COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

DATE : October 7, 2013

TO : Milwaukee County Board of Supervisors

FROM : County Board Research Division

SUBJECT: **Overview of County Executive's 2014 Recommended Budget**

Attached is the County Board Research Division's overview of the County Executive's 2014 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 2014 Recommended Budget with the 2013 Adopted Budget.
3) **Section 3** provides a summary of **Major Changes**, including policy changes, proposed by the County Executive in the 2014 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, especially due to a new narrative format being used for the first time. 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, Personnel and Audit Committee will begin its formal review of all budgets as a full committee beginning October 8th at 9:00 a.m.

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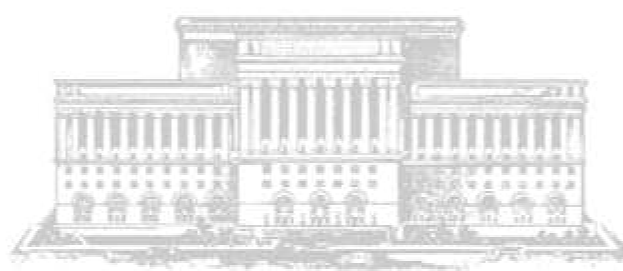

Special Thanks to:
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SECTION 1 –GENERAL OVERVIEW
2014 RECOMMENDED BUDGET

Overall Analysis

The passage of Wisconsin Act 14 ("Act 14") earlier this year attempts to define roles, responsibilities and powers between the County Board and the County Executive, restricts legislative expenditures and requires a referendum next year on supervisor pay and benefits – overshadowed the ongoing fiscal issues that Milwaukee County has grappled with the past several years. Indeed, the news that the 2012 budget year ended with a surplus of $24.3 million was eclipsed by uncertainty on the implementation of the new law and its resulting impact on legislative oversight and executive powers. The County Executive's 2014 Milwaukee County Recommended Budget certainly has enough proposed changes to continue the debate on the role the County Board and County Executive each have in adopting and carrying out the provisions of a $1.3 billion budget.

The County Executive's proposal to "freeze" the 2014 recommended tax levy at the 2013 adopted amount -- a strategy used by Milwaukee County Executives since the 2003 budget -- has become more tradition than novelty. Some may view the levy freeze simply as a political strategy to build subsequent budgets on the backs of County Board adopted levy increases, which have averaged near the rate of inflation the past 13 years. Others, however, may feel that *any* tax levy increase should be shunned year after year. (In retrospect, if the County had maintained the tax levy at the 2002 adopted amount, it would now be $60.6 million lower, or approximately equal to the combined tax levies for the Department of Health and Human Services – Behavioral Health Division and the District Attorney's Office in 2013.) Regardless of how the "freeze" is viewed, strict tax levy limits imposed by the State prevent anything but a moderate property tax increase – requiring other difficult fiscal decisions to be made.

The 2014 Recommended Budget presents many complicated fiscal decisions, such as the proper (and affordable) role of the Sheriff in a fully incorporated area to developing ample community-based mental health services, or addressing critical deferred maintenance items. The Recommended Budget also keeps pressure on employee compensation, where proposed changes to pay and benefits could reduce, on average, employee compensation by approximately three to more than seven percent in 2014. Striking the right balance is difficult in a budget that serves such disparate needs, from the development of housing in the community for vulnerable mental health patients to building a new exhibit for the hippopotamus at the Zoo. Some may find the decisions even more difficult, as the 2014 Recommended Budget unveils a new, unfamiliar narrative format that will require time to identify policy decisions embedded in the budget numbers.

The County has made considerable progress in improving its five-year fiscal forecast due to the difficult decisions that have been made in the past, especially in the last several years related to employee fringe benefit obligations. Stagnant state and federal revenues, strict limits (state or self-imposed) on tax levy increases and flat sales tax collections have made the task of closing future structural deficits even more challenging. Looking forward, the County Executive has placed funding in the budget to continue the critical analysis of the County's space and building needs with an eye on shedding the most costly and inefficient structures or, in the case of the two indoor pools proposed to be demolished, repurposing some of the funds to a less costly activity. Selling the O'Donnell Park parking structure later in 2014, for example, may prove to be a sound idea, but policymakers may wish to review credible, independent analysis on the value of any County-owned structure or real estate prior to its sale to support the sale price. A past County land sale also resurfaces in 2014, as an anticipated $5.6 million payment from UWM Innovation Park is earmarked (not budgeted) in Org. Unit 1933 – Land Sales for 20 different "one-time" projects throughout the County. The very brief budget narrative makes it difficult for policymakers and the public to ascertain how exactly the funds will be used – or how it compares to other already identified deferred maintenance needs.

The 2014 Budget also raises the question of what happened to the 2012 surplus and why approximately $12 million of the debt service reserve was used in 2014 as opposed to saving it until 2015 when the structural deficit grows larger. One answer to that question may be the significant cash financing in the County Executive's Capital Improvements Budget of $10 million, which includes approximately $5.8 million of projects that are otherwise eligible for bond financing. There are certainly strong arguments for using cash to finance capital improvement projects, but policymakers will have to balance this with cuts to tax levy made elsewhere in the budget.

The limits of the County Executive's administrative duties and the County Board's legislative policy oversight responsibilities may not be settled during the deliberations of the 2014 Budget. Yet, striking a balance on budget priorities will certainly be found through a democratic process. To the extent that the ultimate budget compromise builds a strong foundation on which future budgets can be built, it may help to resolve other issues as well.

Fiscal Synopsis

The 2014 Budget calls for total expenditures of $1,305,328,707, a decrease of $50,779,044, or 3.7 percent, compared to the 2013 Adopted County Budget. The recommended property tax levy is $279,321,196, the same as the 2013 levy. The recommended tax levy is comprised of two components: debt service levy of $42,189,549 and operating levy of $237,131,647. The recommended tax levy is $3.6 million under the estimated tax levy cap, and perhaps as much as $6.6 million under if other factors are considered. *(See Tax Levy Cap later in Section 1)*

The Recommended Budget allocates $79 million in expenditures for capital improvements with $21.6 million for the airport and $57.4 million for general government. General obligation bonding is $36.6 million and at the self-imposed bonding cap.

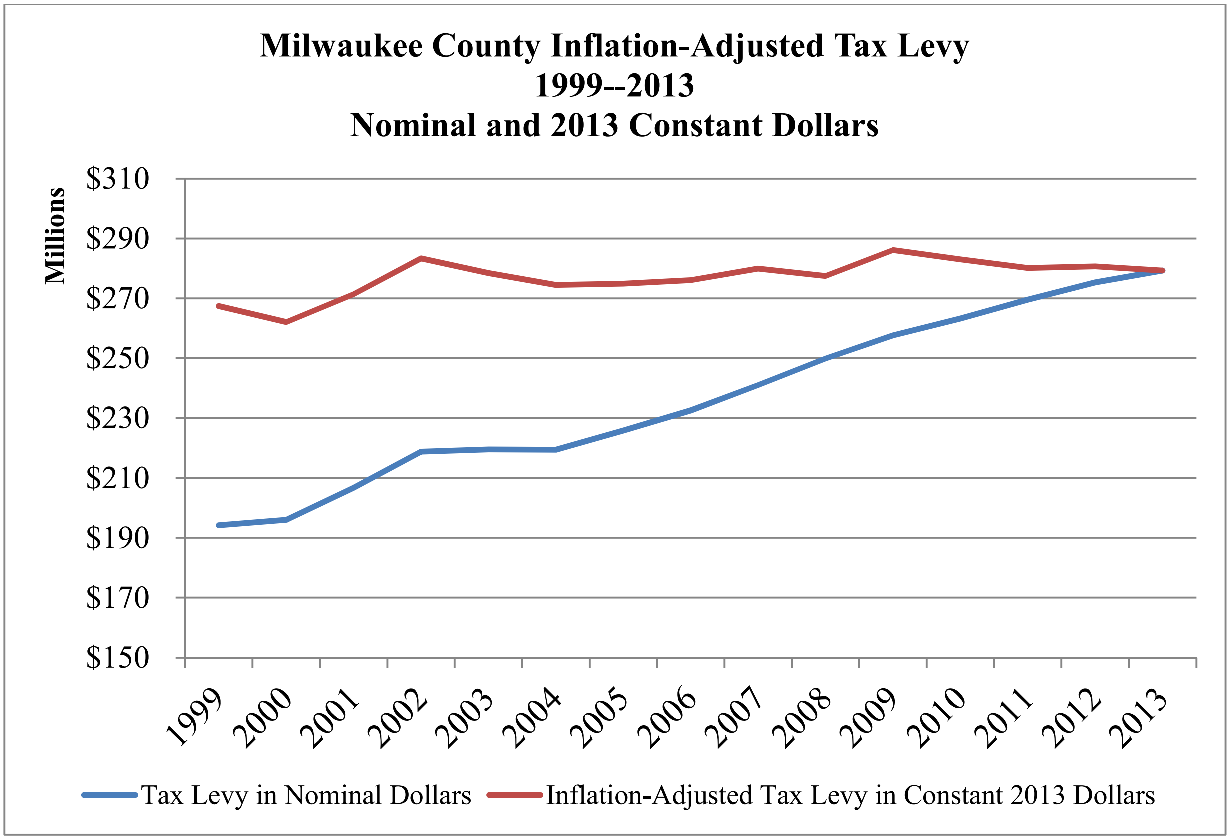
Tax Levy Cap

The Office of the Comptroller recently issued a memo outlining the estimated tax levy limits for 2014. The estimated tax levy limit for 2014 is an increase of $3,616,764, or 1.3 percent.

In addition to this limit, the County may increase the levy for all or part of the levy associated with a County-wide Emergency Management (EMS) program and for payments to the Federated Library System. The 2014 Recommended Budget includes tax levy expenditures of $6,018,964 for EMS ($5,952,464) and the Federated Library System ($66,500). In 2013, however, the County used $2,974,301 of this exemption in the adoption of the final tax levy. Therefore, the County has an additional $3,044,663 in tax levy "exemptions" capacity if it chooses to use it. Combined with the allowable limit explained in the previous paragraph, the County could increase its tax levy by as much as $6,661,427, or 2.4 percent.

If the County chooses not to levy the full allowable increase (excluding exemptions) of $3.6 million for 2014, it could use the unused funds for the 2015 budget. However, a "negative adjustment" provision in the state statutes would force the County to factor in changes from its pre-July 2005 debt service. This would serve to reduce the 2015 levy limit by approximately $20 million. Due to the punitive nature of this provision, policymakers should not consider any "unused" tax levy limit capacity from 2014 to be a viable source of revenues in 2015.

The average increase in the County property tax levy since 1999 is 2.6 percent per year. Through 2013[1], the average annual inflation since 1999 has been 2.4 percent. The following chart shows the changes in the tax levy from 1999 through 2013 as adjusted for inflation:



Position Reductions – "At-Risk" for Layoff

The 2014 Recommended Budget continues the trend of reducing the number of funded positions in order to reduce costs. The 2014 Recommended Budget includes 4,548 funded FTEs, a reduction of 89, or 1.9 percent, from the 4,637 FTEs in the 2013 Adopted Budget. The FTE reduction is net of position creates, abolishments and unfunding.

DAS-Fiscal Affairs provided a listing of 182 positions that were at-risk of layoff, but it did not include any positions that were unfunded but filled, which has historically been part of the calculation. (An example is the 31 FTE deputy sheriff positions that are unfunded in the 2014 budget). The Department of Human Resources indicates that further analysis of the number of at-risk positions is required before a better estimate can be provided. The actual number of layoffs that may occur is determined by further attrition, retirements, and job transfers. It should also be noted that many of the potential position actions putting employees at-risk of layoff are scheduled at various points during 2014, especially as it relates to actions within DHHS-BHD.

[1] The 2013 inflation figure is based on annualizing the CPI-U Milwaukee/Racine figure based on data through June 30, 2013.

Revised Budget Narrative Format

At its meeting in July 2013, the Committee on Finance, Personnel and Audit reviewed a Power Point presentation from the DAS Fiscal and Budget Administrator related to a proposed new format for the 2014 Budget narrative. The goal of the new format is to create a more uniform budget presentation that exhibits "best practices" as recommended by the Government Finance Officers Association (GFOA) for illustrating budget and financial information.

Moreover, the 2014 Recommended Budget includes performance measures for most departments in an attempt to better distinguish how well a department is delivering a service – to move toward measuring outcomes not outputs. In May 1998, the County Board approved the creation of a seven-member Long Range Strategic Plan Steering Committee to develop an ongoing long range planning framework for County operations which resulted in a document entitled *"Charting the Course: Milwaukee County's Goals, Strategies, Action 2000-2004."* Charting the Course provided for the County's implementation of a new outcomes-based budgeting approach that included the development of outcomes, performance indicators and performance targets for every County department.

The effort to fully deploy the new outcomes-based budgeting approach stalled in 2002 in part due to significant changes in political and administrative leadership. Efforts to restart strategic planning have been since attempted (especially related to facilities) but have not been implemented county-wide. Based on lessons learned from past strategic planning efforts, both at the County and in other governments, it is critical that *all* stakeholders (internal and external) have the ability to provide input into the *development* of goals and strategies. Policymakers may wish to explore the process that was used to develop the current strategic goals and outcomes to determine if this is the best approach moving forward.

The revised budget format will take some time to become familiar with, but the benefits and shortcomings are already apparent. The improvements include the budget preface, in which information about the County, community and the long-range fiscal analysis are contained. This new information is critical in helping policymakers and the public understand the fiscal realities that the County faces and perhaps, to some extent, justify some of the decisions included in the budget plan. Another positive addition is the inclusion of the County's financial management policies, which in many cases reflect long-standing policies or new recommendations based on policies adopted by other jurisdictions. Given the condensed timeframe to review the 2014 Budget, policymakers may wish to debate the merits of these new financial policies at a later time.

The new budget narrative reduces the amount of text related to new and existing initiatives. It can be difficult to ascertain the fiscal impact of position actions and other proposals since the tax levy impact used to be shown in the margin. The introduction of the "strategic implantation" narratives also may obfuscate imbedded policy decisions that, if left unidentified, effectively transfer the decision-making authority to the County Executive.

Five-Year Financial Forecast - Structural Impact

In April 2013, the Comptroller, along with input from a workgroup consisting of county staff and representatives from the Public Policy Forum, issued an annual report regarding the County's five-year financial forecast. The purpose of the report is to develop a consensus of the County's fiscal status and future outlook as well as help promote a more data-driven decision-making process that comports with the forecast. The report indicated that the County faced a structural deficit (shortfall) of $15 million for 2014 with the gap growing to $77 million in 2018. To the extent that the County makes permanent fixes, as opposed to using one-time expenditure or revenue changes, the following year's structural deficit will be reduced. For example, if permanent fixes solve the 2014 projected shortfall of $15 million, then the projected shortfall for 2015 would be $11 million, not the $26 million that is currently projected.

Some may remember that the fiscal forecast made in September of 2009 projected a structural deficit of $153 million in 2014. Policymakers should keep in mind the type of fixes that are made to annual budgets (one-time or permanent) with an eye on the challenges that lay in the years ahead so that thoughtful planning can be made to address the projected shortfalls.

2012 Surplus Impact on 2014 Budget
Each year the County is required by State Statute to reconcile the prior year surplus (or deficit) in each budget. This calculation is shown in Org. Unit 1998 – Surplus from Prior Years. For 2014, the surplus for 2012 of $5 million is compared to the 2011 surplus of $5,538,786, and the County is required to fund the "shortfall" of $538,786.

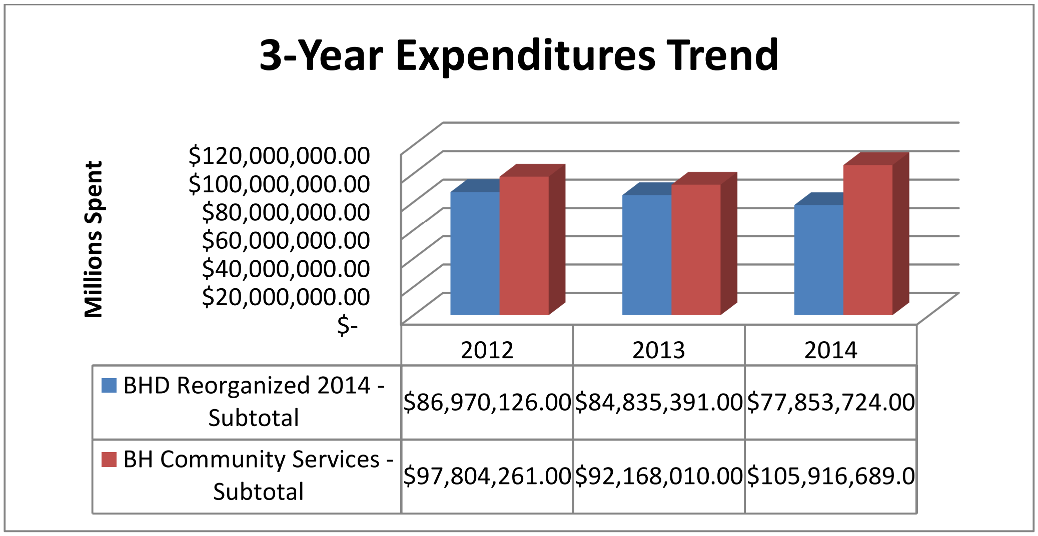
The 2012 initial surplus was $24,308,493, but $19,308,493 was transferred to Org. Unit 9960 – Debt Service Reserve, resulting in the "official" surplus of $5 million. The monies in the Debt Service Reserve must be used to pay debt service costs but, to the extent that it replaces tax levy (or sales tax revenues) to fund debt obligations, it frees up funds to be used elsewhere in the operating budget. The 2014 Recommended Budget draws down $12,099,198 of the debt service reserve balance to pay debt service costs. In April 2013, the (then) DAS-Fiscal and Budget Administrator suggested that much of the 2012 surplus monies be placed in the debt service reserve and suggested that the need would be greater in 2015 than the 2014 budget. After factoring in the 2014 Recommended Budget contribution, and drawdowns for the Milwaukee Public Museum pension and Rawson Avenue pump station repairs, as well as other additions related to debt issuances, the balance in the debt service reserve is approximately $6.1 million.

Major Initiatives

- **Behavioral Health Division and-Behavioral Health Community Services Branch**

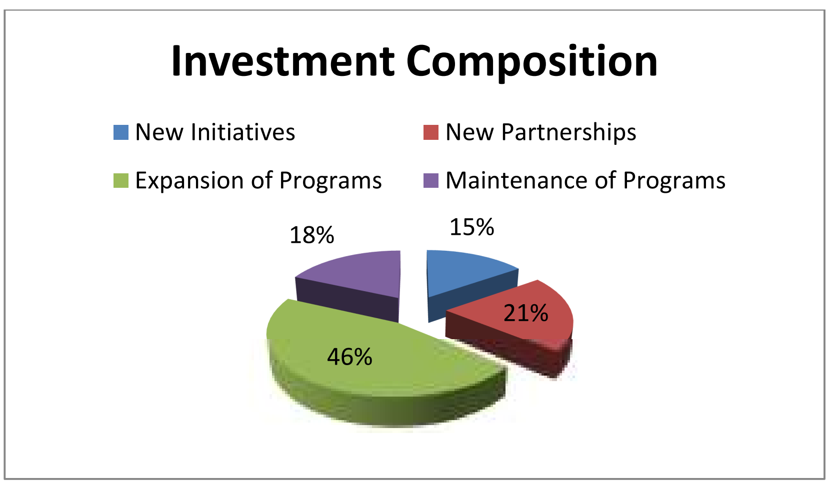
Organizational Change
In 2014, the Behavioral Health Division (BHD) continues its transition to community-based services from providing services in-house. A proposed reorganization transfers the Community Services Branch, Wraparound Milwaukee, and Emergency Medical Services to the Department of Health and Human Services (DHHS). This transfer creates the DHHS - Behavioral Health Community Division (BHCD) that will be managed by new leadership. The restructured Behavioral Health Divisions will be composed of four core areas: Management and Support, Inpatient: Nursing Facilities, Inpatient: Acute Services, and Crisis Services.

As shown in the following chart, expenditures in BHD continue to decline while investments in the BH Community Services continue to increase.



