

DATE: November 18, 2014
TO: The Honorable County Board of Supervisors
FROM: Chris Abele, Milwaukee County Executive
SUBJECT: **PARTIAL VETO OF FILE NUMBER 14-765 (2015 BUDGET)**

Thank you for the care and diligence you have shown in considering 2015 budget. In reviewing the Board's amendments to the proposed 2015 budget, we have worked hard to find areas of compromise and to clarify our thinking in areas where we do not agree. As you will see in reviewing our changes to the Board's amendments, we are proposing numerous points of significant compromise.

The budget I am returning to the County Board strikes these significant compromises while improving services, lowering taxes by \$2.2 million and avoiding a significant increase in our debt and structural deficit. If the Supervisors sustain my vetoes, the 2015 Adopted Budget will put Milwaukee County in a stronger and more sustainable position next year and in future years. The vetoes outlined in this document represent over \$5.9 million and represent several compromises with Supervisors, including:

- Employee Benefits – I am agreeing to restore the Flexible Savings Account, with a County match at the 2014 level of \$1,200.
- Transit – I am agreeing to invest \$660,000 in route extensions. I am leaving in funding for route extensions – the part that has the most potential to strengthen our system – but vetoing the free bus rides portions, which have not been fully analyzed and do not appear to fill a need in the community.
- Sheriff's Office – I am leaving in funding for 5 new deputies, in addition to the 11 new deputies that were included in my recommended budget. I am vetoing out all positions that are unfunded or funded through unspecified revenues, as the Sheriff has told us this will lead to a deficit in his department.

The 2015 Recommended Budget I submitted improves services like mental health care, transit and public safety while also strengthening our fiscal position for the million residents we serve and our 4,000 employees. This \$1.3 billion budget will greatly update and improve the County's infrastructure, realign service models and centralize various functions that are currently spread out across the County. I appreciate that the Board left many of our initiatives and policies in place, including the creation of the Emergency Management Office, centralized IT and Procurement, increased Debt Service Fund, new safety-net housing services and supportive housing and new public safety efforts in the District Attorney's Office.

My 2015 Recommended Capital Budget includes more than \$78 million in capital investments in the County's infrastructure, including \$15.8 million in cash financing. The cash financing plan for 2015 is again above the County's stated goal of financing 20% of projects with cash, this year by about \$5 million. By continuing to expand the use of cash financing, the County can address deferred maintenance without incurring more long-term debt. I appreciate that the Board left most of those projects intact; however, I am concerned with the extra bonding you approved and will address that below.

For our employees, I am pleased that my budget once again avoids furlough days, lowers pension costs and offers a complete benefits package that is competitive with high-functioning organizations and businesses in the city, county, state and country. The budget also continues my commitment to expand opportunities for staff learning, development and training by providing new opportunities for employees that we will continue to expand in coming year. To continue to attract the talented workers who will help us best serve our constituents and taxpayers, we expect to complete the JEQ project during the first quarter of 2015 and urge the Board to allow needed adjustments to be made as they are identified.

For the fourth year in a row I presented a budget that cuts wasteful spending and reinvests in critical services and measurable outcomes - from public parks to public safety to our mental health system - all while creating opportunities for economic development and job growth.

Despite the significant improvements made over the past few years, Milwaukee County still faces a long-term fiscal imbalance. The Office of the Comptroller has estimated that over the five-year period from 2015 to 2019, the annual structural deficit will increase from \$32 million in 2015 to \$94 million if no sustainable, long-term decisions are made to the County's current operations. Starting each year with a structural deficit means starting the conversation about cuts to service, instead of investments to expand service. I will continue to talk about this issue and continue to push us all to make tough decisions. Those decisions might not be popular with some in the short term, but they will pay off in the long run.

I want to again thank Supervisors for the hard work and diligence during this budget process, and I look forward to a fruitful 2015.

County Board Amendments

Through its budget process, the Board passed 59 amendments to my budget. Some of the amendments strengthen the budget; others reverse this progress and weaken the connection between the community's investments and outcomes by: creating expensive programs that are not fully researched or necessary; appropriating one-time funding for ongoing costs, such as fringe benefits; providing earmarked funds that distract from the County's mission and undercut our progress towards sustainability; spending precious resources on underutilized and unsustainable amenities or services; budgeting unrealistic revenue, which puts us at risk of running deficits. Moreover, the amendments increase the County's borrowing and debt, thereby increasing the structural deficit and diverting future funds that could have been invested in much needed services and capital projects into debt interest and repayment.

As in the past, numerous Board amendments are inappropriate and micro-managing, from attempting to dictate administrative policy at the airport to directing departments to print documents. Not only do these actions violate state law, they send the wrong message to the public who has made it clear they want a streamlined and efficient County government, not the old County system that brought us decades of tax increases, waste and scandals.

I remain concerned about the Board's use of super-amendments: this year 3 super-amendments contained 10 individual amendments, totaling over \$15 million in expenditures. As I said last year, while I understand that it may be an effective political maneuver to convince Supervisors to vote for amendments that would otherwise give them pause, it does not create a transparent or democratic process. Further, the Board is rightly concerned about proper checks and balances, which are difficult to maintain when decisions are packaged into these unwieldy bundles. For this reason, I have once again separated out veto messages into individual amendments, rather than the super-amendments introduced by the Board.

This super-amendment process, coupled with Board's vague noticing of public budget hearings, meant that neither department leaders nor the public were aware of what issues the Board was taking up on any given day. Furthermore, members of the public were not allowed to speak during these public hearings. Many members of the public showed up to meetings only to be told they could not speak and many department leaders and other staff wasted several days attending budget hearings in anticipation of an amendment that may affect their department. The result was little to no public debate of amendments.

The following is a brief summary of how this budget, including my vetoes, will strengthen Milwaukee County.

Transit

We all know how vital transit is for our community. Every day MCTS gives 151,000 people rides to work, school and places like the grocery store and County Parks. Transit is critical to our County's economic development, critical for furthering education and critical for our future. Thus, any time we suggest a change to this important service on which so many citizens depend, it needs to be analyzed with rigor and discipline and reviewed in a thoughtful and open manner with input from citizens and experts alike.

The County is blessed with a very effective Department on Aging and Disability Services Division, each with great leadership. Unfortunately, neither was consulted on this program that is supposed to help seniors and people with disabilities. Had they talked with those groups they would have found out there is neither a need nor support for this idea.

Furthermore, neither our transit provider - MCTS nor our Department of Transportation, which manages the transit system, were consulted before this plan was introduced and voted on at committee. When they found out about this plan, their preliminary analysis showed that it would likely result in over \$3 million in lost revenue. I am concerned about the message this sends to the State Legislature, from where we receive a significant portion of our funding. At a time when we are asking the state to increase our funding for transit, we need to show we can use those tax dollars efficiently not add a program that is expensive and does not appear to have much support or need in the community.

While well meaning, this proposal has not been subjected to the rigorous analysis of costs, benefits and alternatives, as well as public review, that should take place before such major – and costly – changes are made to the transit system. If the Board is convinced that the elderly and disabled are lacking in transit alternatives, then I urge them to work with the MCTS to understand the issues and develop cost effective alternatives before embarking on such major changes with so little review.

My goal since taking office has been to stabilize our transit system so we can quickly get to a point where we are talking about route extensions and additional service. For this reason, I have left in the funding for route expansion and hope to have a conversation about the most appropriate way to extend routes and add service over the next year. I hope Supervisors will accept this compromise that vetoes the part of the amendment that could harm the transit system but leaves in the part that has potential to grow employment and strengthen our economy. Again, I urge you to work with us to address issues and opportunities to support this vital service.

Parks Bonding

The 2015 Recommended Capital Budget includes more than \$78 million in capital investments in the County's infrastructure, including \$15.8 million in cash financing. The cash financing plan for 2015 is about \$5 million above the County's stated goal of financing 20% of projects with cash. This heavy use of cash financing, which I strongly support, represents a disciplined approach to addressing the County's infrastructure needs by reducing our future debt and by making more funds available in the future to meet ongoing investment needs.

