



Fair Deal for Milwaukee
County Workgroup

Options for Operating &
Capital Funding



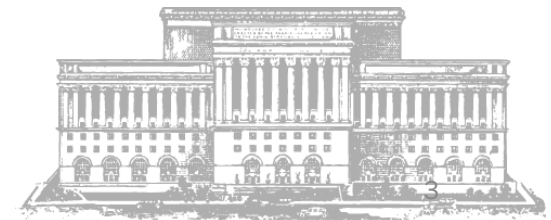
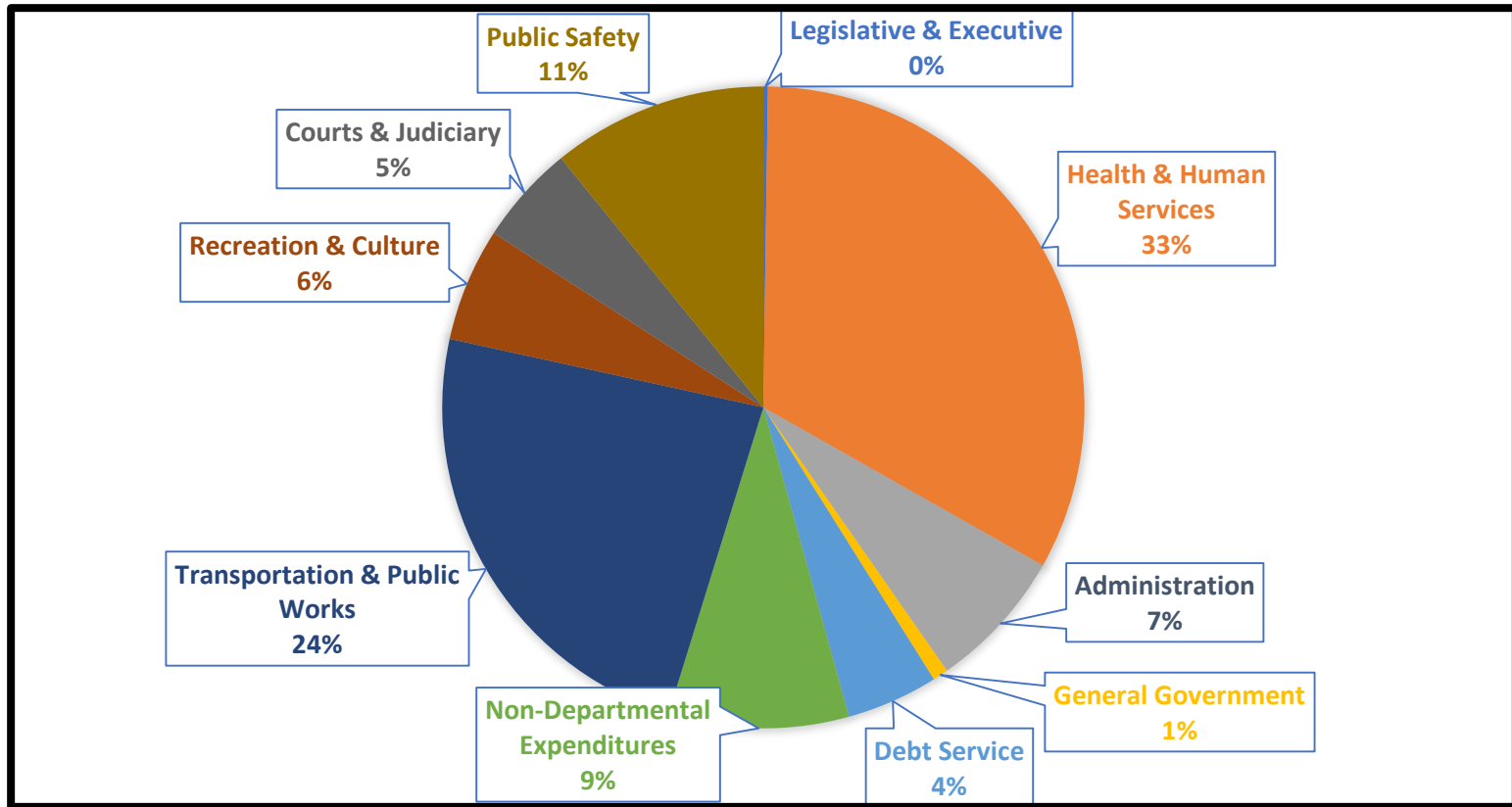
Presentation Summary

- Funding review
- Local Revenues Challenges
- Mandated vs. Non-mandated Services
- State Funding Scenarios
- Pittsburgh Model in Milwaukee
- Review