Redesign Initiatives

Continuing with the major goals of the Mental Health Redesign and Implementation Task Force, a series of initiatives are funded at an investment of $4.85 million while generating savings of $3.1 million related to inpatient reductions. New community based initiatives are created for a total of $756,456; new community capacity building partnerships are forged with other departments, community and intergovernmental units totaling $1,004,544; and, finally, a series of efforts implemented in prior budgets are maintained or expanded at a total of $3,108,924 (see chart below). Brief narratives of the initiatives are provided on pages 303-304 of the Recommended Budget; however, policy implementation details need further review by policymakers.



- The County-run Community Support Programs are fully outsourced in 2014.

- A $100,000 funding for the Aids Resource Center of Wisconsin is reallocated to a new start-up program allowing for specialized case management for 50 individuals in the early stages of Alcohol and Other Drug Abuse (AODA).

Revenues Highlights

The AODA- Access to Recovery grant ends in September 2014, resulting in a loss of $3.2 million. Revenue reductions totaling $700,000 are expected from the Wisconsin Medicaid Cost reporting as originally projected reimbursement was not realized. A new State rate methodology implemented in 2013 for emergency room reimbursements results in the reduction of $628,446 for Psychiatric Crisis Services in 2014.

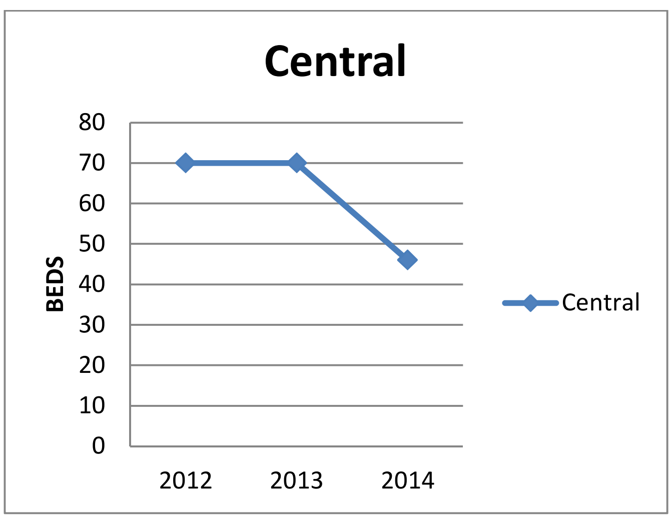
It is assumed that the new community based initiatives will lead to increased revenue from the State and the Federal government. Though how this will be achieved is not delineated in the narrative. In addition, $837,203 of Potawatomi Revenue is allocated to the BHD Community Services Section ($337,203) for community services and BHD ($500,000) Alcohol and Other Drug Abuse services.

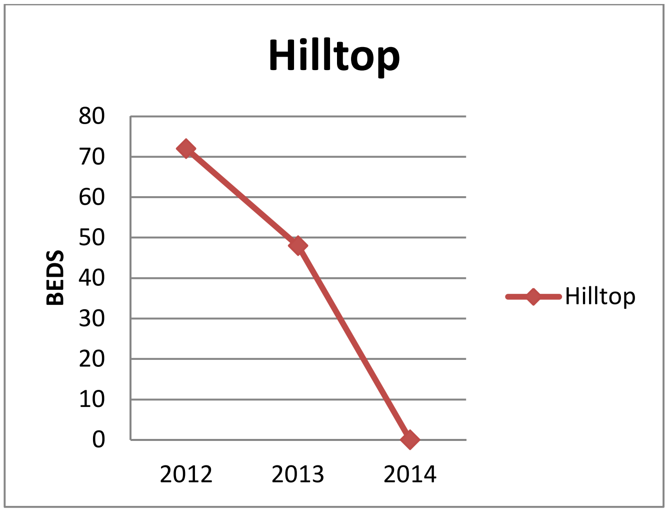
Reduction of Services

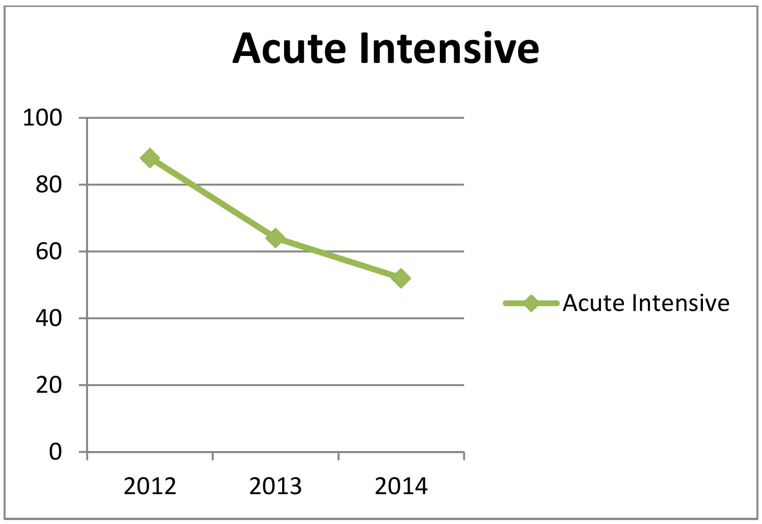
The reduction in inpatient beds operated by BHD continues in 2014. Rehab Center Central loses 24 beds (out of 72), and the Center for Independence and Development (formerly Hilltop) closes, eliminating the remaining 48 beds. Finally, 12 beds are eliminated in Acute. Savings from the divestment are utilized to increase community capacity. Reductions to operational expenditures and staff generate $3,162,531 of savings from both Central, Hilltop and Acute that are expected to be fully realized in 2015.

- As in prior years, the effort to outsource the Child and Adolescent Inpatient Unit continues. Though no patient beds are eliminated in 2014, the department plans to develop an RFP in 2014 to evaluate whether the unit can be fully outsourced in 2015.

- Professional and non-professional contracts are reduced by $598,783.







Outsourcing, downsizing, closures and overhead adjustments results in a reduction of 115.1 FTEs (85.4 BHD and 29.7 BHCS). Reductions are scheduled throughout the year. To address premature attrition, the budget funds a $1 million retention incentive. The budget does not include a plan for how this retention bonus program will be implemented.

<u>Capital Projects Investments</u>
There are no new capital improvement projects slated for BHD structures during 2014 despite significant infrastructure needs. The Nurse Call System Unit 53B was approved and allocated in 2013 for a total of $124,000 and the project will be concluded this year. Additionally, $245,378 is provided to install 45 security cameras at BHD at strategic points throughout the facility.

- **Office of the Sheriff**

The Sheriff's budget is yet again subject to significant changes for 2014. In the 2014 Recommended Budget, the appropriations for the Sheriff demonstrate a gradual diminishment in scope in functions and duties of the department by reallocating existing services into new areas.

A total of 69.5 FTEs are abolished (or transferred) from the Sheriff's budget, which includes the shifting of positions to the House of Correction (Org. Unit 4300), the Office of the District Attorney (Org. Unit 4500), the Office of the Comptroller (Org. Unit 3700), and to the newly created Emergency Preparedness Department (Org. Unit 4800). The 2014 Recommended Budget shows the Sheriff's allocation for expenditures in 2013 was $80,058,487 when in fact the allocation amount was $84,869,149. (DAS-Fiscal Affairs has "restated" the 2013 numbers to reflect changes proposed for 2014.) This variance of $4,810,582 is due to the removal of Emergency Management Services and the Training Academy out of the Sheriff's budget for 2014. Therefore, based on data calculated by the Office of the Comptroller, the actual expenditure decrease from 2013 is $12,587,969, and the actual tax levy decrease is $11,680,887. The actual projected revenues also decrease by $907,082 instead of the "restated" amount of $153,745 for 2014.

<u>New Department of Emergency Preparedness</u>

One of the major recommended changes is the newly created Emergency Preparedness Department. This department is created by removing both the Emergency Management and Communications divisions from the Sheriff, and placing them in an independent organizational unit under the oversight of the County Executive to handle all emergency preparedness, 911 call operations and dispatches. This shift results in a reduction of 30 FTEs from the Sheriff to be transferred to the new department, as well as a $4.3 million reduction change in the Sheriff's expenditures from 2013. The $4.3 million appropriation will be used to fund the Emergency Preparedness Department.

In the past, emergency management services were separate from the Sheriff and were managed by the County Executive-Emergency Government Department. The department was transferred to the Sheriff's Department in the 1998 Adopted Budget as the Emergency Management Division. The major difference between the past structure and the 2014 Recommended Budget is that the 911 Communications division was not included as part of the original department.

<u>Realignment of Resources (Training Academy, Criminal Investigations)</u>

By shifting control of the Training Academy from the Sheriff to the House of Correction in 2014, the Recommended Budget again rearranges resources and services previously provided by the Office of the Sheriff to programs under the command and control of the County Executive. Transferring this division to the House of Correction may present some complications with providing adequate training services due to the House of Corrections' staff not currently possessing the required certifications to be and/or train law enforcement officers. A total of 7.0 FTEs are being moved in 2014 from the Office of the Sheriff to the House of Correction for the Training Academy.

In another transfer of functions and duties, the Apprehension Unit of the Sheriff's Criminal Investigations Division is recommended to be transferred to the Office of the District Attorney, resulting in a reduction of 5.0 FTEs. The budget narrative notes that this function is being shifted because the Sheriff has not provided the service of apprehending absconders/escapees from the House of Correction, and will now have the service rendered by the District Attorney beginning in 2014. Three Clerical Assistant positions are also being transferred from the Sheriff, two to the District Attorney to provide support to the new investigator positions and one to the Office of the Comptroller's payroll division as part of the continued centralization of payroll functions.

(A chart showing the transfer of funding among public safety departments is included in Section 3, Major Changes of the Overview.)

Park Patrols

The Recommended Budget again puts forth a recommendation first initiated last year to have other municipal law enforcement agencies assume the Sheriff's park patrols. The budget allocates service grant to the Milwaukee Police Department in the amount of $965,201 as an incentive to continue its patrol of the lakefront and inland parks in the City of Milwaukee in 2014. In addition, funds in the amount of $180,000 are allocated as an incentive to the other 18 municipalities' law enforcement agencies to patrol the suburban parks. The other municipalities would each be offered $10,000 to render these services, in lieu of the Sheriff patrolling suburban County-owned parks. These grants are located in Org. Unit 1975 – Law Enforcement Grants.

- **Parks, Recreation and Culture**

Pool Closures

The most significant change within the Recommended Budget for the Department of Parks, Recreation and Culture's budget is the immediate closure, demolition and repurposing of Milwaukee County's only two remaining indoor pools located at Noyes and Pulaski parks. The 2014 Capital Improvements Budget recommends Pulaski pool be replaced by a new splash pad, and Noyes pool by a new skate park and pavilion. The justification is that these two aquatic facilities are underused, have significant deferred maintenance needs and have low attendance. However, it is unclear what data is being used to measure and compare this outcome and how it reconciles with eliminating the County's only two year-round swimming opportunities in a cold weather climate.

According to data provided by the Parks department, Pulaski pool had the highest attendance of any deep well pool within the system for 2012 and 2013, partially due to its year-round operation. Noyes pool also touted higher attendance than most deep well pools in 2012 and 2013. The combined revenues for both pools in 2012 totaled $170,310. Aquatic Centers like Cool Waters and Schultz Aquatic Center, which are water theme parks, were excluded from this comparison.

Attendance and revenues may not give the full picture of a facility's efficiency however, as the County Executive cites that the immediate capital needs to restore these pools are estimated to cost over $4.2 million. Pulaski's estimated infrastructure costs are $1.8 million and Noyes' maintenance needs are $2.4 million. Policymakers may wish to further explore attendance figures in order to determine the real vs. perceived value of the County's only indoor aquatic facilities. Moreover, policymakers may wish to examine the community's desire for a new skate park on the former site of the Noyes indoor pool.

The Recommended Budget narrative provides a map diagram that highlights various public pools that are available for public use within Milwaukee County; however, the diagram does not provide the names, addresses, hours, fees, and/or membership requirements for these other facilities.

O'Donnell Park Sale

The Recommended Budget suggests that the O'Donnell Park parking structure will be sold to Northwestern Mutual Life (NML) by the 3rd quarter of 2014 despite the facility not having been declared surplus by the County Board. Policymakers may wish to pursue an independent appraisal of the property in light of the pending development of the nearby new Couture and NML buildings and the potentially higher demand for public parking.

- **Transit/Paratransit**

Transit/Paratransit
The Recommended Budget reduces tax levy support for the Milwaukee County Transit System (MCTS) by approximately $700,000 and contains little change in transit operations and no change in fixed-route transit fares. The costs of providing transit and paratransit service are projected to decline by $4.8 million (3 percent) from 2013 to 2014. This expenditure reduction is attributable to reduced paratransit ridership demand and reduced fixed route transit costs (fuel, fringe benefits, utilities, professional services).

Securing a sustainable funding source, other than the property tax levy, for transit services has been a major and ongoing concern in Milwaukee County. Without a local dedicated source of funding for transit, fares have increased and service has been reduced over recent years. In a 2008 study, the University of Wisconsin-Milwaukee Center of Economic Development examined the impact of bus service reductions and found that at least 40,000 jobs became inaccessible by transit from 2001-2007. Via an advisory referendum in 2008, the voters of Milwaukee County signaled their approval for a dedicated sales tax for transit services. The State of Wisconsin has not adopted legislation allowing Milwaukee County to move forward this local sales tax option.

The future of the transit/paratransit system in Milwaukee County remains unclear without dedicated funding and the following issues related to federal CMAQ funds, status of the Management Contract, and an unresolved $1.5 million funding error.

Federal CMAQ Funds
It is uncertain whether Milwaukee County will be awarded federal Congestion Mitigation Air Quality (CMAQ) transit funds for the third and final year of funding for express bus routes. Milwaukee County also applied for three years of CMAQ funding for three new additional express lines. Competition for these federal funds is intense, with $120 million of requested projects competing for $32 million of funding. The Southeastern Wisconsin Regional Planning Commission (SEWRPC) notes that the state Department of Transportation has indicated that delayed and deferred projects likely will receive priority for all CMAQ funding in 2014.

When the prior biennial budget reduced state transit operating assistance by 10 percent, MCTS was cut by $6.8 million. Milwaukee County applied for and received CMAQ funding that was made available due to the cancellation of the Kenosha-Racine-Milwaukee Commuter rail project. With these funds, Milwaukee County converted local routes into express service on the Blue, Green, and Red lines and was able to avoid a nearly 8 percent transit service reduction that was projected to result from the state aid cut. The 2013-2015 state budget also provides a 4 percent increase in operating assistance in 2015.

Management Contract
The July 2013 decision of the Milwaukee County Department of Transportation (DOT) to award a management contract for transit services to MV Transportation, Inc., a for-profit company, currently is under appeal by unsuccessful bidders.

The Milwaukee County Transit System (MCTS) has been managed by Milwaukee Transport Services (MTS), a local non-profit company, since 1975. DOT currently is in the fourth year of a contract with MTS; a one-year allowable extension remains. Both MTS and Veolia Transportation

Services, Inc. filed court appeals based on the DOT selection. The outcome of these appeals currently is pending.

$1.5 million Error in Transit Budget

On October 1, 2013, after the 2014 Recommended Budget was delivered to the County Board of Supervisors, the Milwaukee County Budget Director informed policymakers of a $1.5 million error in the DOT-Transit Budget. The Fiscal and Budget Administrator (FABA) acknowledges that the tax levy budget for the transit program area is approximately $1.5 million less than it should be based on the recommended service levels and proposed fares. Therefore, policymakers will have to consider various solutions when evaluating how this error should be corrected. Some options are identified later in this summary.

During deliberations on the Recommended Budget, policy makers will need to evaluate with budget staff whether there are additional shortfalls within the transit area that could impact the tax levy, bus services and fares next year. Policymakers should examine carefully the assumptions made about transit revenues in the Recommended Budget. An unbundling of these revenue projections would provide additional clarity. Total revenues, including federal funds, state aid, and passenger fares, are projected to decline by $4.1 million.

The Recommended Budget assumes a $2.7 million reduction in paratransit revenues due to a reduction in state funding, number of passengers, and passenger fares. The Recommended Budget further projects a $1.4 million reduction in revenue from fixed routes. Potentially, there could be a greater loss of fixed route revenues if less than $800,000 in increased passenger revenues materializes or if the CMAQ carryover is less than the amount included in the Recommended Budget.

The Recommended Budget assumes increased passenger revenues of $0.8 million due to the installation of a new electronic fare collection system.

MCTS is planning a phased-in approach to the introduction of this new system. Smart cards will be distributed free to the public for a limited time only. Thereafter, a $2.00 fee will be collected for smart card purchases. Smart card products will be available at retail outlets and online in 2014. A table of the fare structure is included in Section 3 of the Overview - Major Changes.

The Recommended Budget indicates that $4.3 million in CMAQ carryover will be available to cover the costs of the Metro Express routes through the middle of 2014.

The Adopted 2013 budget included $8.58 million of CMAQ funds. MTS reports that, through August 31, 2013, $5.8 million of this amount has been used. Further explanation of these projected revenues is needed. Given the current utilization rate, $4.3 million in CMAQ carryover funds may not be available in 2014.

If these revenue projections are off, there could be another shortfall in 2014 on top of the $1.5 million identified error in paratransit.

Paratransit

The 2014 Recommended Budget includes a proposal to reduce the cash fare paid by individual paratransit riders from $4 to $3. According to the FABA, DOT-Transit initially estimated that this $1 fare reduction would have an impact of about $500,000, but the budget analyst responsible for this section mistakenly increased the revenues versus decreasing them. Alone, this inaccurate recording creates a $1 million hole in the transit budget. However, the FABA also indicated that DOT-Transit officials informed the DAS-Fiscal staff that there would be additional costs of approximately $500,000 related to the recommended paratransit proposal that was miscommunicated in the final days of the preparation of the budget.

Together, these errors create a $1.5 million hole in the transit section. The 2014 Recommended Budget, therefore, does not fully fund the paratransit and transit proposals being put forward by the County Executive. Therefore, policymakers will have to consider various solutions when evaluating how this error should be corrected, including the following options:

<u>Increasing the property tax levy:</u> A $1.5 million tax levy to fully fund the recommended initiatives. If this $1.5 million in additional levy was provided, the levy for 2014 would be $800,000 above the 2013 Adopted Budget level.

<u>Reducing transit services or increasing bus fares:</u> The Southeastern Wisconsin Regional Planning Commission (SEWRPC) estimates that, if this $1.5 million were to be addressed through service reductions, it would represent a need to reduce fixed route service by 1 percent to 1.25 percent. And. if addressed through a fare increase, it would represent a 4 percent increase in fares (For example, an increase of $0.10 in bus adult cash fare).

<u>Maintaining paratransit fares at the current level:</u> Keeping the paratransit fare flat at $4 would reduce the transit budget shortfall by $1 million. Policymakers still would need to decide how to address the remainder of the $500,000 shortfall that was created due to the error in the preparation of the budget. The 2014 Budget retains border-to-border paratransit service in the County.

<u>Implement some combination of the alternatives recommended by the FABA to mitigate the error.</u> The FABA recommended the following corrective actions: reducing the unallocated contingency fund through a redirection of the increase of $795,000 (or more if needed) to DOT-Transit; utilizing a projected increase in revenue based on a recent calculation of the 2014 Computer Exemption revenue; and/or applying tax levy that could be freed up if DOT-Transit were to be awarded federal Congestion Mitigation and Air Quality (CMAQ) grant funds to operate Express Bus Service in 2014.

- **Employee Healthcare Plan Changes**

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. Major changes were implemented in 2012 as the HMO option was eliminated and co-insurance, premiums, co-pays and prescription medicine were increased. A coordination change with Medicare benefits also resulted in a reduction of $5.7 million in county healthcare costs shifted to retirees.

The 2014 Recommended Budget continues this trend of significant healthcare benefit cost shifting to employees and, for 2014, a revamping of the dental benefits as well. The appropriate level of cost-sharing for employee fringe benefits should be considered as part of the total compensation for employees and the impact changes may have on the County's ability to recruit and retain employees. At the same time, it also should be acknowledged that the County's ability to "bend the curve" on the forecasted structural deficits has been aided significantly by the ability to reign in employer health insurance (and pension) costs.