Like the Supervisors, I care passionately about maintaining and restoring our extraordinary park system and addressing the significant amounts of deferred maintenance we all agree exists. That is why the budget I submitted includes so much cash financing: so that we can move forward to address these needs, not backwards. Since I have been in office, we have spent tens of millions of dollars improving parks in the central city of Milwaukee and across the County, including more than \$9 million in Parks bonding

and cash I included in the 2015 Budget. I also remind you that if the Board approves the sale of O'Donnell Parking Garage, we will have another \$5 million to invest in our parks. By following this path of disciplined investment with heavy reliance on cash financing, which I strongly endorse, we will greatly improve parks across the County without increasing our borrowing or interest payments and we will have more money in future years to tackle even more repairs.

This is not a new practice for me: in the past three budgets, out of the \$230 million in capital projects I have recommended, we have cash financed more than \$52 million. That is \$52 million worth of projects we are able to do, without incurring one penny of interest. By continuing to expand the use of cash financing, the County can address deferred maintenance without incurring more long-term debt.

According to the Comptroller's Office, the Board's increase in general obligation bonding of \$13.1 million in 2015 would increase debt service costs and tax levy annually by more than \$1.1 million and would increase the County's structural deficit in the future. Over 15 years, the Comptroller estimates the County will have to pay back approximately \$16.4 million. These increased obligations mean there will be less money available in future years to pay for other capital projects or to support other important services like transit, mental health care and meals for seniors.

Furthermore, even if the County bonded for the additional \$13.1 million, we do not have the capacity to add more projects to those already proposed in my budget. The teams at the Parks Department and the Architectural and Engineering Division, will be fully occupied by the projects in the \$78 million Recommended Budget.

Sheriff's Office

The budget I proposed for 2015 provides the Sheriff's Office the fiscal flexibility to support additional deputies in mandated service areas, while focusing the Department on its core mission of serving a fully-incorporated county. The \$3.9 million increase I added in tax levy is one of the single biggest increases in 2015 to any department, division or office Countywide.

Through the amendment process the Board added 38 funded positions and \$3 million tax levy to the Sheriff's Office. The Board also added 26 unfunded positions, 11 of them command staff that do not provide direct public safety services. If these unfunded positions are filled for the full calendar year, as were done this year, the projected resulting deficit in 2015 will be \$2.6 million.

The Board added an additional 5 positions through revenue that the Sheriff himself has stated he cannot achieve. According to the Office of the Comptroller, "the amendment creating the deputies includes an additional \$0.5 million in citation revenue for the Sheriff. The Sheriff is currently projected to achieve revenue of \$0.9 million from citations in 2014 and the Budget as adopted by the County Board now has a citation revenue budget of \$1.7 million for 2015 which is unlikely to be achieved."

The Sheriff is on pace to deficit more than \$5 million this year; a significant part of that is because of unfunded positions left in place by the Board last year at the Sheriff's request. By following that same path in 2015, the County is setting itself up for another potential deficit next year.

The Sheriff told Supervisors he would try not to deficit next year. We attempted to reach a compromise with the Sheriff by telling him that we would not veto these amendments, if he would make a public commitment that the Sheriff's Office will operate within the amount of tax levy allocated by the County Board and not deficit in 2015. Unfortunately we did not receive these assurances. This contradiction is troubling.

Employee Relations

Supervisors approved several amendments related to employee benefits, including reinstated and increasing the Flexible Savings Account County match and increasing the County contribution to employee healthcare premiums with a cost of nearly \$2.5 million to taxpayers. My Recommended Budget put employee benefits back in line with other public sector organizations regionally and nationwide. However, to compromise with Supervisors, I am funding the FSA County match at the 2014 level of \$1,200.

I am vetoing the amendment that adjusts the County contribution to employee premiums. In my recommended budget, the County contributes 82% to employee premiums, and employees are asked to pay the remaining 18%. These proportions correspond to regional and national benchmarks for public employers. As healthcare costs increase every year, we must have a strategy to control these costs so they do not eat away the services we provide. Managing the employee contribution to health care costs based on fair and best practices is one way to do this. Even with this change, we believe that overall Milwaukee County offers very competitive benefits in this marketplace. Where we have issues with specific positions being competitive, the Job Analysis and Evaluation Questionnaire Project is structured specifically to remedy these issues.

Office of Emergency Management

One of the key components of my 2015 Recommended Budget was the creation of the Office of Emergency Management (OEM). I appreciate the Board's support of this change. This new Office puts Milwaukee County in line with best practices across the state and country. As in other governments like Brown, Dane and Waukesha Counties, the OEM will be a single organization that is part of the administration. This change will increase coordination of key services within Milwaukee County, as well as between the County and local governments. Currently, Milwaukee County's emergency services are fragmented across three departments and divisions.

District Attorney's Office

My 2015 Recommended Budget includes the creation of a new unit - "*Violent Crime Task Force*" in the District Attorney's Office and also expands the DA's "*Witness Protection Unit*." These additions are the results of working with the District Attorney's Office to address specific gaps in the criminal justice system. I apologize that the titling for these new units was confusing, but my intent is clear: to create additional capacity in Milwaukee County to address crime and promote the safety and well-being of our citizens.

The "*Violent Crime Task Force*" unit will expand investigations into violent crimes that are referred to the DA's Office. Prosecutors believe this unit will be particularly helpful for investigating non-fatal shootings, with the goal of preventing fatal shootings and other violent crime.

The additions in the "*Witness Protection Unit*" will provide a more comprehensive program to better ensure the safety of witnesses who are often key to the successful prosecution of criminal cases. I appreciate that the Board supported these new units.

Unfortunately, the veto process does not allow for sufficient time to discuss all of these vetoes with all Supervisors. However, my staff and I are available to answer any questions Supervisors may have while reviewing this document. I ask Supervisors to give these vetoes serious consideration.

VETO MESSAGES

TRANSPORTATION AND TRANSIT

Bus Route Extension – PARTIAL VETO
Strikethrough Packet Page Reference 1
2015 Recommended Budget Reference N/A
Maintain \$660,000 for Route Extensions

This section of the amendment implements route changes totaling \$660,000. Route 80 is extended south to area businesses and residences, while the new Route 276 would provide service from approximately N. 60th Street and W. Brown Deer Road through industrial and office facilities northeast of that intersection, and then north on N. Green Bay Road to the businesses on W. Schroeder Drive.

I have left the funding for route extensions but have vetoed the plan specifics in order to give MCTS and our DOT the opportunity to examine and recommend additional service options that would meet the most need and provide the greatest benefit, particularly in linking job seekers to employment opportunities.

Although neither MCTS nor the DOT has had time to do a full evaluation of possible route additions, a preliminary review has identified some areas that could see the biggest benefit if funding is available. For example, the top priorities would be:

1. Provide service to Oak Creek (Drexel Town Square Development).
2. Change/improve service to Wauwatosa, including to the Regional Medical Center, Mayfair and Mayfair Collection areas.
3. Review current route extensions that have greatest service use with long wait times and find ways to improve service frequency and lessen wait times.

I ask Supervisors to accept this compromise, sustain this veto, and MCTS and the DOT will begin exploring options and present a report to the Board no later than May of 2015. They will review the options available that would add the most value and efficiency to the system, linking employers and potential employees and leveraging new development with the County. Like you, I believe that a strong transit system is vital to our residents and our community and I am willing to join with you in increasing funding in 2015 to improve this service. I urge you to request MCTS and DOT to

Free Bus Rides
Strikethrough Packet Page Reference 2-4
2015 Recommended Budget Reference N/A
Reduce Property Tax Levy by \$822,000

This section of the amendment reduces passenger fare revenue by \$822,000 as compared to the recommended budget by introducing two special fare programs that allow seniors and persons with disabilities ride for free.

I am vetoing this amendment. In the decade before I took office our transit system was in disarray. Every year, routes were cut or fares were increased. For a decade before I took office, our transit system was shrinking. Every year routes were cut and/or fares were increased. The year I took office, despite a \$7 million cut from the state, we worked extremely hard to strengthen this critical service. Since then, we have continued those efforts. In my time in office we haven't raised bus fares, we've lowered paratransit

fares and we've added new route miles, including more than a million new route miles in 2015, thanks to the work of advocacy groups such as MICAHA and the Black Health Coalition.

