

M I L W A U K E E C O U N T Y



Chris Abele, *County Executive*

2017 RECOMMENDED OPERATING BUDGET



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Milwaukee County
Wisconsin**

For the Fiscal Year Beginning

January 1, 2016

Executive Director



Introduction

Budget Message
of the County Executive
(Recommended Phase)

County Executive & Budget Staff

County Board of Supervisors

Table of Contents

Countywide Organizational Chart

Readers' Guide

Community Profile

THIS PAGE INTENTIONALLY
LEFT BLANK.



OFFICE OF THE COUNTY EXECUTIVE

Chris Abele

MILWAUKEE COUNTY EXECUTIVE

October 1, 2016

The 2017 Budget reflects my commitment to tackle the challenges facing Milwaukee County, invest in sustainable programs and infrastructure that help people live better lives, and continue building the foundation for a stronger, healthier community. This budget demonstrates that investing in our people and in our communities doesn't have to come at the expense of fiscal responsibility; by making smart, but tough, decisions we can add millions of dollars in neighborhood development and public safety initiatives while still protecting the taxpayers.

For far too long there has been talk about tackling the higher than average crime, poverty, and unemployment rates facing many of Milwaukee's diverse and vibrant neighborhoods, but there has been little to no meaningful action. To get to the roots of these problems, we must make deeper investments in workforce development, addressing income inequality, criminal justice reform, public safety and mental health, and transportation.

In the face of declining state and federal funding and rising capital and operating costs, my recommended budget heads off a looming crisis in our transportation system by making reforms to the GO Pass; adding a dedicated source of new funding for transportation; and moving forward on a significant modernization to the transit system, Bus Rapid Transit. This budget also includes a \$665,000 investment in Milwaukee's neighborhoods with the highest poverty and unemployment rates to fund programming and services that will support young people in the community. Through a partnership with Employ Milwaukee and the Boys & Girls Club, we will expand opportunities for career development at the Mary Ryan Boys & Girls Club in Sherman Park and similar neighborhoods.

But just having a job isn't enough; we need to invest in ways to put people on the path to a family-sustaining career, which is why I am putting a stake in the ground in Milwaukee County by joining the movement for a living wage. Building on a foundation laid by the County Board, this budget will establish a sustainable path to a \$15 per hour minimum wage for County workers and contractors by 2021, and it will send a strong message to other employers that investing in our workers is investing in our community and our future.

This budget also prioritizes public safety through keeping people who don't pose a threat to the community out of the system in the first place. We're doing that with more resources for the District Attorney's office, additional mental health and substance abuse programming, and continued reform of our juvenile justice system into a national best-practice model.

When I look around Milwaukee County, I see opportunity in every corner. We've made progress over the past six years but there is still work to be done. This budget is the next step in building a stronger community for years to come.

The following pages highlight key initiatives from my 2017 Recommended Budget.

Chris Abele

THIS PAGE INTENTIONALLY
LEFT BLANK.



2017: THE PATH FORWARD

IN 2010, MILWAUKEE COUNTY FACED a dire fiscal outlook, and the Public Policy Forum asked of County government, “Should It Stay or Should It Go?”¹ Today, Milwaukee County is setting performance records and evolving into a model government, using disciplined and data-driven approaches to address critical community issues. From expanding employment opportunities to all in the community, to ensuring that children in our community have the support of both parents, to addressing chronic homelessness, Milwaukee County is creating a record of accomplishment and demonstrating real progress in the way it serves residents and strengthens community.

At the same time, the fiscal pressures facing Milwaukee County are real and cannot be ignored. The “cost to continue” current operations in 2017, measured by the County’s independently-elected Comptroller, is expected to rise by 2.2 percent from 2016. While that may seem a modest increase, the County’s revenue sources are expected to rise by less than one percent, leaving a gap of \$15 million at the onset facing the 2017 budget.

Further, the “cost to continue” does not fully recognize the increasing demands placed on the County to maintain a vibrant transportation network that serves both individual and business development needs, enhance economic opportunities, improve critical services such as juvenile justice alternatives, and address decades of deferred maintenance. Understanding the need to balance the needs of the

community and its fiscal responsibilities, the County Executive presents in this budget a path forward. This budget prioritizes investments in economic opportunity and equality along with transportation operations and infrastructure, in public safety and justice, and in community support particularly for the most vulnerable among us. It emphasizes the need to invest in our core assets, particularly our hardworking and dedicated employees. Continuing the emphasis on fiscal prudence, this budget keeps property tax bills for the average homeowner flat, and it holds borrowing levels at the Board-sanctioned cap. It reflects the County’s aggressive efforts to find program partners through grants and other supports to meet critical needs. And it diversifies the County’s revenue sources through the introduction of a vehicle registration fee, one of the few ways for Wisconsin counties and municipalities to broaden their revenue sources. Each of these initiatives, along with other key elements of the 2017 proposed budget, are described below.

Serving Residents and Strengthening Community

Milwaukee County is responsible for a wide mix of services critical to the wellbeing of its citizens and community. The 2017 Proposed Budget focuses the County’s investments on its transportation network and operations, so vital to individual and community prosperity, along other forms of economic development.

It also emphasizes investments that make our community safer, and it seeks continuing improvements for the most needy and vulnerable among us. Throughout these investments runs an underlying principle that the quality of life in Milwaukee County depends on ensuring opportunity for all residents.

Expanding Opportunities for All

Milwaukee County has long recognized the important role it plays in the economic health and wellbeing of the community, especially in ensuring that all in the community have equal access to family-sustaining jobs, along with the skills and support to succeed in them. The Community Development Business Partners program promotes business opportunities and offer capacity-building programs to a range of businesses; the County's Office of Veterans Affairs offers veterans access to ever-widening circles of interested employers. The Zoo partners with Goodwill Industries and others to offer transition-to-work experience for high school students with disabilities with classroom as well as hands-on training at the Zoo. This budget places improvements in the economic health of our community at its center by challenging the community to value workers with family-oriented wages and by investing in training, as well as in significant investments in transportation infrastructure and support.

Boosting the Living Age In 2014 Milwaukee County passed a "living wage" ordinance that tied the minimum salary paid to employees of the County and its contractors to the poverty index for a family of four, or \$11.32 per hour at the time and \$11.68 per hour today. The 2017 budget accelerates that momentum by raising the minimum to \$15 over the next five years for all County employees and contractors, helping to ensure that those providing services to Milwaukee County are paid a family-sustaining wage. In doing so, it challenges other employers to follow its lead to improve the lives of working families across the community.

Accelerating Employment through the Neighborhood Initiative Preparing citizens for gainful employment remains a key priority for the County. From the 2012 Ready to Work Initiative to the launch in 2015 of Uplift Milwaukee, the County has worked to ensure that its economic development efforts create employment opportunities, particularly for those

in areas with the most acute unemployment. These investments recognize that our collective quality of life depends on all citizens having opportunity to work and contribute to the community.

The 2017 budget funds a \$665,000 Neighborhood Initiative to continue these efforts. Of the total, \$500,000 will expand the Ready to Work initiative and Uplift Milwaukee. In 2016, Uplift Milwaukee will assist over 100 individuals from Milwaukee's poorest neighborhoods find and hold jobs. The 2017 funding will allow Uplift Milwaukee to expand its mobile access points to include the Mary Ryan Boys & Girls Club in Sherman Park and similar neighborhoods. In addition, the Boys and Girls Club of Milwaukee will receive \$55,000 a year for the next three years to add a Youth Career Development project manager to serve teenagers in Sherman Park and other areas. In 2015 over 300 teenagers found employment through the efforts of the Boys and Girls Club, and this funding will expand their efforts.

Expanding the Office on African American Affairs

The County Executive remains committed to addressing racial inequities and increasing opportunities across the community and proposes doubling the budget for the Office on African American Affairs to reflect the high priority of its mission. With enhanced resources, the office will continue to lead workforce development efforts, partner with other County Departments and community organizations on initiatives, seek additional funding opportunities, and participate in criminal justice reform activities. Additionally, the office will leverage up to \$1 million in land sales revenue for economic stimulus projects that further the mission of the office.

Providing Employment for the Disabled An important initiative from the Division of Disability Services will provide employment connections to all children with intellectual disabilities exiting high school. This three-year effort will establish stronger connections with municipalities and their school systems and will involve collaborating with stakeholders to establish job coaches and job developers, to educate businesses, and to secure employment opportunities. These efforts will enable young adults to participate in employment focused on their strengths, and not their disabilities.

Improving Transportation

The transportation networks and services are critical to the vitality of the community – and the region. While these services have always been provided in partnership with the state and federal governments, funding from these partners is failing to keep up with ongoing needs, threatening our ability to maintain these services. The 2017 Budget expands the focus on and the resources available for these crucial responsibilities.

Supporting the GO Pass Physical mobility is directly tied to socioeconomic mobility. The ability to travel outside one’s neighborhood is often necessary to access jobs, healthcare, education and recreation. The Growing Opportunities Pass (GO Pass), created by the County Board in a previous budget, identified a need in the community to support residents who may be homebound because of an inability to pay standard transit fares. In its current form, though, according to Milwaukee County Transit System analysts and the independently-elected Comptroller, the GO Pass has created a multi-million dollar deficit in transit operations, imperiling the long-term future of our transit system on which so many in our community depend for mobility and livelihood.

Thus, the 2017 budget proposes reshaping the GO Pass to make it more financially viable – and in turn to improve the stability and sustainability of the transit system as a whole. Under these reforms the GO Pass would remain available for seniors and people with disabilities who have limited means. It would be administered by the County’s Aging and Disability Resource Centers, who already provide support to these populations. The revisions would also include very modest fees from users to help offset the costs of operating the program. This initiative was developed with insights from community advocates such as Disability Rights Wisconsin, which endorses the proposed adjustments.

Launching Bus Rapid Transit Providing fast and easy access across the metropolitan area, especially between major employment and activity centers, is a critical role for our transit system. Bus Rapid Transit (BRT) is the County’s greatest opportunity to improve that access – as well as to boost ridership on Milwaukee County Transit System. The County’s

first BRT route will link downtown Milwaukee to the Milwaukee Regional Medical Campus with rush hour travel times competitive with driving. Just under \$44 million in total funding is included in the 2017 budget for the review and design phases of the route development and to purchase specialized BRT buses. In 2017, the County expects to be selected by the U.S. Department of Transportation for federal funding covering 80% of the total project cost.

Paying for Transportation Improvements

Developing and managing a robust transportation network has historically been a joint responsibility of all levels of government, with the heaviest share of funding coming from state and federal resources. In recent years, though, these resources have declined substantially and the future outlook is uncertain. State funding for transit – the largest source of revenue for the Milwaukee County Transit System – in 2015 was below 2011 levels by more than \$4 million, a decline of more than 6 percent. State funding for highways follows a similar pattern, dropping by 25 percent since 2007.

In light of uncertainty about future funding and in the face of the County’s ongoing infrastructure and operating needs, the 2017 budget proposes a vehicle registration fee (VRF) to support transportation needs in Milwaukee County. This fee, one of very few revenue options outside the property tax allowed to Wisconsin counties, would be collected by the State as part of its vehicle registration process and remitted to the County.

Under state law, funds collected through a VRF are earmarked for transportation purposes. The budget allocates about one third of the \$27.1 million collected through a County VRF, or \$11.5 million, for the Go Pass and other operations of the Milwaukee County Transit System. The remaining \$15.6 million would finance the purchase of buses as well as improvements to county highways, parkways and bridges.

Making Our Community Stronger and Safer for All

The safety and security of the community depends not solely on policing strategies, but – as recent events have shown all too clearly – on economic opportunity and racial justice as well. This budget proposes specific initiatives to help keep our community safe

2017 Proposed Capital Projects Financed by Vehicle Registration Fees

Project	Description	Vehicle Registration Fee
HIGHWAY		
WH00119	CTH U and CTH BB Intersection (2160-01-02)	507,341
WH00206	W. Good Hope Rd. Corridor Adaptive Signal Contrl	93,600
WH01002	Mill Rd. 43rd St. to Sydney Pl.	750,000
WH01022	Reconst. 13th: Drexel to Rawson	100,000
WH02019	N Teutonia Ave. (W. Good Hope to W. Bradley)	100,000
WH08023	Whitnall Park Bridge #564	201,107
WH08024	Whitnall Park Bridge #565	210,952
WH09001	West Ryan Road (CTH H) — S 96th St to S 112th St	827,000
WH09101	Short Term CTH Rehabilitation-Maint. Projects	500,000
WH09501	W Rawson Ave- S. 27th St to S. 20th St.	30,000
WH24001	W Rawson (CTH BB) USH 45 to Hawthorne Ln	250,000
WH24101	N Oakland Ave Bridge Deck Mill and Overlay	180,000
	Total Highway	3,750,000
MASS TRANSIT		
WT02601	New Flyer Buses	1,700,000
WT08301	Bus Rapid Transit	7,775,000
	Total Mass Transit	9,475,000
TOTAL PARKS, RECREATION & CULTURE		
WP29002	KK Parkway — S 68th St to S 76th St	823,000
WP52301	Lake Park Steel Arch Bridge	100,800
WP48401	Lake Park Ravine Bridge	500,000
WP29001	KK Parkway — S 68th St to W Cleveland Ave	916,000
	Total Parks Recreation & Culture	2,339,800
TOTAL	Total Excluding Airports	15,564,800

by improving outcomes for those in contact with the criminal justice system, both adult and youth offenders. Further, it increases the resources available to the District Attorney to protect witnesses needed to prosecute criminals. And it supports innovations in the Office of Emergency Management and other measures to increase safety for all.

Expanding Employment Opportunities after Incarceration Over the past four years the House of Correction has launched numerous efforts to help inmates transition into employment as they re-enter the community, offering GED preparation and testing; resume building and interview coaching; and job training and

experience in culinary services, printing and other areas. In 2017 it plans a major expansion of its job training efforts as one of 20 correctional facilities nationwide to offer an American Jobs Center within the facility. This center, funded in part by the U.S. Department of Labor, will help inmates build job skills and will provide them ongoing support as they transition back into the community – and into employment.

Bettering Outcomes for Youth Offenders One of Milwaukee County’s most important responsibilities, particularly with regard to public safety, is overseeing the experience of youth in contact with the criminal justice system. Its success – or lack – in this area

C O N T I N U E D

affects not only outcomes for these young people in the short-term but also can greatly influence their longer term prospects, as well as the safety and the security of the wider community.

The County's Department of Delinquency and Court Services (DCSD) is proposing several important initiatives in this year's budget, continuing its own research-based improvements, and also responding to the failings of the State's youth correctional services.

Foremost among DCSD's proposals is the plan to create a new staff-secure Residential Treatment Center that will serve as a "step down" program for high-risk delinquent youth who have been discharged from juvenile corrections or related programs but who are in need of additional treatment in a structured residential program. The budget also includes funding for the County to take over after-care services for juveniles who are released from the State's Lincoln Hills and Copper Lake facilities, rather than contracting with the State for these services. Additionally, the budget expands electronic monitoring and other community-based alternative programming, all part of a comprehensive effort to provide alternatives to juvenile detention or State institutional placements and better outcomes for youth – and for the community.

Increasing Witness Protections The testimony of witnesses is often key to successful criminal prosecution, and the District Attorney's Office is working hard to ensure that witnesses who testify are protected from potential harassment and intimidation. The 2017 budget expands these efforts by adding an investigative analyst and an advocate to support witnesses.

Improving Emergency Response Times The County's Office of Emergency Management has focused on improving community safety and resilience since it was formed in 2015. It has increased joint planning for emergencies across the County, and in the 2017 it proposes funding for a mutual aid system. This will allow participating municipalities to see all equipment available to respond to an emergency and to dispatch the nearest, regardless of jurisdictional ownership, increasing responsiveness and decreasing time to aid citizens in emergencies.

Expanding Responses to Opioid Epidemic The

Behavioral Health Division, which offers a broad range of alcohol and drug treatment and recovery services, is proposing in the budget to purchase Narcan and train staff in its use as an antidote for opiate overdoses.

Reducing Drowning Accidents The Parks budget funds an initiative to develop strategies, particularly for the central city, to address racial and ethnic disparities in drowning rates across the community.

Caring for the Community

Milwaukee County operates a wide variety of programs that provide critical support across the community, particularly to the most vulnerable among us. These programs make meaningful differences to participants, whether they attend senior meal centers, receive treatment for mental health issues, or attend recovery services for addictions. The 2017 budget includes numerous key initiatives to support and further improve these services, including:

Expanding Community-Based Mental Health Care

The Behavioral Health Division continues to evolve from institution-based to community-based care and to broaden and strengthen the continuum of care it offers. The 2017 budget increases the number of Crisis Mobile Teams bringing resources to individuals in crisis, rather than requiring them to come to treatment locations. This outreach, provided in conjunction with the City of Milwaukee Police Department, has been demonstrated to reduce the need for involuntary care. The budget also expands hours at the two Crisis Resource Centers, which offer both clinical and peer support, to seven days a week, 24 hours per day.

The Budget also funds an Intensive Outpatient program for individuals who need focused support but not inpatient care, part of the department's goal of offering a broad continuum of care tailored to individual needs. The department also proposes expanding its Targeted Case Management services that support individuals, often homeless, with serious and persistent mental illness. And it continues to implement its strategies of delivering services from locations more centrally located in the community via north-side and south-side hubs.

Housing the Homeless The budget also builds on progress in addressing chronic homelessness in

Milwaukee County through the Housing First initiative and related case management services. These efforts address chronic homelessness by first providing housing and then offering wrap around services as needed to address such issues as alcohol and drug addictions. Through mid-year 2016 these efforts had resulted in 150 individuals being served, and the 2017 budget expands this successful effort with additional funding. Further, the budget holds constant funding for emergency shelter care, which was increased several years ago in response to cuts in federal funding.

Offering Energy Assistance at More Locations

Through its two contractors, the County manages the Wisconsin Home Energy Assistance Program, which assists low income households in meeting their energy needs. In 2017 the program will expand from four to six locations for customers to apply for assistance. It will also expand its program specialist staff to ensure a high quality experience for consumers at all locations.