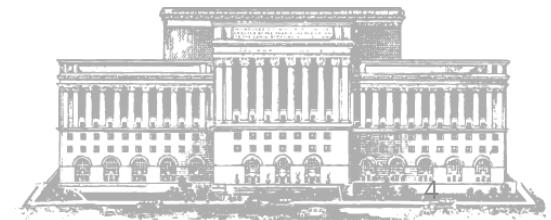
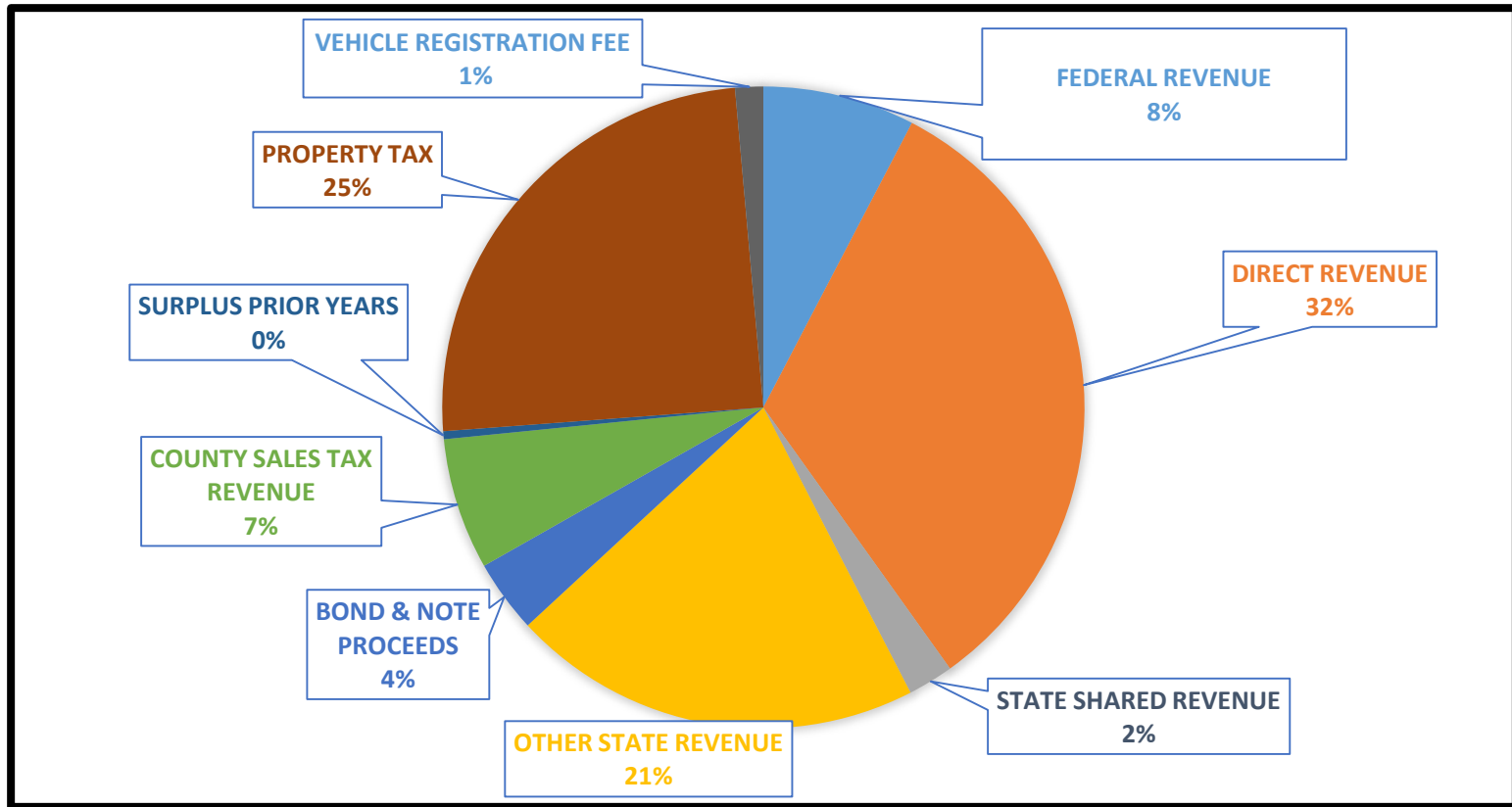