We all agree that our transit system is one of the most important services we provide, which is why we need to be thoughtful and disciplined in any changes we make. As you are likely aware, Milwaukee County already offers discounted fares for senior citizens, Medicare card holders and people with disabilities. Furthermore, those who are paratransit eligible already receive a free bus pass.

Neither our transit provider - MCTS nor our Department of Transportation, which manages the transit system, were consulted before this plan was introduced and voted on at committee. When they found out about this plan, their preliminary analysis showed that it would likely result in over \$3 million in lost revenue. I have spoken with Ken Yunker from SEWRPC, and he agrees with those projections. Further, he made specifically clear that SEWRPC played no part in designing this proposal and in no way endorses it, despite statements some have made implying otherwise.

As you may be aware, a similar plan was put into the Illinois state budget in 2008 by then Governor Rod Blagojevich. By 2011 the idea was drastically scaled back after a study conducted by the University of Chicago found it cost taxpayers as much as \$116 million dollars a year. The program was also riddled with widespread fraud.

The amendment cites Pittsburgh and Houston as cities with similar programs, but a review of those cities finds their plans are significantly different and rely on separate revenue sources. Pittsburgh's program is part of a state plan that is funded through lottery revenue, while Houston's program is only for people 70 years and older.

I am also very concerned this proposal does not address the needs and services seniors and people with disabilities truly want and need. Milwaukee County has talented and professional staff and leaders at the Department on Aging and Disability Services Division. We are also fortunate to have passionate and strong advocates on the Commission on Aging. They know the needs of the community they serve better than anyone, yet no one in any of those groups was ever consulted about this proposal.

Had supporters of this amendment contacted those experts they would have been told this is not something they need or support. As Vi Hawkins, Chair of the Commission on Aging said at their hearing on this plan, "There are many things seniors in Milwaukee County have told us they need-- free bus service is not one of them."

Finally, I think putting this program into place, especially in the manner it has been done, sends the wrong message to the State Legislature. At a time when we are asking the Wisconsin Department of Transportation to increase our funding for transit, we need to show we can use those tax dollars efficiently, not add a program that is expensive, has not been fully vetted and researched, and does not appear to have much support or need in the community.

Any time we propose a change like this I believe it is important first to identify the need to be addressed and analyzed the options available, along with the costs, benefits and consequences of these options. Further, we need to have a full public dialogue and talk with the people and groups that will be most impacted. I ask Supervisors to reject this amendment, and let's work together on a plan that will truly benefit our transit riders and the citizens of Milwaukee County.

Youth Bus Pass
Strikethrough Packet Page Reference 5
2015 Recommended Budget Reference N/A

Reduce Property Tax Levy by \$100,000

This section of the amendment provides discounted fares to participants in the Milwaukee Area Workforce Investments Board Summer Youth Employment program.

I am vetoing this provision until a more complete evaluation can be performed of the financial feasibility and logistics. I strongly support helping youth obtain summer employment, including helping link young people to jobs. MAWIB, using existing resources, already covers bus passes for a portion of the summer, and there may be employers, too, who pay for transportation. As with the issue of free passes for seniors and the disabled, we need to understand the issue we are trying to address and the alternatives available. MAWIB has not been approached with the concept and, as an important strategic partner, they should be engaged in the conversation prior to specifying the requirements and the solutions. Without this additional understanding and dialogue, it would be inappropriate to commit to a set level and method of County funding.

Transportation Analyst Position Strikethrough Packet Page Reference 6 2015 Recommended Budget Reference Page 202

This amendment denies the creation of 1.0 FTE Transportation Analyst in the DOT-Director's Office that had been requested by the department and included in the recommended budget.

I am vetoing this amendment. This is the second year in a row the Board has removed funding for a much needed analyst position in the DOT. As I know Supervisors agree, the County must continue to be more forward looking and seek out future initiatives in transit and other DOT related projects. To do that, the DOT needs more capacity to handle those projects and needs. That is exactly what this position will help the County do, including researching the best practices in operating a transit system.

Deny Position Creations and Reduce Paratransit Care Management Organization Fare Strikethrough Packet Page Reference 7 2015 Recommended Budget Reference Pages 114, 168, 197 and 205

This amendment denies the creation of 1.0 FTE Contracts Administrator in DAS-Procurement, 1.0 FTE Analyst Budget & Management and 1.0 FTE Graphic Designer in the House of Corrections, and 1.0 FTE Quality Assurance Specialist in the Department of Health and Human Services. The net savings from these denials (\$331,398) is used to reduce the Medicaid-funded Managed Care Organization (MCO) trip subsidy increase for paratransit services.

I am vetoing this amendment that eliminates four new positions: a Contracts Administrator in the Department of Administrative Services, a Budget Analyst and a Graphic Designer at the House of Correction, and a Quality Assurance Specialist at the Department of Health and Human Services. Each of these positions addresses critical needs within the County that can be most efficiently and effectively met by the increase in staffing.

It has come to my attention that some members of the Board may have received incomplete information in regards to the proposed rate increase by Transit for the MCOs. This increase was NOT an increase to the out-of-pocket costs of Family Care members or IRIS participants. The increase will be paid out of State Medicaid dollars – this amendment effectively reduces State revenue *and provides a subsidy to the State of \$331,000.*

We did not propose an additional expense to our Family Care members, and Supervisors should be aware that any increase in paratransit will be paid for by either Family Care or IRIS, not from the personal income of members.

With regard to the **Contract Administrator position in DAS**, this position is not a new or an additional FTE. It is the one-for-one exchange of a higher paid management position for an administrator position in an effort to become more efficient and save money. Two years ago the Procurement department had three layers of management in this 7-person department. Last year with the Board's support we were able to eliminate one layer, and we are requesting your support to trim this second, redundant level. This change will flatten the organization and allow us to add more day-to-day resources for County departments to help them make the best possible procurement decisions that will ultimately lead to more money in services. The Procurement Department has made great strides in adding value across the County, and this change in position will accelerate their progress.

With regard to the **Graphics position proposed** for the HOC, one of the critical initiatives at the HOC is to provide job training for inmates to help them transition to productive work in the community upon release. The print shop program is an integral component of those training efforts and, in addition, provides valuable services across the County. The proposed new position will be responsible for training inmates in the design function of a printing operation and will add materially to the training we offer, improving opportunities for inmates to transition back to the community.

With regard to the **Fiscal Analyst position proposed for the HOC**, the budget function has been seriously understaffed since the department was separated from the Sheriff's department in 2013. One of the major tasks that the HOC oversees is over \$20 million in contracts it manages on behalf of both the HOC and the Sheriff's Office for food services, inmate health services, and laundry. When the HOC became independent, it assumed management of these contracts, including on behalf of the Sheriff's Department, but the contract administrator position remained at the Sheriff's department. Even with this proposed fourth position, HOC fiscal department will remain understaffed compared to similar departments across the County. With this new position the office will be able to assign one person on a full-time basis to contract administration, which will improve administration and oversight of the contracts, and will allow the remaining staff to focus on day-to-day financial operations for the HOC, including payroll and expense monitoring, accounting, financial reporting, and budget forecasting and oversight.

These positions have been requested by the same Superintendent whose extremely effective leadership has led to enormous improvements at the HOC in a very short time and comes in the context of a budget he has put together with an additional year of knowledge of his department than he had when he started. There is every reason to believe he will derive the value and impact from these new additions that he says he will.

The **Quality Assurance Specialist at DHHS** is part of a department-wide effort to develop a proactive and standardized approach to quality assurance and quality improvement across the department. The Specialist will help develop overall plans for the Department, including procedures, surveys, and tools, as well as conduct provider reviews and coordinate training across the Department. This role will also support those divisions within DHHS that do not have specific quality management teams, notably Housing and Disabilities Services.

Highway Short-term Rehabilitation Projects
Strikethrough Packet Page Reference 8
2014 Recommended Budget Reference Page 391

This amendment reduced expenditures in this capital project by \$100,000 and requires the Department of Transportation – Highways Division to report on work done under this project.

