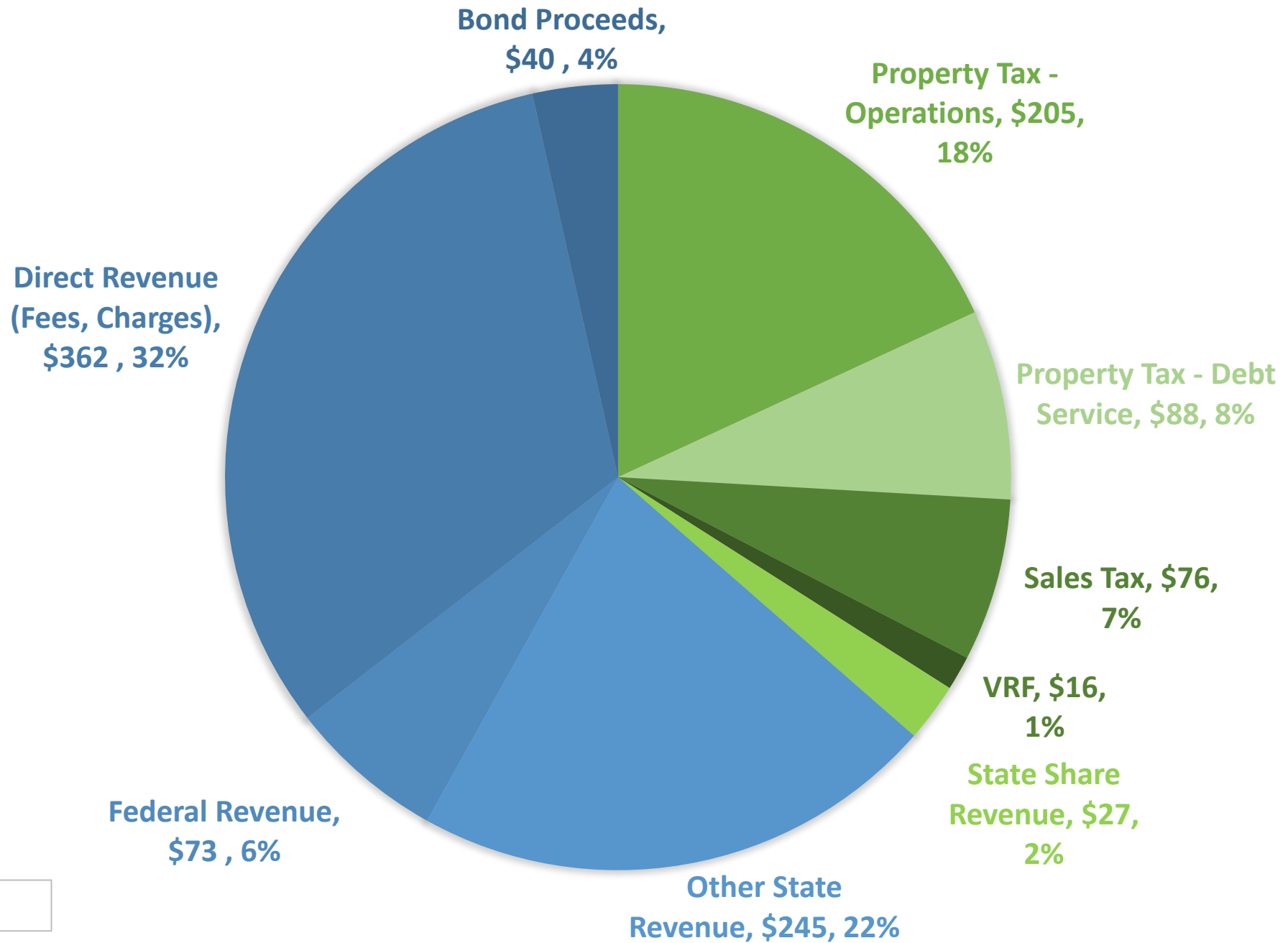




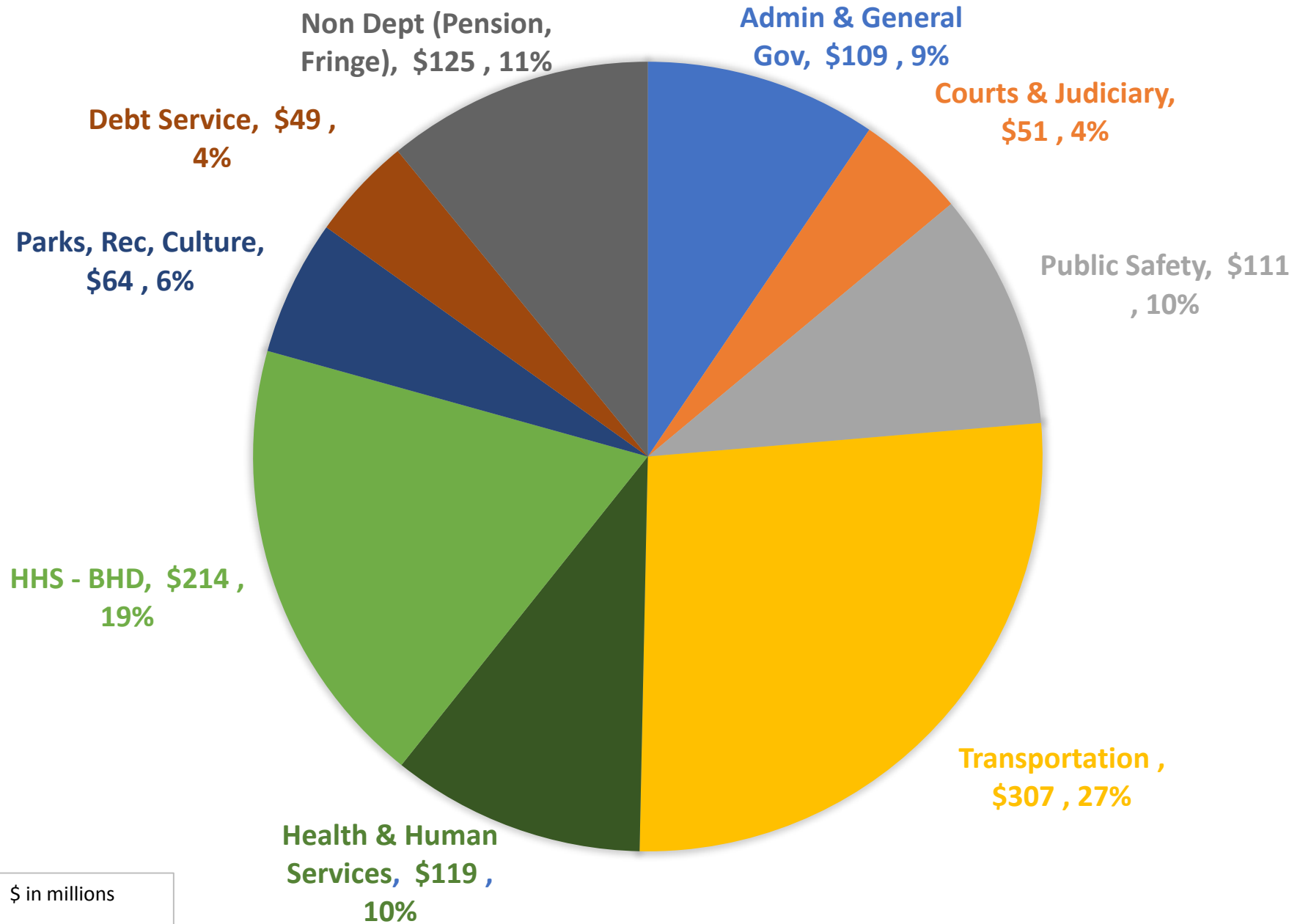
# Milwaukee County 2019 Budget Planning

# CURRENT COUNTY REVENUES: \$1.15 BILLION



\$ in millions

# CURRENT MILWAUKEE COUNTY EXPENSES: \$1.15 BILLION



# History of Milwaukee County Projected Budget Gaps



# Forecast for 2019: Revenues expected to be flat



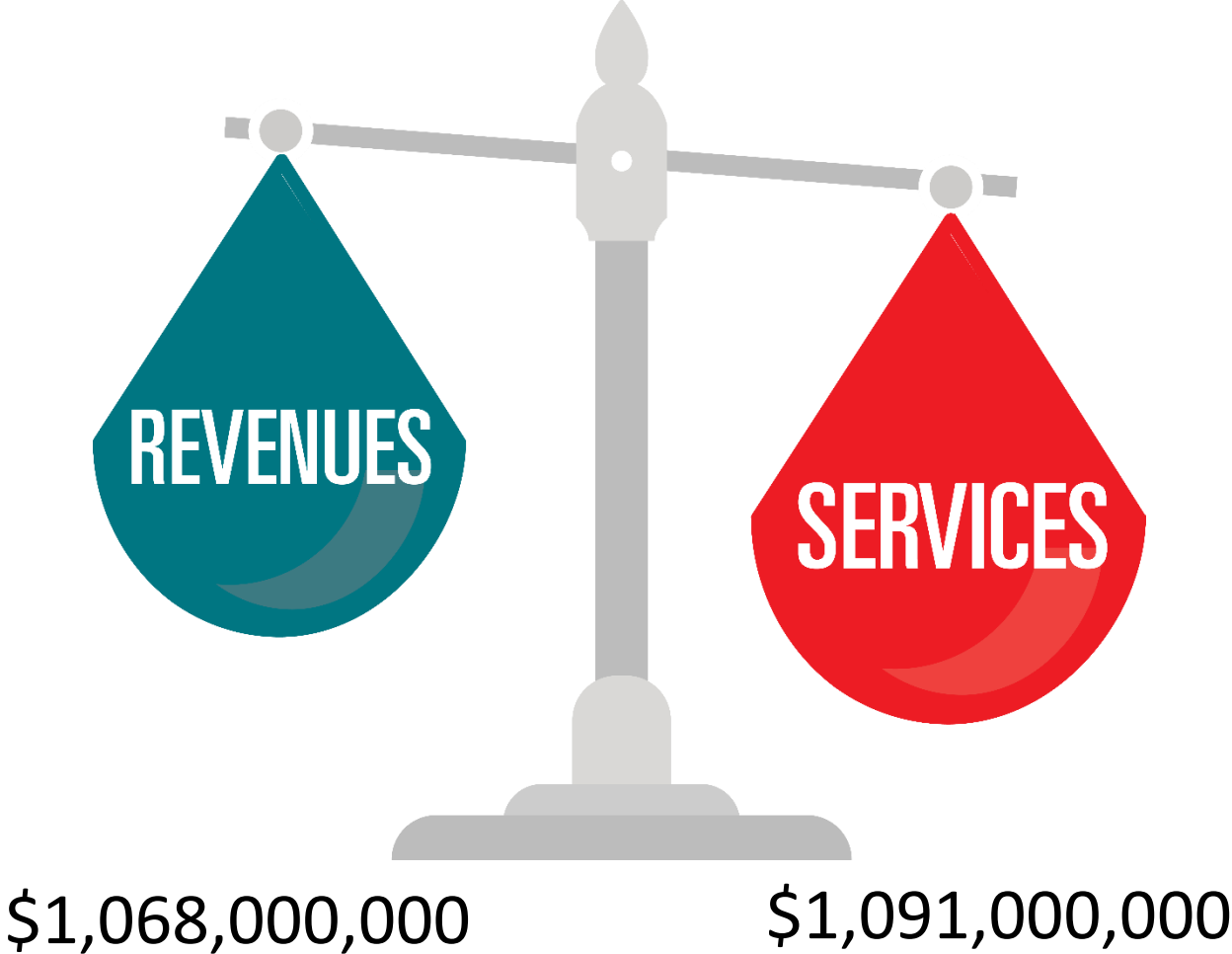
- The bulk of our revenue comes from the State and Federal Governments and is expected to be flat
  - State Shared Revenue
  - Mass Transportation Operating Assistance
  - Community Aids Funding
- For local revenues collected by Milwaukee County
  - **Property taxes** can only rise by amount of new construction in the County, or \$2.9 million for 2019
  - **County share of sales taxes**, limited to 0.5%, are expected to rise by \$2 million
  - The County **Vehicle Registration Fee** expected to collect only \$700K more
  - Offsetting these increases, we expect less revenue from debt service reserve and from parking fees in 2019 compared to the 2018 budget
- Net impact: \$1.9 million growth in revenue, or 0.2 percent

