org. Unit 2900 – Courts – Pre-Trial Services. One vacant Clerical Support position is unfunded.

Savings from the success of videoconferencing has reduced the need to rely on grant funding for this initiative, instead permitting a levy reinvestment to support videoconferencing.

Juror fees increase 13% to $645,000 based on trend. Decreased interest income results in a levy increase of $100,000.

Fees for Adversary Counsel decrease $200,000 to $1,552,000 due to an expected decrease in appointments for the indigent in need of attorney services.

Professional service contracts totaling $1,983,529 are included for approval in the Adopted Budget for Guardian ad Litem services, the Legal Resource Center and copy service.

2900 **Courts - Pre-Trial Services**

In the 2011 Adopted Budget, Pre-Trial Services was separated into its own Org. Unit 2900. For 2012, the Judicial Review Coordinator position is transferred into this unit from Org. Unit 2000 – Courts.

Funding of $250,000 was included in the 2011 Adopted Budget to pilot Universal Screening of arrestees. This funding is increased to $1,024,432 in 2012 to reflect the implementation of expanded screening. The costs are included in Org. Unit 2900, but are fully offset by a corresponding reduction in screening staff in the Office of the Sheriff, resulting in a countywide levy savings of $152,123. Updates on Universal Screening will be required to be presented to the Judiciary Committee during the year. The Recommended Budget includes approval of a contract with Justice 2000 to provide Universal Screening services.

Additional contracts are included for approval for the TAD Grant program, the Day Reporting Center, programs associated with Operating While Intoxicated services, and Drug Treatment Court, pre-trial GPS supervision and drug testing. Expenditures for these programs total $3,710,534, including $3,057,072 in property tax levy support with the balance funded through a variety of grants. Adoption of the 2012 Budget serves as approval for these contracts.

2430 **Child Support Services**

The Department is renamed Child Support Services.

Expenditures are reduced 5.6% to $18,925,987 and revenues decrease by a similar amount (a 6.0% reduction) to $17,610,118. Gross wages are funded at 98%.

The primary driver for expenditure and revenue reductions is a 38.4% ($946,941) cut in State funding, which in turn produces a reduction in Federal matching revenue of $497,024. The total reduction due to the cut in State GPR funding is $1,433,965.

To offset the State cut, positions that were funded in the 2011 Adopted Budget for Veterans Initiative for Paternity and Support (VIPS) and the Administrative Paternity Establishment Project are unfunded, and overtime is reduced, resulting in a tax levy savings of $437,024. Additionally, health care revenues through Medical Support Liability collections are projected to increase $125,000 to $575,000, further offsetting State cuts. Grant revenue of $215,000 is also anticipated from three grants.

Successes in the "paperless office" initiative from 2011 permit personnel changes that produce $119,558 in tax levy savings.

Fees are increased for Non-Federally Funded (NIVD) cases, although the fees are designed to encourage NIVD clients to apply instead for reimbursable child support services at no charge.

Crosscharges from the District Attorney, Courts, Sheriff and IMSD total $4.4 million. These charges are reimbursed at the Federal 66% rate with the balance charged back to those departments.

3010 **Election Commission**

Expenditures increase $374,588 and property tax levy increases $334,588 due to four elections scheduled for 2012 rather than two. Expenditures for ballot supplies and other services associated with additional elections increase $395,897.

3090 **County Treasurer**

A staff restructuring abolishes one vacant position of Fiscal Assistant II and creates one position of Accountant IV to provide capacity for banking and accounting functions. The goal is to allow existing staff to focus on delinquent tax collections and related revenues. Delinquent tax revenues increase $216,827, to $3.2 million based on the staff restructuring plan. Service expenditures (advertising, printing, stationary and postage) decrease $59,160 based on experience. Unpaid personal property taxes decrease $45,000, from $450,000, to $405,000. These expenditures occur when municipalities charge Milwaukee County back for the County portion of successful tax appeals. The number of parcels submitted to the Treasurer with unpaid property taxes is expected to remain at 6,000.

3270 **County Clerk**

The County Clerk continues initiatives to bring modernizations and other improvements to the Office to improve public access and service, including the County Legislative Information Center and other internet-based resources. *(See Section 4 – Capital Project WO205 for a description of this initiative.)*

Marriage licenses and domestic partnership declarations are projected to decline based on experience, requiring an increase in tax levy of $21,850. Fees for public services are unchanged.

3400 **Register of Deeds**

Revenues in the Register of Deeds decrease $408,746 (8.8%) to $4,669,111 while expenditures decrease by $370,974, resulting in a net tax levy increase of $37,772.

Collections from recording fees, transfer and land records modification decrease $325,000 due to a decline in real estate transactions. The monthly access fee for online real estate documents increases from $500 to $600.

4000 **Office of the Sheriff**

Please see Section 1 of this Overview for a more complete discussion of this department.

Total tax levy decreases $14,403,225 (10.9%), to $118,069,779, based on a 9.7% reduction in expenditures and a 1.8% reduction in revenues. The reduction is principally attributable to a major reconfiguration of personnel deployment and the outsourcing of inmate medical services.

As noted in more detail below, the 2012 Recommended Budget proposes the following aggregate position actions:

Abolish 99 Deputy Sheriff positions
Abolish 25 Deputy Sheriff Sergeant positions
Abolish 2 Deputy Sheriff Captain positions
Unfund 3 Deputy Sheriff Lieutenant positions
Unfund 5 positions in Dispatch
Unfund 30 (29.5 FTE) support-related positions
Unfund 7 skilled trades positions
Unfund 132 positions (119.1 FTE) in the inmate medical unit
Create 36 Bailiff Hourly positions
Fund 18 CO Lt. positions (offset with an increase in V&T, netting 6 positions)
Create 9 (8.5 FTE) Investigator Hourly positions

The scheduled replacement of Deputy Sheriff personnel with Correctional Officers in the Detention Bureau, initiated in the 2005 Adopted Budget, is accelerated, resulting in a tax levy reduction of $3,383,419. Fifty-seven Deputy Sheriff positions of varying classifications are abolished, offset by a reduction in vacancy and turnover. Five CO Managers are created and funding is included for a net of six new CO Lt. positions.

Medical Unit Outsourcing

The Sheriff's Office anticipates executing a contract with a private contractor for the provision of inmate medical and mental health services, contingent upon review by the County Board and County Executive, and further contingent on compliance with the Christensen Consent Decree. Tax levy savings of $640,919 are identified in conjunction with the proposed outsourcing. In the event the contract is not executed, the Sheriff is to submit a corrective action plan to provide these services with the existing tax levy allocation.

Civil Process Outsourcing
A portion of the process serving function is contracted with a private vendor at a projected cost of $315,000. The contract cost is offset by unfunding two Deputy Sheriff positions and a vacancy and turnover increase equal to three additional Deputy Sheriff positions for a net levy reduction of $134,158.

Administrative Staff
A total of 30 support positions (29.5 FTE) and two Deputy Sheriff Lieutenant positions are unfunded due to unspecified efficiencies achieved through Office reorganizations. The position reductions, offset with a reduction in vacancy and turnover of $1,014,079 and the funding of two unfunded support positions, reduces property tax levy by $681,337.

Inmate Services
In 2011, the Sheriff's Office implemented the Discipline Order Training Structure inmate program at the Correctional Facility – South. Citing a lack of supporting evidence of effectiveness, this unit is abolished. Seven CO positions and three assorted Deputy Sheriff positions are abolished, for a property tax levy reduction of $814,192.

As noted in the Major Changes section of this Overview for Org. Unit 2900 – Pre-Trial Services, Universal Screening is expanded under a contract with Justice 2000 to screen all arrestees at intake. Funding in Org. Unit 2900 is offset with a reduction in screening personnel in the Sheriff's Office budget, abolishing 11 Deputy Sheriff positions and unfunding six Correctional Officers, resulting in a tax levy reduction in the Sheriff's Office budget of $1,176,555.

Police Services
Citing a lack of activity and redundancy at the municipal level, the General Investigative Services Unit is reduced and the Drug Enforcement Unit is eliminated. Twelve Deputy Sheriff positions (including one Sergeant) are abolished, offset with an increase of 8.5 FTE Investigator Hourly positions to conduct employee background checks. Property tax levy savings of $686,326 is recognized through this proposal.

The Tactical Enforcement Unit is reconfigured through the creation of 23 FTE Hourly Tactical Enforcement/Park Patrol positions and the abolishment of 27 Deputy Sheriff positions (including 2 Sergeants). The hourly positions are expected to provide comparable hours of service, while reducing property tax levy more than $1.4 million.