2019 Adopted Expenditures



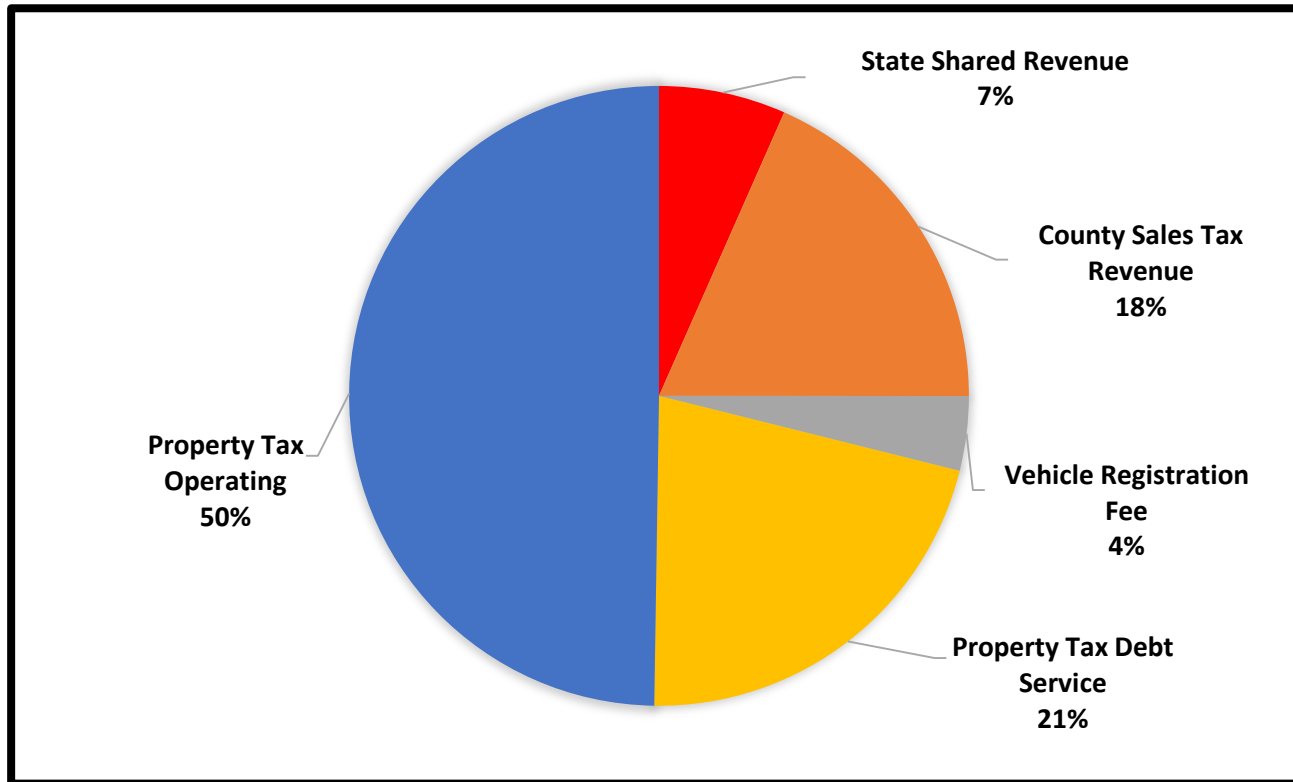


2019 Adopted Revenues (\$1.18B)





2018 Local Revenues (\$424M)

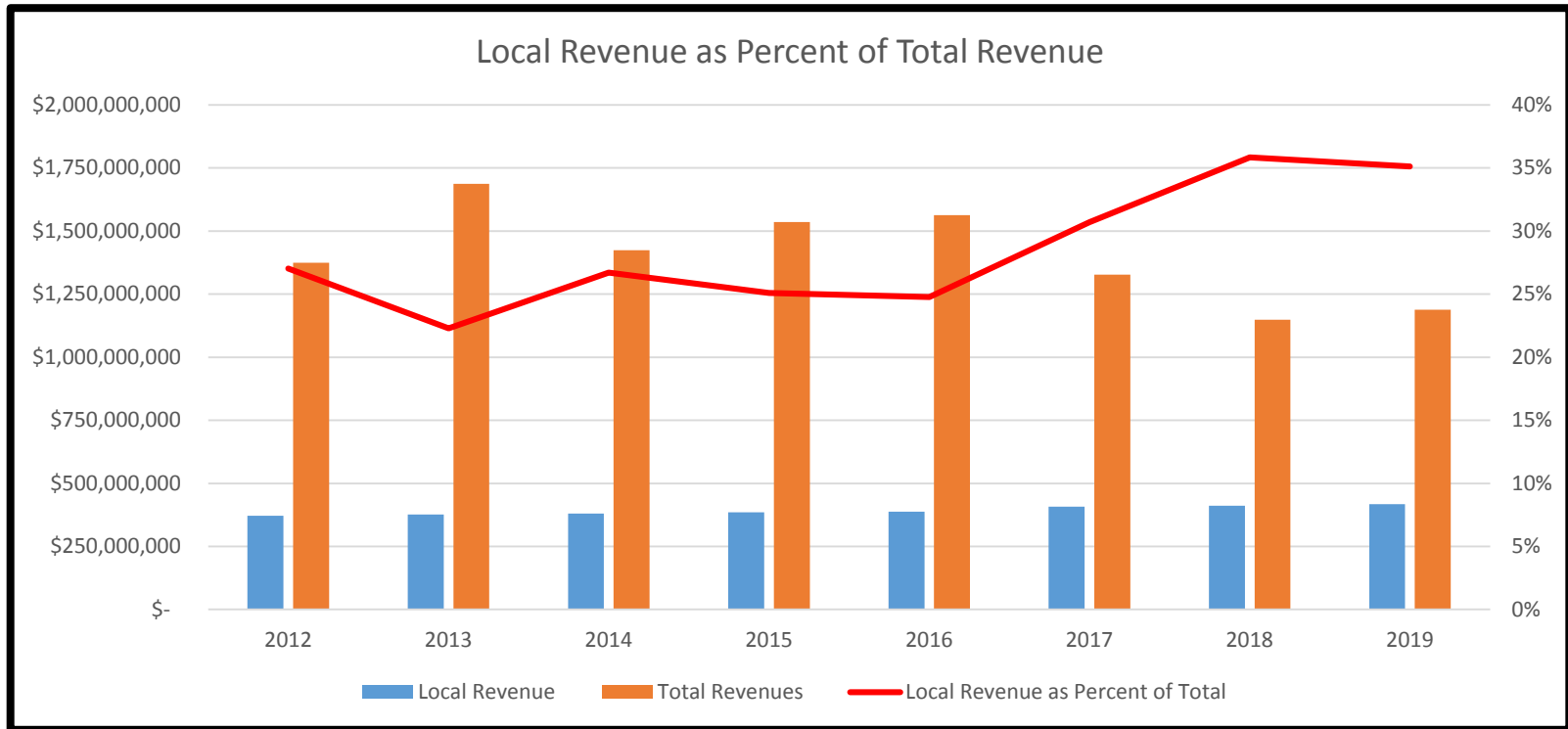


NOTE: Chart does not include Federal, Other State or Direct Revenue

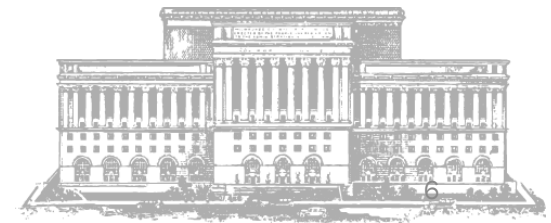




2012-2019 Local Revenue



2017- new local revenue source VRF





Funding for Mandated vs Non Mandated Services by Functional Area

2018 Operating Budget						
Functional Area	TOTAL BUDGET	TOTAL LOCAL REVENUE	MANDATED BUDGET	LOCAL REVENUE (MANDATED)	NON-MANDATED BUDGET	LOCAL REVENUE (NON-MANDATED)
Administrative	\$ 73,950,531	\$53,167,251	\$ 47,171,124	\$ 33,880,335	\$ 26,779,407	\$ 19,286,916
Courts & Judiciary	\$ 51,343,517	\$21,741,129	\$ 45,394,110	\$ 16,412,703	\$ 5,949,407	\$ 5,328,426
Debt Service	\$ 48,532,388	\$30,671,593	\$ 48,532,388	\$ 30,671,593	\$ -	\$ -
General Government	\$ 7,970,443	\$ (683,080)	\$ 6,425,707	\$ (1,904,885)	\$ 1,544,736	\$ 1,221,805