I am vetoing this amendment that micromanages the Department of Transportation by mandating reports back to committee and overriding decisions made by experts within the department on how much funding is needed to support road repair projects. The funding, decreased by \$100,000, was then redirected to fix a park in that Supervisor's district. The \$500,000 allocated in this area is intended for projects that are short term improvements to extend the life of the pavement between 3-7 years until grant funding is available. As noted by Supervisors during the discussion of this amendment, the funding goes toward a program that has already proven both cost-effective and popular within municipalities and allows the County to quickly react to large problems in County roads.

PUBLIC SAFETY

Office of the Sheriff Command Staff Strikethrough Packet Page Reference 9 2015 Recommended Budget Reference Page 160 Eliminate 2015 Deficit of \$1,300,000

This amendment unfunds 1.0 FTE Facility Administrator (Inspector), 3.0 FTE Bureau Director (Deputy Inspector), and 7.0 Deputy Sheriff Captain positions in the Office of the Sheriff that had been abolished in the recommended budget.

I am vetoing this amendment that adds back eleven command staff positions without paying for them. As the finance committee heard during a recent meeting, the Sheriff's Office is on pace to deficit more than \$5 million this year. A big part of that is his command staff, which is made up of 24 positions. That is a larger command staff than he had in 2009 when his department had significantly more front line staff and represents the highest percentage of his budget since 2005.

I appreciate that some Supervisors questioned the Sheriff on his need for all of these positions and their concern that keeping them in the budget, but unfunded, will set things up for another deficit in 2015. However, despite those very legitimate concerns, the finance committee restored the positions with the Sheriff simply saying he will try not to deficit next year.

We attempted to reach a compromise with the Sheriff by telling him that we would not veto these amendments, if he would make a public commitment that the Sheriff's Office will operate within the amount of tax levy allocated by the County Board and not deficit in 2015. Unfortunately we did not receive these assurances. This contradiction is troubling.

If Supervisors really believe the Sheriff needs a command staff this size then they should fund it; otherwise, I ask that you support my Recommended Budget to reduce the command staff to a more reasonable number of people.

Sheriff Deputy Positions Strikethrough Packet Page Reference 10 2015 Recommended Budget Reference Page 161 Eliminate 2015 Deficit by \$1.8 million

This amendment creates 25.0 FTE new Deputy Sheriff positions. Of these positions 10.0 are funded and 15.0 are unfunded. This amendment also increases unspecified revenues in the Office of the Sheriff by \$500,000.

I am partially vetoing the amendment to add 25 MCSO Deputies and only paying for 5 of them. I am leaving in the 5 funded Deputy positions, in addition to the 11 Deputy positions that the Sheriff will have available through my Recommended Budget.

As for the other 20 positions, the Sheriff is on pace to deficit more than \$5 million in 2014. By simply adding to the budget unspecified, phantom revenue and by leaving positions unfunded, the Board is setting the County up for a multi-million deficit. Fifteen of these positions are unfunded which, if left filled, will result in a deficit of at least an additional \$1.3 million; \$2.6 million total between unfunded command staff and deputy positions.

According to the Office of the Comptroller, "the amendment creating the deputies includes an additional \$0.5 million in citation revenue for the Sheriff. The Sheriff is currently projected to achieve revenue of \$0.9 million from citations in 2014 and the Budget as adopted by the County Board now has a citation revenue budget of \$1.7 million for 2015 which is unlikely to be achieved." It was at the Sheriff's request that we lowered his projected revenue by \$2.8 million in 2015, so it is not clear why the Board believes he can achieve these revenue targets.

The Recommended Budget I sent you included a \$3.9 million tax levy increase for the Sheriff and 11 additional deputy positions, along with new corrections officers. I understand some of you want to add even more to the Sheriff's Office, but I am concerned the approach taken is simply going to lead to another year of deficits by the Sheriff.

Transfer Courthouse Security to the Office of the Sheriff
Strikethrough Packet Page Reference 11
2015 Recommended Budget Reference Page 130
Reduce Property Tax Levy by \$78,487

This amendment restores funding to 32 positions to provide courthouse security services and transfers those positions from the Department of Administrative Services to the Office of the Sheriff.

I am vetoing the Board's amendment to increase taxes by continuing to have county employees run security services at the Courthouse Complex. I am also concerned that simply transferring control of this important service to the Sheriff does not address the underlying problem; day-to-day staffing. As the finance committee was told during budget deliberations, the plan to contract for security is not only about maintaining the high quality of the workforce, but also about making sure day-to-day staffing remains high enough to keep the Courthouse Complex accessible to the public. Because of a high use of time-off by security staff (due to sick days, vacation days, personal days, Family Medical Leave Act, Workers' Compensation, unpaid time and turnover), the County struggles nearly every day with proper staffing, resulting in the need to shut down security stations. The Board was told that the current 32 positions is insufficient due to the issues described above and with no increase in staffing, stations will continue to have to be shut down. When stations are shut down, this causes an inconvenience to all, increases security risks and creates compliance problems with the Americans with Disabilities Act (ADA). Contracting with a professional security firm will guarantee the appropriate and professional staff is onsite every day. This has become a proven model for the Coggs facility where the security services provider receives high marks from the County and State tenants.

Further, the business of security services continues to evolve at a rate that the County cannot meet due to budget constraints and lack of expertise. Training and equipment are important aspects of a highly effective, lower-risk security program. Leveraging more efficient security services experts affords the County the opportunity to invest more dollars toward our core mission in our community while saving taxpayers money along the way.

Park Patrol
Strikethrough Packet Page Reference 12-13
2015 Recommended Budget Reference Page 160
Reduce Property Tax Levy by \$952,652

This amendment denies the transfer of park patrol responsibilities to the municipalities and restores the Park Patrol to the Office of the Sheriff.

I am vetoing this amendment. For the third year in a row I heard from local city and police leaders who have asked for and support our parks patrol plan. As many of you are aware, it is the local police, not the Sheriff, who provides the vast majority of law enforcement in County Parks. As Wauwatosa Police Chief Barry Weber said in a newspaper story last month in support of the plan, “Technically it’s not our jurisdiction, but we’re the ones who usually respond.” I ask Supervisors to reconsider this proposal that has been recommended not only by me but also by the municipalities and experts in law enforcement.

HOC Corrections Officer Positions
Strikethrough Packet Page Reference 14
2015 Recommended Budget Reference Page 166
Reduce Property Tax Levy by \$15,146

This amendment denies the creation of 6 FTE Corrections Officers (COs) and restores 6 FTE Clerical Positions in the House of Correction.

I am vetoing this amendment that would maintain existing clerical positions within the Records Department at the HOC, instead of substituting COs for these roles as proposed in the original budget request. This change would allow the HOC to follow best practices used across the country, including at the Milwaukee County Sheriff’s Department, in managing the records function. Further, once fully implemented it would save over \$200,000 annually in operating expenses at the HOC.

The original request, as part of the HOC budget, does not reduce the number of positions, it simply changes their definition to provide more value, better service, reduce overtime and, like so many changes the Superintendent has made over the past year, would continue to improve the quality of the work we do at the HOC.

Today the records function includes 8 clerical positions, including one vacancy, to staff the HOC on 24/7 with two positions per shift. During peak periods two individuals are needed but at other times the need is less. The clerical positions are not able to perform other functions at the HOC and as a result are underutilized or idle at least part of the time. Substituting six COs for these clerical roles would allow the HOC to use these roles in other productive functions during periods when the records need is less. Further, by crossing training a group of COs to manage the records function, the HOC would be able to draw on a larger pool and reduce its use of overtime.

PARKS, ZOO AND CULTURALS

Estabrook Dam Removal Capital Project Strikethrough Packet Page Reference 15-16 2015 Recommended Budget Reference Page 425 Restore Capital Project

This section of the amendment eliminates Recommended Capital Project WP480 – Estabrook Dam Removal and reallocates sales tax funding to the Employee Fringe Benefit budget (org. unit 1950).