The following healthcare changes are recommended by the County Executive:

- Eliminate the annual Flexible Spending Account (FSA) contribution to active employees of $600, $1440, $1,220 or $1,800 for employee only, employee plus child(ren), employee plus spouse or family, respectively. Based on the 2013 Adopted Budget, this is expected to save approximately $3.7 million. These payments, which by law can only be made to active employees, helps balance the inequity between retirees who are exempt from monthly premium requirements from active employees who must pay them.

- Increase the employee monthly health insurance premiums as follows:

Monthly Premium Changes					
Tier	**2013 Adopted**	**2014 CEX**	**Change (Wellness non-participants)**	**2014 CEX (Wellness participants)**	**Change (for Wellness participants)**
Employee Only	$100	$165	$65 or 65%	$115	$15 or 15%
Employee + Child(ren)	$125	$225	$100 or 80%	$175	$50 or 40%
Employee + Spouse	$200	$280	$80 or 40%	$230	$30 or 15%
Employee + Family	$225	$365	$140 or 62%	$315	$90 or 40%

The following chart compares the 2014 Recommended County Health Care plan to the State of Wisconsin and City of Milwaukee plans that cover a majority of their active employees:

Comparison of 2014 Healthcare Plans			
	Milwaukee County Recommended	State of Wisconsin	City of Milwaukee
Deductibles			
Employee Only Deductible	$800	$0	$500
Emp. + Child(ren)	$1,050	$0	$1,000
Emp. + Spouse	$1,600	$0	$1,000
Family Deductible	$1,850	$0	$1,000
Copayments/Coinsurance			
Office Copay	$30	$0	$0
Outpatient coinsurance	20%	10%	10%
Inpatient consinsurance	20%	10%	10%
Emergency Room	$200	$75	10%
Prescription (Rx) Drugs			
Generic RX Copay	$10	$5	$5
Preferred Brand Rx	$30	$15	$25
Non-Preferred Brand Rx	$50	$35	$50
Mail Generic	$25	$5	$10
Mail Preferred	$75	$15	$50
Mail Non-Preferred	$125	$35	$100
Out-Of-Pocket Maximum			
Single Out-of-Pocket Max	$2,500	$500	$1,000
Family Out-of-Pocket Max	$5,000	$1,000	$2,000
Monthly Premiums			
Single Premium	$165	$88	$75
EE + Child(ren) Premium	$225	$219	$112
EE + Spouse Premium	$280	$219	$149
EE + Family Premium	$365	$219	$224
Wellness Credit	$50 per month	$0	$0*
Flexible Spending Account (FSA) Contributions	$0	$0	$0

Notes:

1) State Prescription Drug Out-of-Pocket Max of $410 single/$820 family
2) Co-Pays do not apply to out-of-pocket maximums for any of these plans.
3) City **Charges** participants between $10 to $60 per month if they fail to participate in Wellness Program. 90% of employees fully comply.

- **Employee/Retiree Share of Overall Health Benefit**

An updated analysis of the apportionment of the overall healthcare costs indicates that the trend in shifting more healthcare costs to employees/retirees continues in the 2014 Recommended Budget. The chart below shows the overall percentages of the cost sharing for the past few years. Please note that this is a blended rate that aggregates all of the data; individuals may pay more or less depending on their usage of the healthcare benefit.

Estimated Share of Total Healthcare Costs Paid by Employees/Retirees			
2011 Adopted	2012 Adopted	2013 Adopted	2014 Rec.
12.6%	25.2%	26.2%	28.9%

- **Dental Plan Changes**

The Recommended Budget makes several changes to the County's two dental program offerings, the Dental Maintenance Organization (DMO) provided by Care Plus and the Dental PPO Plan administered by Delta Dental. In the PPO Plan, participants are able to select a dentist of their choice, while the DMO Plan is limited to select facilities/providers but provides broader dental benefits. Dental benefits are provided for active employees and dependents only; retirees are not provided dental insurance coverage.

Citing high rate increases proposed by Care Plus, the Recommended Budget discontinues the DMO for 2014 and makes changes to coverage and monthly premiums in the PPO Plan. The budget also anticipates that if negotiations with Care Plus are successful, the DMO may be continued in 2014 but monthly premiums will be significantly higher. The budget also includes $140,000 to "grandfather" Care Plus orthodontia services that are typically paid over a two to three year period so as to hold employees harmless if the DMO is discontinued.

The proposed 2014 monthly premiums for dental insurance are as follows:

Monthly Dental Premiums 2013 Adopted and 2014 CEX			
	2013 Adopted	2014 CEX PPO Plan	2014 CEX DMO Plan (if offered)
Single	$2	$10	$10
Family	$6	$25	$52

In anticipation that the dental DMO may be discontinued in 2014, the Recommended Budget makes the following coverage changes to the dental PPO Plan for 2014:

- Annual coverage maximum, not including preventative maintenance, is increased to $2,500 from $1,000.
- Adult Orthodontia is now covered, and the lifetime maximum for orthodontia coverage is increased from $1,500 to $3,000.
- All other deductibles and co-insurance rates stay the same.

In light of the wage and fringe benefit changes proposed in the 2014 Recommended Budget, policymakers may be interested in understanding the impact on a typical employee. The following chart shows the *average* impact on a regular full-time employee that has health and dental benefits:

Annual Effect of 2014 Recommended Budget on Average Wage Earner

		EE Only	EE+Child	EE+Spouse	EE+Family
1	**Wage Rate Increases - 2.0% PP10**	$ 658	$ 658	$ 658	$ 658
2	**Step Increases Eliminated** [1]	$ (359)	$ (359)	$ (359)	$ (359)
	Sub-Total Wages	299	299	299	299
3	**Pension Contribution - 4.4% to 5.1%**	(587)	(587)	(587)	(587)
4	**Employee Contributions to Health Insurance Premiums** [2]	(180)	(600)	(360)	(1,080)
5	**Employee Contributions to Dental Insurance Premiums**	(96)	(228)	(228)	(228)
6	**Flexible Spending Account Contribution**	(600)	(1,440)	(1,200)	(1,800)
	Total Wage and Benefit Change	$ (1,463)	$ (2,855)	$ (2,375)	$ (3,695)
	Amounts Used in Calculations:				
	Total calculated wages	$ 50,648	$ 50,648	$ 50,648	$ 50,648
	Average wage rate/hour	$ 24.35	$ 24.35	$ 24.35	$ 24.35
	Total base wages - Average	$ 50,349	$ 50,349	$ 50,349	$ 50,349
	Annual Lift Pcntg Wages on base wage	0.59%	0.59%	0.59%	0.59%
	Annual Lift Pcntg All Costs on base wage	-2.91%	-5.67%	-4.72%	-7.34%
	Total Employees [3]		2,732		

1) The calculation for the elimination of the step increase assumes that an average employee earns 1.5% for the year for a step increase. In order to take into account those employees that have reached the highest step, the percentage of each group eligible for an increase has been applied to the 1.5% calculation. For example, 47.6 % of average earners are eligible for a step increase. Therefore, of the 1.5% salary loss, a maximum of 47.6% is used in this calculation.

2) For purposes of this calculation, it is assumed that all employees will participate in the wellness program. For any employee not participating, the additional cost for 2014 will be $50 per month, or $450 total for 2014.

3) The total number of employees reflect only full-time employees that have health and dental insurance coverge.

As the shaded line in the above chart shows, the impact on an average County worker results in a wage and benefit decrease of approximately three percent to more than seven percent depending upon which category of health insurance is used. The loss of the flexible spending account (FSA) contribution, as a percentage of compensation, affects lower wage earners more.

Capital Improvements Program

The Recommended Budget allocates $79 million in expenditures for capital improvements, with $21.6 million for the airport and $57.4 million for general government. These expenditures will require $36.6 million in general obligation bonds and $10 million in sales tax revenues (cash) as well as other revenues that are shown in the chart below, to finance. No new Airport Revenue bonding is proposed, as a large issuance of $47 million in Airport Revenue bonds (and $3.3 of Airport refunding bonds) was issued in August 2013.

The 2014 Capital Improvements Program allocates funding for 55 new projects; 9 airport and 46 non-airport projects. The airport project spending is primarily in Phase II of the Residential Sound Insulation Program and runway resurfacing.

Notable non-airport projects include funding for several highway/parkway projects, the build out to digital (800 MHz radio) initiative and Windows (computer hardware/software) migration effort. Almost $5.7 million of capital improvements is earmarked as part of the commitment to the War Memorial renovation. A new lease and management agreement approved in 2013 committed Milwaukee County to invest a total of $10 million into the War Memorial facility as part of a $25 million renovation project. In addition to the $2 million that was appropriated as part of the 2013 Adopted Capital Improvements Program, the total investment through 2014 would be $7.7 million, leaving an additional $2.3 million to be funded in the 2015-2017 budgets.

A major policy change is the proposed allocation of $2.6 million to demolish and renovate the Noyes and Pulaski indoor pool facilities. The Noyes site would be converted to a skate park and pavilion while the Pulaski site would be converted to a splash pad facility. The budget narrative suggests that the two indoor facilities require a total of $4.2 million in immediate capital improvement needs that could be avoided with the renovation to new, less costly uses.

Policymakers should keep in mind that authorizing additional capital improvement expenditures in the 2014 Budget will not have a tax levy impact in 2014, but will in 2015 as debt service payments on the additional borrowing begins. To the extent that more tax levy (or sales tax revenues) is needed to serve the outstanding debt, less is available for operating budgets.

A summary of the financing of the 2014 Capital Improvement Program is as follows:

	Non-Airport	Airport	Combined
Total Number of Projects	46	9	55
Total Expenditures	$ 57,383,582	$ 21,656,000	$ 79,039,582
Total Reimbursement Revenues	$ 6,505,968	$ 17,998,125	$ 24,504,093
Net County Financing	**$ 50,877,614**	**$ 3,657,875**	**$ 54,535,489**
Financed as follows:			
General Obligation Bonds	$ 36,591,251	$ -	$ 36,591,251
Airport Revenue Bonds		$ -	$ -
Passenger Facility Charges (PFC)	$ 500,000	$ 1,993,625	$ 2,493,625
Sales Tax Revenue (cash financing)	$ 10,030,363	$ -	$ 10,030,363
Misc. Revenue/Sale of Asset	$ 156,000		$ 156,000
Airport Capital Improvements Reserve	$ -	$ 1,664,250	$ 1,664,250
Private Donations	$ 3,600,000	$ -	$ 3,600,000
Total Financing	**$ 50,877,614**	**$ 3,657,875**	**$ 54,535,489**

Capital Improvements Committee

The 2013 Adopted Budget included the creation of the Capital Improvement Committee (CIC) to help analyze and rank requested capital improvement projects and develop a five-year plan for capital expenditures. The CIC is comprised of County elected officials, staff and representatives from local municipalities. The CIC submitted a report to the County Executive and County Board Chairwoman in May 2013 that provided rankings (high or low priority) of requested capital projects for consideration by the County Executive in the development of his 2014 Recommended Budget. The recommendations are not binding on the County Executive or County Board, but help develop a capital improvement project approval process that is based on in-depth analysis and quantifiable scoring. The CIC only made recommendations regarding 2014 projects because of time constraints and the volume of projects that exist over the proposed five-year capital plan. Due to time constraints in preparing this Overview, a thorough analysis of the differences between the CIC recommendations and the 2014 Recommended Capital Improvement Budget was not possible. A better reconciliation should be available soon. *(See Section 5 of the Overview for a complete listing of the Capital Improvement projects.)*

Bonding Limits

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

The self-imposed bonding limit for 2014 is $36,596,057. A total of $36,591,251 of general obligation bonding is included in the 2014 Recommended Capital Improvements Budget, or $4,806 under the limit.

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

SECTION 2 - TAX LEVY CHANGES IN 2014 COUNTY EXECUTIVE RECOMMENDED BUDGET

Org. Unit	Org. Name	2013 Adopted	2014 County Exec.	Levy Change	% Change
DEPARTMENTAL					
Legislative & Executive					
1000	County Board	$ 6,656,441	$ 4,121,680	$ (2,534,761)	-38.08%
1011	County Exec. - General Office	$ 1,326,254	$ 1,740,766	$ 414,512	31.25%
1020	County Exec. - Intergovernmental Relations	$ -	$ 310,621	$ 310,621	100.00%
1021	County Exec. - Veterans Service	$ 305,147	$ 315,852	$ 10,705	3.51%
1040	DAS - Community Business Dev. Partners	$ 885,382	$ 879,805	$ (5,577)	-0.63%
Legislative & Executive Subtotal		$ 9,173,224	$ 7,368,724	$ (1,804,500)	-19.67%
Staff Agencies					
1019	DAS - Office For Persons with Disabilities	$ 733,507	$ 941,163	$ 207,656	28.31%
1110	Civil Service Commission	$ 15,514	$ 15,696	$ 182	1.17%
1120	Personnel Review Board	$ 247,362	$ 269,759	$ 22,397	9.05%
1130	Corporation Counsel	$ 1,528,127	$ 1,497,595	$ (30,532)	-2.00%
1140	Human Resources	$ 5,398,301	$ 5,325,147	$ (73,154)	-1.36%
1150	DAS - Risk Management	$ -	$ -	$ -	0.00%
1151	DAS - Fiscal Affairs	$ 1,292,520	$ 2,020,351	$ 727,831	56.31%
1152	DAS - Procurement Division	$ 991,668	$ 948,575	$ (43,093)	-4.35%
1160	DAS - Information Mgt Services Division	$ -	$ -	$ -	0.00%
1192	DAS - Economic Development	$ (325,301)	$ 55,067	$ 380,368	116.93%
1905	Ethics Board	$ 77,516	$ 85,270	$ 7,754	10.00%
5500	DAS - Water Utility	$ -	$ -	$ -	0.00%
5700	DAS - Facilities Management	$ (638,226)	$ 411,370	$ 1,049,596	164.46%
Staff Agency Subtotal		$ 9,320,988	$ 11,569,993	$ 2,249,005	24.13%
Courts & Judiciary					
2000	Combined Court Related Operations	$ 29,530,449	$ 29,841,488	$ 311,039	1.05%
2900	Courts - Pre-Trial Services	$ 4,473,563	$ 3,735,904	$ (737,659)	-16.49%
2430	Department of Child Support Services	$ 1,328,622	$ 1,163,124	$ (165,498)	-12.46%
Courts & Judiciary Subtotal		$ 35,332,634	$ 34,740,516	$ (592,118)	-1.68%
General Government					
3010	Election Commission	$ 605,202	$ 903,387	$ 298,185	49.27%
3090	County Treasurer	$ (1,936,091)	$ (3,495,375)	$ (1,559,284)	-80.54%
3270	County Clerk	$ 345,193	$ 653,543	$ 308,350	89.33%
3400	Register of Deeds	$ (916,670)	$ (843,683)	$ 72,987	7.96%
3700	Office of the Comptroller	$ 5,703,588	$ 6,822,281	$ 1,118,693	19.61%
General Government Subtotal		$ 3,801,222	$ 4,040,153	$ 238,931	6.29%

SECTION 2 - TAX LEVY CHANGES IN 2014 COUNTY EXECUTIVE RECOMMENDED BUDGET

Org. Unit	Org. Name	2013 Adopted	2014 County Exec.	Levy Change	% Change
Public Safety					
4000*	Office of the Sheriff	$ 68,361,283	$ 60,737,721	$ (7,623,562)	-11.15%
4300	House of Correction	$ 53,210,540	$ 58,406,264	$ 5,195,724	9.76%
4500	District Attorney	$ 12,062,564	$ 12,484,761	$ 422,197	3.50%
4800	Emergency Preparedness	$ 4,054,916	$ 3,861,459	$ (193,457)	-4.77%
4900	Medical Examiner	$ 2,884,242	$ 2,757,779	$ (126,463)	-4.38%
Public Safety Subtotal		$ 140,573,545	$ 138,247,984	$ (2,325,561)	-1.65%

**The total reduction in tax levy includes $1,729,000 shifted to the House of Correction and $581,363 being transferred to the District Attorney's Office.*

Org. Unit	Org. Name	2013 Adopted	2014 County Exec.	Levy Change	% Change
Public Works and Transportation					
5040	DOT - Airport	$ -	$ -	$ -	0.00%
5100	DOT - Highway Maintenance	$ 1,085,027	$ 1,203,995	$ 118,968	10.96%
5300	DOT - Fleet Management	$ (1,236,827)	$ (976,984)	$ 259,843	21.01%
5600	Milwaukee County Transit/Paratransit System	$ 18,878,860	$ 18,180,649	$ (698,211)	-3.70%
5800	DOT - Director's Office	$ (128,961)	$ -	$ 128,961	100.00%
Public Works and Transportation Subtotal		$ 18,598,099	$ 18,407,660	$ (190,439)	-1.02%
Health and Human Services					
6300	DHHS - Behavioral Health Division	$ 63,082,270	$ 47,431,026	$ (15,651,244)	-24.81%
7900	Department on Aging	$ 1,402,656	$ 1,150,281	$ (252,375)	-17.99%
7990	Department of Family Care	$ -	$ -	$ -	0.00%
8000	Dept. of Health and Human Services	$ 21,765,238	$ 36,909,289	$ 15,144,051	69.58%
Health & Human Services Subtotal		$ 86,250,164	$ 85,490,596	$ (759,568)	-0.88%
Recreation & Culture					
1908	Milwaukee Cty. Historical Society	$ 206,167	$ 206,167	$ -	0.00%
1914	War Memorial Center	$ 1,491,405	$ 486,000	$ (1,005,405)	-67.41%
1915	Villa Terrace/Charles Allis Museums	$ 207,108	$ 207,108	$ -	0.00%
1916	Marcus Center for the Performing Arts	$ 1,088,000	$ 1,088,000	$ -	0.00%
1917	Milwaukee Art Museum	$ -	$ 1,100,000	$ 1,100,000	100.00%
1900	Federated Library System	$ 66,650	$ 66,500	$ (150)	-0.23%
1900	Fund for the Arts	$ 321,035	$ 321,035	$ -	0.00%
9000	Parks, Recreation and Culture	$ 24,465,029	$ 25,577,213	$ 1,112,184	4.55%
9500	Zoological Dept.	$ 4,918,755	$ 5,444,284	$ 525,529	10.68%
9700	Public Museum	$ 3,502,376	$ 3,500,000	$ (2,376)	-0.07%
9910	University Extension Service	$ 335,864	$ 336,255	$ 391	0.12%
Recreation & Culture Subtotal		$ 36,602,389	$ 38,332,562	$ 1,730,173	4.73%
Debt Service					
9960	General County Debt Service	$ 51,563,478	$ 42,189,549	$ (9,373,929)	-18.18%
Debt Service Subtotal		$ 51,563,478	$ 42,189,549	$ (9,373,929)	-18.18%

SECTION 2 - TAX LEVY CHANGES IN 2014 COUNTY EXECUTIVE RECOMMENDED BUDGET

Org. Unit	Org. Name	2013 Adopted	2014 County Exec.	Levy Change	% Change
Capital Improvements					
1200-1876	Capital Improvements - Exp	$ 2,610,726	$ -	$ (2,610,726)	-100.00%
Capital Improvements Subtotal		$ 2,610,726	$ -	$ (2,610,726)	-100.00%
NON-DEPARTMENTAL					
Revenues					
1901	Unclaimed Money	$ (1,335,000)	$ -	$ 1,335,000	100%
1933	Land Sales	$ -	$ -	$ -	0.00%
1937	Potawatomi Allocation	$ (4,026,477)	$ (4,026,477)	$ -	0.00%
1969	Medicare Part D Revenue	$ (850,000)	$ -	$ 850,000	100.00%
1992*	Earnings on Investments	$ (1,711,411)			
1993	State Shared Taxes	$ (30,990,382)	$ (31,080,305)	$ (89,923)	0.29%
1994	State Exempt Computer Aid	$ (3,566,195)	$ (3,566,195)	$ -	0.00%
1996	County Sales Tax Revenue	$ (60,789,514)	$ (56,161,917)	$ 4,627,597	7.61%
1998	Surplus from Prior Year	$ (5,538,786)	$ (5,000,000)	$ 538,786	9.73%
1999	Other Misc. Revenue	$ (205,000)	$ (76,500)	$ 128,500	62.68%
Non Departmental Revenues Subtotal		$ (109,012,765)	$ (99,911,394)	$ 9,101,371	8.35%

**Earnings on Investments is now under the Treasurer's Office*

Org. Unit	Org. Name	2013 Adopted	2014 County Exec.	Levy Change	% Change
Expenditures					
1913	Civil Air Patrol	$ 10,000	$ 10,000	$ -	0.00%
1921	Human Resource and Payroll System	$ -	$ -	$ -	0.00%
1930	Offset to Internal Service Charges	$ -	$ -	$ -	0.00%
1935	Charges to Other County Depts.	$ (7,425,924)	$ (7,664,770)	$ (238,846)	-3.22%
1945	Appropriation - Contingencies	$ 4,103,329	$ 7,744,544	$ 3,641,215	88.74%
1950*	Employee Fringe Benefits	$ -	$ -	$ -	0.00%
1961	Litigation Reserve Account	$ 350,000	$ 350,000	$ -	0.00%
1940	Law Enforcement Grants	$ 463,062	$ 1,967,524	$ 1,504,462	324.89%
1940	Capital Outlay/Depreciation Contra	$ (3,264,474)	$ (3,573,951)	$ (309,477)	-9.48%
1987	Debt Issue Expense	$ 11,500	$ 11,500	$ -	0.00%
1989**	Investment Advisory Services	$ 260,000			
Non Departmental Expenditures Subtotal		$ (5,492,507)	$ (1,155,153)	$ 4,337,354	78.97%

*Tax Levy for Employee and retiree fringe benefits is $0. However, this $166,498,778 in net costs is allocated out to departments, where cost is mostly covered with property tax levy. Approximate tax levy cost is $138,193,986.