Supporting Employees and Other Key Assets

Managing its assets prudently and responsibly is important to Milwaukee County's success – and to the long-term wellbeing of the community. The County has important accountability to its 4,500 workers, the dedicated employees who provide today's services, as well as over 8,000 retirees who depend on the County to keep its financial commitments. Further, Milwaukee County operates some of the County's – as well as the region's – key resources, from the Airport to the Zoo. The 2017 budget recognizes and strengthens the County's role in supporting these important assets.

Providing for Employees, Past and Present

Milwaukee County's most vital assets are the 4,500 employees who provide services to the community, day in and day out. Whether it's a zookeeper caring for a newborn seal, a snow plow driver ensuring a safe commute after a winter's storm, a service center worker explaining services available to an elderly widow, or an analyst ensuring the proper accounting for a grant – our employees routinely offer high quality and important support across Milwaukee County. This budget provides funding to assure that they are paid fairly and

competitively for the work that they do and that they have access to a full range of benefits.

Boosting Employee Salaries The County Executive is proposing \$5 million for increases in employee salaries to ensure that they are competitive with the marketplace and managed equitably across the organization. These funds will provide a one-percent increase for all employees effective midyear. Additionally, they will support efforts to pay all employees at least the minimum market rate for their jobs, as well as to allow reclassifications and employee advancements within competitive ranges.

Expanding Competitive Benefits During feedback sessions with the County Executive, employees expressed interest in a vision benefit, and in response the budget includes a new standalone, voluntary program. For a modest monthly premium, to be paid half by the County and half by the participating employee, the new plan will pay fixed dollar amounts for eye exams, glasses, and other vision related expenses.

Also of note, an employer match for contributions to Flexible Savings Accounts will continue as a 1:1 match, up to the first \$1,000 contributed by an employee. Pension contributions for most employees will not rise in 2017, though public safety workers will see a modest increase. Premiums for some health care plans will rise in keeping with market conditions, with no other notable changes in coverage or other plan elements.

Continuing Commitments to Retirees The budget funds \$161 million in retirement and healthcare costs, up 7 percent or \$12 million from 2016. Of this total, \$95 million supports retirees, and the remaining 40 percent, or \$66 million, is for active employees. These costs, and their accompanying growth, represent a major challenge in developing the 2017 budget but also a major responsibility to its current and past workers.

Managing Key Assets Prudently and Sustainably

It's hard to overstate the vastness of the assets and resources managed by Milwaukee County: it's a major landlord with approximately 1,000 properties and more than 13 million square feet; it owns more than 15,000 acres of parkland, and it operates over 400 miles of

County roadways and parkways and 48 bridges. Plus the County manages and safeguards a vast inventory of technological assets, with over 450 applications and 85 terabytes of data stored across more than 300 servers.

Assets require ongoing maintenance, repair, improvement, and periodic replacement, and the County has struggled for years to keep pace with these needs. By proposing to finance needed investments in our transportation network through a Vehicle Registration Fee, described earlier, the Budget dramatically increases the funds available to support these assets and infrastructure. The proposed budget boosts total capital spending, including for the airport, from \$80 million in 2016 to \$134 million in 2017, an increase of \$54 million or over two-thirds – all while staying under the County’s borrowing cap. This represents a material improvement in our ability to manage our key assets prudently and responsibly.

Funding (Non-Airport) Capital Improvements

Focusing on the capital spending for general County needs, excluding spending for the airport paid by airline fees, the County’s capital budget is proposed to more than double from \$58 million this year to \$119 million in 2017. This includes spending from all sources, including funding from other levels of government and from privately-raised sources.

Looking at the increase by source, it’s clear how vital the Vehicle Registration Fee (VRF) is in allowing the County to address critical needs: it adds nearly \$16 million in 2017 for critical infrastructure needs. Also important in 2017 will be funding from other funding sources. The budget anticipates \$36 million from the federal government for the Bus Rapid Transit project. And it includes an additional \$6.3 million in private funding, primarily for the Zoo’s African Adventure project as well as for the Lake Park Ravine pedestrian bridge.

Targeting Key Projects The VRF supports not only key investments in the GO Pass and Bus Rapid Transit described earlier, but it frees up funding to support other County priorities. The VRF will allow the County to add an additional \$2.3 million in Parks and Cultural investments, notably supporting the County’s share of the Zoo Adventure Africa project, slated to open in 2018, and the last phase of the Marcus Center HVAC improvements. And the VRF also helps support

a major increase for General Government operations: implementation of an Enterprise Resource Planning system, a major overhaul for the County’s financial accounting and human resource management systems.

Remaining Accountable to Taxpayers

While the County seeks to meet community needs in innovative and effective ways, it is also challenged to remain fiscally prudent and responsible to taxpayers. The 2017 budget achieves this balance in key ways: by managing and expanding the revenue sources available to the County and by aggressively seeking partners in innovation and program delivery.

Expanding County Revenue Sources

The State of Wisconsin limits counties both in the types of revenue they can tap and the rate at which they can raise revenue. Today, counties’ primary funding sources are the property tax, a sales tax up to the \$.005 rate (already charged in Milwaukee County), user fees for services, and vehicle registration fees to support operations. Increases in sales tax or tools such as income taxes are not allowed under current State law.

Adding a Vehicle Registration Fee (VRF) Given these limitations, counties and municipalities in WI are increasingly looking to the Vehicle Registration Fee to finance necessary investments in transportation infrastructure and operations. Today a VRF is levied by 3 counties and 12 municipalities, and it is being considered by numerous others. Further, the overall level of VRF, current and proposed, in Milwaukee County is still below levels of other jurisdictions.

As discussed earlier, the addition of the VRF is a critical component in the 2017 budget. At the proposed level of \$60 per vehicle, the fee will raise about \$27.1 million. Of the total, about one third will be used to fund transit operations and help offset the costs of the GO Pass program and hold fare costs down for most riders. The remaining \$15.6 million will fund capital projects, allowing the County to boost its transportation investments and also increasing the funding available for other key investment priorities.

At this time state law provides that the VRF can be

Funding for Non-Airport Capital Needs (000s)

	2016 Actual	2017 Recommended	Change 2016 to 2017	
			<i>Dollar</i>	<i>Percentage</i>
<i>By Funding Source — Milwaukee County Share</i>				
Bonding	39,235	40,366	1,131	2.9%
Tax Levy	1,592	125	(1,467)	-92.1%
Sales Tax	6,701	8,215	1,514	22.6%
Vehicle Registration Fee	n/a	15,565	15,565	n/a
SUBTOTAL – Milwaukee County	47,528	64,271	16,743	35.2%
Private Fund Raising	887	6,300	5,413	610.3%
Other Levels of Government	9,427	48,442	39,015	413.9%
TOTAL	57,842	119,013	61,171	105.8%
<i>By Funding Use</i>				
Transportation/Public Works	26,765	64,036	37,271	139.3%
Parks, Recreation, Cultural Institutions, Zoo	12,958	15,262	2,304	17.8%
Health & Human Services	69	0	(69)	-100.0%
General Government	18,050	39,715	21,665	120.0%
TOTAL	57,842	119,013	61,171	105.8%

levied only as a fixed fee per vehicle, not varied by value or age of vehicle. Recognizing that such fees can pose a challenge to low-income members of the community, the County Executive is proposing two approaches to help reduce the impact of the VRF. He will convene a public / private task force to investigate and recommend strategies for reducing the impact of the fee on low income individuals, and he will work actively with the County Board and the State Legislature to provide counties in Wisconsin with the flexibility to vary the VRF in ways that reduce its impact on low-income residents.

Managing Property Tax Revenues The property tax will remain the predominant funding source for the foreseeable future, and it is our responsibility to manage it prudently under the parameters set by the State of Wisconsin. Wisconsin limits property tax increases each year through a complex formula based largely on the increase in the net new construction in a jurisdiction. Currently Milwaukee County has been an active participant in spurring development across the county, which is experiencing an increase in new construction through projects such as 833 East Wisconsin, the Buckler Apartments at 401 West Wisconsin, the Drexel Town

Square, and the Burleigh Triangle. Together, these and other new developments have increased the property tax base by nearly \$300 million.

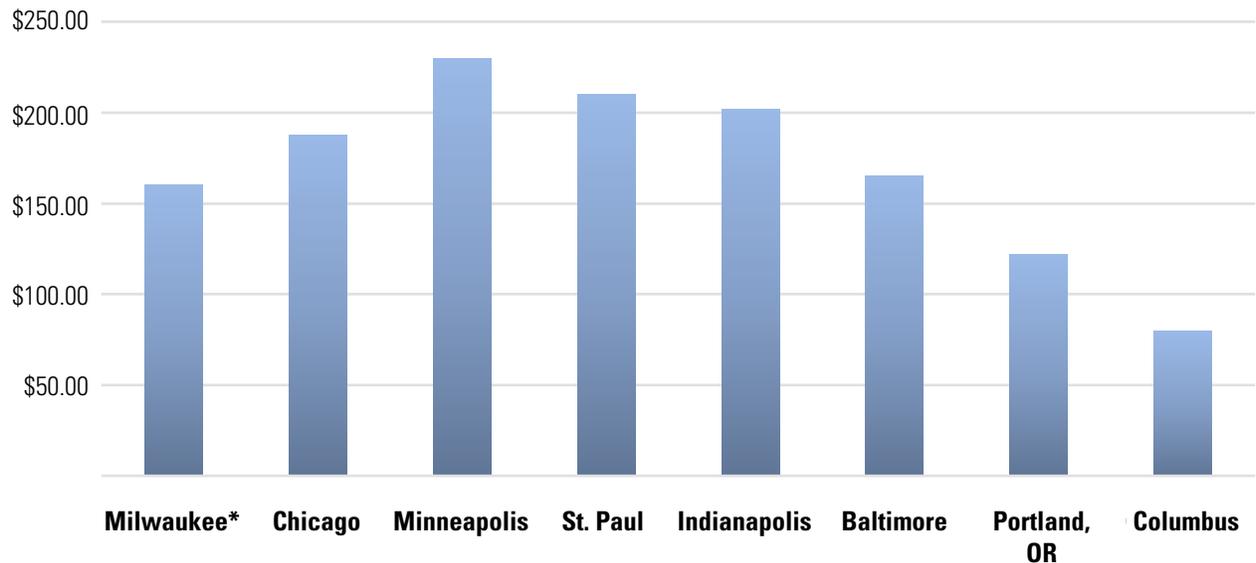
As a result, the 2017 budget assumes that the County will reap the benefit of this construction activity by allowing its property tax collections to rise by the value of net new construction in the County. This means that the average homeowner will not experience a rise in property taxes collected by the County, about 17 percent of the average property tax bill, but it will allow the County to benefit from the new construction occurring, adding about \$4.1 million in new revenue next year as a result.

Partnering for Innovation and Success

Another strategy that the Milwaukee County is actively pursuing to manage its revenue streams and to improve its services is to seek out funding from other sources to leverage its efforts, particularly from other levels of government and private funding sources, as well as from grants.

Notable in the 2017 Capital Budget is the dramatic increase in funding expected from other levels of

2016 Aggregate Vehicle Registration Costs by City (annual costs for passenger vehicles)



*Includes proposed \$60.00 Milwaukee County Vehicle Registration Fee

government, specifically federal funding of over \$36 million for BRT and over \$6 million planned from private sources. These represent intentional efforts on the County's part to seek support for best practices such as BRT, where the federal government is willing to support innovative ways to improve services. The reliance on private funding for projects such as Adventure Africa and the replacement of the Ravine Bridge also follow efforts across the country to raise community-wide support for key cultural initiatives.

In its pursuit of excellence Milwaukee County is increasingly focused on bringing the best thinking and programming to its citizens by partnering with leading practitioners and researchers. Examples of these partnerships, which often include grant funding, are:

MacArthur Foundation Safety and Justice Challenge Grant Awarded in April 2016 to just eleven jurisdictions, the Safety + Justice Challenge grant, supported by the John D. and Catherine T. MacArthur Foundation, is providing \$2 million to Milwaukee County and its partner the Milwaukee Community Justice Council to safely reduce Milwaukee's jail population and address racial and ethnic disparities in

the justice system.

The grant provides both technical assistance and funding to implement a reform plan over the next two years to reduce local jail populations by at least 18 percent while maintaining public safety. Key elements of the plan include: piloting a "book and release" model for individuals with non-violent, low-level misdemeanors who represent 40 percent of arrests made by the Milwaukee Police today; expanding mobile crisis teams of mental health professionals to partner with law enforcement and treat the mental health needs of individuals; stabilizing the mental health of individuals who are booked; and focusing on a small number of individuals who are repeatedly cycled through the current system with an aim of providing more comprehensive support. These efforts are expected to reduce racial disparities and improve the overall effectiveness of support for individuals in the judicial system.

Juvenile Detention Alternatives Initiative Since 2012 the Annie E. Casey Foundation has provided technical assistance to the Milwaukee County Delinquency and Court Services Division to help improve

outcomes for youth involved in the juvenile justice system by reducing reliance on secure confinement and out-of-home placements. The assistance has also had a specific focus on reducing racial and ethnic disparities. Core strategies informing this work include using data to create objective assessment tools, expediting case processing, expanding community-based alternatives, and modifying conditions of confinement – all with a goal of improving outcomes for youth and improving community safety.

American Job Center Through a partnership with Employ Milwaukee (formerly the Milwaukee Area Workforce Investment Board) – a public/private partnership that plans, administers and coordinates employment and training programs for adults and youth in Milwaukee County – the House of Correction is using a \$500,000 grant received this spring from the U.S. Department of Labor to create an American Jobs Center within the facility. This jobs center provides training and support to inmates to help them prepare for employment and then offers help in finding and keeping jobs once they are released, with a goal of helping up to 1000 inmates over the next two years. The House of Correction is one of 20 facilities nationwide to receive this grant.

Housing First Grant In August 2016 the Milwaukee County Housing Department received a \$2.4 million grant from the U.S. Substance Abuse and Mental

Health Services Administration, part of the Department of Health and Human Services, to further its goal of ending chronic homelessness in Milwaukee County. Over the next three years, funding will support case management, peer support, mental health and alcohol and other drug abuse (AODA) treatment through non-profit partners including The Center for Veterans Issues.

The grant will also make possible the hiring of additional outreach staff and support for a new homeless resource center. This facility will serve as an outlet for the Milwaukee Police Department’s Homeless Outreach Team and Milwaukee County’s network of homeless outreach teams to help individuals and families living on the street to receive needed services.

New Pathways for Fathers and Families

Grant Announced last fall, this grant from the U.S. Department of Health and Human Services to the Milwaukee Department of Child Support Services (CSS) provides \$10 million over five years. Not only will it help the Department collect support for children who need it and strengthen family relationships, but it will also help fathers receive job training, improve their economic mobility opportunities, and recover lost driver’s licenses. The only child support agency selected for this grant, CSS is partnering with 15 community agencies to support low-income fathers up to age 24 in improving their economic stability, parenting skills, and healthy marriages.

1 Public Policy Forum, “SHOULD IT STAY OR SHOULD IT GO? Exploring the potential for structural reform in Milwaukee County government,” January 2010.



Milwaukee County Executive
Chris Abele

Director of Administrative Services
Teig Whaley-Smith

Department of Administrative Services, Fiscal Affairs Division,
Office of Performance, Strategy & Budget

Director
Steven Kreklow

Budget & Management Analyst
Lisa Wozny

Capital Budget Coordinator
Vince Masterson

Budget & Management Analyst
Lara Lukasik

**Senior Budget &
Management Analyst**
Jonathan Schatz

Budget & Management Analyst
Jeremy Lucas

**Senior Budget &
Management Analyst**
Daniel Laurila

Budget & Management Analyst
Joshua Scott

Administrative Assistant
Margaret Roche

Special Thanks to:

Elected Officials • Department Heads • Departmental Fiscal Staff
Staff of the Office of the Comptroller

THIS PAGE INTENTIONALLY
LEFT BLANK.



Milwaukee County Board of Supervisors

Chairman

Theodore Lipscomb, Sr. (1st District)

First Vice-Chair

Peggy Romo West (12th District)

Second Vice-Chair

Steve F. Taylor (9th District)

2nd District

Sequanna Taylor

7th District

Michael Mayo, Sr.

14th District

Jason Haas

3rd District

Sheldon A. Wasserman

8th District

David L. Sartori

15th District

Eddie Cullen

4th District

Marina Dimitrijevic

10th District

Supreme Moore Omokunde

16th District

John F. Weishan, Jr.

5th District

Marcelia Nicholson

11th District

Dan Sebring

17th District

Anthony Staskunas

6th District

James "Luigi" Schmitt

13th District

Willie Johnson, Jr.

18th District

Deanna Alexander

THIS PAGE INTENTIONALLY
LEFT BLANK.