Airport security staffing is reduced through the abolishment of five previously unfunded Deputy Sheriff positions. There is no tax levy effect.

Communications
The responsibility for answering cellular 911 calls that originate within the City of Milwaukee was transferred to the Milwaukee Police Department in 2011, producing a projected 48% cut in call volume at the Sheriff's Communication Center. As a result, five dispatch positions within the Communication Center are unfunded. That change, coupled with a reduction in maintenance charges for communications systems, with an

offset for increased County crosscharges, nets a tax levy savings of $478,478 in the Communications Unit.

Bailiff and Court Services
The Sheriff's Office and Courts reached an agreement in 2010 to eliminate the crosscharges for bailiff services. Expenditures for 79 bailiff posts were transferred to the Sheriff's Office budget to reflect the agreement. For 2012, 12 FTE Deputy Sheriff positions associated with shift relief for Bailiff staffing are abolished and replaced with 12.5 FTE Bailiff – Hourly. Additionally, Correctional Officers replace Deputy Sheriffs in the court room 'bullpens', resulting in two Deputy Sheriffs being abolished and three COs being funded. This staffing realignment reduces property tax levy $563,448.

Emergency Management
Funding for staffing for the Emergency Management Bureau is reduced by roughly half based on duplication of services with the State and municipalities. Three positions, including two Coordinators, are unfunded, offset by a loss of grant funding of $89,239 for a net levy reduction of $136,105.

Expressway Patrol
A cut in State funding for expressway patrol of $200,286 is offset by a corresponding decrease in overtime and social security to prevent the State funding cut from being passed to County taxpayers. Staffing in the Unit is unchanged.

Community Relations
Community Relations – including mounted patrol, dignitary protection, neighborhood watch and public demonstrations – are determined to be outside core services and are eliminated for a property tax levy savings of $449,535.

Inmate Fees and Prisoner Board
As allowed under State law, a one-time processing fee of $24 will be charged to post-sentence inmates and to Huber inmates before transfer to Huber programming. Any unpaid balances will be referred to the tax-intercept program. Revenue of $500,000 is included for this initiative. Revenue from electronic monitoring fees increases based on the 2011 implementation of equipment rental and set-up fees, offset by a reduction in the number of employed inmates paying the daily fee. Additionally, revenue from employed Huber inmates decreases $840,960 due to a decreased projection in the number of employed participants from 156 to 60, based on experience. The $6 daily room and board fee implemented in 2010 is eliminated due to the impracticalities of implementation.

Declining Inmate Population
Specific budget changes related to the declining inmate population include decreases in revenue derived from inmate commissary and telephone commissions totaling $367,852.

The size of the Canine Unit at the South Facility is considered excessive based on inmate population. One of the two canine units is eliminated by unfunding five CO DOT positions, reducing property tax levy $339,450.

Non-Levy Initiatives

The Sheriff will be required to submit an Annual Report for 2011 by June 2012. Additionally, the Department of Audit is requested to assess the delivery and efficiency of mandated services provided by the Sheriff's Office. Subsequent to the audit, a workgroup will convene to determine which Sheriff services "might be better provided by or in partnership with other organizations." Another workgroup is established to assess County Grounds patrol charges.

4500 **District Attorney**

Expenditures are reduced $745,111 (3.9%) to $18,359,469, revenues decrease $329,311 (4.6%), and total property tax levy support decreases $415,800 (3.5%) to $11,518,236.

Two positions are created to provide quality control for electronic case management in the Juvenile Division, offset by the abolishment of two vacant positions and the unfunding of three positions, producing a property tax levy reduction of $123,791.

Staffing is unchanged for the following functions funded through state grants: Victim/Witness program, Victims of Crime Act unit, Special Prosecution Courts' Clerks unit, CHIPS unit, Violence Against Women Act unit.

Programs funded through federal grants are mostly unchanged, with the following exceptions: the Byrne Justice Assistance Grant for prosecution of drug crimes was not passed through in the State biennial budget, reducing revenue $158,250, and a surplus in the Federal VAWA Domestic Violence grant will be used to maintain staffing supported through a discontinued 2009 federal earmark.

4900 **Medical Examiner**

Revenues increase and tax levy support decreases for the fifth consecutive year. Revenues increase 16.8% and tax levy support decreases 10.4%. Expenditures decrease slightly to $4,619,161. Revenue from services for Kenosha and Racine Counties increases $165,500. Staffing is unchanged.

In 2011, fees for cremation permits increased $75 to $300 after also being increased $40 in 2010 and $20 in 2009. For 2012, the cremation permit fee increases an additional $25 to $325. Also in 2011, the death certificate fee increased from $75 to $125. For 2012 this fee increases to $150.

The Medical Examiner's Office is included in a capital project designed to improve business processes to enhance electronic records maintenance. *See Section 5 – Capital Project WO205 for a description of this initiative.*

5040 **Department of Transportation – Airport**

In 2012, the Airport Division is organizationally under the newly created Department of Transportation.

Several positions are created, including an Air Service Development Analyst, Assistant Director-Emergency Management (offset by abolishment of a Ground Transportation Parking Manager position), a Geographic Information System Supervisor (partly offset by vacancy and turnover), an Electrical Mechanical Supervisor, and 13 Airport Maintenance Workers (partly offset by abolishing 8.4 FTEs of Temporary Maintenance Workers).

Both expenditures and revenues increase $3,439,602 from $81,698,002 to $85,137,604.

In 2012, parking revenues are budgeted to increase $1,135,318 based on experience, and car rental concession revenues are budgeted to increase $1,744,000 from $8,056,000 to $9,800,000 based on trends.

In 2012, expenditures on the former 440th Air Force base (now re-branded as Milwaukee County's MKE Regional Business Park) increase from $507,014 to $1,490,203 and are partially offset with $147,700 in rental revenue for a net increase of $359,314.

5070 **Department of Transportation – Transportation Services**

Beginning in 2012, the Department of Transportation and Public Works - Transportation Services division is transferred as a section under the newly created Department of Transportation – Highway

5080 **Department of Administrative Services – Architectural, Engineering & Environmental Services**

Starting in 2012, the Department of Transportation and Public Works – Architecture, Engineering & Environmental Services division (AE&ES) is transferred as a section under the newly created Department of Administrative Services (DAS) – Facilities Management division. (*Please see Section 1 of this Overview for a more complete discussion of this department.)*

5100 **Department of Transportation – Highway**

In 2012, Transportation Services and Highway Maintenance are consolidated as two new sections of the Highway division.

Expenditures increase $867,806 from $18,637,572 to $19,505,378 and revenues increase $957,067 from $17,663,517 to $18,620,584, resulting in a net tax levy savings of $89,261.

The State 2011-13 Biennial Budget reduces General Transportation Aid (GTA) to Milwaukee County by $233,076, a 10 percent reduction from 2011.

Reflecting the 2012 GTA reduction, as well as increased fuel cost, service expenditures on County trunk highways are reduced $262,448 or 10 percent.

Continuing the 2011 initiative of shared positions between County parks and transportation functions, an additional 5.4 FTEs of Parks-Highway Maintenance Worker are created at a net cost of $9,920.

In 2012, vacancy and turnover savings are budgeted at $144,168 in County trunk highway services.

Transportation Services is created as a new section under a re-established Highway division, shifting it from an internal services fund to a general fund for a cost savings of $106,501.

5300 **Department of Transportation – Fleet Management**
Expenditures increase $448,153 from $8,400,119 to $8,848,271 and revenues increase $692,299 from $10,150,265 to $10,842,564.

In 2012, debt service on County-owned vehicles increases by $741,501 from $2,458,499 to $3,200,000 based on active debt repayment for new vehicles and equipment purchases.

5500 **Department of Administrative Services – Water Utility**
In 2012, the Department of Transportation and Public Works – Water Utility is transferred under a newly created Department of Administrative Services –Facilities Management Division-Water Utility.

In 2012, both expenditures and revenues increase $1,255,736 from $2,937,594 to $4,193,330. There is no tax levy since all expenditures are charged to users.

Fire protection charges budgeted at $1,125,976 are transferred out of the Facilities section and into the Water Utility division to reflect the costs of this charge to tenants located on the Milwaukee County Grounds.

5600 **Milwaukee County Transit/Paratransit System**
Expenditures decrease $3,926,691 from $172,994,616 to $169,067,925 and revenues decrease $5,081,173 from $155,426,853 to $150,345,680. Tax levy increases $1,154,482.

The State 2011-2013 biennial budget reduces transit funding for Milwaukee County by 10 percent, or $6,858,300 in 2012. This reduction is partially offset with $1,449,200 for the maintenance of Paratransit service revenue for a net reduction of $5,409,100.