Health and Human Services	\$ 333,635,235	\$72,163,793	\$ 303,468,314	\$ 67,319,838	\$ 30,166,921	\$ 4,843,955
Legislative & Executive	\$ 2,145,713	\$ 2,145,713	\$ 1,923,843	\$ 1,923,843	\$ 221,870	\$ 221,870
Non-Departmental Expenditures	\$ 122,833,190	\$117,416,966	\$ 80,781,945	\$ 75,315,345	\$ 42,051,245	\$ 42,101,621
Public Safety	\$ 111,129,383	\$ 83,190,255	\$ 100,003,363	\$ 75,764,718	\$ 11,126,020	\$ 7,425,537
Recreation & Culture	\$ 58,289,157	\$ 19,146,149	\$ -	\$ -	\$ 58,289,157	\$ 19,146,149
Transportation	\$ 243,394,401	\$ 24,896,590	\$ 23,052,186	\$ (81,710)	\$ 220,342,215	\$ 24,896,590
Trust Funds	\$ 1,089,408	\$ 17,600	\$ -	\$ -	\$ 1,089,408	\$ 17,600
Grand Total	\$ 1,054,313,366	\$423,873,959	\$ 656,752,980	\$ 299,301,780	\$ 397,560,386	\$ 124,490,469

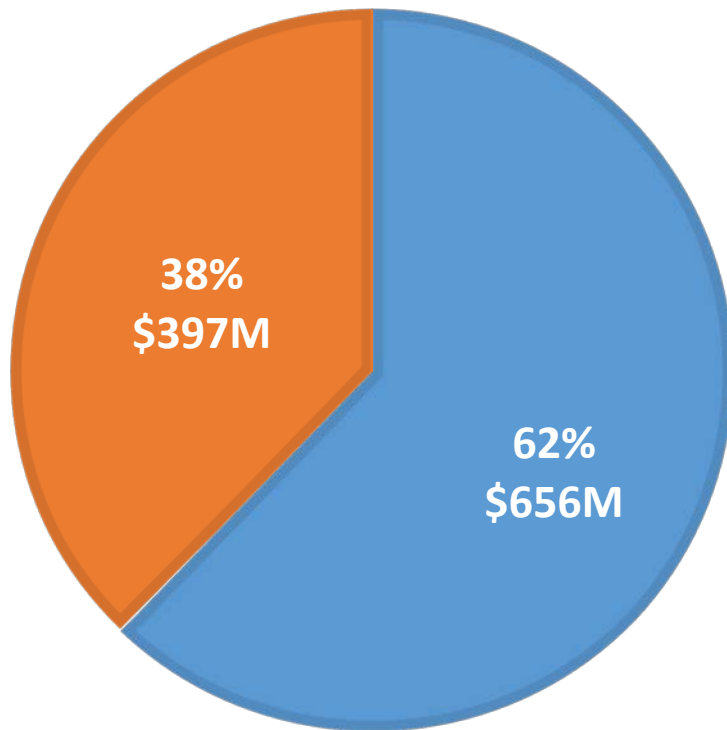
\$121M Transit/Paratransit non-mandated
\$58M in Recreation & Culture non-mandated