TABLE OF CONTENTS

INTRODUCTION

County Executive Budget Message	5
Executive Summary	7
Acknowledgments.....	17
Table of Contents	21
Milwaukee County Organizational Chart.....	25
2017 Budget Readers' Guide	27
Community Profile	29

BUDGET SUMMARY

Budget Frequently Asked Questions	35
2017 Tax Levy Summary.....	40
County Share of Property Taxes.....	41
Budget Assumptions	43
Long-Range Fiscal Analysis	45
2017 Expenditure Analysis.....	49
2017 Revenue Analysis.....	55
2017 Countywide FTE Positions.....	58

BUDGET POLICIES & STRUCTURE

Budget Process & Calendar	63
Financial Management Policies.....	65
Basis of Budgeting	71
Fund Balance Policy	73
Fund Descriptions.....	75
Budgeted Funds.....	77

DEPARTMENTAL NARRATIVES

Legislative & Executive Function

1000 – County Board of Supervisors	83
1011 – County Executive – General Office	87
1020 – County Executive – Office of Government Affairs.....	91
1021 – County Executive – Office of Veterans' Services	95

General Government Function

3090 — Office of the County Treasurer.....	101
3270 — Office of the County Clerk & Election Commission	107
3400 — Office of the Register of Deeds	113
3700 — Office of the Comptroller	121

C O N T I N U E D

TABLE OF CONTENTS

Administrative Function

1090 — Office on African American Affairs	135
1120 — Personnel Review Board, Civil Service Commission & Ethics Board.....	139
1130 — Corporation Counsel	145
1140 — Department of Human Resources	147
1151 — Department of Administrative Services.....	161

Courts & Judiciary Function

2000 — Combined Court Related Operations.....	201
2900 — Courts – Pretrial Services.....	213
2430 — Department of Child Support Services.....	217

Public Safety Function

4000 — Office of the Sheriff.....	223
4300 — House of Correction.....	241
4500 — Office of the District Attorney	251
4800 — Office of Emergency Management.....	263
4900 — Medical Examiner.....	275

Transportation Function

Department of Transportation

5040 — Airport.....	281
5100 — Highway Maintenance	289
5300 — Fleet Management	293
5600 — Transit/Paratransit System.....	297
5800 — Director’s Office	305

Health & Human Services Function

8000 — Department of Health & Human Services (DHHS).....	309
6300 — DHHS – Behavioral Health Division.....	323
7900 — Department on Aging	343

Recreation & Culture Function

9000 — Department of Parks, Recreation & Culture.....	353
9500 — Zoological Department.....	373
9910 — University of Wisconsin – Extension	385

Consolidated Non-Departmental Cultural Contributions (1900)	389
---	-----

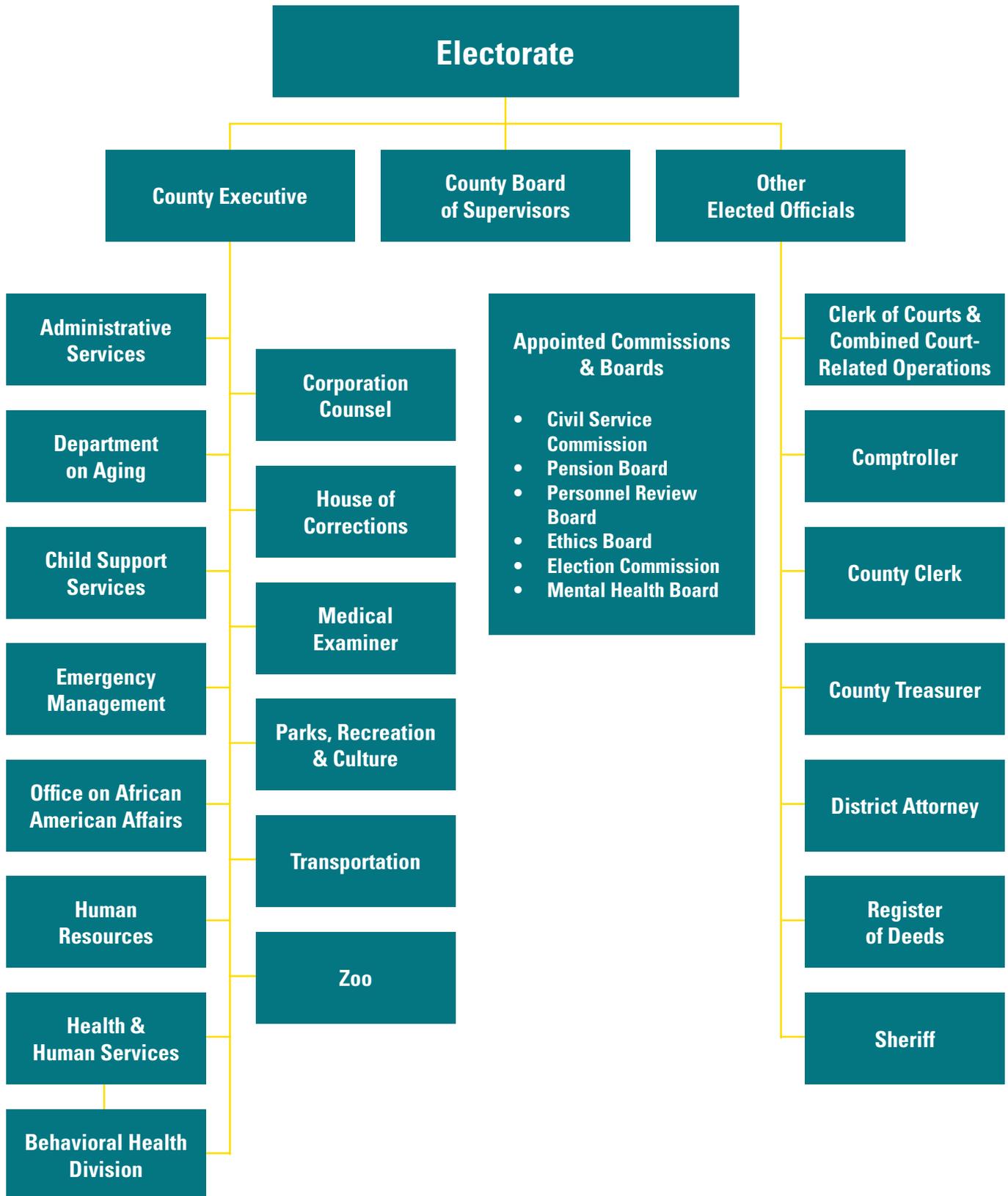
C O N T I N U E D

TABLE OF CONTENTS

Fund for the Arts	390
County Historical Society.....	392
Federated Library System	394
Marcus Center for the Performing Arts	396
Milwaukee Public Museum	398
Villa Terrace/Charles Allis Museums	400
War Memorial Center	402
Milwaukee Art Museum	404
Debt Service Function	
9960 — General County Debt Service	409
Non-Departmental Revenue Function	
1991 — Property Taxes	416
Non-Departmental Revenues – Unclaimed Money, Land Sales, Potawatomi Allocation, State Shared Taxes, State Exempt Computer Aid, County Sales Tax Revenue, Surplus from Prior Years, Other Miscellaneous Revenue	421
Non-Departmental Expenditures Function	
1950 — Employee Fringe Benefits	427
Non-Departmental Expenditures (1940)	435
Appropriation for Contingencies.....	427
Offset to Internal Service Charges	438
Charges to Other County Departments.....	439
Human Resource & Payroll System	441
Law Enforcement Grants.....	442
Litigation Reserve	443
Capital Outlay/Depreciation Contra.....	444
Civil Air Patrol	446
Wages & Benefits Modification.....	447
Appendix	449
Glossary.....	455

THIS PAGE INTENTIONALLY
LEFT BLANK.

ORGANIZATIONAL CHART



THIS PAGE INTENTIONALLY
LEFT BLANK.

Milwaukee County Government will provide high-quality, responsive services that enhance self-sufficiency, personal safety, economic opportunity and quality of life for all its people.

MILWAUKEE COUNTY MISSION STATEMENT

Budget Narrative Reader's Guide

The budget narrative serves as the County's business plan for the upcoming year. It provides information to taxpayers, policymakers, stakeholders, community groups, and other interested parties about what the County intends to produce with the resources provided to it. The goal of the budget narrative is to present this business plan in a format that is easy to read and informative for everyone who has an interest in the County. We seek to achieve this goal in part by adopting best practices, which are exemplified by the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award, which the County was awarded in both 2015 and 2016.

Structure of the Narrative

Each departmental narrative starts with one or more summary pages. The first page shows expenditures, revenues, tax levy for the entire department, and how much of each department's resources are consumed by retiree fringe benefits, when applicable.

Staffing information for the entire department shows FTEs based on full-time and part-time (seasonal, hourly, pool, etc.) positions, and overtime by dollars. Following this information is a brief overview of the department's mission and structure.

Below each department's mission and structure is a section called "2017 Major Changes." This section describes the changes from the prior year. These may

include any changes with policy implementation, personnel changes, change in fees, new revenue or significant changes in revenue, or any other extraordinary changes.

After the departmental summary pages, the narrative shows detailed information about each program, including:

Service Provision: This indicates whether the program is mandated by State or Federal law, committed via contract or other long-standing relationship, discretionary, or administrative in nature. Administrative program areas generally assist other County departments with basic business functions.

Strategic Outcome: This indicates the plank of the County's mission statement, to which the program is most closely aligned. The County's Mission Statement reads: "Milwaukee County Government will provide high quality, responsive services that enhance self-sufficiency, personal safety, economic opportunity and quality of life for all its people."

For instance, in many of the programs within the Office of the Sheriff, the Strategic Outcome is listed as "personal safety;" likewise in many administrative departments, the Strategic Outcome is listed as "high quality, responsive services."

What We Do: This indicates activity data that shows “how much” service is provided, for instance the number of aquatics attendees at parks or the number of individuals served in the senior meal program.

How We Do It: This displays the resources dedicated to this program, including expenditures, revenues, tax levy, and total FTEs, including full and part-time positions (note that this figure does not include FTE equivalents for special premium, salary adjustment or shift differential).

How Well We Do It: This displays performance measures for the program area. Many departments have identified and developed performance measures for several program areas; more will be created and

included in future budget years, as this is intended to be an iterative process.

Strategic Implementation: This is an overview of how the resources provided to the program area will be used to achieve the performance measures (where developed) and help the County achieve its mission in the upcoming year. It also provides information on significant changes.

Budgeted Position Table: The table lists all budgeted positions from the previous year as well as the upcoming year. There is a column that indicates any variance between years as well as a column for any explanation that is given related to any changes.

MILWAUKEE COUNTY

COMMUNITY PROFILE

Milwaukee County was formed in 1835 when it was part of the Michigan Territory.

Prior to that, the area had been settled by a variety of Native American tribes and was explored by French Priests and traders as far back as 1674. The name “Milwaukee” is generally believed to be derived from a Native American term meaning “good land.”¹

Today Milwaukee County is, by population, the largest county in the State of Wisconsin and the 47th largest in the United States with 957,735 residents.² Milwaukee County is one of the few fully-incorporated counties in the United States and includes 19 municipalities that range from a large urban center in the City of Milwaukee with 600,155 residents to small villages such as River Hills with a population of 1,607.

The County anchors the Greater Milwaukee Metropolitan Area, which has a population of more than 2 million and includes seven neighboring counties: Waukesha, Racine, Washington, Ozaukee, Dodge, Jefferson and Walworth.

As in many other major urban areas in the upper Midwest, the regional economy in the 20th century was based on heavy manufacturing. As the manufacturing sector has declined nationally since the 1970s, the region has transitioned to attract economic growth based on high-tech, light manufacturing and service-oriented industries and is now developing into a worldwide leader in freshwater sciences and technology. New for 2017, the University of Wisconsin–Milwaukee (located on the East side of the County) has received the highest rating for a research institution from the Carnegie Classification of Institutions of Higher Education. UW–Milwaukee is one of two research institutions in the state of Wisconsin to receive this honor.



Pop-up beer garden at Scout Lake.
(Photo courtesy of Milwaukee County Parks Department)

New baggage claim area at General Mitchell International Airport.
(Photo courtesy of General Mitchell International Airport)



MILWAUKEE COUNTY

COMMUNITY PROFILE (continued)

Basic Data

	Milwaukee County	Wisconsin
Land area in square miles — 2010	241	54,158
Population — July 2015 estimate	957,735	5,771,337
Population Density (Population per Square Mile)	3,926	105

Demographic Data

	Milwaukee County	Wisconsin
Persons under 5 years, percent — July 1, 2015	7.2%	5.9%
Persons under 18 years, percent — July 1, 2015	24.3%	22.4%
Persons 65 years and over, percent — July 1, 2015	12.4%	15.6%
High school graduate or higher	86.3%	90.8%
Bachelor's degree or higher	28.7%	27.4%
Veterans — 2010–2014	50,684	395,931

Economic Data

	Milwaukee County	Wisconsin
Housing units — July 1, 2015	416,951	2,657,231
Homeownership rate — 2009–2013	50.7%	67.7%
Median value of owner-occupied housing units — 2009–2013	\$154,400	\$165,900
Households — 2010–2014	381,446	2,293,250
Median household income — 2010–2014	\$43,385	\$52,738
Total Employment — 2014	447,390	2,450,254*
Total Employment, percentage change — 2013–2014	0.8%	2.1%*
Manufacturers shipments (\$1000) — 2012	19,176,207	177,728,926
Merchant wholesaler sales (\$1000) — 2012	12,445,288	77,066,883
Women-owned firms — 2012	24,978	133,859
Minority-owned firms — 2012	20,847	40,507
Veteran-owned firms — 2012	5,307	39,830
Retail sales (\$1000) — 2012	10,427,898	78,201,822
Retail sales per capita — 2007	\$10,917	\$13,656
Accommodation and food services sales (\$1000) — 2012	1,831,041	10,303,256
Building permits — 2015	1,269	16,793

* Includes data not distributed by county

Source: U.S. Census Bureau

10 Largest Principal Property Tax Payers

2015 Equalized Value

Mayfair Mall LLC	\$436,554,000
Bayshore Town Center LLC	\$327,260,000
Northwestern Mutual Life	\$302,521,000
US Bank Corp.	\$280,866,000
Mandel Group	\$175,466,000
Wal-Mart/Sam's Club	\$157,076,000
BRE Southridge Mall LLC	\$152,295,000
Forest County Potawatomi Community	\$128,640,000
Metropolitan Associates	\$127,656,000
Marcus Corp/Milwaukee City Center/Pfister	\$120,132,000
Aurora Health	\$102,690,000

Source: 2015 Milwaukee County Comprehensive Annual Financial Report, Office of the Comptroller

10 Largest Private Sector Employers	Industry	2015 Employees	% of Total County Employment
Aurora Health Care, Inc.	Health Care	24,509	5.45%
Wheaton Franciscan	Health Care	11,281	2.51%
Froedtert & Community Health	Health Care	9,800	2.18%
Roundy's Supermarkets	Retail Supermarkets	8,260	1.84%
GE Healthcare	Health Care	6,000	1.33%
The Medical College of Wisconsin	Private Medical School	5,170	1.15%
Northwestern Mutual	Insurance & Investment Products	5,100	1.13%
ProHealth Care, Inc.	Health Care	4,729	1.05%
Children's Hospital	Health Care	4,530	1.01%
Columbia St. Mary's Health System	Health Care	4,500	1.00%

Source: 2015 Milwaukee County Comprehensive Annual Financial Report, Office of the Comptroller

¹ Wisconsin Historical Society, online at <http://www.wisconsinhistory.org/Content.aspx?dsNav=N:4294963828-4294963788&dsRecordDetails=R:BA8864>

² U.S. Census Bureau Quickfacts, online at: <http://www.census.gov/quickfacts/table/PST045215/55079,00>

THIS PAGE INTENTIONALLY
LEFT BLANK.



Budget Summary

2017 Budget FAQ's

Tax Levy Summary

County Share of Property Tax Levy

Budget Assumptions

Long-Range Fiscal Analysis

Expenditure Analysis

Revenue Analysis

Countywide FTE Positions

THIS PAGE INTENTIONALLY
LEFT BLANK.

The County's structural budget deficit exists because ongoing costs continue to grow faster than revenues.

2017 Budget FAQs

One of the best practices recommended by the Government Finance Officers Association is to provide a list of questions that may be frequently asked about the County's budget. Here are some questions, along with answers, that may arise about the 2017 budget:

How much would this budget raise my property taxes?

All other factors being equal, the average homeowner should expect **no increase** in property taxes as a result of the County Executive's proposed budget. The budget adds about \$4.1 million to the County's property tax revenues in 2017, as a result increases in the property tax base new construction within the County. In recent years new construction has accelerated in Milwaukee County, through projects such as 833 East Wisconsin, the Buckler Apartments at 401 West Wisconsin, the Drexel Town Square, and the Burleigh Triangle (Mayfair Collection). Together, these and other new developments have increased the property tax base by over \$800 million. As a result of this growth, the 2017 budget assumes that the County will reap the benefit of this construction activity by allowing its property tax collections to rise by the value of net new construction in the County.

Keep in mind, though, that the property taxes collected by Milwaukee County are only about 17 percent of the total property taxes collected within Milwaukee County. Other taxing districts, including local municipalities,

school districts, the Milwaukee Area Technical College, and others, account for the remaining 83 percent of taxes, and overall taxes may rise depending on decisions made by these jurisdictions. Further, individual taxpayers' bills may rise or fall depending on whether their property values have risen or fallen compared to other properties in the taxing district.

Why is the County implementing a Vehicle Registration Fee?

Milwaukee County is responsible for maintaining over 400 miles of roads and parkways, 48 bridges and a fleet of buses. Due to declining State & Federal funding, Milwaukee County would have to commit around \$25 million per year in order to purchase buses and keep them running and to maintain our roadways – services critical to the economic health of the community and the wellbeing of residents, making less funding available for other pressing capital needs. Further, poorly maintained roads area cost Milwaukee area drivers an average of \$861 annually, according to studies by the State of Wisconsin.

While increases the State and Federal governments would be welcome, that is unlikely happen in the near term. The County needs a new source of transportation funding to support vital capital infrastructure improvements and to sustain transit operations – without shortchanging other pressing needs across the County. The only source of revenues allowed under

Wisconsin law for counties and municipalities to use is a Vehicle Registration Fee (VRF), applied to vehicles kept in the municipality or county where the vehicle is registered. Revenues from this fee are limited to transportation related activities like roads, bridges, trails and public transportation.

As a result of these pressing needs and the lack of other funding alternatives, the 2017 budget includes a \$60 Vehicle Registration Fee to provide a stable revenue source for infrastructure and transportation maintenance. About two-thirds of the funds raised by the VRF would be spent on capital improvements and one-third would be spent on the operations of the Milwaukee County Transit System to support such programs as the GO Pass.

Isn't a Vehicle Registration Fee a hardship for poorer residents?

The County recognizes that a fixed fee levied on all vehicles, regard of value or age of vehicle or ability to pay, may be a burden for some. To address this concern, the County will form a public / private task force to investigate and recommend strategies for reducing the impact of the fee on low income individuals, and will work actively with the State Legislature to provide counties in Wisconsin with the flexibility to vary the VRF in ways that reduce its impact on low-income residents.

What provision does the proposed budget make for the GO Pass?

The 2017 budget reshapes the GO Pass to make it more financially viable – and in turn to improve the stability and sustainability of the transit system as a whole. Under these reforms the GO Pass would remain available for seniors and people with disabilities who have limited means. The revisions also include very modest fees from users to help offset the costs of operating the program. These changes were developed with insights from community advocates such as Disability Rights Wisconsin, which endorses the proposed adjustments.