Fuel costs are budgeted to increase to $3.25 per gallon compared to $2.39 per gallon in 2011, for an increase of $3,413,103.

<u>Congestion Mitigation & Air Quality Funding (CMAQ)</u>
In 2012, $7,715,635 in CMAQ funding is budgeted. (Express Rte. 23 $2.9 million, Express Rte. 15 $3.4 million, Express Rte. 62 $1.4 million).

MCTS staff has estimated that Milwaukee County will receive the following CMAQ revenues over a three-year span:

CMAQ Grant	2012	2013	2014(b)	Total
CMAQ - Express Route 23 (a)	$2,893,363	$3,215,923	$265,306	$6,374,592
CMAQ - Express Route 15 (c)	3,444,480	3,828,480	315,840	7,588,800
CMAQ - Express Route 62 (c)	1,377,792	1,531,392	126,336	3,035,520
Totals	**$7,715,635**	**$8,575,795**	**$707,482**	**$16,998,912**

The anticipated 2012 funds would offset the loss of the $6.8 million in State revenues. A series of service reductions/eliminations are identified if the CMAQ revenues are not received. A decision on the funds is anticipated in mid-October of this year. (*See Section 1, General Overview for more detailed information on CMAQ funding.)*

Based on an initiative of Chairman Holloway, the Transit budget includes $965,000 in savings from having Milwaukee Transport Services (MTS) utilize Milwaukee County's 3rd party healthcare administrator for administration of health benefits to MTS employees. This initiative has no impact on benefits that are provided to MTS employees, only on reducing the cost of administering those benefits.

Transit Operations

Operating expenditures for Transit are budgeted at $134,851,493, a decrease of $774,239. Passenger revenue is budgeted at $41,282,000.

In 2012, there are no fare increases for fixed route service.

Paratransit Operations

Operating expenditures for Paratransit are budgeted at $26,434,449. Paratransit revenue is budgeted at $11,407,934, a decrease of $4,956,325 from 2011, based on fewer trips budgeted for in 2012.

In 2012, the Paratransit fare increases $1.25, from $3.25 to $4.50, the maximum allowed by federal law, to maintain County-wide service.

5700 **Department of Administrative Services – Facilities Management**

In 2012, the Department of Transportation and Public Works – Facilities Management division is transformed into a new created Department of Administrative Services – Facilities Management Division.

Facilities Management

Expenditures decrease $1,114,861 from $21,347,450 to $20,232,589. Revenues decrease $601,576 from $23,557,277 to $22,955,701.

The Chief of Operations position in the Department of Transportation and Public Works, and the Assistant Director of Facilities Management-Operations are re-titled as Facilities Management Director and Facilities Maintenance Manager, respectively, and transferred to this division.

A Director of Sustainability position is created at a cost of $120,822.

Security contracting expenditures decrease $100,489, reflecting anticipated usage of contracted security staff. The budget anticipates a return to contracted security services at the Courthouse Complex and other County facilities in 2012.

Parking revenues increase $83,000, based largely on a monthly parking rate increase of $5 per space per month for County managed lots.

Fire protection charges budgeted at $1,125,976 are transferred out of the Facilities section and into the Water Utility division to reflect the costs of this charge to tenants located on the Milwaukee County Grounds.

<u>Architectural, Engineering & Environmental Services</u>
Expenditures decrease $388,310 from $4,947,755 to $4,559,445. Revenues decrease $123,333 from $4,872,939 to $4,724,933.

One position each of Engineer and Assistant Airport Engineer are created to back-up the Airport Engineer and service capital and maintenance projects, respectively.

In 2012, AE&ES changes from an internal services fund to a general fund, which results in a costs savings of $576,004.

5800 **Department of Transportation – Director's Office**
In 2012, the DTPW Director's Office division is re-established under a newly created Department of Transportation.

Expenditures decrease $195,082 from $315,904 to $120,822. Revenues remain the same as 2011 at $250,000.

The Director's Office sections of Real Estate Services and Economic Development are transferred into a newly created Department of Administrative Services (DAS)-Division of Economic Development.

6300 **Department of Health and Human Services – Behavioral Health Division**
Expenditures decrease by $3,234,561, from $188,541,569 to $185,307,008 and revenues decrease by $2,646,484, from $129,236,364 to $126,589,880. Tax levy decreases by $588,077 from $59,305,205 to $58,717,128.

Overall, the Behavioral Health Division (BHD) budget largely maintains existing service levels, while moving forward with funding and position changes to implement initiatives that have been discussed by various committees and the County Board throughout 2011. The specific changes are as follows.

<u>Major Funding Changes</u>

- Mental Health Redesign and Community Resource Investment
  The budget narrative opens with a description of a multifaceted $3 million-plus series of initiatives. (*Details surrounding this budget initiative are included in Section 1 of the Overview.)*

- Child and Adolescent Treatment Unit

  While there are no fiscal implications included for 2012, the budget narrative does mention a policy shift whereby BHD staff will review fiscal and programmatic impacts surrounding the possible closure of the Child and Adolescent inpatient unit in 2013. Currently, BHD runs five 24-bed acute inpatient units, one of which is a child and adolescent unit.

- EMS Subsidy Elimination
  The 2012 Recommended Budget removes the $3 million for Emergency Medical Services (EMS) divided among participating municipalities. (*Please see Section 1 of this Overview for a more complete discussion.)*

<u>Continuing Initiatives</u>

- Patient Care Unit Changes
  In the 2011 Budget, the County Board approved an amendment directing DHHS to develop a plan to downsize the 72-bed Rehabilitation Center-Hilltop Title XIX certified facility for Persons with Developmental Disabilities. Work toward this goal continues in 2012; the budget calls for any savings associated with the closure of long-term-care units to be reprogrammed for community initiatives. Further, the Acute Inpatient Units will be reconfigured to implement the recommendations of the Mixed Gender Unit Workgroup. As a result, BHD will have two 24-bed mixed gender general acute units, one 12-bed Intensive Treatment Unit (ITU), and a Women's Treatment Unit (WTU). The Mixed Gender Unit Workgroup was developed following discussions at the Committee on Health and Human Needs, and a request that DHHS explore best practices/options available for having separate gender units.

- Joint Commission
  BHD continues to work toward Joint Commission (JC) certification. BHD was previously certified by the Joint Commission, but let their certification lapse in 2003. As part of this effort, BHD has been contracting with a consultant to assist the Division in preparing to apply for certification; that contract sees a $40,000 increase in 2012. As part of this process, a new Office of Compliance will be created to monitor efforts to achieve and maintain JC certification.

- Electronic Medical Records (EMR)
  The implementation of an EMR system continues in 2011. This endeavor was a 2011 Capital Budget initiative, and most of the implementation costs are expected to be incurred in 2011. The County Board approved Netsmart as the EMR vendor for BHD on September 29, 2011.

- Training/Support
  As part of the *Mental Health Redesign and Community Resource Investment,* 2011 budget initiatives such as Trauma Informed Care training and community-based fee-for-service psychotherapy services continue. The 2011 budget also included $500,000 for crisis respite beds and $50,000 in additional support for the south-side Crisis Resource Center, which are continued in the 2012 budget.

- Major Maintenance and Environment of Care
  The budget for major maintenance is reduced by $350,000 in 2012 due to the significant repairs performed on the BHD facility in 2010 and 2011.

Funding Cuts and Revenue Adjustments

- State Cuts
  The 2012 Recommended Budget includes an "unknown" tax levy effect associated with the $500 million in Medical Assistance (MA) funding cuts being implemented by the State of Wisconsin as part of their 2011-2013 Biennial Budget. On September 30, 2011, the State Department of Health Services released their plan for implementing the MA cuts. BHD staff is currently working to get a better estimate on how this cut may affect the County in 2012. The State budget also reduced funding for mental health community services by $703,223, which is completely offset with a tax levy increase. Alcohol and other drug abuse (AODA) funds were cut by $493,900 in the State budget; this cut will be partially offset by $268,900 in service reductions, resulting in a $225,000 tax levy increase.

- Detox Funding Cut
  As with previous years' budgets, funding for Detox is decreased. The 2012 Recommended Budget calls for a reduction of $300,000 associated with shifting the detox treatment model from an overreliance on more expensive medical beds to social beds, which can be used for patients who are experiencing alcohol-only and/or sedative intoxication. In 2011, the Recommended Budget cut funding for the program by $500,000, of which the County Board restored $300,000.