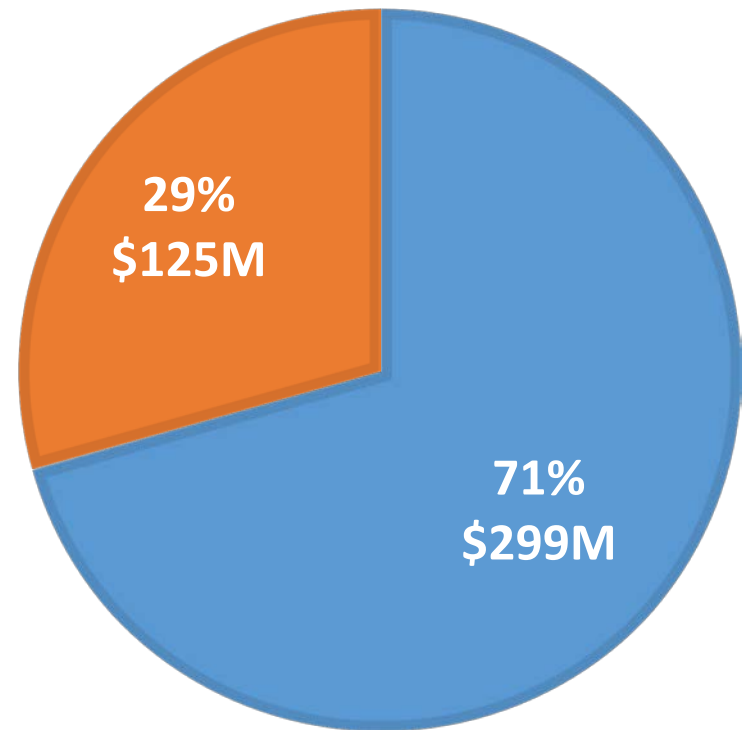
Revenue by Category

MILWAUKEE COUNTY BUDGET BY CATEGORY



■ Mandated ■ Non-Mandated

MILWAUKEE COUNTY LOCAL REVENUES BY CATEGORY

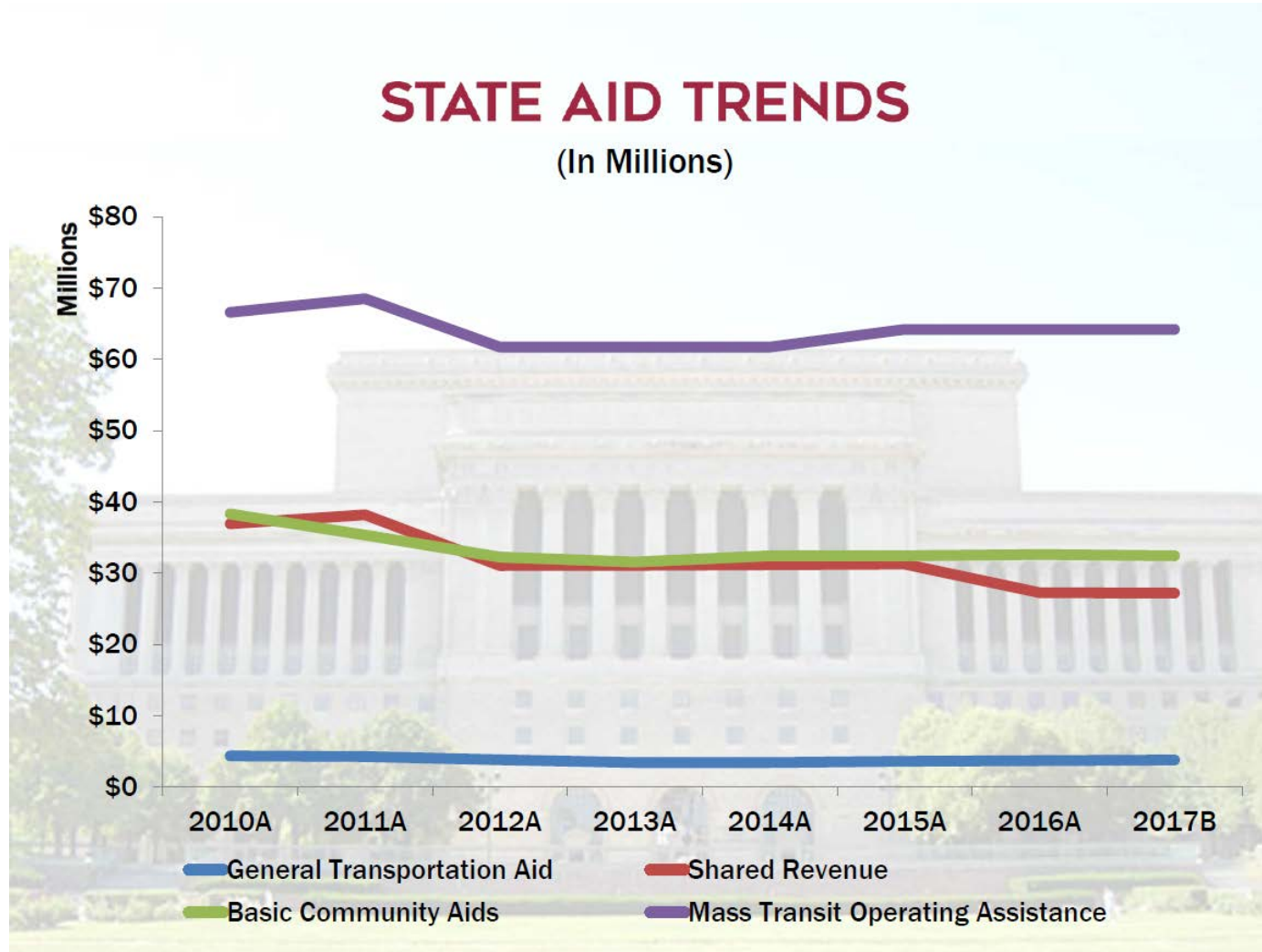


■ Local Revenue - Mandated ■ Local Revenue - Non-Mandated





State Aid Trends





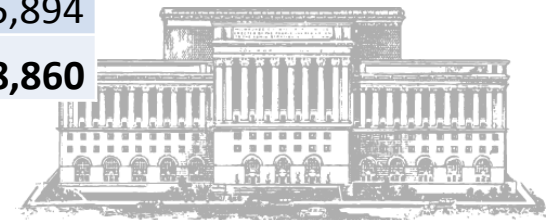
State Aid Trends

Milwaukee County Revenue Increase if State Aids Increased by inflation (1%)

	<u>2020-2024</u>	<u>2025-2029</u>
General Transportation Aid	\$254,021	\$ 521,000
Shared Revenue	\$1,391,615	\$2,854,217
Basic Community Aids	\$1,785,615	\$3,662,314
Mass Transit Operating Assistance	\$3,423,473	\$7,021,577
Total	\$6,854,724	\$14,059,108

Milwaukee County Revenue Increase if State Aids Increased by inflation (2.2%)

	<u>2020-2024</u>	<u>2025-2029</u>
General Transportation Aid	\$ 572,420	\$ 1,210,637
Shared Revenue	\$ 3,135,909	\$ 6,632,284
Basic Community Aids	\$ 4,023,761	\$ 8,510,044
Mass Transit Operating Assistance	\$ 7,714,562	\$ 16,315,894
Total	\$ 15,446,652	\$ 32,668,860