**Investment Advisory Services is now under the Treasurer's Office.

	2013 Adopted	2014 County Exec.	Levy Change	% Change
GRAND TOTAL DEBT SERVICE	$ 51,563,478	$ 42,189,549	$ (9,373,929)	-18.18%
GRAND TOTAL OPERATING PURPOSE	$ 336,770,484	$ 337,043,035	$ 272,551	0.08%
GRAND TOTAL REVENUES	$ (109,012,765)	$ (99,911,394)	$ 9,101,371	8.35%
GRAND TOTAL	$ 279,321,196	$ 279,321,196	$ -	0.00%

SECTION 3 – OVERVIEW/MAJOR CHANGES
2014 RECOMMENDED BUDGET

Non-Departmental – Revenues:

1901 **Unclaimed Money**

Unclaimed Money is budgeted at $0, a decrease of $1,335,000 from the amount budgeted in 2013. Every other year unclaimed funds are forfeited and recognized by the County. This revenue represents payments to vendors and individuals that go unclaimed.

1933 **Land Sales**

Administration expects to collect approximately $5,680,000 in payments from the UWM Innovation Research Park Land sales including a pending payment in February 2014 for the original sale of $5 million and a 75% share of the sale of a parcel for a hotel development.

The Director of DAS-Office of Performance, Strategy and Budget is directed to create revenue and expenditure authority for these expected funds for one time projects which include a combination of capital improvements and maintenance projects (this list is located in Org. Unit 1933 – Land Sales, on pages 383-384 of the budget).

Additionally, these revenues will fund two staffing studies, equipment for the medical examiner, software migration for the federated library system and a Workforce Development initiative. Ranking process and policy details for noncapital projects is not included. Any excess funds received and not allocated to the listed projects, is allocated to the Appropriation for Contingencies.

Finally, as in the past, $400,000 is budgeted for the DAS-Economic Development to cover operating expenditures. This represents the first unallocated land sales and is historically realized through the sale of foreclosed properties and other miscellaneous land.

1937 **Potawatomi Allocation**

The 2014 Recommended revenue from the Potawatomi revenue payment remains unchanged at $4,026,477. Revenues budgeted in departments total $1,488,523 and include:

Behavioral Health Division (Org 6300)

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

Department of Health and Human Services (Org 8000)

- $350,000 to increase the level of revenue in the Division's Birth-to-Three program to avoid a reduction in Federal revenue due to non-compliance with the Maintenance of Effort expenditure requirement.
- $201,320 to support the programs of the Delinquency and Court Services Division.
- $100,000 to provide case management services to the Shelter Plus Care program for homeless and disabled veterans.

The only difference between the recommendation for 2014 and the 2013 Adopted Budget is the reallocation of $100,000 from Org. Unit 1040 – Community Business Development Partners to the Shelter Plus Care program for homeless and disabled veterans.

1969 **Medicare Part D Revenue**

This non-departmental account was created in 2006 to reflect a new Federal revenue stream related to employee health care coverage. 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 is now $0, a decrease of $850,000 from the amount budgeted for 2013 for Medicare Part D revenues. In 2012 the County implemented an Employee Group Waiver Plan (EGWP) for prescription drug benefits and will no longer receive a direct reimbursement from the Federal government but instead achieve lower expenditures for prescription drugs through the vendor. The $850,000 of revenue for 2013 represented payments for the fourth quarter of 2012.

1991 **Property Taxes**

Property Tax revenue is budgeted at $279,321,196, the same as the 2013 Adopted Budget.

1993 **State Shared Taxes**

State Shared Taxes (Shared Revenue) increases $89,923, from $30,990,382 to $31,080,305. The increase is due to an increase in the utility aid portion of the shared revenue formula. The State previously modified the shared revenue formula so that the previous year's base, plus the utility payment, determines the budgeted amount. The components previously used to calculate the County's shared revenue payment -- aidable revenues, county mandate relief and maximum-minimum adjustment -- have been discontinued. Only the utility aid component is used to calculate adjustments to the shared revenue payment.

Gross shared revenue payments are approximately $51.2 million, with $20.1 million intercepted by the State for the Child Welfare reallocation, for the sixteenth 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 $3,561,551, the same as 2013. This is a State aid payment that originated in 2000 as an offset to a State-enacted property tax exemption on business computers. The annual payment is based on the equalized value of exempt computers, the Milwaukee County equalized value (excluding TID), and the property tax levy. The DAS-Fiscal and Budget Administrator (FABA), subsequent to the submission of the Recommended Budget, indicates that the actual revenue may be $220,000 higher based on recently received estimates. It was suggested by the FABA that these revenues could be used to help fill a $1.5 million budget shortfall in paratransit due to a budget preparation error.

1996 **County Sales Tax Revenue**

Total County sales tax receipts are projected to decrease by $1 million from $67.2 million in 2013 to $66.2 million in 2014. This is based on recent 2013 projections indicating a shortfall of approximately $2.4 million from the 2013 adopted amount. The 2014 recommendation reflects a 2.1 percent increase from the 2013 projected amount.

A total of $42.2 million in net sales tax revenue is earmarked for debt service costs and $10 million is dedicated to cash finance capital improvement projects. Net County sales tax revenue is projected to exceed debt service costs by almost $14 million, an increase of approximately $4.7 million from 2013. These monies are therefore available as revenues to offset general operating fund expenses. The Sales and Use Tax Ordinance, Section 22.04, was amended to allow 'surplus' sales tax revenue to cash-finance capital improvement projects, prepay outstanding bonds, fund employee benefit cost increases or supplement the appropriation for contingencies.

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

The 2012 adjusted surplus applied to the 2014 budget is $5 million, a decrease of $538,786 from 2013. The impact of this is a shortfall of $538,786 that increases overall tax levy expenditures. This account is required by State law to ensure that year-end surplus and deficit amounts are reconciled from two-years prior. (Note: the 2012 surplus was $24,308,493. County Board File No. 13-344 authorized the transfer of $19,308,493 to the debt service reserve, Org. Unit 9960, to establish the "official" surplus as $5 million for 2012).

1999 **Miscellaneous Revenue**

Other miscellaneous revenue is budgeted at $76,500, a decrease of $128,500 from 2013. This is primarily due to cancellation of uncashed county checks and Jury Fee revenue from employees on Jury Duty.

<u>Non-Departmental – Expenditures:</u>

1900 **Consolidated Non-Departmental Cultural Contributions**

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

  There is no change in the County's contribution to the Milwaukee County Fund for the Arts (CAMPAC), which totals $321,035.

  CAMPAC funding is allocated among three program areas:

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

- Strategic Program Area 2: **Milwaukee County Historical Society**
  There is no change in the County's contribution to the Historical Society in the amount of $206,167. It should be noted that a $4 million capital improvement project recommended by the Capital Improvements Committee (CIC) for building (cornice) repairs was not included in the Recommended Capital Improvements Budget.

- Strategic Program Area 3: **Federated Library System**
  Total expenditures decrease by $150 to $66,500 in tax levy for the County's contribution to the Federated Library System.

- Strategic Program Area 4: **Marcus Center for the Performing Arts**
  There is no change in the County's contribution to the Marcus Center for the Performing Arts in the amount of $1,088,000 in tax levy.

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

- Strategic Program Area 5: **Milwaukee Public Museum (MPM)**
  The property tax levy decreases by $2,376 to $3,500,000 per the amended Lease and Management Agreement (LMA) executed in 2013 between Milwaukee County and MPM, which commits Milwaukee County to the following Operating and Capital budget funding levels:

  1. Annual County Operating contributions:
     a. $3,500,000 annually for calendar years 2014-2017
     b. $3,350,000 annually for calendar years 2018-2019
     c. $3,200,000 annually for calendar years 2020-2021
     d. $3,000,000 annually for calendar year 2022

  2. Capital funding contributions:
  Capital contributions can amount to up to $4,000,000 during the calendar years 2014-2017. MPM will provide detailed quarterly reports of financial status and projections through the fiscal year. In accordance with the LMA, the 2014 tax levy contribution for operating support is $3,500,000. (The 2014 Recommended Capital Improvements budget includes a $1,677,977 funding allocation for MPM.)

  The new LMA states that MPM must achieve several operating and financial goals. If the goals are not achieved, the County may reduce its annual operating contribution by $250,000 for the subsequent year. Additionally, if MPM receives at least $5,000,000 in cash or donor commitments for capital projects by December 31, 2017, the annual operating contributions will remain at $3,500,000 for calendar years 2018-2022.

A key component of the new LMA with the MPM in 2013 was the immediate allocation of $3 million to (fully) fund the Museum's Defined Contribution pension legacy plan that is only used by employees who used to work for the County before the transition to MPM, Inc. These funds were taken from the debt service reserve, Org. 9960, that were primarily generated by the significant surplus in the 2012 budget.

- Strategic Program Area 6: **Villa Terrace/Charles Allis Art Museums**
  There is no change in the County's contribution to the Villa Terrace/Charles Allis Art Museums in the amount of $207,108 in tax levy.

- Strategic Program Area 7: **War Memorial Center**
  Per the new Development and Lease & Management agreements between Milwaukee County and the War Memorial Corporation in 2013, the War Memorial Center and the Milwaukee Art Museum are to be operated and treated as separate entities/organizational units as of 2014.

  Expenditures for the War Memorial Center decrease by $1,005,405 to $486,000 in tax levy. Milwaukee County's annual operating contribution to the War Memorial Center will remain at this amount for calendar years 2014-2023. The decrease of $1,005,405 is being directly transferred to the newly created Milwaukee Art Museum unit for its 2014 expenditures.

- Strategic Program Area 8: **Milwaukee Art Museum**
  Per the new Development and Lease & Management agreements between Milwaukee County and the War Memorial Corporation in 2013, the War Memorial Center and the Milwaukee Art Museum are to be operated and treated as separate entities/organizational units as of 2014.

  Expenditures for the Milwaukee Art Museum are $1,100,000 in tax levy for 2014. Milwaukee County's annual operating contribution to the Art Museum will remain at this amount for calendar years 2014-2023. In addition, capital improvement contributions totaling $10 million between 2013-2017 towards a $25 million refurbishment of the County-owned portions of the facility are outlined in the Capital Budget.

1905 **Ethics Board**
The Ethics Board budget increases by $7,504 to $85,270. The department expects to maintain their level of service. A 0.5 FTE position is converted into a 0.8 position, increasing the personal costs by $2,878 and eliminating a 0.2 seasonal FTE. Operational costs increase $5,050 to accommodate an expected professional service contract for legal services.

1913 **Civil Air Patrol**
No Major Change.

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 $1.8 million are included

for 2014, which is the same as 2013. Transit employees use the Ceridian benefits system, which is reimbursed by MCTS. The method for allocating costs to departments changes from direct service to a cost abatement. No tax levy is budgeted in this org. unit as it is charged to user departments.

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 2014, 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 2014 are based upon the 2014 Cost Allocation Plan, which uses 2012 actual costs as its basis. There is no tax levy impact included in this budget, as the charges, and related tax levy, are allocated to other county departments.

1945 **Appropriation for Contingencies**

The Recommended Budget includes $7,744,544, an increase of $3,641,215 from the $4,103,329 provided in 2013. This amount includes $4,344,544 in "unencumbered" funds and additional $3.4 million that is allocated to provide for potential shortfalls in four areas, including:

- $1.3 million to protect against fire protection charges not being paid by water Utility tenants on the County Grounds.
- $900,000 to offset possible revenue loss if the State decides to vacate office space at the Marcia P. Coggs Health and Human Services Center.
- $700,000 to backfill with tax levy the potential loss of child support payments from the state.
- $500,000 for critical maintenance work in the 911 communications/dispatch center, based on identification of need by DAS-Facilities Management.

The policy that any unanticipated one-time revenues received during the year be first placed in the Appropriation for Contingencies is discontinued for 2014 and, instead, replaced in the Fiscal Management Policies section with the following statement:

> *"Similar to the policy related to land sales, large one-time revenues such as settlements, awards, donations, etc. shall be utilized for one-time projects or acquisitions and* ***shall not*** *be used to offset ongoing operating costs. Such revenues shall be budgeted only upon receipt. If no appropriate one-time projects are identified and approved by DAS-PSB, the funds shall supplement the Appropriation for Contingencies."*

1950 **Employee Fringe Benefits**

Additional Cost Shifting

Employee fringe benefit expenditures, including health, pension and other employment benefits, decrease $2,611,293 to $187,989,880. Overall, basic health and prescription drug coverage expenditures increase by approximately $4.9 million, to $107.4 million, or 4.8 percent. This includes an increase of 2.3 percent for active employees and 7.1 percent for eligible retirees. The increase of $4.9 million is fully offset by additional cost shifting, primarily to active employees through higher monthly premiums and the discontinuation of the flexible spending contribution.

The Recommended Budget includes increasing the employee participation in the new health benefit plan design that was implemented in 2012, which discontinued the HMO, increased active employee premium contributions, co-insurance, many of the of co-pays and boosted the out-of-pocket maximums. Additional changes adopted in 2013 further increased the aggregate total cost of the healthcare benefit paid by employees/retirees to 25 percent of the total cost, after factoring all variables, including the flexible spending account contribution. For 2014, the Recommended Budget proposes:

Monthly Premiums
Increasing the required monthly premiums for active employees (retirees are not required to pay monthly premiums under the terms of their retirement benefits) as follows, depending on their participation in a new wellness program:

	Monthly Premium Changes				
Tier	**2013 Adopted**	**2014 CEX**	**Change (Wellness non-participants)**	**2014 CEX (Wellness participants)**	**Change (for Wellness participants)**
Employee Only	$100	$165	$65 or 65%	$115	$15 or 15%
Employee + Child(ren)	$125	$225	$100 or 80%	$175	$50 or 40%
Employee + Spouse	$200	$280	$80 or 40%	$230	$30 or 15%
Employee + Family	$225	$365	$140 or 62%	$315	$90 or 40%

It should be noted that the Wellness program participation credit of $50 shown above will not begin until April 1, 2014. Employees wishing to participate in the Wellness Program, according to DAS-Fiscal Affairs, will not be required to pay the higher monthly premiums for the first three months of 2014.

Flexible Spending Account (FSA) Contribution
The Recommended Budget eliminates the flexible spending account contribution made to employees. This included payments of $600, $1440, $1,220 or $1,800 for employee only, employee plus child(ren), employee plus spouse or family, respectively. This expenditure reduction is approximately $3.7 million based on the 2013 Adopted Budget. This payment for active employees was implemented to help balance the overall health insurance burden between active employees who pay monthly premiums and retirees who do not.

Plan Design
Except for increased monthly premiums and the discontinuation of the flexible spending account contribution, there are no other plan design changes proposed for the healthcare plan.

Affordable Care Act
The Recommended Budget acknowledges that the Federal health insurance exchanges are operational beginning October 1, 2013, and, based on preliminary estimates, the County may achieve significant savings in its healthcare insurance costs by utilizing the exchange. It is proposed that the County study the potential benefits of the healthcare exchange, and "if this analysis shows that the County can realize significant savings while ensuring access to quality and affordable healthcare, then the County will eliminate the existing self-funded health insurance plan and transition to the exchange during 2014."

Wellness Initiative
The 2014 Budget includes $400,000 for a new Wellness Program. County Board Resolution 13-703, adopted September 26, 2013, approved a three-year agreement with Froedtert Health for the administration of the County's wellness program. This program would administer health education and awareness, health coaching, promoting prudent preventative medicine, and encouraging healthy activities and choices. A Wellness Coordinator was recently hired to help coordinate the program.

Dental Plan Benefit Changes
The Recommended Budget also proposes significant changes to the employee dental benefit program, including the elimination of the DMO (Care Plus) and increased monthly premiums for the conventional PPO plan. The elimination of the DMO is anticipated due to the significant rate increase proposed by Care Plus to extend its contract beyond 2013. The budget narrative leaves open the possibility that negotiations may yield an agreement to keep the DMO in 2014. The proposed monthly premiums are:

Monthly Dental Premiums 2013 Adopted and 2014 CEX			
	2013 Adopted	2014 CEX PPO Plan	2014 CEX DMO Plan (if offered)
Single	$2	$10	$10
Family	$6	$25	$52

Additional changes are proposed for the Dental PPO beginning in 2014, including:

- Annual coverage maximum, not including preventative maintenance, is increased to $2,500 from $1,000.
- Adult Orthodontia is now covered, and the lifetime maximum for orthodontia coverage is increased from $1,500 to $3,000.
- All other deductibles and co-insurance rates stay the same.

An appropriation of $140,000 is provided to "grandfather" Care Plus patients for orthodontia services since payments are usually spread over a two to three year period so as to hold these employees harmless for the change in dental coverage.

Pension

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

5406-Retirement System Contribution-OBRA account is used to separately budget for OBRA benefit contributions. This amount increases $80,000 to $440,000. This pension plan covers seasonal and certain temporary employees who do not elect to enroll in the ERS.

5409-Retirement System Contribution account includes a decrease of $2,117,483, from $64,241,079 to $62,123,596. The pension contribution includes a normal cost contribution of $16,669,000, an unfunded actuarial accrued liability payment of $12,388,000, and debt service costs on the pension obligation notes issued in 2009 of $33,066,596. 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 contribution to the stabilization fund for 2014 is $0, the same as 2013.

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, 2012, the pension fund was 87.3 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. Deputy Sheriffs were later added as part of a new labor agreement. For 2014, the employee pension contribution rates for general employees increase to 5.1 percent from 4.4 percent, and public safety employees decrease to 5.2 percent from 5.4 percent. The contribution amounts are recalculated each year by the county's actuary.

The Recommended Budget proposes to investigate the possibility of providing employees the choice of whether to remain in the existing defined benefit pension system or to "opt out" and join a defined contribution (401K style) pension system with the possibility of a match to the employee's account by the County.

Wage and Step Increases

The Recommended Budget includes a 2.0 percent base wage increase for all employees beginning on April 13, 2014 (pay period 10), which results in a "cash value" of 1.31 percent during calendar year 2014. The Consumer Price Index forecasts by the State Department of Revenue projects a 1.66 percent increase in 2014 which is the allowable maximum on which base wages may be negotiated with bargaining units. If it is determined that the cash value basis for determining the raise is not acceptable, the County will negotiate with collective bargaining units under the assumption that the 1.66 percent is the maximum allowed. All other non-represented employees will receive the 2.0 percent increase.

The Recommended Budget also eliminates all step increases for employees in 2014 except for those in the Deputy Sheriff's Association and Firefighters Association. The narrative suggests that the current system of steps is inequitable and a new system will be developed and implemented for future use by Human Resources.

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 2013. The Office of the Comptroller will charge this account for staff associated with the preparation and issuance of the general obligation and airport revenue bond issues that is not eligible to be financed with bond proceeds.

Departmental:

1000 **County Board**

Funding is reduced 38.1%, to $4,121,680. The reduction is $2,534,761. Staffing is reduced 48.8%, a cut of 27.6 FTE.