# Forecast for 2019: Expenses going up 2.4 percent



- Prices in Milwaukee area rising about 2.3 percent, based on most recent data
  - Energy
  - Commodities, utilities, contracts, etc.
- But some County expenses growing faster than overall inflation
  - Healthcare expected to rise by 7.5 percent
  - Pension expenses expected to be flat in 2019 as a result of high investment returns, but remain major cost driver, up 5% and 16% growth over past two years
- As a result, County expenses expected to rise by 2.4 percent, or \$25.4 million

# 2019 OPERATING GAP: \$23.5 million



**Now What?**

# Raise Revenues?

Not a lot of options...



SALES TAXES	MONEY FROM THE STATE	PROPERTY TAXES	VEHICLE REGISTRATION FEE
Can't increase without state law changes	State aid to counties has stayed flat since 2012, but we are talking to the State about shifting the balance	Only by the amount of net new construction/net new borrowing in Milwaukee County (\$2.9 million)	Have not reached the maximum we can collect by law
			



# Manage Expenses?

We're working on it...

## **NEW WAYS TO DELIVER SERVICES**

**Example: Shifting behavioral health services to community-based facilities**

## **WORKING SMARTER**

**Example: New Enterprises Resource System would create major efficiencies in financial/human resources management**

## **CONSOLIDATING APPROACHES**

**Example: Moving five work order systems to one**

## **MANAGING OVERHEAD**

**Example: Energy spending down \$4.4 million in four years**



# How Do We Respond?

Gap would be much higher if we hadn't taken action



Reduce Footprint by 1.6 Million sq. Feet	\$9.1 Million
Restructure Other Post Employee Benefits (OPEB)	\$40.4 Million
Restructure Worker's Comp	\$ 3 Million
<b>Sub Total</b>	<b>\$52.5 Million</b>
Deferring Maintenance since 2000	\$34.7 Million
Salary Step Freezes from 2010 - 2018	\$55.4 Million
Staff reduction of 1,457 since 2000 ( <i>excluding DHHS</i> )	\$116.5 Million
<b>Sub Total</b>	<b>\$206.6 Million</b>
Employee Health & Pension Contribution	\$20.9 Million
VRF Revenue	\$16.7 Million
<b>Sub Total</b>	<b>\$37.6 Million</b>

**Total 2018 Annual Savings from previous changes: \$298 Million ...  
but there is still a gap**

# State funding mix is part of the solution

Finding fair solutions for state funding

Milwaukee County taxpayers are contributing  
more and more to the state every year

\$2.1 billion in 2008 < \$2.5 billion in 2015

... But State revenues to Milwaukee County are essentially flat

We're looking for ways to work with the State of Wisconsin to  
restore the balance and ensure adequate funding for services



# Closing the Budget Gap

How do we choose?

## **SUSTAINABLE**

Operating in a fiscally responsible manner for the future

## **FAIR**

Meeting our obligations and offering fair compensation

## **A MODEL GOVERNMENT**

Offering high-quality services to strengthen our people and our community



For more information about the Milwaukee County budget, visit:

<http://county.milwaukee.gov/PSB>