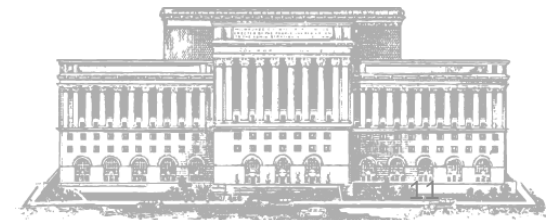




Expressway Patrol Case Study

Milwaukee County Sheriff – Strategic Area 4 Expressway Patrol

	<u>2019 Budget</u>	<u>2017 Actuals</u>
Expenditures (Direct)	\$ 8,074,248	\$ 7,300,125
County Revenue	\$ 1,920,000	\$ 1,656,815
State Revenue	\$ 3,553,003	\$ 3,323,158
Total Revenue	\$ 5,473,003	\$ 4,979,973
Local Tax Levy	\$ 2,601,245	\$ 2,320,152





Courts Case Study

Total court fees collected and the distribution between Milwaukee County & State of WI

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Court Fees Collected	\$14,613,627	\$ 13,861,295	\$ 15,610,681	\$ 16,655,136
Milwaukee County Revenue	\$ 2,874,217	\$ 2,712,569	\$ 3,156,693	\$ 3,349,227
State of Wisconsin Revenue	\$11,739,410	\$11,148,726	\$ 12,453,988	\$ 13,305,909
County Share as % of Total Court Fees	20%	20%	20%	20%





Revenue Impact

Milwaukee County Est. 2020 Revenue Increases	
State Aids by Inflation (1%)	\$1,300,000
Reimburse Expressway Patrol	\$2,600,000
Court Fee Change (60% State-40% County)	\$3,300,000
Total	\$7,200,000