I am vetoing this amendment that prevented the Board from voting on this critical item in a transparent way. It was included as part of a “super-amendment”, among health care benefits for employees and prevents Supervisors from appropriately considering each issue separately. This veto separates out the vote so Supervisors can vote on each issue on its own merits. Although no funding is allocated with this amendment, we know that a significant portion of the funding for removal can and will be obtained through grants (from the DNR, Fish and Wildlife Service, etc). In early 2015 we will bring to the Supervisors a plan for paying for the removal through grants and other options.

To be clear, a vote to remove the dam is in line with what Supervisors have already heard from numerous environmental groups and river preservationists, as well as the most fiscally responsible action. A vote to repair the dam has been pushed and advocated by a small group of people who have a vested interest. It is their right to advocate, but Supervisors have to consider the countywide environmental and fiscal impact.

The decision to remove the dam that was included in the 2105 Recommended Budget was made in a disciplined way by weighing costs and benefits of all options, as well as in consultation with the community who overwhelmingly has advocated for removal of the dam. For example, a survey conducted Milwaukee County showed that of the 341 individual responders, 68% favor removal. This sentiment was strongly expressed through the multiple public hearings held by the Board and the Parks Department on the issue, as well as the multitude of calls and emails my office and the Board received.

The community concern came from a diverse group of people, including environmentalists, flood management experts, fishermen, realtors, etc. From an environmentalist perspective, dams damage rivers and their ecosystems. As cited by the group American Rivers, “the goal of removal can be multi-faceted, including restoring flows for fish and wildlife, reinstating the natural sediment and nutrient flow, eliminating safety risks, restoring opportunities for recreation, and saving taxpayer money.”

Removal of the dam is also the most fiscally responsible option available, with benefits including:

- Capital savings of over \$844,000 compared to the alternative
- Require no annual Operation and Maintenance
- An Operational Budget savings of \$160,000 annually
- The Present Worth Analysis indicates a \$3,460,000 savings over 20 years
- Eliminate the unwanted accumulation of sediments and debris upstream
- Restore the river to a more natural looking, free flowing condition
- Remove impediments to navigation and fish passage
- Eliminate upstream flooding impacts caused by the existing dam
- Lower river levels during floods more than the other options
- Improve public safety and reduce potential risks and liabilities
- Provide a more regular hydrologic condition for aquatic species

- Eliminate the operational and regulatory requirements of dam ownership

Zoo Concessions, Merchandise Sales and Catering
Strikethrough Packet Page Reference 17-18
2015 Recommended Budget Reference Page 256 & 257

This amendment restores staff, expenditure authority and revenue related to the provision of concessions, merchandise sales and catering by County staff and rejects transitioning these services to a new service model.

I am vetoing the amendment to take out the Zoo Concessions Contract and I hope the Board will be open minded moving forward on this proposal. The plan that was put into my 2015 Recommended Budget would have improved the Zoo experience for the 1.3 million people who visit every year while at the same time ensuring a stable revenue stream.

As this proposal with Service Systems Associates (SSA) is reconsidered I ask Supervisors to keep in mind that, under the proposed contract, SSA would invest \$3 million of their own money to improve buildings at the zoo. The County would still own the buildings. SSA is also guaranteeing a minimum payment to the County every year that will increase as sales increase (projected \$1.7 million in 2015, rising to \$2.1 million by 2019), and SSA will spend \$150,000 of its own money to market the Milwaukee County Zoo.

SSA has guaranteed to hire all full-time food and retail Zoo staff and to offer eco-friendly and fair-trade products. All 2015 commitments for rentals with outside vendors will be honored, and people will still be allowed to bring their own food into the Zoo.

As was discussed many times during this budget season, the County has to find new, creative and sustainable ways to provide the services we offer. This partnership will benefit the entire community.

Additional Painter Position for the Parks Department
Strikethrough Packet Page Reference 19
2015 Recommended Budget Reference Page 238-239
Reduce Property Tax Levy by \$101,024

This amendment will create 1 additional position within the parks department at a cost of \$101,024.

I am vetoing this amendment that adds one FTE to the Parks Department for painting. Adding an FTE commits the County to a long-term cost and should be undertaken only in when it is the most cost effective means of meeting needs. While the Parks Department has many needs that we are working to address, including additional painting, particularly to address the ongoing issue of graffiti, hiring one FTE is not the most cost effective means to meet that need. If the Board wishes to augment maintenance in County parks, adding unrestricted funds to the Parks maintenance budget would allow the Department to determine the most cost effective means of addressing the need.

County Contribution to Cultural Institutions
Strikethrough Packet Page Reference 20-24
2015 Recommended Budget Reference Pages 267-282, 327, 491-502
Reduce Property Tax Levy by \$484,615 and General Obligation Bonding by \$845,528; Over 15 Years Estimated Tax Levy Savings of \$1,050,000

This section of the amendment restores the 5 percent cut to the Fund for the Arts (CAMPAC), the Historical Society, Marcus Center, and Villa Terrace/Charles Allis Museum and 50% capital match.

I am vetoing this amendment. Milwaukee County has a proud history of supporting cultural and educational institutions that provide significant value to the citizens of the county. At the same time, as you know, Milwaukee County government continues to be under significant fiscal pressures. To illustrate, we started planning the 2015 budget with a \$32 million structural operating deficit. The pressures on the capital budget are more acute, including \$246 million of capital improvement needs for the cultural institutions alone, as described by the Public Policy Forum.

Two years ago, the County Board unanimously agreed with the recommendations in a sustainability audit of the County cultural facilities. That audit, which had been directed by the Board, responsibly called for County-supported cultural institutions to seek efficiencies and reduce their reliance on county tax dollars in light of the County's fiscal realities.

To address this situation, the 2015 Recommended Budget proposed several changes to move toward greater sustainability. First, County-supported institutions would receive a 5 percent decrease in the 2015 operating budgets allocated by the County. Second, County-supported institutions were expected to provide a 50% match for any capital request funded by the County. All cultural institutions have strong public support and have the ability to fundraise. Again, the Milwaukee County audit on this matter called on the culturals to increase their capacity to do just that.

Our goal in making these changes is to ensure that the County is supporting cultural and other institutions in a sustainable manner, while not jeopardizing other services the County is mandated to provide. We also hope that these changes will improve the collaboration between the County and County-supported institutions.

Funding of these cultural capital projects put the Budget above the Board's self-imposed bonding cap by approximately \$845,528 for an annual tax levy impact of \$70,000 each year over the next 15 years.

Again, I believe that the institutions the County supports provide an invaluable service to the community. This is precisely why I want to ensure the long-term sustainability of these institutions and their important contribution to Milwaukee County.

Additional Funding to the Historical Society
Strikethrough Packet Page Reference 25
2015 Recommended Budget Reference Pages 270
Reduce Property Tax Levy by \$100,000

This provision of the amendment provided a one-time allocation of \$100,000 to the Historical Society.

I am vetoing this amendment that gives the Historical Society funding that they did not request.

Increase General Obligation Bonding for Parks by \$9,154,472
Strikethrough Packet Page Reference 26-27
2015 Recommended Budget Reference Page N/A
Reduce General Obligation Bonding by \$9,154,472; Over 15 Years Estimated Tax Levy Savings of \$11,410,000 million

This section of the amendment includes \$9,154,472 in general obligation bonding for yet-to-be-determined capital projects in the Parks.

I am vetoing this amendment. My concerns about the proposed large increase in bonding are similar to what I expressed above. I believe the plan was put forth with good intentions, but I am not sure the impacts are fully understood or were fully vetted.

Because the plan was introduced and voted on so quickly Supervisors likely did not have time to study the full fiscal effect. According to the Office of the Comptroller, the increase in general obligation bonding of \$13.1 million in 2015 (totaling all amendments that increase borrowing) would increase debt service costs annually by more than \$1.1 million and would increase the County's structural deficit in the future. Over 15 years, the Comptroller estimates the County will have to pay back, between this and other bonding above the cap, more than \$16.4 million. These increased obligations mean there will be less money available in future years to pay for other capital projects or to support other critical services.

I would also remind you that if the Board approves the sale of O'Donnell Parking Garage, we will have another \$5 million to repair and improve our parks. By following this path we will greatly improve parks across the County without increasing our borrowing or interest payments, and we will have more money in future years to tackle even more repairs.