Under Act 14, expenditures for the County Board are limited to a maximum of 0.4% of the County levy, plus other expenses including Board salary and fringe and Legacy fringe. With an unchanged levy in 2014, the Act 14 cap is $4,167,266. The amount in the 2014 Proposed Budget is $45,586 under this cap. For each additional $1,000,000 in the levy, the cap for Board expenditures would increase an additional $4,000.

1011 **County Executive**

Funding is increased 31.3%, to $1,740,766. The increase is $414,512. Staffing is reduced 10.0%, a cut of 1.0 FTE. Most of the increase in expenditures is due to $400,000 to purchase security services through a bidding process.

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

Cross charges for interpreter fees are eliminated resulting in a tax levy increase for $207,656. Will-O-Way rental rates and fees are increased between 10% and 25% for estimated revenue of $111,000.

1020 **Government Affairs**

The Recommend Budget includes a new organization number, 1020, County Executive Office of Government Affairs, with 2.0 FTE and $310,621 in expenditures and tax levy.

The Office is provided $55,000 for an operating budget. The narrative notes that all service and commodity expenditures of the Office shall be approved by the County Executive.

The Recommended Budget reflects that the positions of Director of Intergovernmental Relations and Assistant Director of Intergovernmental Relations have been changed to two positions of Intergovernmental Liaisons. The narrative further notes that one position will report to the County Executive and the other to the County Board, and both positions will be at the same salary level.

Prior to Act 14, the County Board adopted Resolution 13-397, stating: "Be it further resolved, that Intergovernmental Relations shall be established as a separate, independent department with all related expenditures beginning in 2014 that will serve both the County Executive and County Board and only advance policies that have been approved by the county; and be it further resolved, that Intergovernmental Relations staff shall be reclassified as part of the 2014 Adopted Budget to have two co-equal positions, one position appointed by the County Executive and one by the County Board Chairperson, to fulfill its duties and to speak with one voice to other units of government based on the adopted policies approved by the county." (lines 221-230)

1021 **County Executive Office of Veteran Services**

The Office of Veteran Services is approved an increased $11,500 for the Needy Veteran's Fund. The staffing remains the same with three staff and three Vets Service Commission Members.

1040 **Department of Administrative Services-Community Business Development Partners**

There were no major changes within the Community Business Development Partners for 2014.

1110 **Civil Service Commission**

Expenditures for the Civil Service Commission total $15,696, or $182 more than 2013. There are no major changes in this budget.

1120 **Personnel Review Board**
Total expenditures for the PRB increase $22,397 from $247,362 to $269,759, based on higher legacy benefit allocations and an additional $12,000 for outside legal services to help alleviate the backlog of employee disciplinary hearings.

1130 **Corporation Counsel**
Budget remains relatively constant. A tax levy reduction of $30,532 is due to an increase of $30,000 in projected revenues.

1135 **Labor Relations**
The Department of Labor Relations remains a stand-alone department reporting to the County Executive. No changes are recommended for 2014.

1140 **Department of Human Resources**
The Recommended Budget for the Department of Human Resources includes Org. 1135 – Labor Relations, which was previously a stand-alone department.

Total positions for the department increase 2.7, to 58.4 FTE. Two new positions of Management Assistant are created and a third funded for 2014. The cost of these positions was offset with the unfunding of two Human Resources Analyst 3 positions. In addition, one Labor Relations Analyst and one Labor Relations Manager are abolished due to workload. One Human Resource Generalist – Airport is created and funded by the airport. The department is divided into six strategic program areas: Director's Office and HR Partners, Health Benefits, Retirement, Compensation, Employment and Staffing and Training and Development/Employee Relations.

1150 **Department of Administrative Services – Risk Management**
DAS-Risk Management is an internal service fund that charges its expenses to other County departments. For 2014, Workers' Compensation claims and payments is outsourced to a third party administrator, allowing for the abolishment of two positions (Claims Examiner and Claims Adjuster). It is expected that the change will lead to increased rigor of claims investigations, analysis and approval processes. Based on this, the budget for medical and lost time costs are reduced $725,000. The cost of the third party administrator is expected to be $250,000, with total savings anticipated from this initiative to be approximately $644,000, with the savings distributed to departments throughout the County.

The decision to outsource the Workers' Compensation claims function appears to be partly based on a communication dated September 9, 2013, from the State Department of Workforce Development outlining significant reporting issues. The Risk Manager was terminated on August 17, 2013, for unspecified reasons and, as of the date of this Overview, a permanent replacement has yet to be appointed.

The Recommended Budget also seeks to increase the County's deducible for excess liability insurance from $1.5 million to $3.0 million. Actual costs have not exceeded $1.5 million in the past ten years. This action would reduce liability premiums by approximately $191,000 each year, with the savings distributed to departments throughout the County. To build a reserve for emergencies that would include large claims, it is recommended that a portion of the debt service reserve be designated for such a contingency. In addition, Airport liability insurance declines by $154,037 based on updated actuarial data.

An appropriation of $50,000 is provided for supplemental services, to be later determined by the Risk Manager, to reduce documented misuse of the Family Medical Leave Act. No additional information is provided, but it is believed that this may include outsourcing the function to a third party administrator.

1151 **Department of Administrative Services – Administration and Fiscal Affairs**

The Fiscal and Strategic Services Section is renamed the Office of Performance, Strategy and Budget (DAS-PSB) and is referenced throughout the narrative.

DAS-PSB is reorganized by retitling the Fiscal and Budget Administrator (FABA) to Director of Performance Strategy and Budget. Three existing Coordinator positions are re-titled as Budget Coordinators for Operating, Capital and Strategic Planning and will act as budget analysts and team leads. The Assistant FABA (AFABA) is unfunded for 2014.

One position of Fiscal Analyst – NR is created to retain responsibility for the TRIPS/Collection contract, administrative/tracking functions associated with outstanding debts, and assistance with other administrative functions within DAS-Fiscal. An Administrative Coordinator – Reimbursement position is abolished effective April 1, 2014. Previously, administrative costs related to the Reimbursement program were crosscharged to departments. For 2014, this crosscharge is discontinued (except for Child Support and Family Care that generate offsetting revenues). This results in a $255,657 increase in the tax levy in this section for 2014. Total reimbursement revenue is expected to be approximately $602,000 in 2014, a decrease of more than $38,000. These revenues are budgeted in the affected departments.

For 2014, a new Section titled Records Management is created with two FTE positions to develop record retention policies and ensure legal compliance, especially as it relates to the Health Insurance Portability and Accountability Act (HIPPA). In addition, the duties will include:

- Developing processes by which departments work with the Records Management section to store records.
- Coordinating collection of, and responses to, Open Record requests received by executive branch departments and offices.
- Helping effectuate capital improvement projects related to fiscal automation and records indexing.
- Developing performance measures related to reduced utilization and cost of outside paper records retention and increased share of records that are stored electronically.

Including operating costs of $70,000, the new section will require $227,163 in tax levy in 2014.

1152 **Department of Administrative Services - Procurement Division**
One position of Contracts Administrator is created to offset the abolishment of one position of Purchasing Administrator that is abolished. This new position will work with the Commodities section to enhance the bidding and RFP processes, and will assist with the implementation of a comprehensive contract management system.

1160 **Department of Administrative Services – Information Management Services Division**
Total expenditures decrease by $542,913, from $16,252,317 to $15,709,404. A total of 53 FTE positions are funded for 2014, a decrease of two from the 2013 Adopted Budget. One position of Graphic Designer is transferred from the County Board to DAS-IMSD. Three FTE positions are transferred from DAS-IMSD to DAS-Facilities due to the proposed transfer of Distribution Services. DAS-IMSD is budgeted as an internal service fund; all of its expenditures are charged to user departments so the tax levy for these services is contained in departmental budgets.

The DAS-IMSD Radio Services team manages the countywide 800 MHz radio system and network. It is recommended that the function be studied for possible transfer to the newly-created Department of Emergency Preparedness in 2014.

IMSD is also involved in significant Capital Improvement Projects related to information technology including the 800MHz trunk radio system and Windows migration. The Windows Migration project includes replacing most personal computers and migrating to the Windows 7 operating system as the current version, Windows XP, will soon be unsupported.

1192 **Department of Administrative Services -Economic and Community Development**
Economic and Community Division (ECD) total budget is reduced by $297,632 to $2,285,647 with a tax levy increase of $54,381. Land sales revenue is maintained at $400,000 while parking lease revenue decreases to $502,750 due to the pending closures of parking lots as result of I-794 construction.

ECD is reorganized eliminating the Economic Development Coordinator, the Real Estate Manager and the Real Estate positions. Reorganization results in a personal cost reduction of $40,113. Three new project manager positions are created in this budget. Details on how these positions meet the departmental mission are not provided.

Courts and Judiciary

2000 **Combined Court Related Operations**
Expenditures increase by $2,758,771 to $41,509,798, revenues increase by $2,447,732, and property tax levy is also increased $311,039 to $29,841,488.

This budget will continue with 2013's initiative to transition to electronic legal records and research. Bail forfeiture revenue continues to decrease by $100,000 in 2014 as a result of the Alternatives to Incarceration programs making progress.

Most levels of service and programming are "status quo" with the 2013 levels, but the Drug Treatment Court Grant, which includes funds for four professional service contracts totaling $115,274, will expire on September 30, 2014. The contracts are subject to separate review and approval by the County Board for the following vendors and services:

Description	Vendor	Amount
Group Moderator	Meta House	$1,050
Evaluator	Planning Council	$41,224
Coordinator	Rebecca Foley	$65,000
Sustainability Consultant	Jan Wilberg	$8,000

There are increases reflected in all State and Federal grants except for the Interpreter Reimbursement, which decreased by $101,507 to $338,801. However, the Interpreter Reimbursement decrease is offset by a new 2014 request for Foreclosure Mediation grants in the amount of $361,000.

2430 **Child Support Services**

Revenue is reduced by $1,825,967 and expenditures $1,991,464 mainly due to the elimination of cross charges for services provided to Combined Courts resulting in a total budget for the department of $18,337,437 with a tax levy reduction of $165,498.

The 2013-2015 State Budget increased by $2.83 million the General Purpose Revenue for Child Support Services throughout Wisconsin. This action would have resulted in a $687,053 increase to Milwaukee County; however, the State Department of Children and families has issued a draft formula for the distribution of these funds that effectively eliminates it. Thus, $700,000 is allocated in a contingency account to cover the cost of 9.5 FTE previously unfunded in case that the draft formula is adopted.

Two unfunded positions of Deputy Sheriff are abolished and two new DA Investigators positions are created under the District Attorney budget to provide services to Child Support Services. The cost of training, equipment and salaries with fringes will be cross-charged to Child Support allowing for State and Federal revenue drawdown.

The Pathways to Responsible Fatherhood Grant for $1,364,919.00 ends in September 2014.

2900 **Courts - Pre-Trial Services**

Expenditures decrease $793,382 to $4,278,282, revenues decrease by $55,723, and tax levy decreases by $737,659 to $3,735,904.

The revenue decrease is primarily due to the 2014 expiration of the Bureau of Justice Assistance Drug Grant, which amounts to $60,000. There is an increase in cross charges, which includes a $52,000 charge to IMSD for the maintenance of the new Milwaukee County Pretrial Services Case Management System that was created in 2013 with surplus funds.

There is a reduction of operating costs in the amount of $986,413 as a result of shifting the Day Reporting Center administration and management to the House of Correction (Org. Unit 4300) in July 2013.

3010 **Election Commission**

Total expenditures for the Election Commission increase $300,035, from $655,952 to $955,987 to reflect the increase in the number of elections scheduled in 2014. Expenditures for staffing are realigned to reduce overtime and full-time staff needs while employing the use of hourly positions during periods of peak work load times. FTE positions remain at 6.2 for 2014.

3090 **County Treasurer**

For 2014, two former non-departmental budgets Org. Unit 1992 – Earnings on Investments and 1989 – Investment Advisory Services are included in the Treasurer's budget. (see below)

Earnings on Investments

The Recommended Budget proposes that Earnings on Investments, formerly Org. Unit 1992, be merged into the Treasurer's Office beginning in 2014. Earnings on Investments remain at $1,711,411 due to continued low interest rates in the current investment market. Total interest earnings are expected to be $2,347,071, with $635,660 earmarked for trusts and capital project earnings.

Investment Advisory Services

Investment management expenses remain at $260,000 and are also recommended to be included in the Treasurer's Office. This expenditure was included in non-departmental account 1989 – Investment Advisory Services in 2013.

3270 **County Clerk**

Expenditures increase $307,320 to $1,127,838, while revenues decrease $1,030 for a net tax levy increase of $308,350 to $653,543.

The increase of tax levy is a direct result of transferring in four positions from the County Board in 2013, including three committee clerks and one Support Services staff. Funds for the software lease for the County Legislative Information Center (CLIC) have also been transferred to the County Clerk from the County Board budget.

All other programming and services are generally maintained at the 2013 levels.

3400 **Register of Deeds**

Revenues in the Register of Deeds decrease by $425,066 to $4,976,470 and expenditures decrease $352,079 to $4,132,327 with a net tax levy increase of $72,987. 1.0 FTE for a Clerical Assistant 1 is abolished for 2014.

The Land Records Modernization service is being moved to the Milwaukee County Automated Mapping and Land Information System (MCAMLIS), within the DAS-Economic and Community Development budget in 2014 (Org. Unit 1192, Strategic Program Area 3).

In Vital Statistics, the free birth certificate program enacted in 2012 will continue in 2014, until the program's limit of 5,000 birth certificates have been given out; currently, 1,291 certificates, valued at $20 each, have been given to date.

3700 **Office of the Comptroller**

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

A new section, Research Services, was created by County Board Resolution 13-643, adopted July 25, 2013, and is included in the Recommended Budget. The resolution/ordinance established an independent research staff to serve the executive and legislative branch. A total of four positions were authorized pursuant to the guidelines in Wisconsin 2013 Act 14. The total tax levy cost for these positions, net of legacy fringe benefit allocations, is $356,754. These expenses were previously included in Org. 1000 – County Board.

One new position of Budget and Management Analyst is created effective April 1 to assist in the preparation of special fiscal analysis and fiscal notes, as required by state statute. One Accountant II position is funded in 2014 to provide increased capacity for lower level accounting and allow higher level accountants to focus on more complex tasks.

The Central Payables section is expected to continue a new program that will be initiated in the fall of 2013 called Access Online Payment Plus. It will allow vendors the option of receiving payments through virtual credit card accounts rather than payment by check. Vendors will be charged a fee of approximately 3% on each payment, which will generate approximately $100,000 in revenue in 2014. Vendors benefit through faster payments, improved cash flow, and reduced exposure to check fraud.

Payroll duties were consolidated in 2013, and seven payroll staff are transferred from DHHS-BHD (2), DHHS (1), HOC (1), Airport (1) and Sheriff (1). In addition, one additional payroll assistant is funded in the Office of the Comptroller to assist with additional HOC payroll functions that were performed by staff that remained with the HOC.

4000 **Office of the Sheriff**

The 2014 Recommended Budget reflects that total expenditures decrease by $7,777,307 to $72,281,180 and revenues decrease $153,745 to $11,543,459. Tax levy decreases $7,623,562 to $60,737,721.

Policymakers should be aware that the 2014 Recommended Budget shows the Sheriff's allocation for expenditures in 2013 was $80,058,487 when in fact the allocation amount was $84,869,149. This variance of $4,810,582 is due to the removal of Emergency Management Services and the Training Academy out of the Sheriff's budget for 2014. Therefore, based on data calculated by the Office of the

Comptroller, the actual expenditure decrease from 2013 is $12,587,969, and the actual tax levy decrease is $11,680,887. The actual projected revenues also decrease by $907,082 instead of the stated amount of $153,745 for 2014.

The tax levy decrease includes a shift of $1,729,000 to the House of Correction and a transfer of $581,363 to the District Attorney's Office.

The Recommended Budget reflects a reduction of 69.5 FTE total for the department, which includes the transfer of FTE to other departments, as well as 33.0 FTEs Deputy Sheriff positions that shall be abolished upon vacancy. 8.0 FTEs are transferred to the deployed Training Academy, the *funding* equivalent of 5.0 FTE are transferred from the Apprehension Unit to the Office of the District Attorney, and 30 FTE are transferred to the newly created Emergency Preparedness Department.

2.0 FTE Clerical Assistant 1 positions are also being transferred to the Office of the District Attorney for the Apprehension Unit, as well as 1.0 FTE Clerical Assistant 1 position to the Office of the Comptroller for payroll centralization efforts. The House of Correction is transferring 1.0 FTE back to the Sheriff.

Administration
One of the biggest changes we see within the Administration and Management division is the abolishment of the 1.0 FTE Sheriff's Department Bureau Director (Deputy Inspector), and 1.0 FTE Facility Administrator (Inspector) positions. These reductions highlight a dramatic change in the administrative structure of the department, which would also include the proposed replacement of all Deputy Sheriff Sergeant positions with Deputy Sergeant Lieutenant positions.

County Jail
Funding allocations decrease for the Jail, despite the anticipated increase of 80 new inmates to 920. The department will also see a reduction of 6.0 FTE to 335.7 FTE, which includes 256 FTE Correctional Officer positions. Although the Recommended Budget indicates there will be 3.68 inmates per budgeted Correctional Officer, the ratio would break down to approximately 70:1; the current practice implemented is 64:1. Policymakers may want to investigate the legal requirements of inmate to officer ratios to ensure that adequate safety measures and staffing levels are in place.

Training Academy
Another major functional shift is the transfer of the Training Academy to the House of Correction. This shift will result in a tax levy reduction of $1,729,000 that will be added directly to the expenditures of the House of Correction, as well as a reduction of 7.0 FTE transferred to the House of Correction's budget.

Criminal Investigations
The Apprehension Unit of this program area will be abolished from the Sheriff's budget, and be transferred to the Office of the District Attorney (D.A.). This results in a $966,705 reduction to the Criminal Investigations expenditures. The funding equivalent for 5.0 FTE will also be removed from the Sheriff and transferred to the D.A., in addition to 2.0 FTE Clerical Assistant 1 position to be used in the D.A.'s Child Support Investigation portion of the Apprehension Unit.

Civil Process/Warrants
Staffing is reduced from 30FTE to 8FTE, which "reflects actual workload performed by the program area." The Sheriff is not "the sole entity responsible for clearing warrants," and the budget "reflects this shared work load between law enforcement agencies." Along with staff reductions, overtime is increased from $22,656 in 2013 to $97,188 in 2014 to reflect historical actuals.

The Sheriff's Office denies that 8FTE "reflects actual workload performed." They note that state law requires the Sheriff to serve all writs issued by a court, except those coming from the City's Municipal Court. This includes notices for eviction (3,261 in 2012), foreclosure (947 in 2012) and temporary restraining orders (4,649 in 2012). In some cases, safety conditions mean that multiple deputies are required to serve papers. In some cases, such as evictions, serving the papers can take many hours of work. In addition, a number of other legal papers are served by the Sheriff's Office, including at least 21,437 civil process papers in 2012. Other duties, not noted in the Proposed 2014 Budget, include DNA collections and mental health pickups.

The Sheriff's Office notes that while all law enforcement agencies in the County clear warrants, in most cases this means only that officers who have other reason to stop someone will routinely check to see if there are warrants for the individual.

Park Patrol and Tactical Enforcement Unit
Funding expenditures decrease by $1,676,594 to $1,931,366. A reduction of 18.0 FTE is also seen within this division, leaving 10 FTE assigned to this division.

Although the Recommended Budget solely highlights that the Tactical Enforcement Unit (TEU) performs Expressway Patrols and Courts duties, it should be noted that TEU is also tasked with handling emergency response situations such as the Sikh Temple shooting that occurred in Oak Creek in August 2012, as well as the mass shooting at the Azana Salon & Spa that took place in Brookfield in October 2012.

In 2013, the Recommended Budget included an MOU between the Milwaukee Police Department (MPD) and Milwaukee County proposing a three-year agreement for MPD to patrol the parks and the lakefront located within the City of Milwaukee in exchange for a service fee provided by the County. A similar proposal is included in the 2014 Recommended Budget. Policymakers should understand that MPD's presence in the parks and at the lakefront is a continuance of service that MPD was already providing to the County prior to a proposed MOU or service fee. MPD uses existing staff to cover these patrols. The Recommended Budget suggests that by having MPD provide these services, it will reduce the duplication of safety services and allow greater efficiencies.