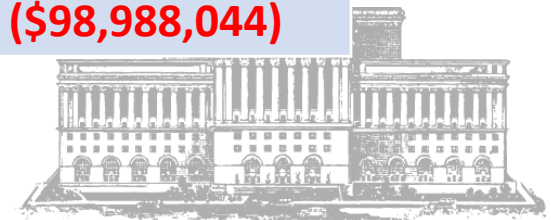
Average annual structural deficit of \$12.8m





2020 Preliminary Gap Est. – Capital

2020 County Financing Estimates			
Estimated 2020 Bond Projects		Estimated 2020 Cash Projects	
2019 Not Adopted	\$16,592,498	2019 Not Adopted	\$16,432,733
Continuing-Mandated-Contractual	\$9,660,277	Continuing-Mandated-Contractual	\$25,586,000
<u>2020 Planned</u>	<u>\$63,732,692</u>	<u>2020 Planned</u>	<u>\$23,143,402</u>
Total Bond Projects	\$89,985,467	Total Cash Projects	\$65,162,135
2020 Estimated Total Requests \$155,147,602			
<u>2020 Est. County Bond Financing</u> \$44,927,646		<u>2020 Est. Cash Financing</u> \$11,231,912	
<u>2020 Est. County Bond Financing Surplus/(Gap)</u> (\$45,057,821)		<u>2020 Est. County Cash Financing Surplus/(Gap)</u> (\$53,930,223)	
2020 Estimated Total County funding Surplus/(Gap) (\$98,988,044)			





OPTION E – SALES TAX PITTSBURGH MODEL

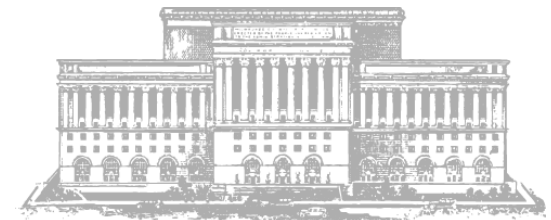
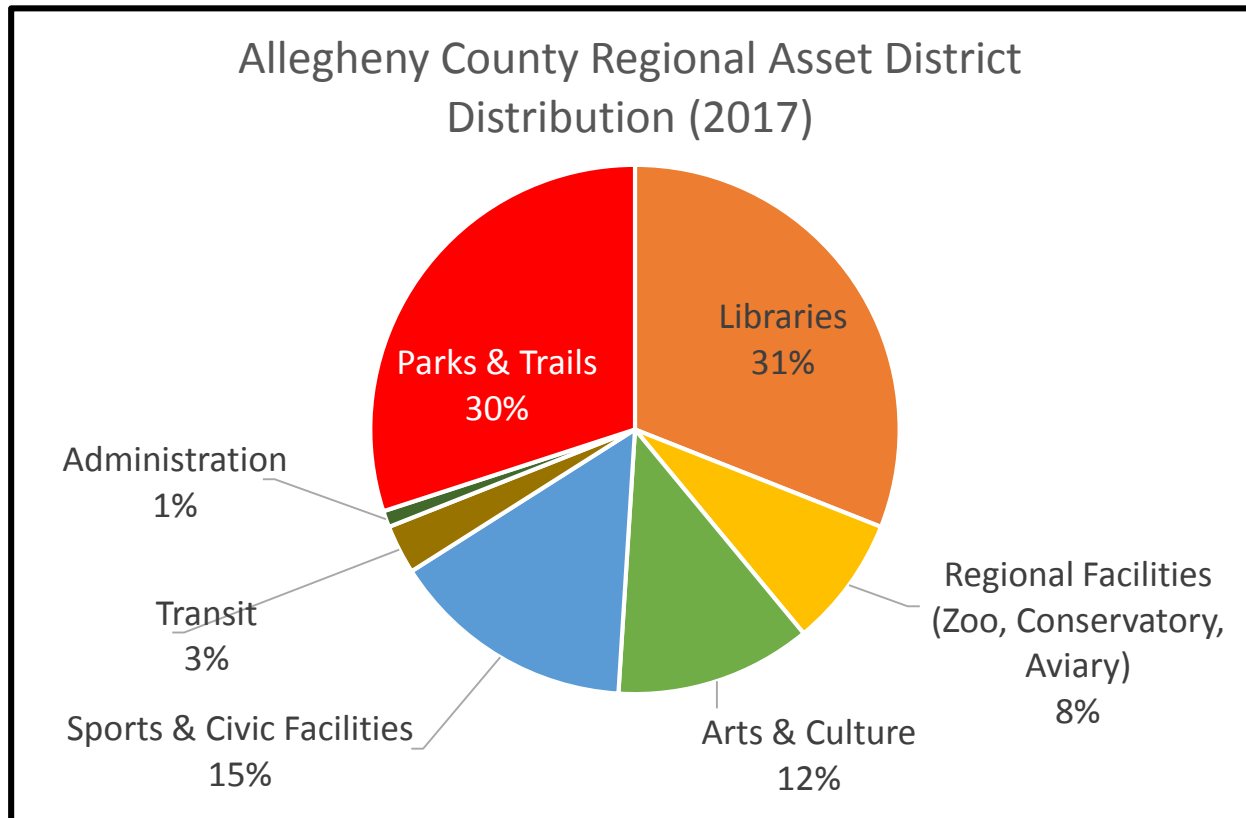
- Countywide 1% general sales tax distributed to three entities
 - 50% - Regional Asset District (newly created local gov unit)
 - 25% - Allegheny County
 - 25% - Local Municipalities
- First year sales tax proceeds for County & Municipalities were required to reduce existing taxes (personal property tax, etc.)