- Revenue Adjustments
  As with previous years' budgets, revenue is adjusted to reflect actual experience. The 2011 budget included a contract with the Cambridge Advisory Group to provide assistance in maximizing revenues received by BHD and streamline the billing process/procedures. That initiative sought $1.3 million in savings for 2011. Work on this initiative continues, though BHD is anticipating that revenues will not be maximized to the level planned in 2011, and as a result the 2012 Recommended Budget includes a $500,000 tax levy increase associated with this initiative. Similarly, EMS revenue has been over-budgeted in recent years. The 2012 Budget includes a $300,000 tax levy increase as it seeks to align the budget with actual experience.

Personnel Changes

- Redesign and Community Resource Investment
  The budget includes a number of position changes in 2012 as part of the redesign and community investment initiative, including positions overseeing contractually-provided care and quality assurance. Additionally, BHD plans to create a new Office of Compliance to oversee the division's efforts to achieve and maintain Joint Commission (JC) accreditation. A Director of Social Work and Emergency Preparedness Coordinator are created to assist in this effort.

- Targeted Case Management Outsourcing
  As with previous years, in 2012 BHD plans to outsource the remaining in-house Targeted Case Management (TCM) program. BHD plans to shift TCM position incumbents to other areas, as it ramps up staffing related to redesign and community resource development initiatives. (*Please see Section 1 of this Overview for a more complete discussion.)*

- Psychology/Psychiatry Salaries
  In July 2011, the County Board approved salary increases for Psychiatrists and Psychologists, which results in a $468,239 increase for 2012.

- Administrative/Clinical Reorganization
  Several administrative and clinical positions are targeted for change as part of the 2012 budget to better align staffing with the current needs of the division. Some positions targeted for 'abolishment/unfunding' are currently filled and will be abolished/unfunded upon vacancy.

- EMS Position Changes
  The division continues to reorganize EMS training and communication positions to reflect changing needs. As stated above, positions set to be abolished or unfunded that are currently filled are marked to be abolished/unfunded upon vacancy.

7900 **Department on Aging**

Milwaukee County Department on Aging (MCDA) expenditures decrease $391,299 from $18,609,181 to $18,217,883 and revenues decrease $471,664 from $16,797,672 to $16,326,008. Tax levy increases $80,365 to $1,891,875.

MCDA's 2012 budget anticipates savings resulting from the department's December 2010 relocation from the Reuss building downtown to the county-owned Marcia P. Coggs Center. The State also terminated their agreement with MCDA to co-locate Income Maintenance personnel working with MCDA in the department, which has reduced the department's space needs. Together, these changes result in a $225,840 tax levy reduction.

MCDA's budget also contains a number of staffing adjustments, including the abolishment of vacant positions no longer needed by the department. The budget also contains $70,000 in levy support for temporary staffing support that is anticipated to be needed as a result of the volume of staff eligible for retirement in 2012.

Aging Resource Center (ARC)

The major issue for the MCDA ARC continues to be the establishment and management of the Family Care wait list for older adults. An enrollment cap was set for the Family Care program in the 2011-2013 State Biennial Budget. As a result, older individuals who are eligible for Family Care must wait until an available slot opens up, usually through attrition. Prior to this change, Family Care waiting lists for older adults had not been used since 2002.

MCDA's ARC budget includes the following changes:

- Under its resource center contract with the State, MCDA is responsible for short-term client services and their coordination, including "court ordered" corporate guarding services. While MCDA will see an increase in State revenue in this area, $173,000 in tax levy is also needed to offset the increase.
- MCDA's State contract was amended to include the elimination of an independent enrollment counselor requirement for the ARC, which results in a $155,000 tax levy reduction.
- The ARC continues efforts initiated in 2010 and 2011 to accurately report staff time spent on Medicaid and Medicare services, which enables the department to obtain more Federal reimbursement revenue. The 2012 budget anticipates a tax levy reduction of $500,014 associated with this effort.

Area Agency Services

MCDA anticipates changes to the senior meal program funding and operations in 2012. Meal donations are anticipated to decrease $214,838. This line item was first included in the 2011 budget, and the decrease is stated to be due to a one-time increase resulting from receipt of ARRA funds to support the program. Additionally, MCDA was able to generate revenue for the full cost of meals purchased by the Department of Family Care (DFC) for member participants; however, DFC will no longer be purchasing meals from MCDA in 2012, resulting in a net tax levy increase of $242,157.

7990 **Department of Family Care**

Expenditures and revenues decrease by $30,259,499 from $263,564,973 to $233,305,474. There is no tax levy budgeted in this department.

The Department of Family Care (DFC) faces challenges in 2012 associated with the State's decision to implement an enrollment cap in the Family Care program as part of the 2011-2013 State Biennial Budget. As a result, the DFC's budget includes the abolishment of several vacant positions, which will cut costs in DFC by $929,184. Smaller line items, including advertising expenses, education/seminar/conference expenses, and membership dues are also cut.

Prior to the release of the 2012 Recommended Budget, DFC received initial information regarding the capitated rate DFC will receive from the State for client support in 2012. The initial number was a decrease over last year, and though negotiations on the final capitation rate are underway, DFC budgeted for the full $6,368,407 revenue reduction for 2012. Corresponding expenditure reductions would be made for Care Manager Services, Transportation, Day Services, Residential Services, Supportive Home Care, Nursing Home Care and Personal Care.

At the September 29, 2011 County Board meeting, a resolution was passed to authorize the Director of DFC to negotiate an agreement with the State of Wisconsin to expand operation of the Milwaukee County Care Management Organization into

Racine and Kenosha Counties. The budget narrative does not reflect personnel, expenditure, or revenue changes associated with this potential expansion.

8000 **Department of Health and Human Services**
Expenditures decrease $27,749,946 from $132,291,590 to $104,541,644 and revenues decrease $23,564,753 from $103,687,897 to $80,123,144. Tax levy is $24,418,500, a $4,185,193 decrease.

<u>Economic Support Division</u>
Expenditures decrease $23,980,116 from $36,878,896 to $12,889,780 and revenue decreases $23,516,484 from $32,855,736 to $9,339,252. Tax levy is $3,559,528, a $463,632 decrease.

The major change in this budget is the conversion of county Income Maintenance (IM) and Child Care workers to state employees. In 2009, following a lawsuit filed against Milwaukee County and the State of Wisconsin related to provision of IM and Child Care programs (FoodShare, Medical Assistance, Care Take Supplement, Wisconsin Works/Supplemental Security Income burials, and the Child Care Program) the State announced that it was planning to take over management of the County's IM/Child Care programs. At that time, the workers were to remain County employees, even though they were managed by the State, and Milwaukee County was directed to provide at least $2.7 million annually to the State in support of the IM program.

The 2011-2013 State Biennial Budget converts the IM and Child Care program workers to State employees. As a result, the 2012 Recommended Budget abolishes the aforementioned positions (344.5 FTEs). The State budget also discontinued Milwaukee County's requirement to pay $2.7 million annually to support IM; however, that contribution is replaced with a $2.7 million reduction in the county's Basic Community Aids (BCA) allotment. For 2012, the $2.7 million tax levy contribution is still included in ESD's budget.

This change results in a $5,916,238 tax levy increase, since Milwaukee County continues to be responsible for the legacy costs associated with these positions. According to the narrative, although that cost increase is reflected in the ESD budget, it will be redistributed county-wide in accordance with legacy cost distribution practice. The State has leased space and services in the Marcia P. Coggs Center since the initial takeover, and it is anticipated that this relationship will continue in 2012. *(See Management Services Division for more details on the Coggs Center lease.)*

The County will continue to operate the Interim Disability Assistance Program (IDAP) in 2012, with a few changes. A Human Service Worker will be funded to determine individuals' eligibility for the program. Over the past couple of years, Milwaukee County had negotiated a contractual agreement with the State where a State supervised Economic Support Specialist determined individuals' eligibility for the program. In prior years, ESD had a $45,000 contract with an outside agency to help individuals apply for benefits; in 2012, this effort will be undertaken internally by Resource Center staff.

Delinquency and Court Services Division (DCSD)
Expenditures decrease $656,778, from $42,316,606 to $41,659,827 and revenues increase $594,835 from $25,211,142 to $25,805,977. Tax levy decreases $1,251,613 to $15,853,850.

Despite some significant changes in juvenile corrections implemented by the State (including: the closure of two State Correctional Facilities in Southeastern Wisconsin, the extension of time allowed for placement of juveniles in county secure detention facilities, and a $3.5 million reduction in Youth Aids) this year, DCSD's operation are largely status quo.

DCSD appears to be able to absorb the large State Youth Aids cuts and even anticipate a surplus in this area due to reduced reliance on State Corrections. All programs and contracts are maintained at 2011 levels in 2012. There is a tax levy increase associated with overtime budgeted for Detention Center operations to align the budget with experience. Additionally, a handful of positions are abolished for tax levy savings. Based on the narrative, it is unclear whether positions are currently vacant or whether the incumbents will be shifted to other duties, though 'layoffs aren't anticipated.'