The Sheriff's budget states that a funding allocation of $950,000 for this service contract is included within the Law Enforcement Grants non-departmental account (Org. Unit 1940, Section 5). However, the Law Enforcement Grants section states the actual allocation amount for this project is $965,201. According to an analysis by the Comptroller in 2012, it should be noted Deputy Sheriffs earn less than MPD officers, resulting in a higher cost of service to Milwaukee County.

Also within the Law Enforcement Grants unit, there is an allocation of $180,000 to offer to the other 18 municipal law enforcement agencies in Milwaukee County, as an incentive to get suburban law enforcement to sign on for service contracts similar to the one with MPD to provide security services in suburban parks. Policymakers should monitor how this new program will impact the Office of the Sheriff, as it will likely raise concerns about the effectiveness of the Sheriff's presence in suburban parks in the future. The Recommended Budget includes $1,931,366 to patrol suburban parks which don't use the Sheriff's services, and also $180,000 to pay every suburb not to use those services. These two expenditures overlap. It is also not clear how payments totaling $180,000 would allow suburbs to take on the additional duty of park patrols without reducing coverage elsewhere, since the work would cost the County at least $1.9 million.

Each of the other 18 municipalities would be offered up to $10,000 if they choose to enter into one of these service agreements. Any funds that are not required or used within these service agreements would be transferred to the Appropriation for Contingencies fund in December 2014.

Public Safety Tax Levy
No FTE

Public Safety	2013 ADP	2014 REC	VAR 2013-2014	Training	Comm.	Emergency Management	Apprehension Unit	Cross charges food & laundry	Crosscharges Administrative	Net Change
Expenditures	166,219,258	163,633,826	-2,585,432	Training Academy	Comm - 911	Emergency	DA Investigators	2014 eliminates	Charges for Risk	
Revenues	25,645,713	25,385,837	-259,876	transferred from	and dispatch	Management	will apprehend	the charging to the	management	
Tax Levy	140,573,545	138,247,989	-2,325,556	Sheriff to	transferred from	transferred from	inmates for the HOC	Sheriff from the	and central service	
				HOC	Sheriff to new	Sheriff to new	instead of the	HOC for food and	allocation moved	
					Emer Preparedness	Emer Preparedness	Sheriff	laundry	from Sheriff to HOC	
4000-Office of the Sheriff										
Expenditures	84,869,149	72,281,180	-12,587,969	-1,000,000	-3,422,419	-946,636	-581,363	-1,654,000	-836,338	-4,147,213
Revenues	12,450,541	11,543,459	-907,082	0		-507,591				-399,491
Tax Levy	72,418,608	60,737,721	-11,680,887	-1,000,000	-3,422,419	-439,045	-581,363	-1,654,000	-836,338	-3,747,722
4300-House of Correction*										
Expenditures	58,303,595	63,861,272	5,557,677	450,460				1,654,000	836,338	2,616,879
Revenues	5,095,464	5,455,008	359,544	0						359,544
Tax Levy	53,208,131	58,406,264	5,198,133	450,460				1,654,000	836,338	2,257,335
*full year implementation of the Armor contract results in increased service exp. of $7.5 million offset by other exp reductions of $4.7 million including a reduction of 30 FTE for a net increase of $2.7 million.										
4500-District Attorney										
Expenditures	18,382,237	18,306,072	-76,165				581,363			-657,528
Revenues	6,319,673	5,821,311	-498,362							-498,362
Tax Levy	12,062,564	12,484,761	422,197				581363			-159,166
4800-Emergency Preparedness										
Expenditures		4,369,055	4,369,055		3,422,419	946,636				0
Revenues		507,591	507,591			507,591				0
Tax Levy		3,861,464	3,861,464		3,422,419	439,045				0
4900-Medical Examiner										
Expenditures	4,664,277	4,816,247	151,970							151,970
Revenues	1,780,035	2,058,468	278,433							278,433
Tax Levy	2,884,242	2,757,779	-126,463							-126,463

4300 **House of Correction**

Expenditures increase by $5,338,618 to $63,861,272 with increased tax levy support in the amount of $58,406,264. Revenues increase by $142,894 to $5,455,008. FTE is reduced by 30.7.

Major programmatic changes reflected in the Recommended Budget include the transfer in of the Training Academy from the Office of the Sheriff, as well as the Day Reporting Center from the Pre-Trial Services Division.

House of Correction –Facility and Inmate Programming

The expenditures, revenues, and FTEs are significantly reduced due to the Electronic Monitoring and Huber functions moving to the HOC Inmate Programming unit, where these areas reflect proportional increases.

Inmate Medical & Mental Health

A significant increase in expenditures from $12,218,372 to $20,319,001 is due to the full cost of the Armor Correctional contract being included in this area. In May 2013, the contract was signed to have Armor as the provider of all medical and health services to inmates. The cost of this contract will be offset by a reduction of County inmate medical staff, as the 29.7 FTE reductions in this area were actually vacant positions in 2013, resulting in no layoff in this area; these positions are now staff by Armor.

Training Academy

The Training Academy is being transferred out of the Office of the Sheriff to the HOC, with expenditures increasing slightly to $216,285. While the Sheriff's budget reflects a transfer of 7.0 FTE to Training Academy, the HOC has only budgeted 6.0 FTE for this program area.

4800 **Emergency Preparedness**

Expenditures increase by $222,548 to $4,369,050, with $3,861,459 in tax levy support and $507,591 in increased revenues. 30 FTE are budgeted for this department.

This newly created department is merged by a transfer of the Emergency Management Unit and the 911 Communications Unit from the Sheriff's Department. This department will handle control of all emergency management services and 911 calls and dispatch. 24.0 FTE are to be transferred from the Sheriff to the Communications area of this department, while 6.0 FTE are to be transferred for the Emergency Management area.

4500 **District Attorney**

Tax levy for the 2014 budget is increased by $422,197 increasing total DA budget to $12,484,761 in 2014. The Violence Against Women Act funding was eliminated by the federal government on June, 2013 reduces grant funding by $498,362.

Based on prior experience, reimbursement rate for Victim/Witness program is expected to increase to 50% from 46.7% resulting in a State Grant funding net increase of $95,152.

The District Attorney's personnel increases by 15.6 FTE positions to 165.5. These positions are partly funded by the elimination of the Sheriff's Office of Apprehension Unit, the allocation of two positions previously slotted for two Sheriff Deputies in Child Care Services Department, transfer of two clerical assistants from the Sheriff's Office and additional funding allocated from federal and state grants.

The addition of 7.0 FTE additional Investigator – District Attorney positions are a key change to the department for 2014. Two of the positions will primarily support Child Support Services, allowing for some offsetting state and federal revenues. Five positions of Investigator – DA will assume the role for apprehension of inmates at the House of Correction. The cost of this action is offset by the elimination of the Apprehension Unit within the Office of the Sheriff. In addition, two clerical positions are transferred from the Office of the Sheriff to the District Attorney to provide support to the expanded unit.

4900 Medical Examiner

Medical Examiner tax levy is reduced by $126,464 due to anticipated increased revenue in cremation permitting fees. Fee increases from $325 to $350 for cremation permits are proposed. Operational costs are increased to cover an Annual Forensic Science Seminar and licensing of new software for the amount of $87,469.

Additionally, a Liquid Chromatograph Tandem Mass Spectrometer System (toxicology equipment) is included in the Capital Improvements Budget for a total cost of $453,100, financed with $327,100 of general obligation bonds and $126,000 in land sales revenue anticipated in Org. Unit 1933 - Land Sales from the UWM Research and Innovation Park payment.

5040 **Department of Transportation – Airport Division**

Expenditures decrease $3,028,798 from $86,997,816 to $83,969,017 and revenues decrease $3,028,799 from $86,997,816 to $83,969,017.

Based on projected passenger traffic and a $0.50 per day rate increase in 2014, parking revenues are budgeted to increase $900,000 from $26,500,000 to $27,400,000.

In 2014, car rental concession revenues are budgeted to increase $540,500 from $8,600,000 to $9,140,500.

In 2013, expenditures on the former 440th Air Force base (now re-branded as Milwaukee County's MKE Regional Business Park) decrease from $363,129 to $1,429,574.

5100 **Department of Transportation – Highway Division**

Expenditures decrease $350,169 from $20,963,846 to $20,613,677 and revenues decrease $469,137 from $19,878,819 to $19,409,682.

In 2014, General Transportation Aid (GTA) to the County from the State is budgeted at $1,887,920, the same level as the 2013 payment.

Service levels for expressways and State trunk highways will be released by the State in November. The DOT Highway Division will determine maintenance expenditures at that time to match funding levels.

In 2014, State funding for highway maintenance is decreased by $447,231 due to changes in employee benefits.

5300 **Department of Transportation – Fleet Management**
Expenditures increase $333,589 from $9,538,738 to $9,872,327 and revenues increase $73,746 from $10,775,565 to $10,849,311.

In 2014, debt service on County-owned vehicles increases by $740,000 from $2,875,000 to $3,615,000 based on active debt repayment for vehicles and equipment purchases.

In 2014, abatements decrease $368,074 to reflect decreasing depreciation on older purchased vehicles.

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

In 2014, DAS-Facilities Management will continue to manage the Water Utility Fund. Fire protection charges in 2014 are budgeted at $1,333,000 with $1,270,000 being charged to non-County water system users. There is also an appropriation of $1.3 million in Org. Unit 1945 – Appropriation for Contingencies, to reflect the possibility that the Water Utility will be unable to collect fire protection charges that are included in the water charges to users of the system at the County Grounds.

5600 **Department of Transportation – Transit/Paratransit System**
Expenditures decrease $4,852,613 from $163,909,968 to $159,057,355 and revenues decrease $4,154,402 from $145,031,108 to $140,031,108. Tax levy decreases $698,211.

Congestion Mitigation & Air Quality Funding (CMAQ)
In 2014, $4.3 million in CMAQ funding is budgeted to continue Express Routes 15, 23 and 62 through mid-2014. This amount represents the remaining balance of a 3-year allocation totaling $16.9 million.

Transit Operations
Operating expenditures for Transit are budgeted at $142,944,080, a decrease of $2,007,756. Passenger revenue is budgeted at $38,550,000.

In 2014, there are no fare increases for fixed route service.

Paratransit Operations

Operating expenditures for Paratransit decrease $2,844,857 and are budgeted at $16,113,275. Paratransit revenue decreases $2,718,172 and is budgeted at $14,900,760.

In 2014, Paratransit fare decreases by $1.00 from $4.00 to $3.00 per one-way trip. Please note that a budgeting error included in the 2014 Recommended Budget mistakenly increases revenues instead of decreasing them to align with proposed $1.00 fare reduction, thus creating a $1.5 million hole in the transit budget. (*See Section 1 of the Overview for more details)*

Border to border service remains in 2014.

Paratransit trips are projected to decrease 110,029 in 2014, largely in part to the New Freedom Initiative, where eligible persons with disabilities ride the fixed route system for free.

PROPOSED FARE NAME	CURRENT FARE	PROPOSED FARE	COMMENT
Cash Fares Adult	$2.25	$2.25	No change from current fare
Premium	$3.25	$3.25	No change from current fare
Concession (Half-Fare)	$1.10	$1.10	No change from current fare
Advance Purchase Fares Adult Tickets	10/$17.50	$1.75	Value deduction smart card replaces paper tickets
Premium Tickets	10/$23.50	$2.35	Value deduction smart card replaces paper tickets
Concession (Half-Fare) Tickets	10/$11.00	$1.10	Value deduction smart card replaces paper tickets
Pass Fares 1-Day Adult Pass	New Product	$4.00	Purchased in advance at ready fare outlet
1-Day Adult Pass	New Product	$5.00	Loaded on existing smartcard at fare box
1-Day Premium Pass	New Product	$6.00	Purchased in advance at ready fare outlet or loaded
1-Day Concession Pass	New Product	$2.00	Purchased in advance at ready fare outlet
1-Day Concession Pass	New Product	$3.00	Loaded on existing smartcard at fare box
3-Day Adult Pass	New Product	$12.00	Purchased at ready fare outlet
3-Day Premium Pass	New Product	$18.00	Purchased at ready fare outlet
3-Day Concession Pass	New Product	$6.00	Purchased at ready fare outlet
3-Day Concession Premium Pass	New Product	$9.00	Purchased at ready fare outlet
7-Day Adult Pass	$17.50	$17.50	Replaces paper calendar based pass. Purchased at ready fare outlet or on-line
7-Day Premium Pass	New Product	$24.00	Purchased at ready fare outlet or on-line
7-Day Concession Pass	New Product	$11.00	Purchased at ready fare outlet or on-line
31-Day Adult Pass	$64.00	$64.00	Replaces paper calendar based pass. Purchased at
31-Day Premium Pass	New Product	$85.00	Purchased at ready fare outlet or on-line
31-Day Concession Pass	New Product	$32.00	Purchased at ready fare outlet or on-line
Other Special Fares Student Pass	$16.50	$16.50	Valid weekdays, available to schools only
U-PASS	$45.00	$45.00	Per semester
Commuter Value Pass	$201.00	$201.00	Per quarter
New Freedom Pass	Free	Free	Free to eligible paratransit clients
Transfer	Free	Free	When paying cash, transfer encoded on passenger's smartcard
Paratransit Fare	$4.00	$3.00	Per one way trip

5700 **Department of Administrative Services – Facilities Management**
Expenditures increase $2,384,778 from $28,390,509 to $30,775,287. Revenues increase $1,335,181 from $29,028,735 to $30,363,917.

Facilities Maintenance
Expenditures increase $2,763,960 from $21,698,466 to $24,462,426. Revenues increase $1,644,610 from $22,932,453 to $24,577,063.

Architectural, Engineering & Environmental Services
Expenditures decrease $46,590 from $4,593,668 to $4,547,079. Revenues increase $83,067 from $4,795,914 to $4,878,981. This revenue increase is due primarily due to the transfer of DHHS' facility operations and mail services to the Coggs center.

In 2014, $700,000 is budgeted for facility inspection, management, maintenance and project management consulting services. This includes a $200,000 contract to help implement four of the CBRE recommendations and another $500,000 for consulting services related to a facilities plan.

5800 **Department of Transportation – Director's Office**
Expenditures increase $109,781 from $140,219 to $250,000. Revenues decrease $19,180 from $269,180 to $250,000. Tax levy is $0.

In 2014, the Director's Office will create a coordinated Safety and Emergency Management program to provide a uniform approach to safety and emergency management throughout department divisions.

6300 **BHD**
See Section 1 of the Overview for major changes to BHD.

7900 **Department on Aging**
Expenditures decrease $233,783 to $18,229,953 and revenues increase $18,592 to $17,079,672, for a net tax levy decrease of $252,375.

The Department on Aging's (MCDA) 2014 budget maintains existing programing with some small staffing, revenue, and expenditure changes. On the staffing side, 1.0 FTE Program Coordinator-Aging is abolished and 1.0 FTE Program Coordinator – Elderly Services is created to coordinate Chapter 55 protective placements. 1.0 FTE Management Assistant is created to manage the call center.

Work continues to align shared services between the county's two resource centers—the Aging Resource Center (ARC) run by the Department on Aging and the Disability Resource Center (DRC) run by the Department of Health and Human Services-Disability Services Division. The budget also maintains a commitment to the Evidenced Based Prevention Program Management. Program consultant fees are also budgeted for an increase.

The Senior Meal Program continues to provide hot meals at various sites and home delivered meals to promote independent living to Milwaukee County's elderly. The

2013 budget anticipates an overall slight decrease of meals served, with slightly less individuals receiving home delivered meals than last year based on experience.

7990 **Department of Family Care**
Expenditures and revenues decrease by $10,650,040 from $294,816,671 to $284,166,631. There is no tax levy budgeted in this department.

Revenues are increased in the Department of Family Care (DFC) budget largely to reflect the changes in enrollment associated with the lifting of the Family Care enrollment cap in mid-2012. DFC receives an actuarially derived per member capitation rate from the State of Wisconsin annually, though traditionally following the county's annual budget process. As a result, the 2014 Recommended Budget is based on the 2013 capitation rate.

DFC's 2014 budget increases professional data service expenditures $370,461 associated with information technology staffing associated with DFC's MIDAS application, which the department utilizes internally, and leases to other managed care organizations throughout the state.

DFC's professional service contract expenditures are decreased by $317,259 due to decreased enrollment in Milwaukee County.

As with previous years, DFC realigns positions, creating 11.0 FTE in 2014. These positions are offset with decreased purchase of service contracts, contributions to reserves for an expenditure increase of $216,370.

8000 **Department of Health and Human Services**
Expenditures increase by $11,977,867 to $189,526,505 and revenue increases by $11,407,402 to $152,617,216 for a net tax levy increase of $570,465.

In 2014, Community Services, Wraparound Milwaukee, and Emergency Medical Services are transferred to DHHS in order to define roles and responsibilities within the overall mental health system.

<u>Director's Office & Management Services</u>
Expenditures decrease $2,464,064 and revenues decrease $2,533,769 for a net tax levy increase of $69,705.

In 2014, the 211-IMPACT contract is levy funded for a total of $480,000.

<u>Delinquency and Court Services Division (DCSD)</u>
Expenditures increase $88,401 to $40,180,739 and revenues increase $1,217,680 to $25,850,826. Tax levy is decreased $1,129,279.

Youth Aids revenue increases by $1,161,480 based on rates in the State budget and an average daily population of 146 for the juvenile correctional institution, and 11 in the child caring institution.

In 2014, DCSD expands community alternatives to reduce the incarcerated population and out of home placements, invests in support for the availability of pre-dispositional monitoring programs for youth and GPS monitoring technology. DCSD will fund an expanded alternative sanction program in 2014 to serve as an alternative detention for youth who violate probation. Tax levy increases $500,000 due to these programs.

In 2014, 1.0 FTE Deputy Superintendent is created in the juvenile detention center and 1.0 RN 1 pool position is created for increased expenditures of $182,884.

Disabilities Services Division (DSD)
Expenditures decrease $151,222 to $17,327,437 and revenues increase $196,011 to $14,431,761. Tax levy decreases $347,233.

Children's Long Term Support waiver programs and case management revenue increases $237,699 based on experience.

In 2013 four crisis respite home beds were funded by a fund transfer from BHD to DSD. In 2014 expenditures increase $250,000 as a result.

In 2014 a new Crisis Resource Center (CRC) is available to individuals with intellectual/developmental and co-occurring mental illness. A Crisis Response Team (CRT) is created to run the CRC and provide support. CRC and CRT include expenditures of $404,544.

In 2014, BHD will close the Center for Independence (CID) by eliminating all 48 beds. BHD will secure 48 client placements by November 2014. (See Org. Unit 6300 for more detail).

Housing Division
Expenditures increase $756,072 to $22,858,335. Revenues decrease $334,617 to $18,962,585. Tax levy increases $1,090,689.

In 2014, 40 permanent supportive housing site units are created to be consistent with Mental Health Redesign recommendations. As a result, expenditures increase $400,000 to cover service costs and rental assistance.

The Pathways to Permanent Housing program continues in 2014 to provide transitional housing and case management. $276,250 from Behavioral Health Community Services is transferred along with $70,000 in tax levy to provide full-year support.

In 2014, the Housing Division will fund two case managers to provide services to veterans that are homeless and disabled. This initiative had no tax levy impact as it is funded with Potawatomi revenue.

Behavioral Health Community Services (BHCS)
Expenditures increase $13,699,406 to $99,570,473 and revenues increase $12,212,097 to $90,062,769. Tax levy increases $1,487,309.

In 2014, divisions are reconfigured under DHHS as the newly created Behavioral Health Community Services Division is split off from the Behavioral Health Division, and placed under Org. Unit 8000. The Community Services branch and Wraparound will provide community based mental health and substance abuse disorder services, while the Behavioral Health Division will continue to provide the psychiatric inpatient hospital, emergency room, and long-term care units and transition clients into community placements through individualized plans.

In 2014, Behavioral Health Community Services (BHCS) will outsource its 337 caseload through a competitive bidding process. This initiative produces a tax levy savings of $689,031 and an overall savings of $1,187,126 for the purchase of community placements. 45.0 FTE will be abolished April 2014.

In 2014, $416,800 is invested to add pilot locations of Assertive Community Treatment (ACT) and Integrated Dual Disorder Treatment (IDDP). Due to community support programs being level funded since 2000, a cost of living adjustment of $738,731 is budgeted with a total expenditure cost of $1,155,531.

A peer run drop-in center will be created in 2014 to provide support with individuals with mental illness and substance abuse disorders with an expenditure of $278,000.