How does the proposed budget improve public safety in Milwaukee County?

The safety and security of the community depends not solely on policing strategies, but – as recent events have shown all too clearly – on economic opportunity

and racial justice as well. This budget proposes specific initiatives to strengthen our community. Highlights include:

The Neighborhood Initiative A \$665,000 additional investment in workforce development efforts – aimed largely at youth – in neighborhoods with the highest poverty and unemployment rates, such as the Sherman Park neighborhood.

A Living Wage An increase over the next five years in the minimum wage paid to County employees and employees of County contractors to \$15 per hour, reflecting the County's belief that no one who works full time should have to live in poverty. This means that the minimum wage paid by the County in 2017 will rise by 5.7 percent over this year's rate.

Residential Treatment Center A "step down" program for high-risk delinquent youth who have been discharged from juvenile corrections or related programs but who are in need of additional treatment in a structured residential program. This is part of comprehensive efforts to provide alternatives to juvenile detention or State institutional placement with better outcomes for youth – and for the community.

Why does Milwaukee County have a persistent structural budget deficit?

Simply put: because the County's revenues are growing more slowly than its expenses. The projected structural deficit for the 2017 budget is approximately \$36.9 million. Projected costs are expected to grow by 2.2 percent, from increases in the pension contribution and retiree healthcare, and growing transportation infrastructure and maintenance expenses. Revenues to offset these expenditure increases – from the property tax levy, sales tax collections, and fees for services – are expected to increase by less than one percent, with state and federal revenue are expected to remain flat or even to decline. This is part of the fiscal background facing Milwaukee County that led to the implementation of a Vehicle Registration Fee to help boost the County's revenue growth.

How will the County balance the budget?

With revenues growing more slowly than expenses, the 2017 budget includes numerous initiatives to expand revenues and manage expenses.

Expanding Revenues: One goal of the 2017 budget is to find financial opportunities to grow the County's revenues. The initiatives, described above, include:

- Vehicle Registration Fee to support transportation investments in transit and highways.
- Increasing the property tax revenues from new construction.

Reducing the County's Footprint: The 2017 budget continues to minimize outstanding maintenance requirements by eliminating infrastructure that is outdated and expensive to maintain. The 2017 Recommended Budget reflects savings from footprint reduction at the O'Donnell Parking Garage and the Milwaukee County Transit Center. Other initiatives that will lead to future savings include:

- Courthouse Complex Planning to plan for a replacement to the Safety Building.
- Hiring a facilities Operations & Maintenance Director to coordinate and consolidate maintenance activities.

Efficiency Measures: The 2017 budget continues significant improvements to the County's internal administrative functions that will yield significant time and cost savings in the long-term. These efforts include:

- Planning & purchase of Enterprise Resource Planning Software to consolidate over fifty different business processes and systems into one integrated system.
- Supporting ongoing improvements to business process through the adoption of Continuous Improvement, or lean-management, principles and by hiring a continuous improvement manager to spearhead efforts.
- Directing any large, unanticipated one-time revenues to projects that enhance efficiency, drive economic development, and build debt reserves for the future pre-payment of debt obligations.

What major capital investments are proposed in this budget?

The County is budgeting for a major increase in capital spending to improve services and address deferred maintenance: the 2017 Capital Budget includes a County contribution of more than \$78 million for investments in the County's infrastructure. Thanks to

the inclusion of the Vehicle Registration Fee, borrowing will remain within the County's cap, and cash available to address our capital needs will rise from \$6.7 million in 2016 to nearly \$24 million in 2017.

Highlights of the capital projects proposed for 2017 include:

- \$8.3 million in funding for Airport improvements.
- \$5.8 million for improvements in the County Parks.
- \$7.7 million for replacement of vehicles in the Sheriff, House of Correction and Parks Departments, as well as in the general fleet.
- \$4.1 million to complete the final phase of the HVAC replacement at the Marcus Center.
- \$8.9 million for improvements to Zoo infrastructure and exhibits, including \$8.6 million for continued work on the new Adventure Africa exhibit.
- \$6.5 million for facility improvements to the Courthouse, Criminal Justice Facility & Safety Building.
- \$1.6 million to improve the War Memorial Center and Art Museum.
- Over \$18.2 million in improvements to the County's information technology:
 - Enterprise Resource Planning (ERP) Software.
 - Asset Management and Work Order System.
 - Infrastructure Replacement.
 - Phone & Voicemail System.
 - Mainframe Retirement.
 - IT Security.

Projects funded by the Vehicle Registration Fee include:

- \$1.7 million to continue the bus replacement program in the transit system.
- \$5.1 million in funding to improve the condition of County highways and parkways.
- \$7.75 million to implement Bus Rapid Transit.
- \$1.0 million to improve bridges throughout Milwaukee County.

What provisions does the proposed 2017 budget include for employees?

One of the priorities in developing the budget for 2017 was to ensure that the County's hard working and dedicated employees are compensated fairly, equitably, and in line with market conditions. The budget includes:

- Over \$5 million for pay increases, including:
 - A mid-year, one percent pay increase for all employees.

Budget Effects on County Employees (2015-2017)

	Health Care Plans			
	Employee Only	Employee + Child	Employee + Spouse	Employee + Family
Base Salary — 01/01/2015	\$75,000	\$75,000	\$75,000	\$75,000
2015 Annual Increase — 06/1/2015	\$563	\$563	\$563	\$563
Base Salary — 01/01/2016	\$75,563	\$75,563	\$75,563	\$75,563
Add'l Pension Cont. 2016	(\$1,133)	(\$1,133)	(\$1,133)	(\$1,133)
2016 Annual Increase PP14	\$756	\$756	\$756	\$756
2016 Merit Pay PP14	\$378	\$378	\$378	\$378
2016 Compensation	\$75,563	\$75,563	\$75,563	\$75,563
New Base Salary — 01/01/17	\$75,185	\$75,185	\$75,185	\$75,185
Increase Health Premium	\$0	(\$120)	(\$120)	(\$240)
2017 Annual Increase	\$376	\$376	\$376	\$376
Change in Pension	\$0	\$0	\$0	\$0
Performance & Equity Adj.*	TBD	TBD	TBD	TBD
2017 Total Compensation	\$75,561	\$75,441	\$75,441	\$75,321

* Funds are budgeted in each department for equity adjustments, step increases or reclassifications

— Funding for performance increases, equity and other pay adjustments to ensure that employees are paid fairly and competitively with one another and with the market.

— Funding to ensure that all employees earn at least the market minimum for their job in 2017.

- No increase in pension contributions for most employees, though public safety workers will see a small increase from 7.9 percent to 8.1 percent.
- An expansion in benefits to include a vision program requested by employees, with the County paying half of the premium for this voluntary program.
- In response to growing health care costs, expected to increase around 5 percent nationally, premiums paid by some employees will rise. Premiums for single employees will stay flat, those for families will rise by \$20/month, and premiums for employees + spouses and employees + children will rise by \$10/month. Other components of healthcare

coverage – deductibles, co-insurance and office copays – will remain unchanged.

- A dollar for dollar match for employee contributions to Flexible Savings Accounts, up to the first \$1,000 contributed by employees.

What is the net impact of the budget on compensation for County employees?

The table above illustrates compensation changes between 2015 and the proposed 2017 budget for an example employee.

Why is the County increasing its contribution to the Employees' Retirement System?

A two-fold change has led to rising costs to fund employee pensions, budgeted to rise by \$6 million in 2017 and to continue rising through the five-year

C O N T I N U E D

forecast period. Rates of return on investments, which help offset pension costs, have been lower than projected, meaning that the County must contribute more to offset those reduced earnings. Also, the County's pension is not fully funded today, and the current policy is to increase contributions to bring the pension fund closer to fully funded status. While the County's share of pension costs will rise by \$6 million in 2017, the contribution from employees will remain unchanged from 2016.

How much does the proposed Budget fund for retirees?

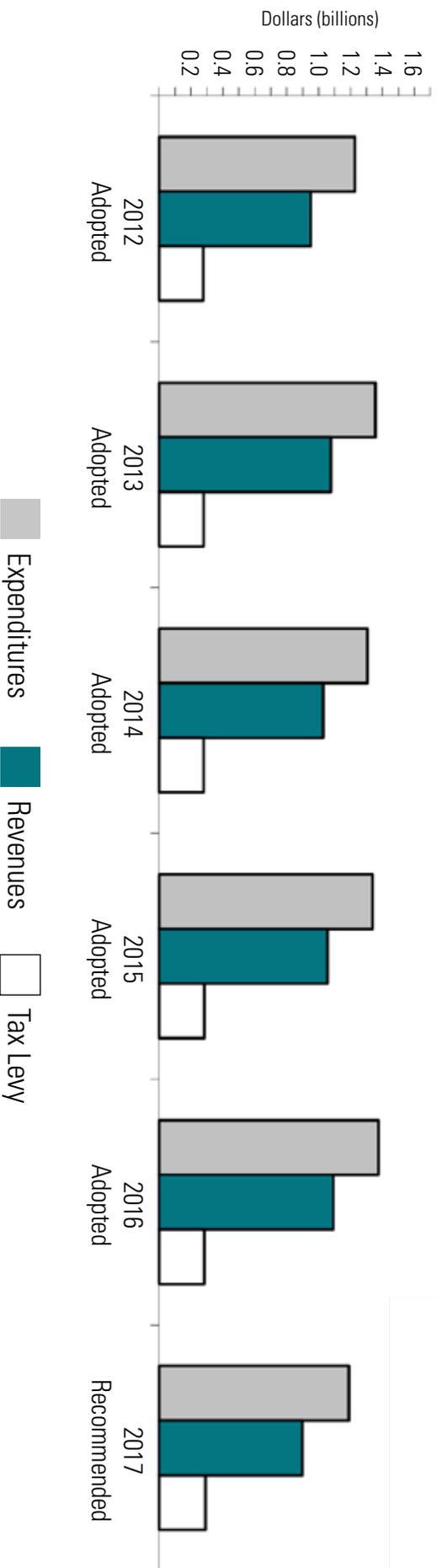
In total, the budget funds \$161 million in retirement and healthcare costs, up 7 percent or \$12 million from 2016. Of this total, \$95 million supports retirees, and the remaining 40 percent, or \$66 million, is for active employees. These costs, and their accompanying growth, represented a major challenge in developing the 2017 budget but also a major responsibility to the County's current and past workers.

¹ TRIP, May 2016, Wisconsin Transportation By The Numbers: Meeting the State's Need for Safe, Smooth & Efficient Mobility. (http://www.tripnet.org/docs/WI_Transportation_by_the_Numbers_TRIP_Report_May_2016.pdf)

² Milwaukee County Five-Year Financial Forecast, 2017-2021

RECOMMENDED 2017 BUDGET FOR GENERAL COUNTY PURPOSES

	2016 Adopted Budget	2017 Recommended Budget	Change	Percent
EXPENDITURE	1,374,343,192	1,189,597,484	(184,745,708)	-13.44%
REVENUE	1,087,358,067	898,423,370	(188,934,697)	-17.38%
TAX LEVY	286,985,125	\$291,174,114	\$4,188,989	1.46%



County Share of Property Taxes

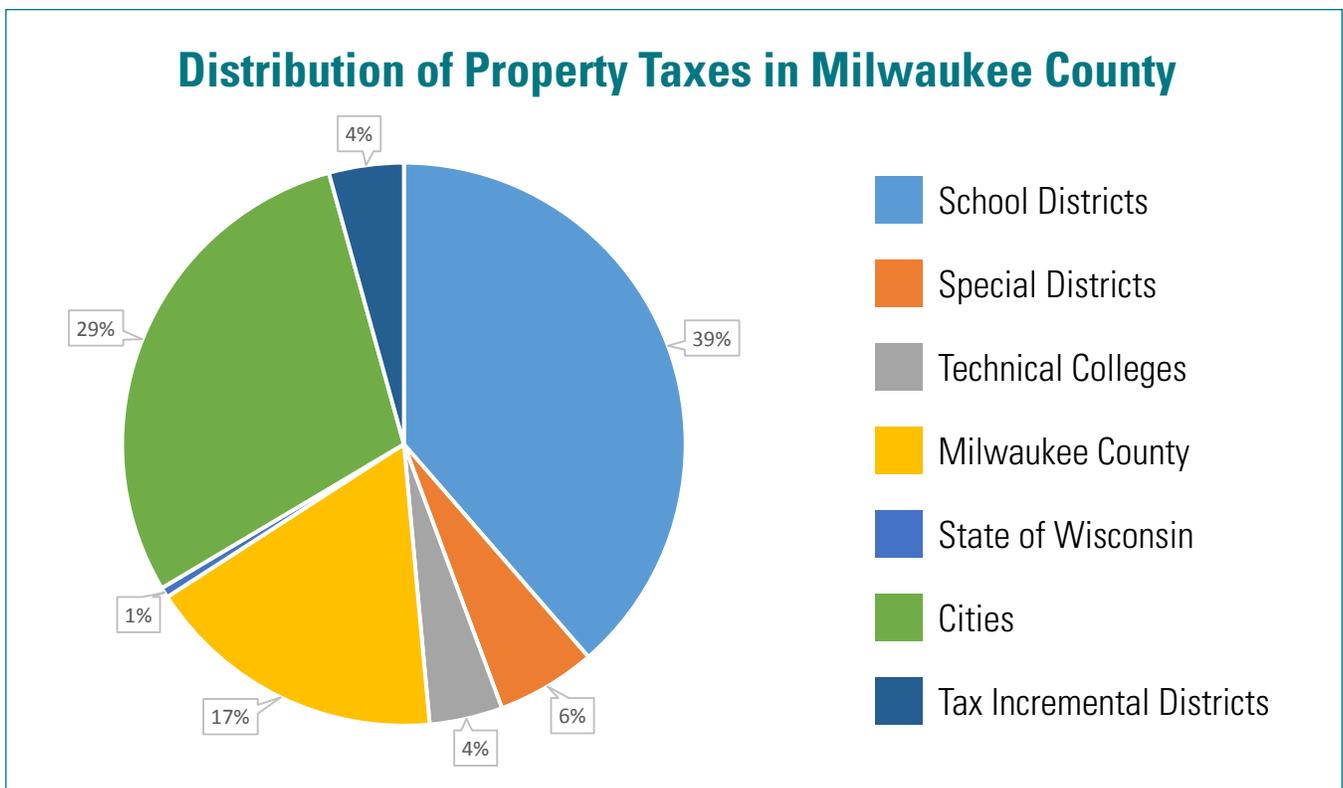
The 2017 Budget for Milwaukee County levies approximately \$291 million in taxes on property during the year, which is approximately \$4 million over the 2016 Adopted Budget.

In 2016, according to data gathered by the Public Policy Forum, citizens and business will pay a total of approximately \$1.7 billion in property taxes to the various taxing entities in the County. These entities include:

- Milwaukee County government.

- Municipal governments (cities & villages).
- School Districts.
- Technical Colleges.
- The State of Wisconsin.
- Special Districts (such as the Milwaukee Metropolitan Sewerage District or the Southeast Wisconsin Regional Planning Commission).
- Tax Incremental Finance Districts.

Of this \$1.7 billion total, Milwaukee County government makes up about 17 percent in 2016.



THIS PAGE INTENTIONALLY
LEFT BLANK.

The County must focus on a long term strategy to match revenue and expenditure growth, while minimizing the impact of the current year structural deficit.

2017 Budget Assumptions

The Department of Administrative Services Office of Performance, Strategy and Budget (PSB) and the County Executive utilized the most recent version of the five-year forecast, produced by the Office of the Comptroller, to develop broad assumptions about the 2017 budget. The figures below represent some of the significant known or estimated items that would have been considered throughout the budget process.

Inflationary Revenue Concerns

Expenditures are forecasted to grow by an average of 2.2 percent and revenues are forecasted to grow by 0.7 percent annually over the next five years. The continuous, low growth rate suggests that the County has not been successful in growing its revenue base. The County must focus on a long term strategy to match revenue and expenditure growth, while minimizing the impact of the current year structural deficit. Revenue growth is a factor in the County's annual cost-to-continue.

One-Time Revenues

The 2016 Budget included the use of \$10.5 million from the Debt Service Reserve and \$1.5 million from the Pension Obligation Bond Reserve to phase in, over three years, the impact of an \$18.3 million increase in the County's annual pension contribution caused by modifying assumptions related to the unfunded accrued liability. The planned use of reserves presented as a part of the 2016 Budget would see the use of reserves

for this purpose decrease to \$8.25 million in 2017 and zero in 2018.

Sales Tax

The five-year forecast assumed local option sales tax revenues would in 2017 include inflationary increases of \$1.6 million. The 2017 Recommended Budget includes a \$1.4 million increase in sales taxes based on projected increases in consumer spending.

Property Tax Levy

The forecast assumes that in 2017, an additional \$2.9 million in property tax revenue is levied. New construction in 2016 was approximately \$800 million. Applying the 2016 Adopted Budget property tax rate to the amount of new construction would yield an additional \$4.1 million. The County is able to raise the levy by an amount equal to the net new construction and by an amount equal to the growth in debt service issued after July 1, 2005. Holding the property tax levy flat would increase the deficit, resulting in the need for the County to find additional alternative revenue sources or need for expenditure reductions.

State & Federal Revenues

State and Federal Revenues made up approximately 24.7 percent of County revenue in the 2016 Adopted Budget. The five-year forecast and 2017 base budget assumed no change in State Revenue from 2016. Federal revenues were also assumed to remain flat.

Transit

It is forecasted that transit passenger revenue will decrease by \$5.0 million in 2017. Reductions in revenue are attributed to a decline in ridership and the Growing Opportunities Pass (GO Pass) program. Unanticipated healthcare and fuel cost savings result in a \$2.9 million dollar savings in 2017.

Health & Human Services Expenditures

Annual projections increase Health and Human Services expenditures by \$3.8 million dollars.

Expenditure Reductions

Abatements included in the 2016 budget are not included in the 2017 budget due to the assumption that departments will not be able to maintain the expenditure reductions. The 2016 abatements included \$5.6 million to the Office of the Sheriff and \$1.7 million to other County Departments. This increases the County's cost to continue and structural deficit by \$7.3 million.