In a shift from recent years, funding for the Safe Alternatives for Youth (SAY) budget is moved to DCSD and financed with tax levy. Since 2009, SAY has been funded with Potawatomi Revenue.

Finally, DCSD alludes to several collaborative projects that are currently in the works. Earlier this year, following the release of the State budget which, as mentioned above, resulted in juvenile corrections changes, the County Board passed a resolution directing DCSD to initiate collaborative efforts among Southeastern Wisconsin counties to develop local secure placement options for adjudicated youth in Milwaukee County. A report detailing DCSD's efforts is anticipated for possible consideration in the 2012 budget process.

Disabilities Services Division (DSD)
Expenditures decrease $1,614,990 from $27,764,586 to $26,149,596 and revenues increase $395,292 from $22,914,871 to $23,310,163. Tax levy decreases $2,010,281 to $2,839,433.

As with MCDA's ARC, the Family Care enrollment cap continues to be the biggest challenge for the Disability Resource Center (DRC). When adults 18-64 with disabilities were transitioned to Family Care beginning in 2010, it was assumed that the entire waitlist would be cleared by 2012. However, the waitlist remains at 2,000 and growing.

The DSD budget continues to see shifting expenditures, revenue, and staff associated with the transition from Medicaid waiver programs to Family Care. That, combined with internal crosscharge/abatement changes and an effort to maximize DSD's ability to draw down Medical Assistance match revenue in the resource center, accounts for a total tax levy reduction of over $2 million. DSD is also projecting savings associated with State Center Charges for persons with disabilities since Milwaukee County no longer has the responsibility to pay for these costs due to the implementation of Family Care for this population.

Prior to the implementation of Family Care, DSD utilized a combination of State revenue and tax levy to fund purchase of service contracts for individuals with disabilities. These contract commitments were ramped down in the 2010 and 2011 budgets as clients transitioned from waiver programs and the waitlist to Family Care. In 2012, funding for those contracts is maintained at 2011 contract levels, as a result of the Family Care enrollment cap, which results in more individuals needing services while they wait for a Family Care slot to open up.

This budget also continues DSD's effort to expand the implementation of the Children's Long-Term Support (CLTS) Medicaid Waiver Program. Prior to the implementation of the enrollment cap, DSD was able to transition CLTS participants to Family Care once they became eligible for the program at 18. However, while the cap is in place, individuals will have no other option than to stay on CLTS until 22, at which point they will be transitioned to the waitlist for Family Care.

Finally, the division is working closely with BHD to implement both a Developmental Disabilities-Mental Health Pilot Respite Program and the downsizing of the Hilltop long-term care facility. Both initiatives are detailed in earlier sections. *(See General Overview-Section 1 and Major Changes for 6300-Behavioral Health Division for details.)*

<u>Housing Division</u>
Expenditures decrease $1,710,349 from $23,389,788 to $21,679,439 and revenues decrease $1,004,521 from $20,258,750 to $19,254,229. The tax levy decreases $705,828 from $3,131,038 to $2,425,210.

Federal budget cuts result in reductions in program revenue allocated to Milwaukee County from the Housing and Urban Development Department (HUD). Community Development Block Grant, HOME/Home Repair/Housing Choice Voucher Program are all affected. Although this funding reduction has a minimal effect on the County's bottom line, program services will be reduced by a like amount, which will impact program users.

There is a slight tax levy increase associated with the purchase of service contracts for the Housing Division, due to services needed to support new special needs housing projects. As with last year, the budget narrative includes a table with funding allocations for Housing Division contracts. It is assumed that the department will return to the County Board in December with final recommended allocations for 2012, as they did last year.

<u>Management Services Division</u>
Expenditures increase $216,036 from $1,942,621 to $2,158,657 and revenues decrease $33,875 from $2,447,398 to $2,413,523. Tax levy increases by $249,911.

The State of Wisconsin leases space at the Marcia P. Coggs Center to house both the State's Milwaukee Enrollment Center (MiLES) and Milwaukee Early Care

Administration (MECA). Lease payments are anticipated to increase due, in part, to the State's request for more space, which results in a tax levy reduction of $168,863. Should the State seek to discontinue its lease of space at the Coggs Center, MSD would lose $1,734,469 in annual revenue and would need to seek new tenants to fill the space.

Finally, in conjunction with BHD, there are a handful of position changes (one creation, one transfer from DHHS to BHD, and another position transfer from BHD to DHHS). Additionally, one position is abolished upon vacancy and another is unfunded for 2012.

9000 **Department of Parks, Recreation and Culture**

Total property tax levy decreases $3,472,462, to $21,837,797 in 2012. Personal Services expenditures without fringe benefits decrease $1,612,449 to $16,635,069 and fringe benefit costs decreases by $813,931.

All existing Public Programs and Services within the Parks Department are maintained at 2011 levels including community centers, swimming pools and golf courses.

Personal Services/Personnel Actions

The 2011 Adopted Budget included a request for 456,123 seasonal work hours. The 2012 budget reduces the seasonal staff by 43.0 FTE reducing the number of seasonal hours available to 366,683 based on prior years' experience. This results in a total savings of $999,010.

New permanent Park Maintenance positions were created in 2011 that are shared between Parks and the Highway Division of the Department of Transportation and Public Works for winter snow and ice control operations. An additional 5.4 FTE Parks/Highway Maintenance positions are created which will account for all of the 30 total Highway Maintenance Worker 3 (TA) positions. The positions will work 19 weeks in Highways (November – March) and 33 weeks of the year in Parks (April – October). Each department is responsible for all personnel costs, including vacation and unemployment compensation, incurred while the employee is working with each department. This action results in the abolishment of 15.0 FTE Park Maintenance Worker In Charge positions and creation of 15.0 FTE Parks-Highway Maintenance Workers split between Parks (5.4 FTE) and Highways (9.6 FTE). The estimated savings to the Parks Department budget is $469,110. There is a slight tax levy increase in the Highway Division budget, which brings the overall estimated savings for the County to $459,090.

In addition to changes in Park Maintenance personal services, the following positions will be abolished in 2012: 1.0 FTE Office Assistant 3 ($57,078), 1.0 FTE Park Unit Coordinator 2 – Golf ($83,002) and 2.0 FTE Park Maintenance Worker 2 Seasonal ($100,128). One position each of Electrical Mechanic ($94,334) and Park Maintenance Worker Assistant ($57,078) are funded in 2012. These changes will have a net savings of $88,796.

Revenue/Fees
The revenue budget is increased by $236,111, plus the parking revenue is increased by $610,387 for the O'Donnell Park parking structure to reflect historical actuals. The Parks Director will maintain flexibility in adjusting park fees to respond to changing market competition, weather conditions, seasonal needs and special events.

The Parks Director will issue a Request for Proposals for the Boerner Botanical Gardens Visitor Center in 2012. It is anticipated that the Department would receive a percentage of the net gross revenue, to assist in becoming self-sustaining.

Parks Maintenance
Major maintenance increases $57,508 to a total of $680,000 in 2012. (The capital budget in 2011 was designed to provide funding for two years and includes $1,325,000 for major maintenance, $1,050,000 for retaining wall repairs; $800,000 for tuck pointing repairs and $61,000 for parks naturalization initiatives plus the Department of Transportation and Public Works budget includes capital funding for countywide infrastructure improvements, which includes parks projects.)

Farm and Fish Hatchery
The 2012 Budget begins the transition for the closure of the Fish Hatchery. The fish that are harvested remain at the Fish Hatchery for 3 years prior to being released into the County ponds and lagoons. In 2012, after the ponds and lagoons are stocked in spring, no additional fish will be added to the Fish Hatchery. The full closure would not occur until all fish currently at the Hatchery are released in the spring of 2014. There are no anticipated savings in 2012. After full closure of the facility in 2014, the County would begin to see annual tax levy savings of approximately $150,000. The Parks Department is authorized and directed to seek potential entities interested in assuming full responsibility for the Fish Hatchery operations prior to the closure in 2014.

9500 **Zoological Department**
Tax levy funding for the Zoo increases $519,619 from 2011 to $5,301,318 in 2012.

To assist the Zoo in achieving their revenue target, the following fee increases are implemented in 2012:

- $1 increase in summer admissions for both county and non-county visitors
- $1 increase in parking rates
- $1 increase in camel and pony rides
- $.50 increase in sea lion show admission
- $1 increase in stroller fees
- $3 increase in motorized cart fees.