Furthermore, even if the County bonds for an additional \$13.1 million, we have no extra capacity in our Parks Department and Architectural and Engineering Division to take on projects over and above the more than \$78 million in capital projects that were in my Recommended Budget and approved by the Board.

As Rob Henken, President of the Public Policy Forum stated, "Ideally, decisions like this would be based on a realistic five-year capital plan for all of county government that matched needs with a strategic assessment of the County's capacity to borrow and the impacts of different debt service scenarios on operating budget challenges".

Like you, I agree that we need to work hard to catch up on deferred maintenance in parks and across the County. However I believe we can and should do it in a more disciplined and fiscally sound way. As with previous budgets, my 2015 Recommended Budget significantly exceeds the County's stated goal of financing 20 percent of capital projects with cash. In this case, our proposed budget includes nearly \$16 million dollars **in cash financing** of capital projects. That is about \$5 million above the County's stated goal of financing 20 percent of projects with cash. The obvious advantage of this approach is that it allows us to continue to exceed our capital investment goals and address our highest deferred maintenance needs but without incurring debt. Every dollar we spend paying back debt is a dollar less we have for additional capital projects or to provide important services like transit, mental health care and meals for seniors.

Supervisors have said they do not support my proposals to ask our partners at the cultural institutions to match capital spending or to close four wading pools. I understand these decisions are not always easy to make, but addressing the significant capital needs across the County requires hard choices. By simply increasing our borrowing, we are increasing our structural deficit and actually increasing the cuts we will have to make in the future.

Further, funding for this initiative put the Budget above the Board's self-imposed bonding cap by over \$9 million, for an annual tax levy impact of over \$760,000. I am vetoing the bonding appropriations above the cap as the Board should either follow its own policy or pass new policy that reflects changed priorities. The Parks Department is currently undergoing a master strategic plan and will also be completing a needs assessment over the next year. This plan and assessment can and should be used to inform and prioritize further parks maintenance and upgrade decisions.

**Funding Supervisor-specific Parks Improvements – Milwaukee River Parkway, Sherman Park Tennis Courts, Sherman Park Boys and Girls Club HVAC, Hales Corners Pool rehabilitation and bathhouse roof replacement, Manitoba Park playground
Strikethrough Packet Page Reference 28-30
2014 Recommended Budget Reference Page N/A
Reduce bonding by \$3,249,000, Reduce Property Tax Levy by \$100,000 in 2015, over 15 years estimated tax levy savings of \$4,050,000**

I am vetoing these amendments because funding priorities for parks are best made by the parks and engineering professionals who review in detail the entire portfolio of needs and priorities. None of these items ranked highly or were recommended by the Capital Improvements Committee. Although these items are on the Parks Department's maintenance lists, they are not the top priorities. For example, the Sherman Park Tennis Courts are ranked 10th on the list of tennis courts in need of repair, behind LaFollette, Brown Deer, Kinnickinnic River Parkway, Pulaski, Froemming, McCarty, Noyes, West Milwaukee and Madison Parks. To further put this in perspective, Sherman Park tennis courts have a condition rating of 71 (on a scale where 100 is best), while conditions at the first three tennis facilities rank in the 30s. When we repair tennis courts, we should focus on ones that are both highly used and have the greatest need.

Further, the amount allocated (\$100,000) would not be enough to completely redo the court facility and would probably only cover resurfacing the courts; the approach of the Parks Department would be to rebuild the courts facility and lighting at a rough cost of \$480,000.

Currently, the Parks Department is working on the Menomonee River Parkway, and they would expect to begin work on Kinnickinnic River Parkway next, based on need; the Milwaukee River Parkway is currently third on the Parks capital plan scheduled for 2017. The 2014 capital budget did include \$600,000 for design work (no construction) for the portion of the Milwaukee River Parkway from Bender to Good Hope roads. If this amendment passes, it would likely mean that the Parks Department would swap out work on the Kinnickinnic parkway for work on the Milwaukee Parkway. One reason for the amendment is that the City of Glendale has expressed willingness to contribute \$600,000 to the project costs; the DNR and MMSD are also expected to bear some of the project costs, based on their past support. The City of Glendale, as well as these other entities, could contribute these amounts in the next few years as well.

Maintenance of the Boys and Girls Club in Sherman Park is shared between the Club and the County. The County owns the building and is responsible for major capital improvements, including roofs, and the Club is responsible for routine maintenance. It is important to note that \$250,000 is only for design work and total project costs would be roughly \$2 million. The Parks Department will have to weigh all its needs again for the 2016 budget and there is not guarantee that this would come out on top and be recommended for funding. Similar work is being done at King Community Center at a cost of \$1.6 million and at Kosciuszko Community Center for \$3.5 million.

The Hales Corners project resulted from town hall discussions about wading pools sponsored by Supervisor Taylor. The Parks Department proposed budget did not include funding for the Hales Corner Park in 2015 although they have worked very closely with its Friends group to help them with park improvements. For example, with the support of the Parks Department, they are planning for a new ice rink. The County Board, in September, approved a 10-year agreement with the Friends of Hales Corners Park that did not include this new project. If this project was to move forward, we would expect to work with the community to secure a portion of funding for this work.

The Manitoba Park playground is 5th on the Parks' playground priority list. The Parks Department has spent approximately \$6 million on 27 playground replacements in the last four years; as a result the department did not request any funds for playground work in 2015, preferring to concentrate on other high priority areas.

When passing these amendments, one critical element that was not considered is the capacity of the Department to take on and successfully complete all these projects, since no extra positions were provided. Even if the County bonded for the additional \$13.1 million, between the Parks Department and the Architectural and Engineering Division, there is no extra capacity to take on these projects – which are in addition to the over \$78 million capital budget that was in my Recommended Budget and approved by the Board.

Like you, I agree that we need to work hard to catch up on deferred maintenance in parks and across the County. I am vetoing this amendment, however, because I believe we can and should do it in a more disciplined and fiscally sound way. Again, my 2015 Recommended Budget includes nearly \$16 million dollars in cash financing of capital projects, \$5 million above the County's stated goal of financing 20 percent of projects with cash. This approach allows us to address our highest deferred maintenance needs without incurring debt. Every dollar we spend paying back debt is a dollar less we have for additional capital projects or to provide important services like transit, mental health care and meals for seniors.

Further, funding of these parks projects put the Budget above the Board's self-imposed bonding cap by over \$3.2 million, for an annual tax levy impact of over \$270,000. I am vetoing the bonding appropriations above the cap as the Board should either follow its own policy or pass new policy that reflects changed priorities. The Parks Department is currently undergoing a master strategic plan and will also be completing a needs assessment over the next year. This plan and assessment can and should be used to inform and prioritize further parks maintenance and upgrade decisions.

I should also remind you that if the Board approves the sale of O'Donnell Parking Garage, we will have another \$5 million to fix up and repair parks. By following this path we will greatly improve parks across the County without increasing our borrowing or interest payments, and we will have more money in future years to tackle even more repairs.

EMPLOYEE BENEFITS

BHD Contribution to Healthcare
Strikethrough Packet Page Reference 31
2014 Recommended Budget Reference Page N/A
Reduce Property Tax Levy by \$781,210

The clear intent of Act 203 was to create independent budget authority within the Mental Health Board. I am vetoing this amendment as it attempts to give back this authority to the County Board. The Behavioral Health Division and Mental Health Board, within their budget has the ability to adjust salaries and fringe benefits. That decision should be made by their leadership.

County Match to the Flexible Spending Account – PARTIAL VETO
Strikethrough Packet Page Reference 32
2015 Recommended Budget Reference Page 301
Reduce Property Tax Levy by \$244,358

This section of the amendment provides a County match to employee health flexible spending accounts of up to \$2,000, an increase of \$800 over the 2014 level. This item has an expenditure amount of \$1,985,732 which is partially offset by departmental reimbursements of approximately 17 percent for a net levy impact of \$1,648,158.

In an effort to reach a compromise with the County Board, I partially vetoing this amendment and restoring the FSA at the 2014 level of a County contribution of \$1,200 per employee, instead of \$2,000. Employees can continue to contribute above that to their own FSAs pre-tax. This is an extremely generous benefit for thousands of employees that the County has to balance with the million people we serve. I hope Supervisors will consider this compromise that continues a County match for the FSA but decreases the County contribution to employee health care premiums.