Pittsburgh Model				
Additional Sales Tax Percentage	<u>0.50%</u>	<u>1.00%</u>	<u>1.25%</u>	<u>2.00%</u>
Est. Total Revenue 2020	\$80,371,959	\$160,743,918	\$200,929,897	\$321,487,835
Est. Regional Asset Dist. Funding (50%)	\$40,185,979	\$80,371,959	\$100,464,948	\$160,743,918
Est. Milwaukee County Funding (25%)	\$20,092,990	\$40,185,979	\$ 50,232,474	\$ 80,371,959
Est. Municipal Funding (25%)	\$20,092,990	\$40,185,979	\$ 50,232,474	\$80,371,959





PITTSBURGH MODEL – Regional Asset District





PITTSBURGH MODEL – Municipal Distribution

Distribution of Municipal Portion of Sales Tax by Population

	.50%	1.00%	1.25%	2.00%
Est. Municipal Funding (25%)	\$ 20,092,990	\$ 40,185,979	\$ 50,232,474	\$ 80,371,959
Bayside	\$ 93,328	\$ 186,655	\$ 233,319	\$ 373,310
Brown Deer	\$ 254,530	\$ 509,059	\$ 636,324	\$ 1,018,118
Fox Point	\$ 142,112	\$ 284,225	\$ 355,281	\$ 568,449
Greendale	\$ 296,951	\$ 593,902	\$ 742,378	\$ 1,187,805
Hales Corners	\$ 163,323	\$ 326,646	\$ 408,308	\$ 653,293
River Hills	\$ 33,937	\$ 67,875	\$ 84,843	\$ 135,749
Shorewood	\$ 277,861	\$ 555,723	\$ 694,654	\$ 1,111,446
West Milwaukee	\$ 89,085	\$ 178,171	\$ 222,713	\$ 356,341
Whitefish Bay	\$ 299,072	\$ 598,145	\$ 747,681	\$ 1,196,289
Cudahy	\$ 386,037	\$ 772,073	\$ 965,091	\$ 1,544,146
Franklin	\$ 750,862	\$ 1,501,725	\$ 1,877,156	\$ 3,003,449
Glendale	\$ 271,498	\$ 542,996	\$ 678,746	\$ 1,085,993
Greenfield	\$ 778,436	\$ 1,556,873	\$ 1,946,091	\$ 3,113,745
Milwaukee	\$ 12,616,183	\$ 25,232,366	\$ 31,540,458	\$ 50,464,733
Oak Creek	\$ 729,651	\$ 1,459,303	\$ 1,824,129	\$ 2,918,606
Saint Francis	\$ 197,260	\$ 394,521	\$ 493,151	\$ 789,042
South Milwaukee	\$ 447,548	\$ 895,096	\$ 1,118,870	\$ 1,790,191
Wauwatosa	\$ 984,181	\$ 1,968,362	\$ 2,460,453	\$ 3,936,724
West Allis	\$ 1,281,132	\$ 2,562,264	\$ 3,202,831	\$ 5,124,529

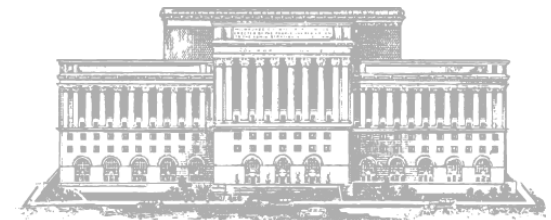




Property Tax Relief

Est. Milwaukee County Property Tax Relief		
<u>Total Prop Tax Relief</u> <u>Amount</u>	<u>Difference¹</u>	<u>% (+/-)</u>
\$ 10,000,000	\$ (24.87)	-3%
\$ 20,000,000	\$ (49.77)	-7%
\$ 30,000,000	\$ (74.82)	-10%
\$ 40,000,000	\$ (99.72)	-14%
\$ 50,000,000	\$ (124.62)	-17%
\$ 60,000,000	\$ (149.55)	-20%

¹Values based on 2019 rate





Review

- Local revenue covers more mandated services squeezing out non-mandated services
- Milwaukee County
 - County mandated to provide services not required of other counties
 - State Aids remain flat as expenses to provide these programs increase
- Capital Financing a challenge (especially cash)
- Pittsburgh model could help address:
 - Regional Capital needs (Museums, Parks etc.)
 - County Capital/Operational needs
 - Municipal Capital/Operational needs
 - Property tax relief/shift