Fees are increased without an associated revenue budget increase to help offset the structural deficits that have been in the Zoo's revenue budget over the last several years. The additional tax levy will help prevent a deficit in 2012.

Zoological Society support of $2,953,596 includes the following:

- $762,440 in direct support
- $70,000 in direct animal support
- $326,500 in corporate sponsorship revenue
- $1,794,656 in parking revenue received from Zoological Society members for the Zoo Pass Plus membership
- $137,000 in-kind for HVAC systems for various Zoo buildings
- $66,000 in Animal Division research funding
- $54,000 in pathology intern funding (UW Madison).
- Management, training and support of 600 Zoo Pride volunteers that donate 40,000 hours annually in various capacities at the Zoo.

In September 2011, the County provided a one year notice to renegotiate the current Memorandum of Understanding with a focus on the long term sustainability of the Zoo.

The butterfly exhibit will be replaced by a special Dinosaur exhibit.

One position of Forestry Worker is created to replace a Vehicle Machinery Operator at a savings of $11,514. A Merchandising/Concessions Coordinator is created to replace a position that was only responsible for concessions.

9700 **Milwaukee Public Museum**

The property tax levy remains at $3,502,376 per the amended Lease and Management Agreement between Milwaukee County and the Milwaukee Public Museum.

9910 **Milwaukee County University Extension Service**

Tax levy funding for the University Extension Service is $337,217, an increase of $409 from 2011. The Extension will continue to be housed at the CATC Location on the County Grounds, which has saved $90,000 in offsite instructional costs.

9960 **General County Debt Service**

Tax levy (or sales tax revenue) needed for the General County Debt Service increases in 2012 by $6,030,306, from $53,259,873 to $59,290,179. Total debt service principal and interest decreases by $459,268, from $67,917,596 to $67,458,328. This is mostly due to a $1 million appropriation to pay down the outstanding debt that is proposed by the County Executive. Contributions from the Debt Service Reserve (DSR) total $0, a decrease of $5,894,221 from the amount appropriated in 2011. The lack of a debt service reserve contribution is the primary reason the overall debt service increases by approximately $6 million in 2012.

Debt Service revenues decrease $595,353, from $8,763,502 to $8,168,149 for 2012. This is primarily due to decreased revenue from project rents. Specifically, revenue from the Milwaukee Kickers Soccer Club and the Marcus Center renovation are paid by the end of 2011. Revenues from these two sources in 2011 were $376,743 and $243,254, respectively. The payment from Froedtert Memorial Lutheran Hospital based on the sale agreement of Doyne Hospital remains at $6.3 million. The hospital payment is based on 5.25% of net operating cash flow and will not be determined until sometime in 2012.

The 2012 debt service costs for the pension obligation notes issued in 2009 is \$33,304,919. Payments are budgeted in Org. Unit 1950 – Employee Fringe Benefits, but reflected in Org. Unit 9960 – General County Debt Service. This payment is abated out of the County Debt Service to avoid duplication of costs.

SECTION 4 – ISSUES / CONCERNS / QUESTIONS
2012 RECOMMENDED BUDGET

Non-Departmental – Revenues

1933 **Land Sales**
Fifty percent of the land sale revenue is allocated to the Debt Service Reserve for the County's newly created Debt Retirement Program under Org. Unit 9960. Funds from the sale of UWM's housing development on the County Grounds and the Park East land for MSOE's development are likely to be approved in 2011, with closing in 2012. These two sales alone will exceed the amount budgeted.

1996 **County Sales Tax Revenue**
The projected net sales tax revenue of $64 million for 2012 is based on a growth factor of 1.8 percent. Further review should be performed after additional collection data for 2011 is received later in October, to determine if the base on which this projection is made is sound.

Non-Departmental Expenditures

1945 **Appropriation for Contingencies**
The $1 million appropriated for 2012 is alarmingly low for a government with a $1.22 billion budget.

The analysis that accompanies the Appropriation for Contingencies narrative attempts to rationalize it by stating that mid-year withdrawals from the fund have historically been minimal. But at the end of the year, these dollars have helped avert a countywide deficit. Indeed, the County ended 2010 with a surplus of only $8,179 despite having an Appropriation for Contingencies allocation of $5.8 million.

The 2011 Appropriation for Contingencies budget was $8,650,000. However, this amount included $5.4 million in tax levy and $3,250,000 in revenues. The $1,750,000 in revenue budgeted from the Early Retiree Reinsurance Program (ERRP) was received this year. However, the $1.5 million in Section 1915i revenue related to BHD (Org. 6300) operations has not materialized. That establishes the 2011 Appropriation for Contingencies at $7,150,000.

1950 **Employee Fringe Benefits**
The 2011 Adopted Budget included a pharmaceutical management initiative to prevent over-prescription of certain medications and prevent adverse impacts from medication interactions. This initiative was projected to reduce pharmacy and medical expenditures by $1.9 million. There is no mention of savings or increased costs in the 2012 Recommended Budget due to this program. What has been the experience with the pharmaceutical management initiative in 2011? (*See Section 1 for additional issues and concerns related to Employee Fringe Benefits.)*

Legislative and Executive

1021 **County Executive-Veterans Service Office**

The budget narrative does not mention where the Veterans Service Office (VSO) will be located in 2012. An informational report submitted to the County Board in September 2011, indicated that the Federal Department of Veterans Affairs provided notification stating that as of November 30, 2011, the VSO would need to vacate the 794 square feet of space they currently lease at the VA Hospital. The aforementioned report stated that a search was underway to find alternative space for the VSO in the area.

Staff

1140 **Department of Human Resources**

The question of centralization/decentralization of functions related to Human Resources is periodically submitted for consideration – most recently the Division of Human Resources was decentralized in the 2010 Adopted Budget. For 2012, the Division is restored to Department status, recentralized and expanded to include Employee Benefits, Employee Retirement Services, Labor Relations, and the administrative functions of the Ethics Board and the Personnel Review Board. What management objectives are achieved by recentralizing HR and expanding the oversight of the Department?

The duties, composition and administration of the Ethics Board and the Personnel Review Board are fairly clearly spelled out in the Milwaukee County Code of General Ordinances (MCGO). In both cases, ordinances empower those boards to direct the activities of the Executive Director (for the Ethics Board) or Secretary (for the PRB), and the relative autonomy implied therein suggests that linking either the County Executive's Administration or the County Board too closely to those bodies may hinder that autonomy. Have the Ethics Board, Personnel Review Board, or the State's Government Accountability Board reviewed or commented on these recommendations?

Similarly, Labor Relations was converted to an independent Department in 2009 to maintain an unimpeded connection with the County Board's Personnel Committee in order to receive direction exclusively from that Committee, per Chapter 80 of MCGO. While Wisconsin Act 10 may have curtailed the volume of items for negotiation, the Personnel Committee alone has the authority to direct functions related to labor negotiations. What safeguards are in place to assure that labor matters remain exclusively under the direction of the Personnel Committee?

1151 **DAS-Administration and Fiscal Affairs**

No rationale was provided for the proposed creation of a Senior Policy Advisor position at a salary cost of $98,000. It is unclear as to the role of this position in light of extra positions being added to DAS-Procurement and the removal of Human Resources (and the proposed consolidation of programs into HR) from the Department of Administrative Services to a stand-alone department.

1152 **DAS-Procurement**

Policymakers may wish to ask how the restructuring of the division into three areas: commodities, contracts and services will affect departmental operations. Are the two additional staff requested for this division going to be offset by decreases at a later time in departmental staff? What is the plan for affected departmental staff in 2013?

How was the estimate of $100,000 for a study of best procurement practices developed? Is this expenditure necessary given the potential expertise that the new staff may have? How much more value will an outside study provide than the 2008 Department of Audit report on Procurement has already given?

1160 **Information Management Services Division**

The 2010 Adopted Budget included language on developing a three-year strategic operating plan, with review by the Information Technology Steering Committee. What is the status of the development of the strategic plan and the reestablishment of the IT Steering Committee?

Courts and Judiciary

2000 **Combined Court Related Operations**

In the 2011 Adopted Budget, adversary counsel fees increased $207,000. For 2012 those fees are expected to decrease $200,000, although the Supreme Court has been petitioned to direct judicial officers to provide counsel at public expense for civil litigants deemed indigent. What is the Department's contingency plan in the event that this rule is adopted by the Supreme Court?

Advancements in electronic filing capabilities have permitted other County departments to achieve staffing efficiencies that have helped ease staff-related budget expenditures. What initiatives has the Court introduced in recent years to increase efficiency and how has that been reflected in Courts staffing?