In 2014, BHCS will develop Crisis Resource Centers for individuals with severe and persistent mental illnesses to connect them with recovery services to promote independence. Expenditures for this program increase $1,870,682 and are offset with $1,595,682 in revenue. Tax levy will increase $275,000 due to start-up costs.

In 2014, to address the specific needs of African-American and Latino consumers, $195,000 is budgeted to provide preventative strategies with community partners with experience in culturally sensitive treatment methods.

For several years Milwaukee County has received a federal discretionary grant called Access to Recovery (ATR) that has served as the financial base of the Wiser Choice voucher network for treatment and recovery for individuals with substance abuse disorders. This grant is set to expire in September 2014, which could result in a $3.2 million loss annually.

<u>Emergency Medical Services</u>
In 2014, a $1.5 million EMS subsidy is budgeted for Milwaukee County municipalities as part of the 4-year EMS agreement. This is a decrease of $500,000 from the amount provided in 2013.

9000 **Department of Parks, Recreation and Culture (DPRC)**
Total expenditures increase $287,499 to $42,407,236 and revenues decrease by $824,685 to $16,830,023. Tax levy support increases $1,112,184 to $ 25,577,213.

Tax levy decreases in the Parks Operations & Resources program area due to a technical shift in healthcare costs to the Golf program area as a result of some internal staffing rearrangements.

Park Maintenance
For 2014, the Park Maintenance program area showed a tax levy increase to handle major maintenance, which included funds for operating Noyes and Pulaski indoor pools amounting in $348,362. However, the 2014 Recommended Budget has reallocated $278,962 of those funds to address system-wide deferred maintenance needs, while the remaining $69,400 will be used towards the operation of two splash pads at Lindbergh and Moody Parks.

Pools/Aquatics
Noyes and Pulaski indoor pools are proposed to be closed as of January 1, 2014 and subsequently demolished. The 2014 Recommended Budget uses the rationale that these two pools are underutilized, low attendance, and have significant major maintenance issues and capital needs that are too costly for Milwaukee County's continued support. However, based on data provided by the Department of Parks, Recreation and Culture (DPRC), attendance and revenue levels at both Noyes and Pulaski averaged relatively higher than most of the other county-controlled aquatics facilities. Excluding the two water park-themed Aquatic Centers Cool Waters and Schultz Aquatic, Pulaski had the highest attendance of any deep well pool in 2012, and still maintains that position as of September 2013. Noyes ranked #4 in total deep well pool attendance in 2012, and ranks #5 in attendance as of September 2013. Keep in mind that the outdoor aquatic facilities are open only during the warm weather months. Noyes and Pulaski are Milwaukee County's only remaining indoor pool facilities. The table below compares the pool attendance levels in 2012 and 2013:

MILWAUKEE COUNTY DEPARTMENT OF PARKS, RECREATION AND CULTURE
2012 and 2013 Attendance
SWIMMING REVIEW

Function Code	Site	Total 2012 Attendance	Total 2013 Attendance	Attendance Diff
Outdoor Deepwell Pools				
VG50	Grobschmidt (Oak Creek)	9,979	6,660	(3,319)
VG51	Sheridan	30,912	20,961	(9,951)
VG52	McCarty	30,341	23,732	(6,609)
VN50	Hales Corners	14,408	9,455	(4,953)
VN51	Holler	6,890	3,260	(3,630)
VN52	Jackson	18,748	11,993	(6,755)
VR51	Pelican Cove	25,736	18,108	(7,628)
VR52	Wilson	21,322	16,347	(4,975)
VW52	Washington	7,791	5,181	(2,610)
	Total Deepwell Pools	**166,127**	**115,697**	**(50,430)**
Aquatic Centers				
VR50	Cool Water	95,776	67,352	(28,424)
VR56/VB50	Schultz Aquatic	32,298	24,403	(7,895)
	Total Aquatic Centers	**128,074**	**91,755**	**(36,319)**
Indoor Pools				
VR54	Noyes	24,955	16,034	N/A
VR55	Pulaski	32,978	25,134	N/A
	Total Indoor Pools	**57,933**	**41,168**	N/A
TOTAL POOLS		**352,134**	**248,620**	**207,452**

The 2014 Recommended Capital Improvements Budget proposes that Pulaski pool be replaced with a 3,500 square-foot splash pad, and Noyes replaced with a new skate park and pavilion. The skate park recommendation is partially credited to local grassroots skate park advocates who have urged the DPRC to install such a facility within Milwaukee County, which also coincides with the historically imposed sentiment of installing a new attraction when an existing amenity is taken away, using the justification of sustaining value and "appeal" to the area. It should also be noted that demolition costs are typically not eligible for bond financing unless a new project is built on the site.

Although the total combined revenues from both Pulaski and Noyes amounted to $170,310 in 2012, policymakers should note that based on the cost estimates provided by the DPRC, the table shown below reflects that the infrastructural and capital needs of these facilities could amount to over $4.0 million:

Table 3 – Infrastructure Cost Estimates

Type	Pulaski	Noyes
Exterior Work	$138,650.00	$479,150.00
Interior Work	$436,900.00	$434,100.00
Plumbing	$15,000.00	$40,350.00
HVAC	$335,000.00	$387,000.00
Electrical	$460,500.00	$510,000.00
Items A-E	$137,000.00	
Items A-D		$135,000.00
Sub Total	$1,523,050.00	$1,985,600.00
Design Costs	$304,610.00	$397,120.00
Total	$1,827,660.00	$2,382,720.00
Grand Total		$4,210,380.00

Policymakers should also be aware that in regards to cost estimations for pools, historically the final costs may not be known to the fullest extent until the actual time of repair assessment and service is conducted.
Closure of these two facilities would result in a reduction of 20.5 seasonal FTEs that are slated to be shifted to other program areas, which may include assisting at the other remaining county aquatics facilities. Each outdoor pool daily fee is set to by $.50 to increase Aquatics' program revenues.

Downtown Region: O'Donnell Parking Structure
The Recommended Budget states that the O'Donnell Park Parking Structure is expected to be sold to Northwestern Mutual by the 3rd quarter of 2014. The details regarding the status of this property are still being negotiated, and it is anticipated that further information regarding this purchase will become more apparent as the 2014 budget process unfolds.

Safety, Security & Training

This program area includes the Park Ranger staff. In 2014, the Park Rangers are expected to work cooperatively with the Milwaukee Police Department to continue the patrol of all parks located within the City of Milwaukee, including the lakefront, while the Sheriff remains responsible for the suburban parks.

Policymakers should be aware that $965,201 is being allocated for a three-year Memorandum of Understanding (MOU) between the County and the Milwaukee Police Department under the Law Enforcement Grants program area within the 2014 Non-Departmental Expenditures budget (Org. Unit 1940). This MOU is to affirm that MPD will patrol the lakefront and inland parks located within the City of Milwaukee, with Milwaukee County providing funding in the form of a grant to support MPD's greater expansion in offering this service.

Funding is also being budgeted in the amount of $180,000 to offer to the other 18 municipal law enforcement agencies located in Milwaukee County, aside from the City of Milwaukee. This funding is to serve as an incentive to get suburban law enforcement to sign on for service contracts similar to the one with MPD, so that they may provide the same security services in suburban parks.

Each of the other 18 municipalities would be offered up to $10,000 if they choose to enter into one of these service agreements. Any funds that are not required or used within these service agreements would be transferred to the Appropriation for Contingencies fund in December 2014.

9500 **Zoological Department (Zoo)**
Total expenditures increase $667,100 to $25,270,656 and revenues decrease $141,571 to $19,826,372 in 2014. Tax levy support increases $525,529 to $5,444,284.

Tax levy decreases significantly in the Administration program area due to a shift of Zoological Society revenue to the Operations program area. The Zoological Society's cash contribution to the Zoo increases to $3,176,554 to partially offset a reduction of parking pass contributions in 2014. It is not clear if there have been changes to the Zoo's relationship with the Zoological Society, or whether the enhanced contribution is primarily due to a sizable increase in the Zoo Pass membership fees.

The Public Affairs & Services program area, along with the Operations program area, project a decrease in group sales and admission revenues for 2014, partially due to potential disruptions related to the construction of the Zoo Interchange.

9910 **UW-Extension**
UW-Extension tax levy increases by $391.00 primarily due to a loss of revenue of $22,670 that also results in a reduction of expenditures of $22,279.

9960 **General County Debt Service**

The tax levy (or sales tax revenue) needed for the General County Debt Service decreases in 2014 by $9,373,929, from $51,563,478 to $42,189,549. Total debt service decreases by $1,740,891, from $107,009,294 to $105,268,403. Contributions from the Debt Service Reserve (DSR) total $12,099,198, an increase of $6,021,432 from the amount appropriated in 2013. The debt service reserve contribution is a key reason the tax levy needed to service the debt decreases by almost $9.4 million.

Debt Service revenues increase $5,647,670, from $15,956,722 to $21,604,392 for 2014 due mostly to the contribution from the debt service reserve. The payment from Froedtert Memorial Lutheran Hospital based on the sale agreement of Doyne Hospital increases slightly, from $6,075,550 to $6.1 million. The hospital payment is based on 5.25% of net operating cash flow and will not be determined until sometime in 2014.

The 2014 debt service costs for the pension obligation notes issued in 2009 and 2013 is $33,066,596. Payments are budgeted in Org. 1950 – Employee Fringe Benefits, but reflected in Org. 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
2014 RECOMMENDED BUDGET

Non-Departmental – Revenues

1933 **Land Sales**
What criteria were used to rank the list of appropriations of an estimated $5.6 million in funds to be received in 2014 from the UWM Innovation Park payment? How does this list compare with projects reviewed by the Capital Improvements Committee (CIC)?

1996 **County Sales Tax Revenue**
The projected net sales tax revenue of $66.2 million for 2014 is based on a growth factor of 2.1 percent on the 2013 projected receipts. Updated projections should be requested from the Office of the Comptroller after additional collection data for 2013 is received later in October to determine if this projection is realistic.

Non-Departmental Expenditures

1912 **Visit Milwaukee** (Note: this was included in Org. 1192 in 2013. It is no longer a separate budget.) This funding was transferred to Org. Unit 1192 - DAS-Economic and Community Development. No specific mention of the $25,000 allocation is made in the narrative. How is this initiative disclosed?

1945 **Appropriation for Contingencies**
Funding is contained in the Appropriation to fully offset the potential loss of revenues from fire protection charge payments, the State vacating the Marcia P. Coggs Health and Human Services Center and State child support payments. Is this funding more of hedge against the possible loss of revenues or acknowledgement that it is unlikely to be received?

The Fiscal Management Policies section of the narrative (preface to the budget) changes the policies on the use of one-time revenues, rather than first dedicating them to the Appropriation for Contingencies. Policymakers may wish to carefully examine this policy as well as other proposed new fiscal policies outside the condensed time frame of the budget hearings.

1950 **Employee Fringe Benefits**
Significant cost shifting to active employees is recommended through the discontinuation of the flexible spending account contribution and higher monthly premiums for health and dental benefits. Policymakers may want to better understand why active employees are asked to cover the cost increases for not only active employees (and dependents) but for retirees as well.

What is the methodology in determining the changes to the monthly health care premiums, especially the spit between the categories?

What is the source of the benchmarks for employee health insurance costs? Are employee fringe benefits being benchmarked against public and private employers? Is the same approach being used to determine salary classifications?

Why are spouses not included in the Wellness initiative?

The budget discontinues step increases for all employees except for Deputy Sheriff's and Firefighters citing "inequity" in the current system. How does this change (as well as changes to employee benefits) fit into the total compensation study? When will this study be presented to policymakers for review?

See Section 1 for more information regarding this non-departmental account.

Staff

1040 **DAS-Office of Community Business Development Partners**
The budget narrative indicates that position actions (retitling, reclassifications, etc.) were approved in 2013. It does not appear that the position actions match what was reviewed, per County Ordinance, by the Committee on Finance, Personnel and Audit.

1140 **Department of Human Resources**
The employee compensation study is mentioned several times in the budget narrative but policymakers have yet to approve any new pay policies. When might this occur? Have any of these new policies been deployed in the 2014 Recommended Budget?

1150 **Department of Administrative Services – Risk Management**
What are the specifics of outsourcing Workers Compensation claims and payments to a third party vendor? How are the assertions by the State that the County is not meeting reporting standards related to the debate in the 2013 budget process related to the restoration of a workers compensation staff member that the Risk Manager stated was not needed?

What is the purpose of the $50,000 appropriation for Family Medical Leave that will be left to the Risk Manager to determine how to use?

1151 **DAS-Administration and Fiscal Affairs**
The Division creates a new division related to Records Management. Given the legal issues embedded in records (including Open Record requests) management, would it be more effective – and serve more county departments - if the duties were assigned to the Office of the Corporation Counsel?

1192 **DAS- Economic and Community Development**
Three Project Manager Positions are created after the abolishment of the Economic Development Coordinator, Real Estate Manager and Real Estate Agent. Are the three new project manager positions aligned with our needs of real estate expertise? How do the duties of these positions compare to the former positions?

2430 **Children Support Services**
Based on a GPR allocation by the State the Department was expected to receive an increase of $687,053 and thus, requested 9.5 unfunded FTEs positions to be filled. The Department of Children and Families has provided a draft formula for distribution of GPR that effectively will eliminate such increase to Milwaukee County. Thus, $700,000 was placed into a contingency account to fund the potential loss of revenue. Should tax levy be used to backfill shortfalls in state aid for child support functions or are there higher needs within the County?

Public Safety

4000 **Sheriff**

How will inmate ratios affect safety measures in the County Jail with the newly proposed reduced staffing levels? Will the reduced staffing levels compromise the County's ability to meet the Consent Decree?

Most of the Inspectors and Deputy Inspectors have the ability to drop back down to the level of Captain if their current positions are abolished under the proposed changes. There are currently 13 filled Captain positions in 2013, but only 4.0 Captain slots for 2014. How will staffing be determined for those positions?

The proposal would cut Sheriff's staff for serving legal papers from 30 FTE to 8 FTE, 7 officers and 1 clerical position. It also cites about 30,000 papers served by this office in 2012. Could 7 officers each handle an average of 4,500 cases each year? What happens in cases such as restraining orders against unwilling recipients, where several officers may be needed?

The proposal includes $10,000 for any municipality (except for the City of Milwaukee) that agrees to provide policing services in county parks, instead of using Sheriff's officers. Since $10,000 is not enough to employ additional staff for the municipal police, how would they be able to provide park security without jeopardizing public safety in some other location?

4300 **House of Correction**

The House of Correction would take over from the Sheriff the operation of the Training Academy, which conducts recruit training, firearms training and in-service training for HOC and Sheriff Personnel and outside agencies. What certification is necessary to be a trainer in these areas? Does the HOC have enough people with the certifications needed to be trainers? If not, how would training be carried out while staff becomes certified?

Will additional programming or benefits be offered as a result of the Day Reporting Center being moved to HOC from Pre-Trial Services?

4500 **District Attorney**

The District Attorney assumes duties for the apprehension of inmates at the House of Correction, as well as some Child Support Services enforcement functions. The expansion of the District Attorney Investigator staff is fairly significant. Is this the type of law enforcement duties this office should be engaged in? How are these functions handled elsewhere?

The District Attorney estimates that the reimbursement rate from the state Victim/Witness Program will be increased and 3.5 FTE positions are funded with this expected increase. How will these positions be funded if the increased estimated reimbursement rate is not realized?

4800 **Emergency Preparedness**

Emergency management services were previously under the County Executive until the 1998 Adopted Budget; the proposed changes would essentially "unbundle" them from the Sheriff to create an independent department with 911 Communications. What were the original motivations/incentives to having the Sheriff handle these emergency management duties in 1998, and what has changed that makes those reasons no longer valid?

5600 **Department of Transportation (DOT)**
Milwaukee County Transit/Paratransit System
How will a $1.5 million budgeting error in the Recommended Budget related to paratransit be addressed in 2014 in order to minimize reduction of service and/or increased fares?

How will pending litigation related to the management services contract ultimately affect the future of transit in Milwaukee County?

What steps will be taken to minimize the potential loss of Congestion Mitigation & Air Quality (CMAQ) funding in the second half of 2014 should Milwaukee County's application not be approved?

5700 **DAS-Facilities Management**
What is the plan for spending $500,000 for space consulting services? How does this differ from the $200,000 for the project and asset consulting service contract?

6300 **Behavioral Health Division**
Is the transfer of Community Services Divisions to DHHS just a leadership change or does it also include physically moving the departments?

The Recommended budget proposes $4.85 million in investments while realizing $3.1 million in savings for bed reductions and the Hilltop closure. Are the $1.7 million of new program investments and the $3.1 million of reallocating existing funds sufficient to increase community capacity to handle the inpatient bed reductions in Hilltop, Central and Acute?

How will these new initiatives secure additional State and Federal funding?

The number of clients budgeted for CSP and Targeted Case Management remains constant from 2013 to 2014. Is this consistent with the plans to increase community capacity? With some of the Rehab Central clients also set to utilize CSP services, is the allotted amount sufficient?

In 2013, 24 Hilltop residents were supposed to receive a community placement. How many have been placed thus far? Are there issues arising with the managed care organizations (MCOs) and providers? The 2014 budget proposes to place the remaining individuals residing in the 48 beds before November 1, 2014. How will this be accomplished?

The 2014 Budget includes the reduction of an additional 12 Acute beds on top of the 24 beds that were eliminated in 2013. If patients suffer a crisis, will there be capacity to admit these individuals? Has the department sought a commitment from other hospitals to care for individuals as a replacement for inpatient care at BHD?

Exactly how much more community capacity is being provided to serve patients other than those being transferred from County in-patient status?

The Access to Recovery grant services an average of 300 AODA clients per month. What plans are in place to replace the $3.2 million loss of this grant?

115.1 FTEs are scheduled to lose their jobs in 2014. What is the policy for the $1,022,000 employee retention bonus? Who will determine who receives it, what is required to earn it, how much will be paid and to whom? Has there been consideration of paying future employers (after a certain date) if they hire County displaced workers?

Parks, Recreation and Culture

9000 **Parks**

The budget proposal replaces the Noyes Indoor Pool with a skate park and a pavilion. Where would the skate park be located? How was it determined the demand for a skate park compared with other forms of recreation? Would the skate park be used year-round? What is the winter demand for indoor pools?

What analysis could be done to determine the attendance and revenue of “unique bodies” vs. repeat users of aquatics facilities? What would be the significance between the indoor and outdoor pool attendance and revenues if the outdoor pools were open year-round?

In the 2013 Adopted Budget, $129,900 was allocated for Noyes Roof Replacement in the Capital Improvements (WP272). As of yet, that project has not been completed and the funds have not been used. The 2014 Recommended Capital Improvements states that those funds must be re-appropriated to 2013 projects because they are re-programmed bonds from 2010 that must be spent within 36 months of issuance. What projects are these funds going to be used for this year? Can these funds be programmed into other improvements at Noyes Park? At what point was it determined that this project was not going to be completed?

SECTION 5
2014 RECOMMENDED CAPITAL IMPROVEMENTS BUDGET – OVERVIEW

Highways (WH)

WH001 **Highway Safety Improvement Program**
Expenditure: $1,145,940
Revenue Reimbursement: $1,024,416
Net County Commitment: $121,524 to be financed by general obligation bonds

Funding is budgeted for the design and construction phases of the HSIP for the intersections of S. 76th St. and Edgerton and Layton Avenues, CTH Y (Layton Avenue) S. 76th St. and CTH U and West Rawson Avenue, E. Layton and Pennsylvania and Whitnall Avenues, and for various pedestrian countdown signals.

WH002 **Congestion Mitigation & Air Quality Program (CMAQ)**
Expenditure: $316,216
Revenue Reimbursement: $252,973
Net County Commitment: $63,243 to be financed by sales tax revenue

Funding is budgeted for the design and construction phases of the CMAQ program.

WH010 **County Highway Action Program (CHAP)**
Expenditure: $5,306,708
Revenue Reimbursement: $4,092,153
Net County Commitment: $1,214,555 to be financed by general obligation bonds

Funding is budgeted for the design, right-of-way and construction phases of the County Highway Action Program for the intersections of W. Mill Rd. (43rd to N. Sydney Pl.) in the City of Milwaukee, and S. Puetz Rd. to W. Imperial Drive, Old Loomis Rd. (Warwick to Rawson), and W. St. Martins Rd., (S. Cape Rd. to S. Lovers Lane Rd. in the City of Franklin.