Debt Service & Infrastructure Needs

The five-year forecast projected that Debt Service would decline by approximately \$33 million annually. However, infrastructure needs outpace the current level of cash and debt financing for capital assets. Liabilities will grow without increases in funding for capital projects or decreases in the size of the County's asset portfolio.

Employee & Retiree Fringe Benefits

After increasing rapidly in the early 2000's, the rate of growth in health care costs has slowed significantly (see the Long Range Fiscal Forecast section for additional detail). This has been due to a variety of factors, including market factors and changes in

plan design that have made the County's health care consumers more cost-conscious.

Without additional changes to the current plan design or premiums, the five-year forecast conservatively assumes a 7.0 percent or \$6.1 million increase in healthcare costs in 2017. Healthcare savings from 2016 are expected to be minimal due to the breakeven projection for 2016 actual healthcare costs.

Due to amortization of 2015 investment losses and amortization of the increased pension liability for additional pension members, the total pension related expenses increase by \$6 million in 2017. There is an assumed rate of return of 8% on pension investments. The Pension Board has adopted a policy to reduce the assumed rate of return to 7.75% in 2018 and 7.5% in 2020, which will increase the County's annual required contribution.

Salaries & Wages

Significant savings from salaries in 2016 offset the ongoing overtime deficit, as well as the previously forecasted increases in countywide salary costs. The five-year forecast includes the assumption that there will be a 2.4% increase for inflation and projects that salaries and overtime costs will grow at a total of 1% in 2017. For 2017, approximately 2.4% in additional salary dollars are projected over the 2016 employee salary costs. In 2017 employee salaries and wages will also increase by a 1% Annual Increase Adjustment (\$1.1 million). Other salary and wage adjustments include \$70,000 to phase in an increase of Milwaukee County Employee's minimum wage to \$15.00 by 2021, \$1.86 million in funding to bring affected employees' wages to market minimums and \$2 million for pay increases related to employee performance and equity adjustments.

The Comptroller's analysis shows that the County faces a significant lack of revenue.

Long-Range Fiscal Analysis

Since 2009, Milwaukee County has utilized a five-year model to forecast future expenditures and revenues, grouped by type. This analysis provides taxpayers, policymakers and the public with an insight into the fiscal situation faced by the County.

This analysis has consistently shown that the County faces a long-term structural deficit. The most recent five-year model predicts that on average annual expenditures and revenues will grow more slowly than predicted in the past. In the 2017-2021 projection, the 2017 structural deficit is \$36.9 million, about \$10.7 million more than the 2016 forecast. On average, projected expenditures increase to \$1.01 billion (2.2 percent) and revenues increase to \$0.98 billion (0.7 percent). Substantial drivers of the 2017 structural deficit include:

- A Loss of Transit Revenue.
- Increases in Pension and Healthcare Costs.
- An elimination of Budget Abatements and Reserve Contributions.

This forecast shows that labor costs, especially fringe benefits, continue to be a primary driver of this structural imbalance. Fringe benefits, including pension and healthcare, will grow by 19.4 percent during the forecasted period. This is less than the forecasted projections from 2013 (29%), 2014 (22%) and more than the 2016 (16.8%) projection. The changes in 2017 are

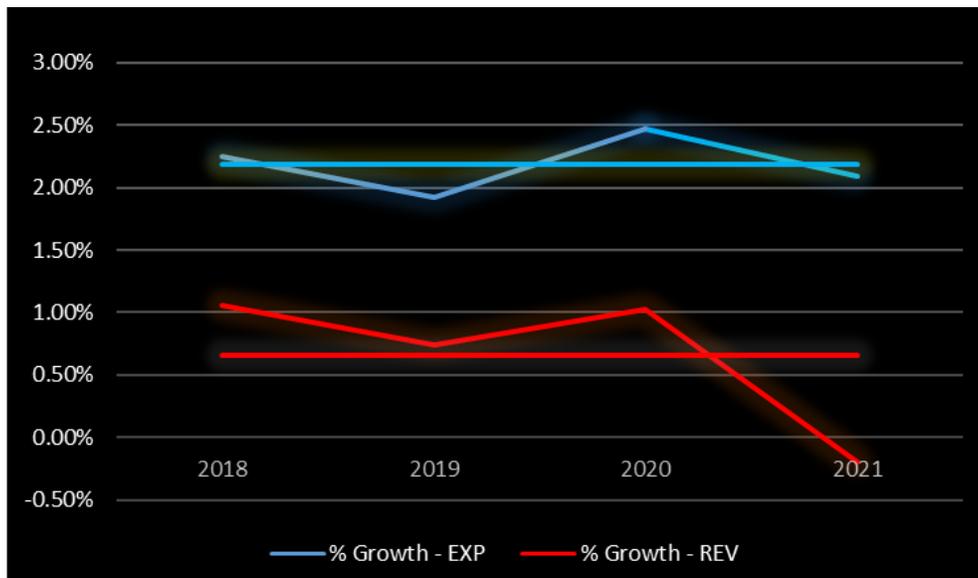
due to investment losses in 2015 and the addition of previously excluded pensioners. Due to the separation of Family Care from the County Personnel Costs increase of 5 percent from the 2016 forecast, to about 44% of the County's total expenditures.

Revenues not keeping pace with the county's expenditures is another driver of the structural deficit. Revenue is projected to grow 0.5 percent more slowly than the 2016 projection of 1.2 percent annually. Table 1 below, demonstrates the anticipated revenues and expenditure growth for the upcoming five-year period. This graph highlights how, despite the gap, expenditures and revenues vary similarly until 2020. After 2020, revenues drop off sharply, illustrating the need for a more intensified long term focus on revenue.

Expenditures Continue to Grow Faster Than Revenues

The Comptroller's analysis shows that the County faces a significant lack of revenue. In 2017 there is a predicted loss of transit passenger revenue of \$5 million. In general, the County relies heavily on State and Federal revenues, and has limited discretionary alternatives. While the County's ability to adjust property tax or sales tax revenue is limited by State law, the County has prudently levied amounts that fall short of the total available levy. "[T]he County is able to raise levy by an amount equal to net new construction and by an amount equal to the growth in debt service

Table 1 — Anticipated Forecasted Revenue & Expenditures, 2018–2021



Source: Office of the Comptroller

issued after July 1, 2015.

Expenditures are now forecasted to rise 2.2 percent annually, a 1.5 percent improvement over 2016’s projections and an improvement of 4.1 percent from the 2009 forecast. Many expenditures have been controlled through service model changes and historically low inflationary periods. The County has controlled major expenditures related to salaries and healthcare. Since 2010, the County continues to make significant structural changes in its wage and benefit structure, including:

- Realigning the share of health care costs borne by employees and retirees.
- Complying with 2011 Wisconsin Act 10, having employees to contribute to their defined benefit pension plan.
- Stabilizing pension costs by issuing Pension Obligation Bonds starting in 2009.
- Reducing headcount through a policy changes, such as the State takeover of the Income Maintenance program, contracting services such as housekeeping and consolidating job duties.
- Mainstreaming overtime, sick leave policies and other risk-type policies such as workers’ compensation to reduce payouts and liability accruals.
- Accelerated funding of unfunded pension liability.

- Reducing the County’s facilities’ footprint through the sale of underutilized assets, such as City Campus.

These practices have contributed to driving down the County’s cost to continue and structural deficit. However, despite these gains, losses in revenue, increases in growing infrastructure maintenance expenses, as well as, increases in pension and retiree health care expenses have hampered County efforts to reduce the structural deficit.

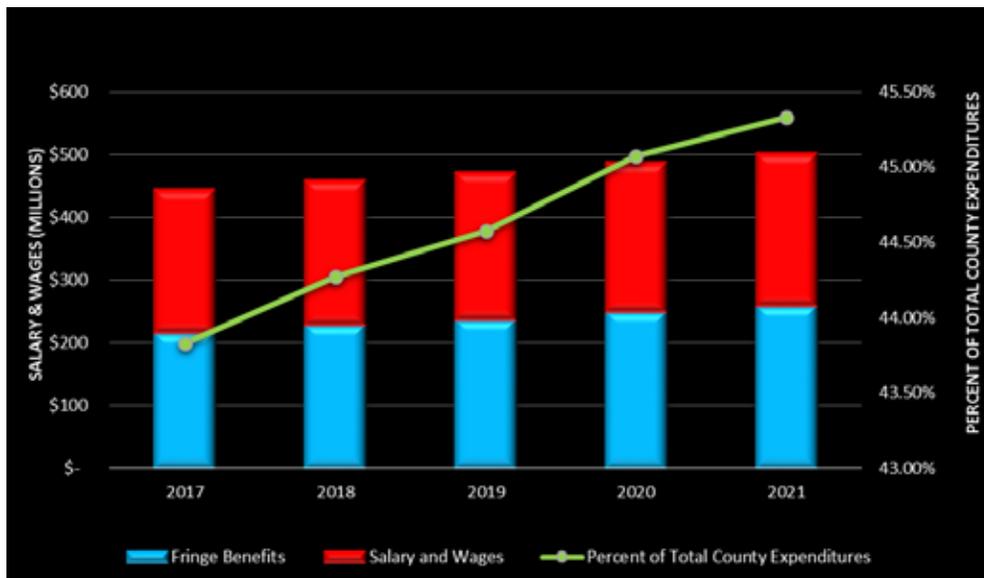
Personnel Costs Remain a Key Concern

While recent fiscal policy has “bent the structural deficit curve,” the County continues to need to make significant structural changes to achieve long-term sustainability. The rise in personnel costs is largely due to anticipated increases in pension (\$6.0 million) and healthcare costs (\$6.1 million) in 2017.

Aside from the investment losses and increased pension liability due to additional pensioners, in 2018 and 2020 the pension investment return assumption will be lowered from 8 percent, driving increases in the County’s pension contribution. However, pension investment returns greater than 8 percent of the actuarial assessment could offset any increases.

While prior years benefited from healthcare savings,

Table 3 — Forecasted Personnel Costs, 2017–2021



Source: Office of the Comptroller

the projected savings in 2016 are minimal. Healthcare costs are projected to rise by 7 percent annually over the five year forecasted period. Unless there is a change to the current plan design or premiums, the County will need to absorb these costs.

The forecast assumes wages will only increase by 1 percent in 2017. However, over the five year model, salaries and wages are predicted to grow 6.5 percent. On the whole, as demonstrated in Table 3, personnel costs continue to rise sharply in 2017 and over the remainder of projected five year forecast.

Debt Reduction Is a Key Driver to Sustainability

Repaying debt continues to be a drag on the County and channels resources away from funding core services. The County’s general obligation debt service costs increase by \$1.3 million in 2017 and, assuming adherence to the present bonding levels, should decline in the coming years (note this table does not include pension obligation bond debt service, which is considered with fringe benefits).

General obligation bonding debt service is funded by the Sales Tax in Milwaukee County. After funding debt service, surplus sales tax revenues are allocated to cash finance capital projects. This amount is approximately \$8.2 million in 2017. This level of sales

tax funding enables the County to utilize cash financing for approximately 6.2 percent of total capital project costs (net of federal, state, or other outside financing).

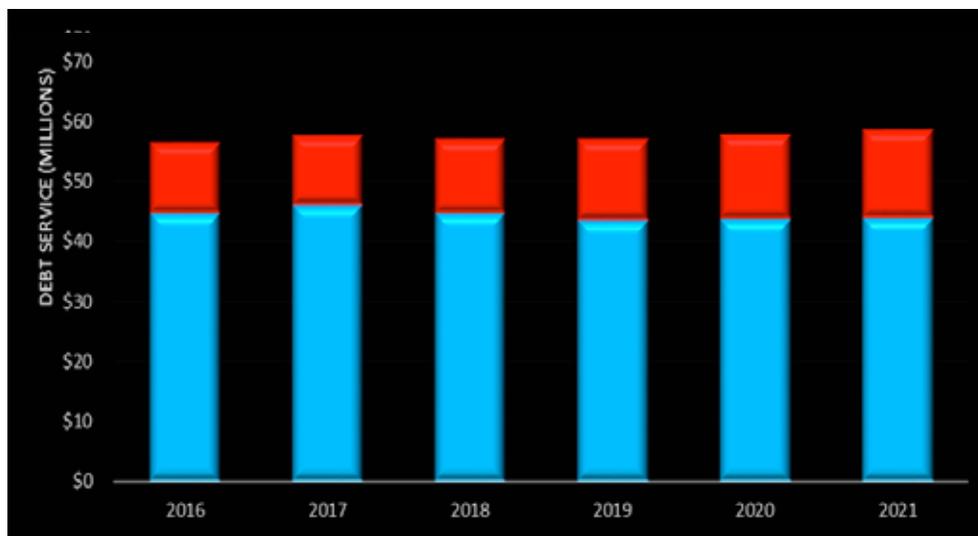
Remaining sales tax revenue is then allocated to the operating budget to fund programs. Utilizing non-debt funds for capital projects minimizes future debt service obligations, which makes more sales tax funding available to support capital improvements or programs in the operating budget. In 2017, excess sales tax revenue of \$8.2 million is available to finance capital projects while \$32.6 million is available to support general operations.

County Continues to Face Fiscal Challenges

The forecast shows that the County has progressed in addressing its fiscal imbalance each year since the forecast model was introduced. Unless the County implements significant new revenue sources, long term revenues are still forecasted to rise less rapidly than expenditures, mainly due to recent trends in and uncertainty regarding state and federal revenues. While expenditure growth is reduced due to the changes described above, the County will continue to face fiscal pressures due to this imbalance.

This situation requires, continued examination of service delivery models, the prudent use of one-

Table 4 — Forecasted Annual Debt Service
(Excluding Pension Obligation Bonds)



Source: Office of the Comptroller

time revenues to drive cost saving operational efficiencies, implementation of new revenue sources and a continual focus on reducing debt. Additionally, a thorough examination and rightsizing of the County’s facilities is necessary in order to reduce the County’s future capital and maintenance requests; bringing future needs in line with the County’s ability to support capital funding. The County does not have the fiscal flexibility to add additional debt service to

adequately address the deferred maintenance that has accumulated over decades. Therefore, the County must prioritize its facilities and focus on those that deliver core services and those that operate in the most cost-efficient manner. This will allow the County to eliminate underutilized facilities that have high operating costs and facilities that would require significant capital expenditure to maintain.

1 From the Office of the Comptroller, Milwaukee County Five Year Financial Forecast 2017-2021, September 2016

2 Overall, County cash financing for capital projects has historically included not only sales tax, but also private contribution, PFC revenue, airport reserves, and tax levy. Refer to the Capital Improvements Budget Introduction for additional detail.

3 The Comptroller’s Office is in the process of sizing the 2016 debt. The first payment for the 2016 bonds occurs in 2017; therefore, the 2017-2021 debt service amount is preliminary.

2017 Expenditure Analysis

Overview

The 2017 gross expenditure budget is \$1,189,597,484, a decrease of \$184,745,708 (or 13 percent) from the 2016 Adopted Budget. The 2017 expenditure budget includes \$1,055,280,259 for departmental and non-departmental operations and debt service, and \$134,317,225 for capital projects. In comparison with the 2016 Adopted Budget, operating budget expenditures decrease by \$239,062,768 (or 18 percent), and capital budget expenditures increase by \$54,317,060 (or 68 percent).

Budget Narrative Appropriation Units	Included Budgetary Control Appropriation Units
Personal Services	Personal Services
Operation Costs	Operation Costs Other Charges
Debt & Depreciation	Debt & Depreciation
Capital Outlay	Capital Outlay Capital Contra
Interdept Charges	Internal Service Charges Abatements

2017 Countywide Expenditure Highlights

The 2017 Recommended Budget contains four major components of expenditure changes.

In 2017, Legacy Health and Pension costs are abated

within most departments and centralized in Org.

1950 **Employee and Retiree Fringe Benefits.**

For appropriate comparisons the 2015 Budget, 2015 Actuals and 2016 Budget figures are restated to include this change. Additionally, some departments received abatements of active fringe benefits in the 2016 budget (this is not included in the 2017 budget). All program area tables within departmental narratives reflect this change. Table 1 provides the 2016 Adopted and 2016 Adjusted figures for comparison to the 2017 budget.

The 2017 budget includes the implementation of a Vehicle Registration Fee (VRF). Wisconsin State Statute 341.35(1) allows local governments to establish and implement a VRF in addition to the regular annual State fee paid for a vehicle. The fee applies to vehicles kept in the municipality or county where the vehicle is registered. Revenues from this fee can only be used for transportation related activities like roads, bridges, trails and public transportation. A \$60 annual VRF is included in 2017 which will raise approximately \$27.1 million dollars. Expenditures of approximately \$11.5 million are budgeted within the Department of Transportation – Transit/ Paratransit division and the remaining \$15.6 million in expenditures are in the Capital Improvement Budget.

The Milwaukee County Department of Family Care will complete its separation from the County resulting in the reduction of \$303 million in expenditures and offsetting revenues.

2017 Expenditure Highlights by Category

Personal Services, increase slightly by \$2.1 million (or less than 1 percent).

Operation Costs decrease by \$219.4 million (or 27 percent) primarily due to the separation of Family Care from Milwaukee County operations.

Debt & Depreciation increase by \$1 million from \$119.9 million to \$120.9 million (or just under 1 percent).

Capital Outlay increases \$31.7 million (or 37 percent) over 2016. The capital outlay included in the capital improvement budget increases by \$34.3 million (or 53 percent) over 2016. Operating Capital Outlay, not including items related to Capital Outlay/Depreciation Contra (see the Non-Departmental Expenditure narrative, agency 1940, for additional detail), including funding for major maintenance, decreases by \$2.6 million (or percent).

Internal Service Charges including the net total of abatements and crosscharges between County departments decrease by approximately \$116,000 (or less than 1 percent) in 2017.

2017 Expenditure Highlights by Functional Area

Below are summaries of major changes within most departments or organizational units by Functional Area for the Operating Budget. Please review the specific organizational or capital project narrative for more detailed information. If a department is not listed it is because its expenditure budget did not change materially (less than 2 percent) from the 2016 Adopted Budget.

Legislative & Executive

Expenditures decrease by \$384,582 (or 21 percent) in the **Office of the County Board** in relation to Act 14.