2900 **Courts Pre-trial Services**

A number of contracts are included for approval in the 2012 Recommended Budget, with an overall value exceeding $4 million. While it is permissible to approve contracts in this manner, Supervisors may want to inquire whether any of these contracts are no-bid, and whether all relevant bidding and proposal review policies where followed.

2430 **Child Support Services**

The Administrative Paternity Establishment Project in Child Support Services, an initiative in the 2011 Adopted Budget, was designed to reduce formal court paternity and support order hearings in favor of administrative hearings. With the reduction in state funding, elimination of this initiative is an understandable option, but what impact will eliminating this program have on the caseload in the Courts' Family Division?

Public Safety and Judiciary

4000 **Office of the Sheriff**

In 2001 Milwaukee County entered into the settlement agreement with plaintiffs that is known as the Christensen Consent Decree, wherein Milwaukee County agreed to provide acceptable conditions with regard to jail population limits and inmate medical services. Since then, the County and the Office of the Sheriff have worked with the Medical Monitor to assure that the County adheres to the decree. For 2012, inmate medical services are to be contracted out to a private provider. What steps are taken in conjunction with the contract to assure that Milwaukee County is not at risk of violating the decree? What are the other risks and benefits of executing this contract?

Corporation Counsel has previously advised that imposing an inmate processing fee may not be permitted under state law. The 2011 Recommended Budget includes revenue of $500,000 in connection with this new fee. Is the fee legal, if the fee is legal, is the amount appropriate, and what would be the corrective action if the fee is not permitted or the projected revenue is not achieved?

There are a number of instances in the Budget where sworn officers are replaced by non-sworn staff, including hourly employees. Are non-sworn personnel permitted by law to perform all the functions assigned to them in the budget?

Transportation and Facilities

5040 **Department of Transportation - Airport**

What real efficiencies/savings will the newly created Department of Transportation (DOT) have for Milwaukee County?

Will the former 440th Air Force base, now coined Milwaukee County's MKE Regional Business Park, generate sufficient revenue from building rental revenue to sustain itself, or will it become a tax burden over time?

What plans are in place or being developed in the event of a catastrophic emergency at General Mitchell International Airport or Lawrence J. Timmerman Airport?

5600 **Milwaukee County Transit/Paratransit System**

How would the list of service reductions/eliminations identified in the budget narrative be implemented in the event all or part of the federal Congestion Mitigation & Air Quality (CMAQ) funding budgeted for in 2012 is not fully allocated?

What plans are being developed to sustain the Milwaukee County Transit System (MCTS) operating budget once CMAQ funding is exhausted in two-plus years?

With fuel costs budgeted to increase $3,413,103 in 2012, what other efficiencies can offset these rising costs?

What measures are being taken to move Milwaukee County closer to realizing a dedicated funding source for transit/paratransit services that is not dependent on property tax levy as State aid payment trends continue to diminish?

Will the new Express Bus Service Routes eventually phase out underlying routes completely, or improve service and wait times for riders?

What measures are being taken to improve driver/passenger safety on Milwaukee County buses?

The 2012 proposed budget assumes a reduction in paratransit trips. What are the reasons for the current and projected reduction? Is there anything in place to address a spike in paratransit rides? Is the increase in the paratransit fare to $4.50 per ride bearable for paratransit riders?

5700 **Department of Administrative Services – Facilities Management**

What plans/procedures are being communicated in the event of a catastrophic event within the Courthouse Complex?

What are the exact plans for contracted security at the Courthouse Complex and other County facilities in 2012, and how many layoffs are projected as a result?

<u>Health and Human Services</u>

6300 **Behavioral Health Division**

- North-side crisis intervention

Following much discussion centered around Milwaukee County's overreliance on its Psychiatric Crisis Service/Admission Center (PCS), and the need for more alternative crisis care such as the Crisis Resource Center on the South-side, the 2012 budget includes funding for up to two new crisis intervention programs on the North-side. However, the narrative lacks detail surrounding this move. What are the programs envisioned to look like and how do they fit into the County's long-term plan for mental health redesign? The County Board has received reports indicating that while the current crisis resource center model works well, that the long-term financial viability of this model is unclear given current reimbursement rates for this level of care. BHD increased its support for the South-side center in the 2011 and 2012 budgets for this very reason. What is being done to insure this is a long-term sustainable treatment model?

- State Conversion from 1915i to 1937

As part of the State's plan to cut $500 million in Medicaid funding over the biennium, the Department of Health Services recently announced a plan to seek conversion from 1915i to another community-based Medicaid funding option, 1937. What does the State's conversion of 1915i, which Milwaukee County decided not to pursue in mid-2011 following analysis suggesting that pursuit would put Milwaukee County at risk fiscally, to 1937 mean for Milwaukee County? With this conversion, will Milwaukee County be able to draw down Federal revenue to assist in funding the BHD services outlined in the budget (including peer support initiatives), and envisioned to be forthcoming in recommendations from the Mental Health Redesign and Implementation Task Force? What will the County's local match look like and will Milwaukee County be able to maintain the ability to control program growth so that it does not exceed available local resources?

- Shifting personnel needs

While the 2012 Budget does contemplate anticipated changes associated with the effort to shift patients from inpatient and long-term care to community-based placements, it does not contemplate any personnel changes which may ultimately result. For instance, the 2012 budget includes the possible downsizing and/or closure of Hilltop units. Should this initiative get off the ground in 2012, presumably BHD staffing/personnel would be affected. What will happen to the patient care positions associated with those units?

7900 **Department on Aging**

The front organizational chart of the 2012 Recommended Budget places the Department on Aging (MCDA) as a division within the Department of Health and Human Services (DHHS). Neither budget narrative mentions that MCDA will no longer operate as a stand-alone department, and it is therefore assumed that this transfer was a clerical error. That said, MCDA's budget does mention that it is to work with DHHS to create efficiencies by sharing administrative services. Now that both departments operate primarily in the Coggs Center and both run resource centers, are there long-term plans to look at consolidation?

7990 **Department of Family Care**

How is DFC positioning itself to adjust to the changing climate of Family Care (i.e. the Family Care enrollment cap, and expansion in programs like IRIS, PACE, and Partnership, etc.) and stay afloat as an organization? Are there any other State actions anticipated which might further challenge the department?

At the September 30, 2011 County Board meeting, DFC was authorized to pursue negotiations with the State of Wisconsin to expand DFC's CMO operations into Kenosha and Racine Counties. How is DFC anticipating that this move, if ultimately approved, would affect departmental operations in 2012?

8000 **Department of Health and Human Services**

Disability Services Division

In 2010, Milwaukee County began transitioning from providing services to adults with disabilities through Medicaid Waiver programs to Family Care, as a result of the Family Care expansion in Milwaukee County. At that time, clients who had been waiting-often for years—were told that they would soon have a Family Care program slot. The enrollment cap placed on the program by the State earlier this year results in more unknowns for this client population. What is being done to assist this client population while they wait for available Family Care slots?

Housing Division

Beginning in 2011, the Housing Division's budget narrative included a chart illustrating anticipated housing contracts, providers, and contract amounts. According to the 2011 Adopted Budget narrative, this was intended to give policymakers the ability to approve specific contract amounts through the budget process "in lieu of separate approval during the budget year." This practice follows in 2012. While it is useful for policymakers to see anticipated contracts laid out, in December 2010, DHHS brought forth Housing contracts to the County Board for approval anyway, some of which differed from the information contained in the Adopted Budget narrative. Unless the contract providers and amounts listed in the budget are absolutely set in stone, including this detail, which seems to be subject to change, the budget narrative is confusing.

Recreation and Culture

9000 **Parks, Recreation and Culture**

What is the operational effect of reducing seasonal work hours by 43 FTE persons or 89,440 hours, especially with the reduced full-time staff and vacancies?

Is the major maintenance total for the Parks Department of $680,000 sufficient with the amount of deferred maintenance identified for their facilities?

9500 **Zoological Department**

In 2012, the Zoo will commence the first phase of a Zoo Master Plan at the same time it will be negotiating a new Memorandum of Understanding with the Zoological Society. Policymakers may want to know how these two efforts will intersect.

Debt Service

9960 **Debt Service**

Given the recognition by bond rating agencies that Milwaukee County has successfully managed its outstanding debt, including advanced refundings to lower interest rate costs, why is the County Executive proposing to allocate $1 million to retire debt? Is this a higher priority than Priority One building façade repairs that have been delayed due to lack of funds?

Capital

WO624 **Revolving Loan Fund**

This new Economic Development initiative creates a Revolving Loan Fund. Many policies for this fund are stated in this budget while some necessary policies are omitted. The reasons for this are not explained in this budget. Yet adopting this in its present form allows a newly created non-profit board to make these policy decisions.