WH020 **Major Rehabilitation Program-County Trunk Highways (CTH's)**
Expenditure: $3,770,000
Revenue Reimbursement: $749,126
Net County Commitment: $3,020,874 to be financed by general obligation bonds

Funding is budgeted for the design, right-of-way and construction phases of the of the Major Rehabilitation Program-County Trunk Highways (CTH's) for the intersections of S. 68th St., W. Ryan Rd. to House of Corrections and S. North Cape Rd., Hi-View Dr. to W. Forest Home in the City of Franklin.

WH080 **Bridge Rehabilitation Program**
Expenditure: $202,800
Revenue Reimbursement: $160,000
Net County Commitment: $42,800 to be financed by general obligation bonds

Funding is budgeted for the design phase of the Bridge Rehabilitation Program for Whitnall Park Bridge #564 and #565 in the Village of Hales Corners.

WH087 **Culvert Replacement Program**
Expenditure: $298,300
Revenue Reimbursement: $0
Net County Commitment: $298,300 to be financed in general obligation bonds

Funding is budgeted for the design and construction phases of the County Highway Bridges and Structures Program for Culverts for Ryan Rd. Culvert east of S. 112th St. in the City of Franklin.

WH236 **Green Infrastructure Layton Ave., Rawson Ave. and N. 107th St.**
Expenditure: $469,500
Revenue Reimbursement: $227,300
Net County Commitment: $242,200 to be financed by general obligation bonds

Funding is budgeted for the design and construction phases for the Green Infrastructure Layton Ave., Rawson Ave., and N. 107th St. project.

Airport (WA)

WA064 **GMIA-Part 150 Noise Study-Phase II Residential Insulation Program**
Expenditure: $14,110,000
Revenue Reimbursement: $12,699,000
Net County Commitment: $1,411,000 to be financed by passenger facility charge

Funding is budgeted for continuation of Phase II Residential Sound Insulation program at General Mitchell International Airport.

WA122 **GMIA-Airfield Pavement Rehabilitation**
Expenditure: $1,120,000
Revenue Reimbursement: $980,000
Net County Commitment: $140,000 to be financed by passenger facility charge

Funding is budgeted for airfield pavement rehabilitation at General Mitchell International Airport.

WA123 **GMIA-Airfield Safety Improvements**
Expenditure: $400,000
Revenue Reimbursement: $350,000
Net County Commitment: $50,000 to be financed by passenger facility charge

Funding is budgeted for airport safety improvements at General Mitchell International Airport.

WA125 **GMIA Security & Wildlife Deterrent Perimeter Fencing**
Expenditure: $291,000
Revenue Reimbursement: $254,625
Net County Commitment: $36,375 to be financed by passenger facility charge

Funding is budgeted for security and wildlife deterrent fencing at General Mitchell International Airport.

WA163 **GMIA Perimeter Road over Howell Avenue**
Expenditure: $750,000
Revenue Reimbursement: $656,250
Net County Commitment: $93,750 to be financed by passenger facility charge

Funding is budgeted to provide additional funding for the construction of the General Mitchell International Airport perimeter road bridge over Howell Avenue.

WA167 **GMIA-Terminal Escalator Replacement**
Expenditure: $1,300,000
Revenue Reimbursement: $0
Net County Commitment: $1,300,000 to be financed by airport reserve account

Funding is budgeted for terminal escalator replacement at General Mitchell International Airport.

WA172 **GMIA-Terminal Sanitary Sewer Utility Upgrade**
Expenditure: $300,000
Revenue Reimbursement: $0
Net County Commitment: $300,000 to be financed by airport reserve account

Funding is budgeted for final phase of the terminal sanitary sewer upgrade utility upgrade at General Mitchell International Airport.

WA180 **GMIA Runway 7L-25R Pavement Resurface**
Expenditure: $2,100,000
Revenue Reimbursement: $1,837,500
Net County Commitment: $262,500 to be financed by passenger facility charge

Funding is budgeted for the resurfacing of runway 7L-25R pavement at General Mitchell International Airport.

WA181 **Lawrence J. Timmerman Runway 4L-22R Pavement Resurface**
Expenditure: $1,285,000
Revenue Reimbursement: $1,220,750
Net County Commitment: $64,250 to be financed by reserve account

Funding is budgeted for the resurfacing of runway 4L-22R pavement at Lawrence J. Timmerman Airport.

Environmental Services (WV)

WV009 **Countywide Sanitary Sewer Repairs**
Expenditure: $75,000
Revenue Reimbursement: $0
Net County Commitment: $75,000 to be financed by sales tax revenue.

Funding is budgeted for the repair and reconstruction of sanitary sewer manholes and sewer lines that are in poor condition in accordance with the Stipulated Agreement with the State Attorney General's office established in 2006. Per the agreement, continued evaluation and inspection of the sanitary sewer system is required every five (5) years; deficiencies identified in the sanitary sewer system are required to be repaired within 18 months of discovery.

Parks (WP)

WP129 **Countywide Athletic Fields & Courts (Rose Park)**
Expenditure: $242,600
Revenue Reimbursement: $0
Net County Commitment: $242,600 to be financed by general obligation bonds.

Funding is budgeted for the pulverizing, repaving, and color coating of 2 full-court basketball courts located in Rose Park. They are currently rated as the worst courts in the system, according to a hard surface assessment conducted by the Parks Department.

WP203 **Kosciuszko Community Center HVAC Renovation**
Expenditure: $200,000
Revenue Reimbursement: $0
Net County Commitment: $200,000 to be financed by general obligation bonds.

Funding is budgeted for the design and contract document preparation for a new HVAC system at the center. The existing HVAC units are beyond their useful life, and replacing them will result in reduced energy consumption and improved efficiency.

WP279 **Park Walkways Program**
Expenditure: $1,248,700
Revenue Reimbursement: $0
Net County Commitment: $1,248,700 to be financed by general obligation bonds.

Funding is budgeted for replacing the worst walkways in urban area parks that the County Executive had designated as being one of the programmatic park focal points in 2013. The scheduled park walkways include Lindsay, King, Jackson, Lincoln Creek Parkway, Madison, Baran, and Smith Parks.

WP280 **Menomonee River Parkway Reconstruction**
Expenditure: $3,195,600
Revenue Reimbursement: $0
Net County Commitment: $3,195,600 to be financed by general obligation bonds.

Funding is budgeted for the design of the entire project and construction from Burleigh Street to Congress Street, totaling 1.9 miles of roadway for the reconstruction of the Menomonee River Parkway. This is the second phase of a 3 phase project that began in 2013. This project was also noted in the Capital Improvements Committee's (CIC) 2014 recommendations as being of "High Rank" priority level.

WP294 **Lincoln Park Playground (New Playground North of Hampton)**
Expenditure: $264,200
Revenue Reimbursement: $0
Net County Commitment: $264,200 to be financed by general obligation bonds.

Funding is budgeted for the construction of a new playground at Lincoln Park to improve the area and highlight the enhancements on the Milwaukee River. This allocation will be used towards the construction and installation of a Class 3 special play environment, consisting of new play equipment, Poured-in-Place rubber surfacing (PIPR), bike racks, signs, benches, trash receptacles, and shade tree planting.

WP296 **Smith Park Electrical Service Replacement**
Expenditure: $99,100
Revenue Reimbursement: $0
Net County Commitment: $99,100 to be financed by general obligation bonds.

Funding is budgeted for a new electrical system for the baseball diamond and pavilion at Smith Park. This new system will be designed to meet the National Electric Code, and will include Ball Diamond Lighting and Park Pavilion Electrical Service. All the existing electrical equipment will be removed as part of the scope of this project.

WP302 **Countywide Playground Resurfacing (Rose Park)**
Expenditure: $121,500
Revenue Reimbursement: $0
Net County Commitment: $121,500 to be financed by general obligation bonds.

Funding is budgeted for the replacement of the existing sand play surfacing with PIPR and/or Engineered Wood Fiber (EWF), in order to be more aligned with current safety standards and the utilization of improved resilient playground surfacing products.

WP396 **Carver Park Play Area Replacement**
Expenditure: $264,200
Revenue Reimbursement: $0
Net County Commitment: $264,200 to be financed by general obligation bonds.

Funding is budgeted for the removal of existing equipment, and the installation of new playground equipment, benches, signage, PIPR, fencing, landscape restoration, drainage system, stone base, asphalt pavement and walkways, shade tree planting and other improvements at Carver Park.

WP397 **Kern Park Play Area Replacement**
Expenditure: $264,200
Revenue Reimbursement: $0
Net County Commitment: $264,200 to be financed by general obligation bonds.

Funding is budgeted for the removal of existing equipment, and the installation of new playground equipment, benches, signage, PIPR, fencing, landscape restoration, drainage system, stone base, asphalt pavement and walkways, shade tree planting and other improvements at Kern Park.

WP399 **Noyes Park-Pulaski Park Amenities Replacement**
Expenditure: $2,556,500
Revenue Reimbursement: $0
Net County Commitment: $2,556,500 to be financed by general obligation bonds.

Funding is budgeted for the design and construction phases for the demolition of Noyes and Pulaski indoor pools and for the construction of other proposed amenities. Noyes and Pulaski are the only remaining indoor pools controlled by Milwaukee County.

Pulaski Pool: Pulaski pool is to be removed and replaced with a 3,500 square foot splash pad, for a total cost estimate of $1,331,500.

Noyes Pool: Noyes pool is proposed to be removed and replaced with a new 9,500 square foot skate park in addition to a new public pavilion for a total cost estimate of $1,225,000.

WP460 **Lindsay Park Play Area Replacement**
Expenditure: $248,000
Revenue Reimbursement: $0
Net County Commitment: $248,000 to be financed by sales tax revenue.

Funding is budgeted for the removal of existing equipment, and the installation of new playground equipment, benches, signage, PIPR, fencing, landscape restoration, drainage system, stone base, asphalt pavement and walkways, shade tree planting and other improvements at Lindsay Park.

Milwaukee Public Museum (WM)

WM010 **Museum Elevator and Escalator Code Compliance**
Expenditure: $123,624
Revenue Reimbursement: $0
Net County Commitment: $123,624 to be financed by sales tax revenue.

Funding is budgeted to bring the existing elevators and escalators up to code compliance by installing various upgrades.

WM015 **Milwaukee Public Museum Windows**
Expenditure: $658,390
Revenue Reimbursement: $0
Net County Commitment: $658,390 to be financed by general obligation bonds.

Funding is budgeted for the design and construction of the replacement windows for the north elevation of the Museum. The existing windows are original to the facility and are over 50 years old. This project is being coordinated with the Museum's façade repair/replacement project for 2014 (WM016), in order to avoid duplicating construction preparation costs that could result if the projects were done separately.

WM016 **Milwaukee Public Museum Façade**
Expenditure: $895,963
Revenue Reimbursement: $0
Net County Commitment: $895,963 to be financed by general obligation bonds

Funding is budgeted for the cleaning, repair, and placement of the shelf angles and marble veneer panels located on the north side of the Milwaukee Public Museum. A new flashing system will also be designed, detailed, and installed.

This project is being coordinated with the Museum's window replacement project for 2014 (WM015), in order to avoid duplicating construction preparation costs that could result if the projects were done separately. This project was also noted in the Capital Improvements Committee's (CIC) 2014 recommendations as being of "High Rank" priority level.

Zoo (WZ)

WZ057 **Zoo Aviary Roof Replacement**
Expenditure: $1,774,200
Revenue Reimbursement: $0
Net County Commitment: $1,774,200 to be financed by general obligation bonds.

Funding is budgeted for the construction and implementation phase of the project to replace the main Aviary roof, as the existing 45-year old roof leaks and pours water down the side walls and could potentially cause severe structural damage to the facility.

WZ112 **Pachyderm Building Tunnel Reinforcement**
Expenditure: $577,100
Revenue Reimbursement: $0
Net County Commitment: $577,100 to be financed by general obligation bonds.

Funding is budgeted for reinforcing the tunnel due to the deteriorating roof, which poses a hazard to the public and the animals.

WZ120 **Hippopotamus Exhibit Renovations**
Expenditure: $4,800,000
Revenue Reimbursement: $3,600,000
Net County Commitment: $1,200,000 to be financed by sales tax revenue.

Funding is budgeted for renovations to the hippopotamus exhibit at the Zoo, with financing from $1,200,000 in sales tax revenue, $2,400,000 from a private contribution, and $1,200,000 from the Zoological Society.

The upgrades to this exhibit will include a new underwater viewing area, a hippo beach area with public views, an outdoor public plaza, an under-roof public space, and a recirculation filter system.

Human Services (WS)

WS034 **Washington Park Senior Center Roof**
Expenditure: $244,562
Revenue Reimbursement: $0
Net County Commitment: $244,562 to be financed by sales tax revenue

Funding is budgeted for the final construction phase for replacement of the Washington Park Senior Center roof.

WS042 **Senior Center Door Replacement**
Expenditure: $80,694
Revenue Reimbursement: $0
Net County Commitment: $80,694 to be financed by sales tax revenue

Funding is budgeted to replace doors at various senior centers, including exterior doors at Kelly Senior Center and interior doors at Rose Park Senior Center.

WS044 **Washington park Senior Center Lobby Restrooms Renovation**
Expenditure: $123,400
Revenue Reimbursement: $0
Net County Commitment: $123,400 to be financed by sales tax revenue

Funding is budgeted to renovate restrooms in the main lobby of the Washington Park Senior Center.

County Grounds (WG)

WG017 **Vel Philips Juvenile Justice Center Fire Protection**
Expenditure: $197,340
Revenue Reimbursement: $0
Net County Commitment: $197,340 to be financed by sales tax revenue

Funding is budgeted to replace the fire protection monitoring system at the Vel Philips Juvenile Justice Center. The existing system is past its life expectancy, subject to system failures, and so dated that repair components are no longer manufactured.

WG018 **Research Fire Protection Monitoring System**
Expenditure: $197,340
Revenue Reimbursement: $0
Net County Commitment: $197,340 to be financed by sales tax revenue

Funding is budgeted to replace the fire protection monitoring system at the Research Park. The existing system is past its life expectancy, subject to system failures, and so dated that repair components are no longer manufactured.

WG019 **Child Adolescent Treatment Center (CATC) Fire Protection Monitoring System**
Expenditure: $203,740
Revenue Reimbursement: $0
Net County Commitment: $105,920 to be financed by sales tax and $97,820 by general obligation bonds

Funding, which includes $6,400 of net capitalized interest, is budgeted to replace the fire protection monitoring system at CATC. The existing system is past its life expectancy, subject to system failures, and so dated that repair components are no longer manufactured.

Courthouse Complex (WC)

WC027 **Courthouse Light Court Window Replacement**
Expenditure: $672,000
Revenue Reimbursement: $0
Net County Commitment: $672,000 to be financed by sales tax revenue

Funding is budgeted to continue the replacement of windows in light court #2 of the Courthouse. In 2009, the cost estimate for replacing all original windows in all eight light courts was $2.4 million. Past appropriations for this project include $346,000 for design and initial construction in 2009, $857,000 for construction in 2009 and $857,000 for continued construction in 2010.

WC088 **Courthouse Security X-Ray Inspection System**
Expenditure: $207,000
Revenue Reimbursement: $0
Net County Commitment: $207,000 to be financed by sales tax revenue

Funding is budgeted to purchase a new security x-ray inspection system for the Courthouse. This project would replace six magnetometers, and include both walk through and hand held metal detectors.

WC095 **Courthouse Masonry – (Basement Walls)**
Expenditure: $380,000
Revenue Reimbursement: $0
Net County Commitment: $350,000 to be financed by sales tax revenue and $30,000 by land sale revenue

Funding is budgeted to either repair or replace approximately 1,000 square feet of the Courthouse basement walls. An inspection would determine which is appropriate. The cost indicated reflects what is necessary to re-build the walls rather than repair them, which would likely be more cost effective.

WC102 **Courthouse Cooling Tower**
Expenditure: $500,000
Revenue Reimbursement: $0
Net County Commitment: $500,000 to be financed by sales tax revenue

Funding is budgeted to replace the Cooling Tower at the Courthouse. The current cooling tower is past its expected life and experiencing maintenance problems.

House of Correction (WJ)

WJ021 **House of Correction (ACC North) HVAC System and Window Replacement**
Expenditure: $1,992,240
Revenue Reimbursement: $0
Net County Commitment: $1,992,240 to be financed by sales tax revenue

Funding is budgeted to install new heating, ventilation, and air conditioning (HVAC) units for six dorms in the ACC North and to provide new glass block windows.

WJ063 **House of Correction (HOC) Roof Repairs**
Expenditure: $500,000
Revenue Reimbursement: $0
Net County Commitment: $500,000 to be financed by sales tax revenue

Funding is budgeted to repair or replace the flat roofs on multiple buildings that have persistent leaking problems and have reached useful life.

Other Agencies (WO)

WO112 **Fleet Equipment Acquisition**
Expenditure: $5,826,000
Revenue Reimbursement: $871,137
Net County Commitment: $5,326,000 to be financed by general obligation bonds and $500,000 by passenger facility charge Revenue.

Funding, which includes $326,000 in net capitalized interest, is budgeted for the purpose of vehicle and equipment replacement within various County Departments.

WO141 **Zoo Interchange**
Expenditure: $150,000
Revenue Reimbursement: $0
Net County Commitment: $150,000 to be financed by sales tax

Funding is budgeted for specialized services and expertise for the continuation of the Zoo Interchange Freeway Reconstruction project.

WO234 **Liquid Chromatograph Tandem Mass Spectrometer**
Expenditure: $453,100
Revenue Reimbursement: $0
Net County Commitment: $126,000 to be financed by land sale revenue and $327,100 by general obligation bonds.

Funding, which includes $20,100 in capitalized interest, is budgeted for a Liquid Chromatograph Tandem Mass Spectrometer, an analytical instrument used in toxicology. The Medical Examiner staff indicated this as an opportunity for revenue, as toxicology screening services could be marketed to other municipalities.

WO445 **911 Answering System**
Expenditure: $579,220
Revenue Reimbursement: $0
Net County Commitment: $579,220 to be financed by general obligation bonds.

Funding, which includes $35,500 in net capitalized interest, is budgeted to replace the existing 911 answering system. By March 1, 2015 AT&T will no longer support the current system.

WO517 **War Memorial Renovations**
Expenditure: $5,672,705
Revenue Reimbursement: $0
Net County Commitment: $5,672,705 to be financed by general obligation bonds

Funding, which includes $347,400 in net capitalized interest, is budgeted for War Memorial Building renovations, as part of the overall commitment of $10,000,000 for 2014 - 2017. It includes $1,309,550 for site work and building envelope renovations, $300,150 to replace the War Memorial exterior south stairs, $198,155 for concrete and structural improvements, $3,497,350 for HVAC improvements and $367,500 for elevator and electrical systems.

WO614 **Build Out Ten Sites to Digital**
Expenditure: $7,126,100
Revenue Reimbursement: $0
Net County Commitment: $7,126,100 to be financed by general obligation bonds.

Funding, which includes $436,100 in net capitalized interests, is budgeted for Phase III of a multiphase project to replace analog consoles and radios with digital technology for various County departments. The total project cost from 2010 – 2017 is $26,761,543.

WCO619 **Disaster Recovery Site**
Expenditure: $250,000
Revenue Reimbursement: $0
Net County Commitment: $250,000 to be financed by sales tax revenue

Funding is budgeted for the planning and design of a computing solution for disaster recovery services. Additional phases of this project include estimated costs of $1.2 million in 2015 and $800,000 in 2016.

WO621 **Windows Migration**
Expenditure: $2,859,800
Revenue Reimbursement: $0
Net County Commitment: $2,700,000 to be financed by sales tax revenue and $159,800 in general obligation bonds.

Funding, which includes $9,800 in net capital interest, is budgeted to continue the countywide upgrade of personal computers and operating systems. An appropriation of $3,440,160 was made in 2013 and an additional appropriation of $1,191,909 is estimated in 2015 for this project.

WO870 **County Special Assessments**
Expenditure: $50,000
Revenue Reimbursement: $0
Net County Commitment: $50,000 to be financed by sales tax revenue

Funding is budgeted for special assessments levied on the County by municipalities for improvements to streets, sidewalks and other infrastructures adjacent County lands or facilities.