The expenditure decrease of \$29,327 (or 6 percent) in the **Office of Government Affairs** is primarily related to the centralization of legacy fringe and reduced crosscharges.

The Milwaukee County **Office of Veteran's Services** increase expenditures by \$27,205 (or 10 percent). The

increase is related to an additional \$10,000 in funding provided for the Needy Veteran's Fund and an increase in crosscharges.

General Government

Expenditures decreased in the **Office of the County Clerk & Election Commission** by approximately \$550,000 (or 22 percent) mainly due to decreased operating costs relating to fewer elections 2017.

Expenditures in the **Office of the Register of Deeds** increase by \$104,675 (or 4 percent) mainly due to the inclusion of active fringe abated through amendment in 2016 and an increase in charges related to access to vendor software.

Expenditures in the **Office of the County Treasurer** increase by \$216,044 or 14 percent mainly due to the addition of personnel and costs related to improving the efficiency of tracking and sales of foreclosed properties.

Administrative

In the **Department of Human Resources**, expenditures are increased by \$908,236 (or 14 percent) mainly due to an increase in personnel of 4 FTE. Partially offsetting the increase is a reduction in the tuition reimbursement program to reflect actuals and reduction in costs for drug testing.

In 2017 the **Personnel Review Board, Civil Service Commission & Ethics Board** are combined into one division. Expenditures decrease by \$47,082 (or 10 percent) mainly due to increased efficiencies by sharing once separated duties.

Expenditures decrease in the **Office of the Corporation Counsel** by \$47,568 (or 3 percent) mainly due to reductions in personnel costs and decreased interdepartmental charges.

Department of Administrative Services — General Fund Programs

General Fund divisions in the Department of Administrative Services were combined into a single agency in 2015. Expenditures in the General Fund operations in the Department of Administrative Services decrease by \$2,571,413 or (5 percent) in 2017.

Department of Administrative Services — Internal Service Funds

Expenditures in the **DAS–Information Management Services Division (DAS–IMSD)**, increase by \$4,127,785 or (20 percent). The expenditure increases are primarily due to the addition of personnel via six new positions, \$190,000 for a reserve for future personal computer and laptop replacement needs, the implementation of an Information Security Management Program and \$1,410,000 to host an off-site data center.

Courts & Judiciary

Expenditures in **Pre-Trial Services** increase by approximately \$776,000 (or 17 percent) primarily due to contracted pretrial services being re-bid through the RFP process in 2016 for the years 2017-2019.

Expenditures in **Child Support Services** increase by approximately \$486,000 (or 2 percent) primarily due to an increase in services related to the New Pathways grant program and higher interdepartmental charges.

Transportation

Expenditures in the **Department of Transportation (DOT) Airport Division** decreased by \$1,748,909 (or 2 percent) from 2016. This is mainly due to decreases charged by other County Departments such as the Sheriff and DAS-IMSD and favorable commodity prices for fuel and natural gas.

Expenditures in the **Department of Transportation–Fleet** decrease by \$211,561 (or 2 percent) primarily due to reductions in the prices of commodities and crosscharges.

The **Department of Transportation–Transit** expenditures decrease approximately \$2.6 million (or 2 percent) due to the reduction of fuel prices and the use of fuel price hedging through futures contracts.

The **Department of Transportation–Director’s Office** expenditures increase by \$55,400 or 23% due to increased personnel costs and crosscharges.

Health & Human Services

In the **Milwaukee County Mental Health Board’s Behavioral Health Division (BHD)**, expenditure

increases total \$19.1 million dollars (or 10 percent). The increase is related to the expansion of programs including the Comprehensive Community Services program for \$5,800,000, Wraparound Milwaukee for \$10,900,000, creation of an Outpatient Program for \$600,000, increased AODA residential capacity for \$600,000 and operating costs of \$500,000 for the Northside Community Hub. Continuing support for the Milwaukee County Housing Division’s initiative increases expenditures by \$250,000. Total personnel costs also increase by \$2.1 million.

The **Department on Aging** expenditures increase by \$434,432 (or 2 percent) due to Senior Meal Program catering costs and crosscharges for legal services from Corporation Counsel.

The **Milwaukee County Department of Health & Human Services** increased expenditures by \$30.9 million (or 37 percent). Contributing factors to the increase include the addition of 34.17 FTE, the planned opening of a 44-bed, staff-secure Residential Treatment Center (RTC), continuing support for the Housing First Initiative to End Chronic Homelessness and changes to the Children’s Long Term Support Program payment and reimbursement charges.

The **Department on Aging** expenditures increase by \$434,432 (or 2 percent) due to Senior Meal Program catering costs and crosscharges for legal services from Corporation Counsel.

The **Department of Family Care** will complete the transition away from Milwaukee County to become a separate entity. The separation results in an expenditure and revenue reduction of \$303.8 million.

Recreation & Culture

In the **Department of Parks, Recreation and Culture**, expenditures increase by \$876,922 (or 2 percent) over 2016. The increase is largely due to increased personnel costs related to compliance with the Affordable Care Act and eliminating an employee sharing program with DOT-Highway.

Expenditures increase for the **Zoological Department** by just over \$552,000 (or 2 percent). The increase is primarily due to higher operating costs of \$289,308 and

interdepartmental charges of 295,429. The increase is partially offset by lower personal services costs of \$32,649.

Expenditures increase for the **University of Wisconsin–Extension** by \$11,336, (or 2 percent) over 2016. The increase is primarily due to higher interdepartmental charges.

Contributions to the **County Fund for Performing Arts** decrease by \$100,000, back to 2015 levels. The contribution to the **County Historical Society** increases by \$54,000 to \$258,105 to reflect a payment related to a new Lease & Management Agreement. The contribution to the **Milwaukee Art Museum** increases by \$190,000 as a result of a settled arbitration agreement. The contribution to the **Marcus Center for the Performing Arts** decreases by \$50,000 as requested by the agency.

Debt Service

Expenses for corporate purpose Debt Service increase by \$1.1 million (or 2 percent). Principal payments increase by \$1.4 million and interest payments decline

by approximately \$152,000. These reductions are partially offset by reduced interest abatement from charging other departments for interest costs of approximately \$201,000.

Non-Departmental Expenditures

The **Appropriation for Contingencies** is decreased by \$706,701 (or 13 percent) from \$5.5 million to \$4.8 million in order to reflect actual experience in recent years.

Funding for the **Litigation Reserve** decreases by \$42,369 (or 7 percent) to reflect actual experience in recent years.

Employee & Retiree Fringe Benefits expenditures increased as a result of centralizing legacy health care and legacy pension costs. In 2017, departments and portions of departments that do not have substantial outside revenue reimbursement have their legacy health care and legacy pension costs abated and instead held centrally in the Fringe Benefits budget in order to more clearly present the resources available to departments to provide services.

TABLE 2 — OPERATING EXPENDITURES BY FUNCTIONAL AREA
County Budget Expenditure Comparison — Operating

TOTAL Operating & Capital Expenditures by Functional Area	2015 Actual	2016 Budget	2017 Budget	\$ Change from 2016 Adjusted Budget	% Change from 2016 Budget
Legislative & Executive	5,443,021	4,715,062	3,430,295	(1,284,767)	-27%
Administration	86,481,020	91,816,119	91,403,802	(412,317)	0%
General Government	15,017,664	15,296,862	13,155,619	(2,141,243)	-14%
Courts & Judiciary	65,886,961	70,541,568	65,054,742	(5,486,826)	-8%
Public Safety	176,811,278	185,149,413	156,954,069	(28,195,344)	-15%
Transportation & Public Works	228,494,746	248,035,644	248,440,209	404,565	0%
Health & Human Services	582,454,046	597,801,018	340,430,927	(257,370,091)	-43%
Recreation & Culture	81,113,257	78,752,556	77,142,714	(1,609,842)	-2%
Debt Service	61,019,348	50,299,599	51,404,166	1,104,567	2%
Non-Departmental Revenues	0	0	0	0	0%
Non-Departmental Expenditures(a)	97,637,361	(48,064,814)	7,863,716	55,928,530	116%
TOTAL	1,400,358,702	1,294,343,027	1,055,280,259	(239,062,768)	-18%

(a) = The budgets for some Non-Departmental Expenditure organizations are technical in nature and do not have actual expenditures. These budgets include 1930 –Offset to Internal Service Charges and 1985 - Capital Outlay Depreciation Contra.

TABLE 3 — CAPITAL EXPENDITURES BY FUNCTIONAL AREA
County Budget Expenditure Comparison — Capital

TOTAL Capital Expenditures by Functional Area	2015 Actual	2016 Budget	2017 Budget	Change from 2016 Budget	% Change from 2016 Budget
Legislative & Executive	0	0	0	0	0%
Administration	35,726,022	18,050,168	39,715,480	21,665,312	120%
General Government	0	0	0	0	0%
Courts & Judiciary	0	0	0	0	0%
Public Safety	0	0	0	0	0%
Transportation & Public Works	58,759,538	48,922,500	79,339,945	30,417,445	62%
Health & Human Services	331,158	69,030	0	(69,030)	-100%
Recreation & Culture	31,058,053	12,958,467	15,261,800	2,303,333	18%
Debt Service	0	0	0	0	0%
Non-Departmental Revenues	0	0	0	0	0%
Non-Departmental Expenditures(a)	0	0	0	0	0%
TOTAL	125,874,772	80,000,165	134,317,225	54,317,060	68%

(a) = The budgets for some Non-Departmental Expenditure organizations are technical in nature and do not have actual expenditures. These budgets include 1930 –Offset to Internal Service Charges and 1985 - Capital Outlay Depreciation Contra.

TABLE 4 — COMBINED CAPITAL & OPERATING EXPENDITURES BY FUNCTIONAL AREA
County Budget Expenditure Comparison (Capital & Operating)

TOTAL Operating & Capital Expenditures by Functional Area	2015 Actual	2016 Budget	2017 Budget	Change from 2016 Budget	% Change from 2016 Budget
Legislative & Executive	5,443,021	4,715,062	3,430,295	(1,284,767)	-27%
Administration	122,207,042	109,866,287	131,119,282	21,252,995	19%
General Government	15,017,664	15,296,862	13,155,619	(2,141,243)	-14%
Courts & Judiciary	65,886,961	70,541,568	65,054,742	(5,486,826)	-8%
Public Safety	176,811,278	185,149,413	156,954,069	(28,195,344)	-15%
Transportation & Public Works	287,254,284	296,958,144	327,780,154	30,822,010	10%
Health & Human Services	582,785,204	597,870,048	340,430,927	(257,439,121)	-43%
Recreation & Culture	112,171,311	91,711,023	92,404,514	693,491	1%
Debt Service	61,019,348	50,299,599	51,404,166	1,104,567	2%
Non-Departmental Revenues	0	0	0	0	0%
Non-Departmental Expenditures(a)	97,637,361	(48,064,814)	7,863,716	55,928,530	116%
TOTAL	1,526,233,474	1,374,343,192	1,189,597,484	(184,745,708)	-13%

(a) = The budgets for some Non-Departmental Expenditure organizations are technical in nature and do not have actual expenditures. These budgets include 1930 –Offset to Internal Service Charges and 1985 - Capital Outlay Depreciation Contra.

TABLE 1
2016 Budget, 2016 Adjusted & 2017 Budget Comparison

2016–17 Comparable Department Expenditures

Org	Department	2016 Adopted	2016 Adjusted	2017 Budget	Variance 2016 Adj to 2017	Percent Change 2016 Adj to 2017
1000	County Board	2,597,108	1,818,226	1,433,644	(384,582)	-21%
1011	County Executive General Office	1,284,073	1,190,531	1,203,809	13,278	1%
1020	Government Affairs	534,621	523,866	494,539	(29,327)	-6%
1021	Veteran's Services	299,260	271,097	298,302	27,205	10%
1090	Office of African American Affairs	-	-	600,000	600,000	0%
1120	PRB, CSC & Ethics	467,023	448,485	401,403	(47,082)	-10%
1130	Corporation Counsel	1,809,345	1,614,184	1,566,616	(47,568)	-3%
1140	Human Resources	8,019,425	6,467,684	7,375,920	908,236	14%
1151	DAS	81,495,326	74,750,664	81,449,862	6,699,198	9%
1900	Cultural Contributions	6,942,577	6,942,577	7,043,688	101,111	1%
1940	Other	(256,201,556)	(256,201,556)	(195,415,941)	60,785,615	-24%
1950	Employee Fringe Benefits	208,136,742	199,434,355	203,279,657	3,845,302	2%
2000	Courts	45,991,266	39,257,820	39,234,839	(22,981)	0%
2430	Child Support	19,842,027	19,842,027	20,328,023	485,996	2%
2900	Pretrial Services	4,708,275	4,715,853	5,491,881	776,028	16%
3090	Treasurer	1,727,726	1,537,603	1,753,647	216,044	14%
3270	County Clerk & Election Commission	2,633,039	2,527,082	1,976,653	(550,429)	-22%
3400	Register of Deeds	3,131,494	2,950,568	3,055,243	104,675	4%
3700	Comptroller	7,804,603	6,308,989	6,370,075	61,086	1%
4000	Sheriff	85,283,631	70,176,629	70,539,241	362,612	1%
4300	House of Correction	63,221,187	55,179,592	54,827,125	(352,467)	-1%
4500	District Attorney	20,505,246	16,803,047	16,980,055	177,008	1%
4800	Emergency Management	11,223,709	10,065,300	9,963,421	(101,879)	-1%
4900	Medical Examiner	4,915,640	4,685,746	4,644,227	(41,519)	-1%
5040	DOT Airport	92,289,655	92,289,655	90,540,746	(1,748,909)	-2%
5100	DOT Highways	22,905,079	22,905,079	23,004,988	99,909	0%
5300	DOT Fleet	11,034,588	11,034,588	10,823,027	(211,561)	-2%
5600	DOT Transit	163,100,369	163,100,369	160,502,123	(2,598,246)	-2%
5800	DOT Director's Office	237,600	237,600	293,000	55,400	23%
6300	BHD	188,205,345	188,205,345	207,321,124	19,115,779	10%
7900	Aging	18,410,955	18,410,955	18,845,387	434,432	2%
7990	Family Care	303,709,526	303,709,526	-	(303,709,526)	-100%
8000	DHHS	87,457,592	83,395,841	114,246,816	30,850,975	37%
9000	Parks	45,480,716	43,462,146	44,339,068	876,922	2%
9500	Zoo	24,745,577	23,638,341	24,190,429	552,088	2%
9910	UW Extension	529,986	527,088	538,424	11,336	2%
9960	Debt Service	50,299,599	50,299,599	51,404,166	1,104,567	2%

Realistic, conservative and accurate revenue estimates are a key building block in developing a fiscally sound budget.

2017 Revenue Analysis

Overview

The 2017 revenue budget is \$1,189,597,484, a decrease of \$184,745,708 or 13% from the 2016 Adopted Budget. Direct Revenue decreases from \$635,770,385 to \$392,120,949 in 2017 mostly due to divestment of the Department of Family Care program. The Department of Family Care program budgeted \$298,848,301 of direct revenue in the 2016 Adopted Budget. The 2017 budget includes \$116,652,664 in Federal Revenue, an increase of 48% from \$79,044,599 in the 2016 adopted budget mostly due to increased Federal grant revenue.

Revenue Projection Methodology

Realistic, conservative and accurate revenue estimates are a key building block in developing a fiscally sound budget. The County combines four primary projection methods, listed below, based on the unique characteristics of forecasted revenue:

1. Informed and Expert Judgment (e.g., the advice of a department head).
2. Deterministic Technique (e.g., formula based).
3. Time Series Technique (e.g., trend analysis, rolling averages).
4. Estimates from external sources or appropriated in adopted legislation (e.g., State and Federal governments).

As in the expenditure analysis, several revenue appropriation units are combined into categories for

illustration purposes in the departmental and non-departmental narratives. The combinations of major revenue types include the following:

Departmental Narrative Appropriation Unit	Included Revenue Appropriation Units
Indirect Revenues	Indirect Revenues
State & Federal Revenues	Federal Revenues State Shared Revenue Other State Revenues
Other Direct Revenues	Direct Revenue Bond Proceeds Sales Tax Prior Year Surplus
Property Tax Levy	Property Tax Levy

Thirty-three percent of the County's \$1.18 billion revenue budget, or \$392 million, includes direct charges for services in 2017; this amount is re-stated in the tables at the end of the analysis to reflect a change in methodology for offsetting interdepartmental revenues to avoid double-counting. Property tax levy represents twenty-four percent of budgeted revenues at \$291 million. State Aids, including Basic Community Aids, Youth Aids, General Transportation Aids, Transit Aids, Airport funding, and other funding represent twenty percent of total revenues, or \$247.6 million; State Shared Revenue is budgeted at \$27.2 million and

represents no change from the 2016 Adopted Budget. Federal revenues are 10 percent of the total, and sales tax represents six percent. The remaining six percent, totaling \$40.3 million, includes indirect revenues, bond proceeds, and prior-year surplus (see chart below).

2017 Revenue Highlights by Category

Direct Revenue, not including prior year surplus, decreases by \$243.6 million or 38 percent in 2017. Significant changes to Direct Revenue include:

- Divestment of the My Choice Family Care program removes Direct Revenue that equaled \$298,848,301 in 2016.
- A contribution of \$6,750,000 from the Reserve for County Bonds is included for 2017, which is a decrease of \$3,750,000 from the 2016 Adopted Budget.
- The 2017 budget includes a new Vehicle Registration Fee (VRF) for Milwaukee County that will generate approximately \$27.1 million in revenue (\$15.6 million to be used for capital and \$11.5 million to be used for operating).