Employee Health Insurance Premiums
Strikethrough Packet Page Reference 33-35
2015 Recommended Budget Reference Page 301
Reduce Property Tax Levy by \$1,753,002

This section of the amendment reduces employee health insurance premiums from the recommended budget in various amounts based on coverage tiers. This item results in reduced revenue of \$2,551,350 which is partially offset by reduced departmental reimbursements of approximately 17 percent for a net levy impact of \$2,117,621.

I am vetoing this amendment to acknowledge employees concerns about health care costs alongside taxpayers' concerns about rising taxes. This would, instead, bring us more in-line with other public-sector comparable premium rates. As you saw above, I am leaving in a County contribution to employee Flexible Savings account but am vetoing the reduction in employee premiums. I hope that Supervisors will consider this in an effort to help the County control health care costs.

The decision to adjust health care premiums was not made lightly. We carefully examined the health care burden on the County, the past trends and future projections internally, benchmarks around the country and the total benefit package that every employee receives. Milwaukee County recruits high quality employees from both the private and public sectors. It is important to make sure that our benefits are competitive so that we can continue to attract top talent without compromising our fiscal situation further.

To decrease the employee contribution at a time when health care costs are going up nationwide is unsustainable; the County cannot continue to provide services for generations to come if we are unwilling to seriously address the components of our budget that threaten our sustainability.

Our first goal must be to ensure we can efficiently provide high quality services to Milwaukee County citizens. Unfortunately, the County cannot support massive spending on employee health care and still maintain appropriate County services. A fair and balanced contribution by employees to their benefits is critical to a truly sustainable County.

Milwaukee County is committed to providing its employees with high-quality, affordable healthcare coverage. Milwaukee County's health care benefits are very consistent with the benefits offered by other large employers in the region in terms of deductibles, copays, and the percentage of claims paid. Milwaukee County's active employee premium contributions have consistently been lower than most large employers. In 2014, Milwaukee County's average employee contribution was 11 percent of the premium cost. This compares to a regional average of 22 percent for single coverage and 31 percent for family. In 2015, the County employee premium contributions will remain well below regional

benchmarks, averaging 18 percent of the premium costs. It is important to note that Milwaukee County contributes the remaining 82%, or \$1800 to each employee on a family plan per month.

Milwaukee County's Compensation Division has nearly completed an organization-wide review to ensure that our pay ranges are in alignment with the job market and has made adjustments to positions where we have lagged the market. While the vast majority of the positions we have reviewed so far have been comparable to the broader market, some positions at Milwaukee County appear to be paid above the general market rate, and some are below.

When considering employee compensation, it is important to discuss "total compensation". Total compensation is anything of monetary value that an employee receives for their work. At Milwaukee County, this includes wages (base pay, overtime, shift differentials, etc.) in addition to retirement (pension, deferred compensation), health (medical, dental, and wellness, etc.), and wellbeing (vacation, sick, holidays, life insurance, disability coverage, EAP, etc.) benefits. As mentioned above, base pay has generally been aligned with the market. When evaluating total compensation, Milwaukee County generally exceeds large employer market benchmarks in other forms of compensation. As examples, the County provides active employee pension contributions in excess of 5 percent of payroll, which compares favorably to large employer contributions averaging 3.4 percent. Health benefits, as noted above, are offered at a lower percentage of cost than most large employers. Paid time-off benefits are also consistently above averages, providing an employee with 10 years of service in excess of 35 days of total sick, vacation, and holiday time per year.

Other notable benefits that are available to Milwaukee County Employees:

- Employee wellness plan
- Employee and dependent Life Insurance
- Voluntary short-term and long-term disability coverage
- Commuter benefits (transit pass)
- Employee assistance program (EAP)
- Access to a pre-tax retirement saving plan

Position Reclassifications – JEQ
Strikethrough Packet Page Reference 36
2015 Recommended Budget Reference Page N/A

This section of the amendment rejects position reclassifications recommended by the Department of Human Resources until the Board takes an affirmative action to approve the position actions.

I am vetoing this amendment that reduces funding for positions that have been evaluated by the Human Resources Department as part of the Job Analysis and Evaluation Questionnaire Project. As we have repeatedly said, and as Corporation Counsel has confirmed, this project represents the administration of Board policy, not the creation of Board policy. In its policy-making role, the County Board has created and confirmed all positions being reviewed, has approved the various pay scales that are applied to all County positions, and has budgeted salary dollars for all County departments. As part of its role in administering those policies, the HR department is reviewing our workforce and, where needed, reclassifying positions into more appropriate job classifications, based on their job duties. According to Corporation Counsel, the reclassification of positions is an administrative function, and as such is within the purview of the HR department to pursue and implement. Further, the HR department believes that, when it finds roles that should be reclassified, such changes should be pursued in a timely manner. To fail to do so creates issues of fairness between employees, competitiveness with the external job market, and

retention of employees in County service. Further, such failure to act exposes the County to risk under the federal Fair Labor Standards Act and the Equal Pay Act. Thus I continue to believe that HR should implement reclassifications as they are identified. It is also important to note that HR has acted in a transparent manner by reporting to the Board on a monthly basis any adjustments to salaries and the fiscal impact.

MISCELLANEOUS

County Board Tax Levy and Crosscharges
Strikethrough Packet Page Reference 37-38
2015 Recommended Budget Reference Page 59
Reduce Tax Levy \$80,000

This amendment arbitrarily reduces internal service charges by \$80,000, which are offset by increased personnel costs in the Office of the County Board of Supervisors by the same amount, and provides tax levy of \$80,000 in the Information Management Services Division of the Department of Administrative Services to offset the reduced interdepartmental revenues.

I am vetoing this amendment that attempts to change the way cross charges are allocated to one department only – the County Board. The dozens of other County Departments and Divisions who do not receive this benefit continue to work extremely hard and have made many improvements we can all be proud of in the face of the fiscal challenges that are countywide. I am concerned that the message that would be sent by this amendment disrespects their hard work and disregards parity. I am also concerned that the message sent to the public is that the board is more worried about their own budget than the services that directly benefit the County who pays for it.

The County allocates cross charges across departments using a uniform methodology that is consistently applied. Some charges are based on actual usage, such as charging occupancy based on square footage. Other charges are based on approximate measures, such as number of FTEs as a proxy for fringe and Human Resources systems costs. Still others are based on expert advice, as using actuarial recommendations to allocate risk management costs. Changing the standard methodology to reduce charges for one department means that other departments will pay more than they otherwise would. Further, changing the methodology for one department will create administrative difficulties in producing future budgets. Finally, such a change will defeat the County's effort to distribute its internal charges in a manner that is consistent and equitable for all departments. This does not send a good message to other Departments, including those that have gone through significant downsizing and have been able to live within their allocation.

While I am sure every department would be in favor of lower cross charges, adjustments must be made in a uniform and consistent manner.

Government Affairs Membership Costs
Strikethrough Packet Page Reference 39
2015 Recommended Budget Reference Page 63
Reduce Property Tax Levy by \$20,000

This section of the amendment provides \$20,000 in funding for the Office of Government Affairs for membership dues for the Center for International Health.

I am vetoing this earmark amendment that adds \$20,000 for the Center for International Health (CIH) The Center provides important services to the wider community, and my staff and I personally support its

mission. At the same time, earmarked funds come at a cost to the County's ability to deliver the services we are legally mandated to provide and undercut our progress towards sustainability. I have consistently vetoed efforts to allocate funds for special purposes, especially those outside Milwaukee County's core mission, and must therefore veto this proposal.

Further, in evaluating the value of the time and resources devoted to Government Affairs, it is not prudent to expend this small budget to pay for membership fees that do not directly impact County outcomes, such as the Center for International Health. I would encourage the Board to provide for those memberships from their budget if they so desire such memberships, rather than compromise the County's ability to have all resources available to advocate and lobby our state and federal government partners.