SECTION 5
2012 RECOMMENDED CAPITAL IMPROVEMENTS BUDGET – OVERVIEW

Airports (WA)

WA123 **GMIA Airfield Safety Improvements**
Expenditure: $200,000
Revenue Reimbursement: $175,000
Net County Commitment: $25,000 to be financed by passenger facility charge (PFC) revenue.

Funding is budgeted for Airfield Safety Improvements at General Mitchell International Airport (GMIA).

WA135 **GMIA Runways 1L – 19R & 7R – 25L Intersection Re-Paving**
Expenditure: $2,750,000
Revenue Reimbursement: $2,406,250
Net County Commitment: $343,750 to be financed by passenger facility charge (PFC) revenue.

Funding is budgeted for the second of three construction phases for Runways 1L – 19R & 7R – 25L Intersection Re-Paving at GMIA.

WA139 **GMIA Redundant Main Electric Service Feed**
Expenditure: $7,405,000
Revenue Reimbursement: $0
Net County Commitment: $7,405,000 to be financed with $3,702,500 in passenger facility charge revenue and $3,702,500 in general airport revenue bonds.

Funding is budgeted for the construction phase of the Redundant Main Electric Service Feed to correct an electric power service issue at GMIA.

WA141 **GMIA Training Facility**
Expenditure: $2,415,000
Revenue Reimbursement: $0
Net County Commitment: $2,415,000 to be financed with general airport revenue bonds.

Funding is budgeted for the construction phase of the Training Facility at GMIA for operational and security training of all personnel with access to the airfield and secured areas.

WA142 **LJT Runway 15L-33R Extension**
Expenditure: $78,000
Revenue Reimbursement: $76,050
Net County Commitment: $1,950 to be financed by the Capital Improvement Reserve Account.

Funding is budgeted for the additional design and environmental expenses for Runway 15L-33R extension at Lawrence J. Timmerman Airport.

WA153 **GMIA Purchase of New Passenger Loading Bridges**
Expenditure: $5,500,000
Revenue Reimbursement: $0
Net County Commitment: $5,500,000 to be financed by passenger facility charge revenue.

Funding is budgeted for the purchase of new passenger loading bridges at GMIA.

WA161 **GMIA Terminal Roadway Signage**
Expenditure: $2,850,000
Revenue Reimbursement: $0
Net County Commitment: $2,850,000 to be financed by passenger facility charge revenue.

Funding is budgeted for the construction phase of the Terminal Roadway Signage Replacement Project at GMIA.

WA162 **GMIA Cessna Service Apron Reconstruction**
Expenditure: $1,021,000
Revenue Reimbursement: $893,375
Net County Commitment: $127,625 to be financed from the Airport Capital Improvement Reserve Account.

Funding is budgeted for the construction phase of replacing the deteriorated ramp and apron at the Cessna Service Center at GMIA.

WA163 **GMIA Perimeter Road Bridge over Howell Avenue**
Expenditure: $3,200,000
Revenue Reimbursement: $2,800,000
Net County Commitment: $400,000 to be financed by passenger facility charge revenue.

Funding is budgeted for the construction phase of the Perimeter Road Bridge over Howell Avenue Project.

WA166 **GMIA Perimeter Road Extension - 128th Air Refueling Wing to College Avenue**
Expenditure: $1,100,000
Revenue Reimbursement: $962,500
Net County Commitment: $137,500 to be financed by passenger facility charge revenue.

Funding is budgeted for the design and construction of the Perimeter Road Extension from the Wisconsin Air National Guard 128th Air Refueling Wing to College Avenue project.

WA167 **GMIA Terminal Escalator Replacement**
Expenditure: $600,000
Revenue Reimbursement: $0
Net County Commitment: $600,000 to be financed by the GMIA Airport Development Fund Account.

Funding is budgeted for the Terminal Escalator Replacement Project to replace one escalator set at General Mitchell International Airport. This will be the first year of a 4-year project to replace escalators.

WA169 **LJT Runway and Taxiway Light Replacement**
Expenditure: $250,000
Revenue Reimbursement: $243,750
Net County Commitment: $6,250 to be financed by the GMIA Airport Capital Improvement Reserve Account.

Funding is budgeted for the first phase of the Taxiway and Runway Lighting Replacement at Lawrence J. Timmerman Airport.

WA173 **GMIA Fuel Farm Electrical Service Upgrade**
Expenditure: $150,000
Revenue Reimbursement: $0
Net County Commitment: $150,000 to be financed by the Airport Capital Improvement Reserve account.

Funding is budgeted for the design phase of the Fuel Farm Electrical Service upgrade project at GMIA.

Zoo (WZ)

WZ600 **Zoo Master Plan**
Expenditure: $100,000
Revenue Reimbursement: $0
Investment Earnings: $0
Net County Commitment: $100,000 to be financed with $50,000 in proceeds from property tax levy and $50,000 from the Milwaukee County Zoological Society.

The previous Zoo Master Plan was developed and served as a guideline for a $29 million Capital Improvement Plan completed in partnership with the Zoological Society.

The master plan will be completed in three phases with a total estimated project cost of $400,000. In 2012, the Zoo will begin with phase 1 of the project.

The $400,000 budgeted in 2011 was not received because the revenue from UWM land sales was not received in 2011.

Other County Agencies (WO)

WO112 **Fleet Equipment Acquisition**
Expenditure: $1,100,000
Revenue Reimbursement: $0
Investment Earnings: $0
Net County Commitment: $1,100,000 to be financed with $1,100,000 in Passenger Facility Charge (PFC) revenue.

The 2012 fleet equipment appropriation is for airport operations. Planned purchases include one deicing truck ($375,000), one loader ($325,000), one mass casualty vehicle ($250,000), and equipment for snow melting vehicles ($150,000).

WO114 **Countywide Infrastructure Improvements**
Expenditure: $1,500,000
Revenue Reimbursement: $0
Investment Earnings: $0
Net County Commitment: $1,500,000 to be financed with property tax levy.

This appropriation will be used to make façade repairs at the Criminal Justice Facility (CJF) and the Safety Building at the Courthouse Complex. These repairs must be cash financed as they are not eligible for bond proceed financing. In September 2010, Graef-USA Inc. completed its evaluation report of facades of 106 county buildings. The report identified "priority one" action items, including the ones listed above. Action of this project was delayed due to the restructuring of the payments from UWM Innovation Park for the county-owned land located in the Northeast Quadrant of the County Grounds. The second payment of $5 million toward a total commitment of $13.55 million that was originally to be received in 2011 will instead be received in 2013. These funds had been earmarked to address priority one repairs identified in the Graef-USA report.

This appropriation will allow for the recaulking of all of the faces on the Criminal Justice facility and the rebuilding of the parapet on the exterior wall of the Safety Building.

WO205 **Fiscal Automation Program**
Expenditure: $195,000
Revenue Reimbursement: $0
Investment Earnings: $0
Net County Commitment: $195,000 to be financed with sales tax revenue.

These funds will be used to continue improvements to processes, reports, and access for more efficient, effective and timely access to information and decision-making. The funds have been used to expand OnBase imaging capabilities across several departments. For 2012, the funds will be used to pay for consultant services for programming and other needs and business software and hardware to complete the process improvements. For 2012, these improvements are targeted for the County Clerk to image past green files and marriage license applications. In addition, the Medical Examiner will develop more scanning abilities and record storage, the Ethics Board will develop an internet web portal and a secure website for candidates, elected officials, and staff to submit statements of economic interest. Administrative Services and the Treasurer will pursue opportunities to make electronic payments instead of paper checks. One area that will be pursued is Rent Assistance in the Housing Division of the Department of Health and Human Services.

WO624 **Revolving Loan Fund**
Expenditure: $0
Revenue Reimbursement: $0
Investment Earnings: $0
Net County Commitment: $0

A new capital project is created to contribute funds to the newly created Milwaukee County Economic Development Corporation (MCEDC) of which 80% shall be deposited into a Milwaukee County Revolving Loan Fund and 20% shall be allocated to a non-profit agency actively managed by minority group members and principally serving minority group members. Financing will be provided from anticipated land sale revenue, up to a maximum of $5 million. No allocations will be made until land sale proceeds have been received by Milwaukee County.

WO870 **Countywide Special Assessments**
Expenditure: $250,000
Revenue Reimbursement: $0
Investment Earnings: $0
Net County Commitment: $250,000

An appropriation of $250,000 is budgeted for special assessments levied on the County by local municipalities. Financing is provided from sales tax revenue. These assessments are typically for the installation of improvements such as pavement, curbs, gutters, sidewalks, water mains and sewers in lands abutting County lands or facilities.