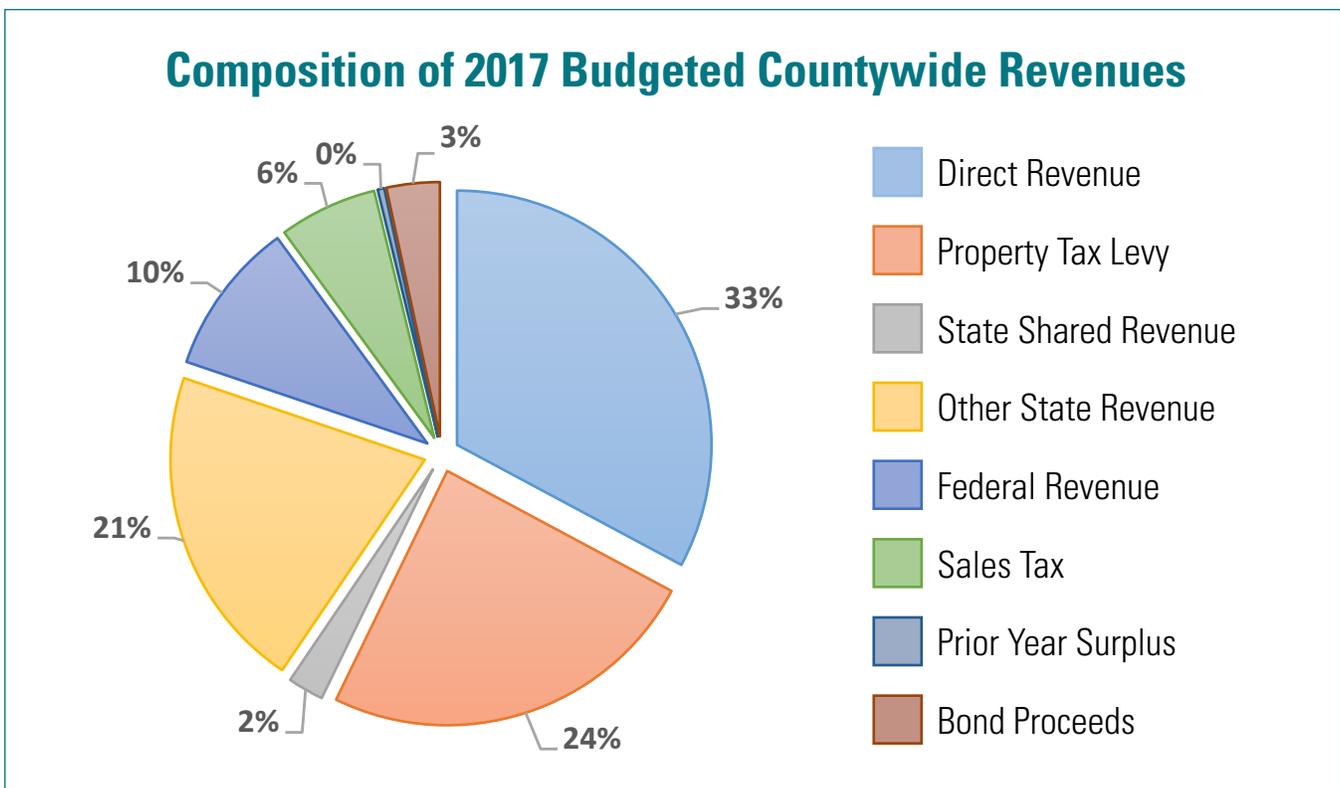
Sales Tax revenue is increased countywide by \$1.8 million in 2017, from \$72.6 million to \$74.5 million, due to rising collections in 2016.

- 2017 sales tax collections are projected to increase from the 2016 Adopted Budget. The net sales tax budgeted in Org 1996 is the gross sales tax collections of \$75,795,118, less an allocation of \$8,215,500 for capital improvements for a total of \$66,253,203. \$33,616,438 is dedicated to debt service for 2017, resulting in a net of \$32,636,765 for general fund purposes.

State and Federal Revenues increase by a total of \$51.7 million or 17 percent in 2017. Significant changes include:

- Within the Department of Health and Human Services, Delinquency & Court Services the Youth Aids Revenue increases \$16,207,972 mostly due to an account change at the State level related to reimbursements for the cost of Milwaukee County youth held at the State institutions.

Indirect Revenues, which are charges by County departments to other departments for services increase by \$1.5 million, primarily due to increases in Fringe Benefit and Facilities Management costs. Org 1930 includes an abatement for all indirect revenues to ensure that countywide revenues are not overstated. Due to the abatement, countywide indirect revenues total \$0.



County Budget Revenue Comparison (Capital & Operating)

Source	2015 Actual	2016 Budget	2017 Budget	\$ Change from 2016 Budget	% Change from 2016 Budget
Direct Revenue	603,766,498	635,770,385	392,120,949	(243,649,436)	-38%
Federal Revenue	86,408,171	79,044,599	116,652,664	37,608,065	48%
State Shared Revenue	31,274,464	27,229,789	27,229,789	0	0%
Other State Revenue	243,955,565	233,494,384	247,585,258	14,090,874	6%
Bond Proceeds	52,489,545	39,234,810	40,365,980	1,131,170	3%
Sales Tax	70,949,426	72,584,100	74,468,703	1,884,603	3%
Prior-Year Surplus	5,000,000	5,000,000	5,000,000	0	0%
Indirect Revenue	0	0	0	0	0%
Tax Levy	282,789,867	286,985,125	291,174,114	4,188,989	1%
TOTAL	1,376,633,536	1,379,343,192	1,194,597,457	(184,745,735)	-13%

Operating Budget Revenue Comparison

Source	2015 Actual	2016 Budget	2017 Budget	\$ Change from 2016 Budget	% Change from 2016 Budget
Direct Revenue	600,664,459	623,101,964	361,911,524	(261,190,440)	-42%
Federal Revenue	53,919,645	61,255,177	62,919,969	1,664,792	3%
State Shared Revenue	31,274,464	27,229,789	27,229,789	0	0%
Other State Revenue	237,729,257	231,480,340	245,916,660	14,436,320	6%
Bond Proceeds ^b	1,364,082	0	0	0	0%
Sales Tax	61,623,157	65,883,032	66,253,203	370,171	1%
Prior-Year Surplus ^a	5,000,000	5,000,000	5,000,000	0	0%
Indirect Revenue	0	0	0	0	0%
Tax Levy^a	259,183,698	285,392,725	291,049,114	5,656,389	2%
TOTAL	1,250,758,762	1,299,343,027	1,060,280,259	(239,062,768)	-18%

(a) = Reflects Budgeted Figures in 2015 Actuals

(b) = Mainly reflects proceeds from refunding of bonds which are booked in Agency 9960-Debt Service

Capital Budget Revenue Comparison

Source	2015 Actual	2016 Budget	2017 Budget	\$ Change from 2016 Budget	% Change from 2016 Budget
Direct Revenue	3,102,039	12,668,421	30,209,425	17,541,004	138%
Federal Revenue	32,488,525	17,789,422	53,732,695	35,943,273	-202%
State Shared Revenue	0	0	0	0	0%
Other State Revenue	6,226,308	2,014,044	1,668,625	(345,419)	65%
Bond Proceeds	51,125,462	39,234,810	40,365,980	1,131,170	3%
Sales Tax	9,326,269	6,701,068	8,215,500	1,514,432	23%
Prior-Year Surplus	0	0	0	0	0%
Indirect Revenue	0	0	0	0	0%
Tax Levy	23,606,169	1,592,400	125,000	(1,467,400)	-92%
TOTAL	125,874,772	80,000,165	134,317,225	54,317,060	68%

(a) = Reflects Budgeted Figures in 2015 Actuals

Comparison of Funded Full-Time Position Equivalents

BY FUNCTIONAL AREA

		2014	2015	2016	2017	2016-2017 Change
LEGISLATIVE & EXECUTIVE						
1000 ³	County Board	31.0	30.0	31.0	31.0	0.0
1011	County Executive-General Office	9.0	9.0	9.0	9.0	0.0
1020 ³	County Executive-Intergovernmental Relations	3.0	2.0	2.0	2.0	0.0
1021	County Executive-Veterans Service	5.5	5.0	5.0	5.0	0.0
	Total Legislative & Executive	48.5	46.0	47.0	47.0	0.0
STAFF						
1040	DAS-Office of Community Development Partners	8.0	0.0	0.0	0.0	0.0
1090	Office on African American Affairs				4.0	4.0
1110 ^{5,10}	Civil Service Commission	5.0	0.0	0.0	0.0	0.0
1120 ^{5,10}	Personnel Review Board	7.2	12.2	13.0	13.0	0.0
1905 ¹⁰	Ethics Board	0.8	0.8	0.8	0.0	(0.8)
1130	Corporation Counsel	19.0	20.0	20.0	19.9	(0.1)
1019 ⁶	Dept. of Admin. Services - Office for Persons with Disabilities	4.1	0.0	0.0	0.0	0.0
1140	Dept. of Human Resources	54.3	55.2	55.0	59.9	4.9
5700 ⁶	Dept. of Admin. Services - Facilities Management	176.7	0.0	0.0	0.0	0.0
1150	Dept. of Admin. Services - Risk Management	5.0	5.0	5.4	7.0	1.6
1151 ⁶	Dept. of Admin. Services - Fiscal Affairs	11.5	0.0	0.0	0.0	0.0
1151 ^{6,7,9}	Department of Administrative Services - General Fund	0.0	169.6	180.3	198.0	17.7
1152 ⁶	Dept. of Admin. Services - Procurement	6.7	0.0	0.0	0.0	0.0
1160 ⁴	Dept. of Admin. Services - Information Management Services	52.9	44.9	44.6	51.9	7.3
1192	Dept. of Admin. Services - Economic Development	8.0	0.0	0.0	0.0	0.0
	Total Staff	351.2	307.7	319.1	349.7	30.6
COURTS & JUDICIARY						
2000	Combined Court Related Operations	288.8	289.2	293.0	284.1	(8.9)
2430	Department of Child Support Services	150.5	143.5	145.0	145.0	0.0
2900	Courts-Pre Trial Services	1.0	1.0	2.0	2.0	0.0
	Total Courts & Judiciary	440.3	433.7	440.0	431.1	(8.9)
GENERAL GOVERNMENTAL SERVICES						
3010 ⁸	Election Commission	6.5	0.0	0.0	0.0	0.0
3090	County Treasurer	7.5	7.5	7.5	8.5	1.0
3270 ^{3,8}	County Clerk	12.0	20.1	20.5	19.1	(1.4)
3400	Register of Deeds	31.9	30.0	30.2	31.0	0.8
3700 ³	Office of the Comptroller	57.0	58.7	57.1	55.8	(1.3)
	Total General Governmental Services	114.9	116.3	115.3	114.4	(0.9)

(CHART CONTINUES ON NEXT PAGE)

Comparison of Funded Full-Time Position Equivalents

BY FUNCTIONAL AREA

		2014	2015	2016	2017	2016-2017 Change
PUBLIC SAFETY						
4000	Office of the Sheriff	721.9	750.5	779.7	734.1	(45.6)
4300	House of Correction	430.8	379.3	386.2	397.1	10.9
4500 ¹	District Attorney	157.6	160.1	165.3	168.3	3.0
4800 ^{2,4}	Emergency Management		65.5	65.5	66.0	0.5
4900	Medical Examiner	28.1	27.5	31.2	29.9	(1.3)
	Total Public Safety	1338.4	1382.9	1427.9	1395.4	(32.5)
DEPARTMENT OF TRANSPORTATION						
5040	Airport	288.3	283.0	283.2	284.3	1.1
5100	Highway Maintenance	132.7	135.8	139.4	134.9	(4.5)
5300	Fleet Management	34.0	34.9	34.5	34.2	(0.3)
5800	Director's Office	6.0	7.0	8.0	8.0	0.0
	Total Transportation	461.0	460.7	465.1	461.4	(3.7)
HEALTH & HUMAN SERVICES						
6300 ²	DHHS-Behavioral Health Division	563.60	597.10	545.90	538.60	(7.30)
7900	Department on Aging	76.00	75.70	77.10	76.40	(0.70)
7990 ⁹	Department of Family Care	72.20	73.20	71.30	0.00	(71.30)
8000	Department of Health and Human Services	447.90	291.60	291.40	317.20	25.80
	Total Health & Human Services	1159.70	1037.60	985.70	932.20	(53.50)
PARKS, RECREATION & CULTURE						
9000	Parks Division	363.60	370.30	375.30	450.00	74.70
9500	Zoological Department	250.70	252.50	253.10	251.90	(1.20)
9910	University Extension	0.80	0.80	0.80	0.80	0.00
	Total Parks, Recreation & Culture	615.10	623.60	629.20	702.70	73.50
TOTAL - ALL OPERATING DEPARTMENTS		4,529.10	4,408.50	4,429.30	4,433.89	4.59

* The 2017 Budget FTEs include Vacancy & Turnover (VANDT) & Overtime (OT). The 2014-2017 FTEs are restated to reflect this change

¹ FTE Counts in the Office of the District Attorney include Deputy District Attorneys and Senior Assistant District Attorneys who are State Employees but who chose to retain County benefits in the 1990s. These positions are not reflected in the FTE Count in the Departmental Budget Narrative. In 2013 there were seven total positions; in 2014 there were six total positions; in 2016 there will be five

² The 2014 Budget shifted the Community Services Branch, Alcohol and Other Drug Abuse (AODA) program, Wraparound (now Behavioral Health Community Services) and Emergency Medical Services (EMS) from the DHHS-Behavioral Health Division to the Department of Health and Human Services. The 2015 Budget shifted these programs back to the Behavioral Health Division, with the exception of EMS, which was shifted to the new Department of Emergency Management

³ The 2014 Budget contained several position changes related to 2013 Wisconsin Act 14. Two intergovernmental relations positions were shifted out of the Office of the County Board and into the Office of the County Executive. The 2014 Budget creates the County Executive-Office of Intergovernmental Relations (Org 1020), which contains 2.0 FTE positions. Additionally in 2013, 4.0 FTE committee clerk and 1.0 FTE support positions were shifted out of the Office of the County Board and into the Office of the County Clerk, and another 4.0 FTE positions were created in the Office of the Comptroller for research services

⁴ The 2015 Budget created the Department of Emergency Management, which includes positions transferred out of the Office of the Sheriff, the Department of Health & Human Services (see footnote 2) and the Information Management Services Division of the Department of Administrative Services.

⁵ The 2015 Budget merged the Civil Service Commission and Personnel Review Board into a single agency

⁶ The 2015 Budget merged the General Fund divisions (Persons with Disabilities, Community Business Development Partners, Facilities Management, Economic Development, Procurement, and Fiscal Affairs) of the Department of Administrative Services into a single agency

⁷ The 2015 Budget transferred the Courthouse Security function from the Department of Administrative Services to the Office of the Sheriff

⁸ The 2015 Adopted Budget merged the Election Commission and the Office of the County Clerk into one departmental unit due to a change in State Statute

⁹ The 2017 Budget has included 16 FTE of employees providing service to Department of Family Care through a temporary Memorandum of Understanding

¹⁰ The 2017 Budget has merged the Personnel Review Board, Civil Service Commission & Ethics Board into a single agency

THIS PAGE INTENTIONALLY
LEFT BLANK.



Budget Policies & Structure

Budget Process & Calendar

Financial Management Policies

Basis of Budgeting

Fund Balance Policy

Fund Descriptions

Budgeted Funds

- Functional Area by Fund Type
- Department by Fund

THIS PAGE INTENTIONALLY
LEFT BLANK.

State Statute 59.60 governs the annual budget process for Milwaukee County.

Budget Process & Calendar

Milwaukee County's Budget represents the County's business plan for the coming year, and shows taxpayers and stakeholders how the County services link to these broad building blocks of our community.

The Budget Process

State Statute 59.60 governs the annual budget process for Milwaukee County. Each department is required to submit requested operating and capital (as part of a five-year capital plan) budgets to the Director of Administrative Services no later than mid-July. On or before August 15, the Department of Administrative Services (DAS) is required to submit a summary of the requests to the County Executive and County Board, and the County Executive is required to hold public hearings on the requests. DAS is required to analyze the operating and capital requests and assist the County Executive in making "changes in the proposed budget that in the executive's or administrator's discretion are

considered desirable or proper" (§59.60 (6) (a)).

The resulting Executive's Budget is then presented to the County Board on or before October 1. The Board then considers and may adopt amendments to the County Executive's Budget, and must hold a public hearing on the budget no later than the first Monday in November. After adopting amendments and holding the public hearing, the Committee on Finance and Audit submits the amended budget to the County Board, which adopts the final Budget in mid-November. After the Budget has been adopted and a detailed summary of appropriations is provided to County departments, the DAS-Office of Performance, Strategy & Budget and Comptroller's Office monitor the Budget during the fiscal year. This monitoring involves periodic checks of expenditures against appropriations, reviewing actual revenue compared to budgeted revenue and reviewing requests for transfers of appropriations. This completes the budget process.

Milwaukee County Annual Budget Calendar

March through May

DAS-PSB develops budget assumptions for the upcoming fiscal year. Tax levy targets are submitted to the operating departments. Budget instructions and forms are submitted to department administrators. The County Executive also holds listening sessions to solicit input from the public.

May

Capital Budget requests are submitted by County agencies to the Department of Administrative Services-Facilities Management Division.

July

Operating Budget requests and revenue estimates are submitted by County agencies to DAS-PSB.

Department Administrators present the programmatic impacts of their budgetary requests. The Department of Administrative Services and the County Executive review agency budget submittals.

August

Per State Statute, DAS-PSB submits to the County Board a summary of requested budgets by August 15.

October

County Executive presents to the County Board the Executive Budget for the subsequent year. This is then referred to the Board's Finance and Audit Committee for review and recommendation.

October/November

County Board holds public hearing on Budget, inviting members of general public to comment on the Executive Budget and Finance and Audit Committee changes to date.

County Board public hearing on Budget, inviting members of general public to comment on the Executive Budget and Finance and Audit Committee changes to date.

County Board annual meeting and the adoption of the Budget and tax levies. During this meeting, the County Board acts on the amendments and recommendations submitted by the Finance and Audit Committee relative to the County Executive's Budget as well as amendments submitted by individual County Board members.

January

Departments translate Budget to public service.

*It is the adopted policy of Milwaukee County
that the County's budget must be balanced.*

Financial Management Policies

Milwaukee County's long- and short-term financial policies are derived from various sources; primary sources include AAA-rated peer counties and the Government Finance Officers Association (GFOA).

The State of Wisconsin Statutes prescribe the basic budgeting standards for county governments. These financial policies establish the basis of accounting in conformance with Generally Accepted Accounting Principles (GAAP). Below is a description of the County's fiscal management policies for a variety of topics including revenues, operating expenditures, capital improvements, debt, risk management, grants, use of one-time revenues, information technology purchases, and other items.