Possible Surplus Funds in City Campus Demolition
Strikethrough Packet Page Reference 40
2015 Recommended Budget Reference Page 479

This amendment would require that any surplus funds available in capital project WC11201 - City Campus Complex Demolition be utilized for capital improvements at the Technology Innovation Center at the Milwaukee County Research Park.

I am vetoing this amendment, as any surplus money from the demolition of City Campus should go through a countywide prioritization process. Furthermore, the Milwaukee County Research Park Corporation (MCRPC) Board recently passed a resolution requesting an amendment to its lease with the County which would require the MCRPC to make capital repairs and improvements in exchange for a lower lease rate. We are currently reviewing this proposal and until these negotiations are complete, no further commitment to capital expenditures should be made.

Shelter Task Force Funding
Strikethrough Packet Page Reference 41
2015 Recommended Budget Reference N/A
Reduce Property Taxes by \$300,000

This amendment provides \$300,000 in funding for Shelter Task Force emergency shelter services for the homeless in the Department of Health and Human Services.

I commend the Board for paying attention to the critical issue of homelessness in our community. I want to make sure, however, that the County is strategic in how it funds community organizations. To be clear, the County Executive's proposed 2015 budget continues to give homeless shelter providers \$418,000 – the amount at which the County has historically funded shelters. Furthermore, my budget includes \$100,000 between the Guest House of Milwaukee to provide case management services for homeless individuals and Impact 211 to implement a Coordinated Entry system to better manage shelter placement. The increased funding will help the shelters transition towards sustainability in a time of reduced federal funding.

My 2015 Recommended Budget also provides \$370,000 in new funding for permanent housing and the addition of a second Community Intervention Specialist position. In 2014, our existing Community Intervention Specialist helped more than 150 people transition into stable housing from the street, shelters, and correctional facilities, and he was honored for that work by being named NAMI's *Advocate of the Year*.

All of that success is on top of the \$500,000 added in 2014 for housing programs, including a program that targets homeless veterans. This represents nearly \$1 million in new and targeted funding to combat homelessness in our community that I have added in two years.

I am vetoing the Board's amendment because, as I wrote last year, I considered the additional money we provided to homeless shelters in 2014 a one-time funding source to help them in the wake of a cut in federal funding and I urged them to consider the sustainability of their own organizations and consider other funding streams. They have agreed to the need for increasing their sustainability. While shelters will always be necessary, the federal government has changed its priorities in addressing homelessness. These priorities include a shift toward permanent housing, an area where we have made strong investments.

The County cannot sustainably and effectively provide mandated services while also serving as a funding source where the federal or state governments' funding streams have shifted. Thus, any County funding must be directed at helping these organizations shift their service delivery models to achieve their own sustainability. I ask Supervisors to recognize that the County cannot fill every federal funding gap that results in community groups asking the County for money.

NON-VETO MESSAGES

Grant Coordinator in DAS-Business Office 2015 Recommended Budget Reference Page 113

This section of the amendment eliminates the newly-created position of 1.0 FTE Grant Coordinator in the DAS Business Office.

I am not vetoing this amendment that eliminates the newly-created position of Grant Coordinator in the DAS Business Office, which is created by transferring a budgeted but unstaffed position from the Department of Facilities. The Business Office is being established to provide county-wide services, particularly to smaller departments that need support but cannot afford full-time expertise. Several departments, including the House of Corrections, Human Resources, Transportation, Administrative Services (Sustainability, Office for Persons with Disabilities, Environmental Services), and some County cultural institutions requested in their 2015 budgets support for developing grant proposals. This role is being created in the Business Office to provide that needed support across the County. Over time, this position will be self-funding; that is, it will be expected to produce more revenue than personnel expense. In 2015 as the position is starting up, only one-quarter of the cost is expected to be funded through grants. Further, since this position is created by transferring a budgeted but unstaffed position from the Department of Facilities, any revenues that are collected in 2015 will actually reduce overall budgeted expenditures.

Paper Copies of Budget Documents 2015 Recommended Budget Reference Page N/A

I am not vetoing the amendment requiring DAS to print paper copies of the Recommended Budget, and make it clear that in future years, the Recommended Budget will be submitted to the public and Board electronically. By making the budget document available on the Internet, it will be accessible to everyone via tablets, mobile phones and computers. This change will also help reduce the significant amount of paper that is needed to print physical copies of the budget narrative. The County's Director of Sustainability estimates that as an organization we printed nearly 35 *million pages* in 2013 at a cost of more than \$200,000. By submitting the budget document electronically we are doing what we can to help reduce this total.

Earlier this year the Board spent thousands of dollars to give each Supervisor an iPad, and Supervisors and staff also have access to computers. As Chairwoman Dimitrijevic correctly pointed out after buying the iPads, transitioning away from paper allows us to conserve paper and save money.

I also understand that, contrary to County policy, the Board has chosen to maintain individual personal printers rather than moving to a less costly, more sustainable centralized print management model. In future years if Supervisors need paper copies of the budget or any parts of the budget we advise you to utilize printers in your department or office.

**County Grounds Security
2015 Recommended Budget Reference Page 161**

I am not vetoing this amendment but we will continue to look at this in the future as a way to improve public safety while also using our resources more efficiently.

**RFP/RFI language in Airport Budget
2015 Recommended Budget Reference Page 186**

While I am not vetoing the Board's amendment to strike the language, Supervisors should know this amendment will not impact our ability to move forward with this plan. Further I'm disappointed the Board would remove our efforts to continue to be as transparent as possible.

As the airline industry continues to contract, we must and will consider all options to keep Mitchell International competitive. If we move forward with any RFPs or RFIs, we will continue to be transparent and open with the Board and public.

**Election Machines
2015 Recommended Budget Reference Page 509**

I am not vetoing this amendment that deletes language about a collaboration with the City of Milwaukee that would finally get all municipalities on uniform equipment because after a conversation with the County Clerk, he has agreed to proceed down the same path of contracting with the city and the same agreement that has been worked on with multiple stakeholders.

**Require Capital Projects in Failed Amendments to be addressed by the Capital Improvements Committee
2015 Recommended Budget Reference Page N/A**

This amendment requires that all capital projects considered by amendment to the County Executive's Recommended Capital Budget, but which are not included in the Adopted Budget, be considered by the Capital Improvements Committee for the subsequent year's capital budget.

I am not vetoing this amendment, as the only capital project that failed during the budget process was the removal of the Estabrook Dam. I look forward to the CIC review of this project, if my veto of the Estabrook Dam is not sustained.

It is also important to note, that of all the projects added by Supervisors through this amendment process, none were highly ranked or recommended by the Capital Improvements Committee.

**Cudahy Sportsmen Gun Club
2015 Recommended Budget Reference Page N/A**

I am not vetoing this amendment that extends the Gun Club's lease until the end of 2015. We will work with the Gun Club on a smooth transition to vacate the premises at the end of 2015 or earlier based on state and/or federal regulations.

**Imposition of Vacancy and Turnover
2015 Recommended Budget Reference Pages N/A**

This amendment decreases salary dollars in the Department of Human Resources by \$85,629 and in the Department of Administrative Services (DAS) by \$365,317 and reduces vacancy and turnover savings in the Department of Health and Human Services (DHHS) by \$67,396.

I am not vetoing this amendment as I am not able to restore these dollars however want to make it clear that this will damage departmental operations for the two departments with proposed reductions in staffing levels. And the DHHS staffing for 2015 was proposed at a funding level that the Department believes it can sustain and does not need to be augmented by a reduction in V&T. It seems that these adjustments were made without explanation or justification. It is important to note that all of these departments made tough decisions in this budget. For example, DAS already eliminated 21 positions (not including security staff) in the 2015 Recommended Budget, making it more difficult to absorb these salary decreases.

**Parks Wading Pools
2015 Recommended Budget Reference Pages 238 & 239**

This amendment would require the Department of Parks, Recreation and Culture to study the safety and costs associated with the operation of wading pools at Hales Corners, Wedgewood, Vogel, and Cannon parks and to bring recommendations to the County Board by the April 2015 cycle.

I am not vetoing this amendment but want to express that needlessly creates more work for the Parks Department. The Department has already studied and evaluated the safety and costs associated with the operations of the four wading pools – that is how they created their recommendation.