Balanced Budget

It is the adopted policy of Milwaukee County that the County's budget must be balanced. Total expenditures will be funded by a combination of various external revenue sources (e.g., intergovernmental sources, grants, fees, or fines), property taxes, sales taxes, and funds appropriated from available fund balances.

Operating Budget — Revenue Policy

The County relies on the property tax and has implemented the local option sales tax to fund state and local programs and services. Property taxes account for about 21 percent of total revenues. The local option sales tax provides approximately 6 percent of total revenues.

State Statutes also allow for collection of a local motor vehicle registration fee. The 2017 Recommended Budget includes the implementation of this fee. Vehicle registration fee revenue is projected to be \$27.1 million accounting for 2 to 3% of total revenues.

The County attempts to maintain a diversified and stable revenue stream.

The County continues to transition to true user fee service charges to help offset reductions of federal/state funding and to balance reliance on property tax revenues. Service fee charges (user fees) are implemented for services that can be individually identified and where costs can be directly related to the level of service provided. The County's budgeting philosophy is to annually review and provide at least nominal inflationary increases on appropriate user fees charges for service to reflect increasing costs of providing those services.

Services that have a countywide benefit shall, in general, be financed with broad-based revenue sources such as property tax levy and state aids. Services where the customer determines the use shall, in general, be financed with user fees, charges, and other revenues related to the level of service provided.

County staff are required to follow good billing and recording practices, and to engage in collections of outstanding debts. All such outstanding debts are

forwarded to the County's collections program as soon as possible.

The County maximizes its return on investment consistent with its investment policy as required by County Ordinance 15.215. The County will also follow all Internal Revenue Service policies with regards to the investment of bond proceeds. Investment income is used to reduce reliance on the property tax levy and fund capital projects. Investment return is limited due to emphasis on the safety of the principal, rather than the return on investments, and its investments reflect that policy, which is also required by State Statute. Deposits with financial institutions should either be covered by Federal depository insurance and State governmental insurance, subject to availability of funds in the State's Deposit Guarantee Fund or collateralized with government securities held in a separate financial institution in the County's name. The County's investment policy states that all securities shall be properly designated as an asset of Milwaukee County and held in safekeeping by a third-party custodial bank or other third-party custodial institution, chartered by the United States Government or the State of Wisconsin and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the County Treasurer or a designee. Due to strict limits placed on the County by the State regarding use of surplus funds and fund balances, one-time revenues and fund balances shall not be used to fund ongoing operating expenses, other than reducing taxpayer costs for debt service.

The County actively seeks to increase revenues through the sale of excess assets; proceeds from which are utilized for one-time investments.

Revenue budgets are based on documented assumptions; significant budgeted increases in revenue are based on data and explained in the budget narrative.

Sales and Use Tax revenues shall be applied toward county expenditures as follows:

- a. Pay general obligation debt service costs.
- b. Cash finance capital improvement projects.
- c. Pre-pay outstanding bonds.
- d. Pre-fund employee benefit costs or fund unanticipated or extraordinary annual increases in such costs.

e. Or, supplement the Appropriation for Contingencies.

Operating Budget — Expenditure Policy

Under Wisconsin State Statute, no payment may be authorized or made and no obligation incurred against the County unless the County has sufficient appropriations for each payment. Budgetary control over expenditures is maintained by a formal appropriation and encumbrance system. Encumbrances are charged against appropriations when purchase orders, contracts, or other commitments are incurred. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this policy is void. A county officer who knowingly violates this policy is jointly and severely liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause.

Every appropriation excepting an appropriation for capital expenditure or major repair lapses at December 31, to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure or a major repair continues in force until the purpose for which it was made has been accomplished or abandoned or three years pass without any expenditure or encumbrance. The County Board of Supervisors approves carryovers recommended by the Department of Administrative Services – Office of Performance, Strategy and Budget (DAS-PSB).

The legal level of control for each budget is by department. Once the Budget is adopted, transfers of appropriations among departments require approval by the Board of Supervisors. Supplemental appropriations for the purpose of public emergencies or from the contingency appropriation may be made from unanticipated revenues received or surplus, as defined by resolution adopted by a vote of two-thirds of the members of the Board of Supervisors. Supplemental appropriations from the issuance of tax anticipation notes require an affirmative vote of three-fourths of the members of the Board of Supervisors.

Land Sales & Other One-Time Revenues

It is the general policy of Milwaukee County that significant one-time revenues be utilized for one-time projects or acquisitions and shall not be used to offset ongoing operating costs of County Government. The policy shall be consistent with File Number 11-145, developed by the Long-Range Strategic Planning Steering Committee.

Large, unanticipated one-time revenues not related to grants, insurance proceeds, or other previously-identified projects or uses shall be utilized as follows:

1. Land sale revenue accounts for the sale of County land as authorized by state statute. As in previous years, \$400,000 is budgeted in Real Estate Services to cover its operating expenditures. This represents the first \$400,000 of unallocated land sales and is historically realized through the sale of foreclosed properties and other miscellaneous land.
2. If the revenue is from a county asset that is being sold and the asset has outstanding debt, the County will use the proceeds to defease the outstanding debt and pay all associated costs of defeasance.
3. If the Office of the Comptroller is projecting a countywide deficit at the time funds are received, the Office of Performance, Strategy and Budget may recommend that all or part of the proceeds be deposited into the Appropriation for Contingencies.
4. The next \$1,000,000 from land sales will be directed to job programs and economic development initiatives as identified by the Milwaukee County Office of African American Affairs.
5. The remaining balance shall be utilized as follows:
 - a. Twenty-five percent (25%) shall be made available for economic development projects funded through the Economic Development Fund consistent with File Number 11-601.
 - b. Twenty-five percent (25%) shall be made available to departments on a competitive basis via the Milwaukee County Innovation Fund. The Innovation Fund is managed and allocations distributed using the process established in File Number 13-756. Departments that receive funds issue an

informational report to the County Executive and the relevant policy oversight committee no more than six months after funding is made available.

- c. Fifty percent (50%) shall be deposited into the Appropriation for Contingencies.

Grants

The Office of Performance, Strategy & Budget shall create and maintain a Grants Management Policy. Grant funds will be expected to cover their full cost and not be looked at in simple terms as “free” funding. All positions and other expenditures funded in whole or part by grant revenues shall sunset upon expiration of the grant period, unless DAS-PSB verifies that the item(s) leverages cost savings or operational efficiencies that justify ongoing support.

Operating Budget Forecast

The Office of the Comptroller develops and annually updates a five-year financial forecasting system, which includes projections of revenues, expenditures, future costs of current budget decisions and costs, and debt service.

Debt Management & Capital Finance

The County has adopted the following debt management and capital finance policy goals:

- Tax supported debt service costs shall not exceed actual sales and use tax revenues.
- Direct debt shall not exceed 1.5 percent of equalized property value.
- Financing terms shall not exceed 16 years.
- Average principal maturities shall not exceed 10 years.
- Direct debt per capita shall not exceed \$500.
- Bond insurance will be used when it provides a net economic benefit.
- Corporate purpose bond issues are limited to an increase of 3 percent based on the previous Adopted Capital Budget corporate purpose bond amount.
- Net present value savings for proposed refundings should total a minimum of 3 percent to 5 percent of refunded capital.

Unrestricted Fund Balance Policy

Unlike most other local governments in Wisconsin and across the Country, Milwaukee County's ability to retain unrestricted fund balance is extremely limited. Wisconsin

State Statute 59.60(6)(b)(3) requires Milwaukee County to budget a prior year surplus or deficit in the next budget year. For example, the \$5 million surplus from 2014 must be budgeted as revenue in the 2016 budget. There are two alternatives to this requirement:

The County may, under State Statute 59.60(5)(g), place surplus funds in a “sinking fund” for the “redemption or repurchase of bonds”, or for emergency needs. This sinking fund is referred to as the Debt Service Reserve Fund in Milwaukee County. In 2016, the County passed a resolution that split the 2015 surplus so that \$5 million would be applied to the 2017 budget, and the remainder deposited into the Debt Service Reserve Fund.

State Statute 59.60(13)(b)(3) provides for a tax stabilization fund, into which surpluses may be deposited. However, this statute allows the County to utilize this fund only in order to prevent a tax levy increase of 3 percent or greater over the prior year. 2013 Wisconsin Act 20 (the State’s 2013-2015 Biennial Budget) retained limits on property tax levy increases that make this occurrence highly unlikely. To date the County has not utilized this fund.

Due to these statutory restrictions, the County is not able to develop an unrestricted fund balance, and therefore the County has no need to implement an unrestricted fund balance policy.

Debt Service Reserve

Bond rating agencies strongly recommend that sufficient funds be reserved to account for emergencies and other unavoidable, unplanned, one-time expenses. Meeting this recommendation results in increased ability to respond to unanticipated expenses and improved bond ratings, which results in lower interest rates for debt and reduced ongoing debt service costs. Therefore, Debt Service Reserve funds, excluding bond proceeds, shall be utilized only to:

- a. Reduce taxpayer costs for debt service;
- b. Provide cash financing for one-time capital projects, or for one-time operating items that result in improved County service and/or reduced ongoing County costs in future years;
- c. Provide cash financing for the refinancing of debt when financially advantageous;
- d. Respond to emergencies as allowed by §59.60 (5) (g).

In order to ensure sufficient funding for emergencies and one-time expenses and with the goal of improvement in the County’s ability to respond to emergencies, and improve bond ratings, the County will seek to build and maintain a minimum balance of \$10 million in the Debt Service Reserve.

Risk Management

Realizing the importance of maintaining a safe workplace for the benefit of both its employees and the general public, all County employees will follow proper risk management practices, which will result in a safer workplace which will enable the County to maintain a high level of professionalism, courtesy, and quality of service, while protecting its human and financial resources. The Director of Risk Management will develop a comprehensive risk management program and will chair a countywide safety committee that will promulgate best practices in all departments and elected offices.

Information Technology

An Information Technology Steering Committee was created in 2015 to review and approve information technology purchase requests (hardware or software) with a unit cost of greater than \$500. Per best practices identified by the Government Finance Officers of America & Canada, all funds for information technology purchases with a unit cost of greater than \$500 are budgeted in the Information Management Services Division of the Department of Administrative Services (DAS-IMSD). No County department or office other than the Transit and Airport divisions of the Department of Transportation may purchase information technology-related items with a unit cost greater than \$500. The Chief Information Officer will develop an administrative process subject to approval by the County Board, by which departments receive DAS-IMSD approval for replacement items (commodities), updated maintenance agreements or software license renewals that exceed this amount; however, the administrative process must require that any request for new or replacement software applications or significant hardware upgrades or purchases must be approved by an Information Technology Steering Committee. The Information Technology Steering Committee shall be comprised of at least one member each from the legislative and judicial branch and one from the Office of the Sheriff.

Budget Documents

The County's Annual Adopted Budget is published in two sections, Operating and Capital, as follows:

The Operating Budget includes five major sections:

1. The Introductory Section provides basic information about the County, such as elected officials, a community profile and a countywide organizational chart as well as the table of contents.
2. The Budget Summary Section provides information about the budget from a countywide perspective, including analysis of: the short and long-term factors that influence the annual budget and the County's long-term fiscal situation; performance measures; analysis of major revenue and expenditure changes; information about the county's major funds; and budgeted positions.
3. The Budget Policies Section provides information about the County's budget and financial management policies, the budget process calendar, basis of budgeting, and policies regarding the use of fund balances.
4. The Departmental Narratives Section includes the detailed narratives for each individual department, including major changes, detailed revenue and expenditure analysis, and resources, activity data, and performance measures by service area.
5. The Supplemental Information Section includes additional information such as a glossary, operating authority and purpose for each department, and an index.

The Capital Budget includes project-by-project detail and five-year planning goals, objectives, and funding requirements.

Performance Management & Budgeting

The County's Strategic Outcomes are the components of the Mission Statement, as defined above: High-Quality, Responsive Services; enhancement of Self-Sufficiency; enhancement of Personal Safety; enhancement of Economic Opportunity; and enhancement of Quality of Life. Based on these strategic outcomes, all Departments and Offices will:

1. Identify distinct Program Areas.
2. Link Program Areas with the most appropriate

Strategic Outcome.

3. Develop Performance Measures that show progress of that Program Area towards achieving the Strategic Outcomes.

Property Tax Levy Increase Limits

The states Local Levy Limit law (Wis. Stat. 66.0602) allows a County to increase its total property tax levy by the percentage change in the County growth in equalized value due to net new construction between the previous year and the current year.

The tax levy cap includes the following exemptions:

- The Federated Library System tax levy;
- Debt service tax levy (including any debt that was refinanced or refunded);
- Bridge and culvert repair aids to towns paid with County tax levy.

The County may also utilize one of two provisions that allow for carryover of available levy from the prior year:

- Unused tax levy authority up to a maximum of 1.5% of the prior year levy could be carried forward by a super majority 2/3 vote of the County Board. If Milwaukee County were to use this 1.5% prior year levy, the County would be required to reduce tax levy by an amount equal to the change in pre-2015 debt.
- A new carry-forward provision was added in the 2015-2017 State budget that allows the county to carry forward unused levy limit capacity for a period of up to five years under certain conditions. The amount of the potentially available carry forward adjustment is determined by totaling the amount of any unclaimed carry forward percentages from each of the proceeding five years' levy limit worksheets. However, since the law specifies that the first worksheet that can be considered is the one for the 2014 levy, this is initially a two-year look back and will not truly provide for the potential of a five year carry forward until the 2019 levy year.¹

Property Tax Levy Rate Limit

The 2013-15 State Budget eliminated levy rate limits.

* Because some of the provision of the new law are unclear as to how calculations will be made, the Office of the Comptroller has reached out to the Department of Revenue for guidance.

THIS PAGE INTENTIONALLY
LEFT BLANK.

In accordance with Generally Accepted Accounting Principles (GAAP), the accounts of the County are maintained on the basis of funds.

Basis of Budgeting

In accordance with Generally Accepted Accounting Principles (GAAP), the accounts of the County are maintained on the basis of funds. Each fund is a separate fiscal and accounting entity. The various funds are grouped into the following categories:

Governmental Funds

Governmental funds utilize the modified accrual basis of accounting, except for the treatment of the Fund Balance Reserved for Appropriations. For budget purposes, the Fund Balance Reserved for Appropriations is reflected as other financing sources, whereas for accounting purposes it is reflected as part of fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures and commitments of the current period. Expenditures are recognized when the related liability is incurred, if measurable.

General Fund The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

Debt Service Fund The Debt Service Fund is used

to account for the accumulation of resources and the payment of principal and interest on long-term general obligation debt.

Capital Projects Fund The Capital Projects Fund is used to account for financial resources segregated for the acquisition of construction of major capital facilities other than those financed by proprietary funds.

Internal Service Funds The Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments in the County or to other governmental entities, on a cost-reimbursement basis.

Proprietary Funds

Proprietary funds utilize the accrual basis of accounting. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which they are incurred.

Enterprise Funds The Enterprise Funds are used to account for operations that provide services that are financed primarily by user charges or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes.

THIS PAGE INTENTIONALLY
LEFT BLANK.

Due to these statutory restrictions, the County is not able to develop an unrestricted fund balance.

Fund Balance Policy

Unlike most other local governments in Wisconsin and across the Country, Milwaukee County's ability to retain unrestricted fund balance is extremely limited. Wisconsin State Statute 59.60(6)(b)(3) requires Milwaukee County to budget a prior-year surplus or deficit in the next budget year. For example, the \$5 million surplus from 2015 must be budgeted as revenue in the 2017 budget. There are two alternatives to this requirement:

- The County may, under State Statute 59.60(5)(g), place surplus funds in a "sinking fund" for the "redemption or repurchase of bonds", or for emergency needs. This sinking fund is referred to as the Debt Service Reserve Fund in Milwaukee County. In 2013, the County passed a resolution that split the 2012 surplus so that \$5 million would be applied to the 2014 budget, and the remainder deposited into the Debt Service Reserve Fund. It is the policy of Milwaukee County to maintain a

balance of no less than \$10 million in this fund.

- State Statute 59.60(13)(b)(3) provides for a tax stabilization fund, into which surpluses may also be deposited. However, this statute allows the County to utilize this fund only in order to prevent a tax levy increase of 3 percent or greater over the prior year. 2013 Wisconsin Act 20 (the State's 2013-2015 Biennial Budget) retained limits on property tax levy increases that make this occurrence highly unlikely. To date the County has not utilized this fund.

Due to these statutory restrictions, the County is not able to develop an unrestricted fund balance and, therefore, the County has no need to implement an unrestricted fund balance policy. The County has adopted a number of financial policies that govern the use of unanticipated revenues and funds in the Debt Service Reserve Fund. Please see the "Financial Policies" section for further detail.

THIS PAGE INTENTIONALLY
LEFT BLANK.

Funds exist in several departments to account for and report the proceeds of specific revenue sources that are committed to expenditures for specified purposes.

Fund Descriptions

The following are summaries of the County's budgeted funds. The County's Comprehensive Annual Financial Report considers five of the funds below to be "major funds": the General Fund, the Airport Fund, the Transit Fund, the Debt Service Fund and the combined Capital Projects Funds.

General Fund (Fund 0001)

The General Fund is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those resources required to be accounted for in another fund. Various subsidiary funds of the General Fund (below) are assigned a separate fund number for the purpose of tracking State and Federal funding.

Fleet Management (Fund 0030) Primary use of this fund is to account for the costs associated with the maintenance, repairs and centralized fueling of all County-owned motorized equipment. Costs are billed to user departments based on work orders, time and material costs.

Behavioral Health Division (Fund 0077) This fund is used to account for the costs associated with the mental health research, patient activities, special events, and compensated absence payouts for BHD retirees.

Special Revenue Funds (various) A number of

funds exist in several departments to account for and report the proceeds of specific revenue sources that are committed to expenditures for specified purposes. These funds exist for the Zoo, Department of Parks, Recreation and Culture, Office for Persons with Disabilities, Behavioral Health Division, Fleet Maintenance, Facilities Management, Airport (used for the collection of Passenger Facility Charge Revenues), and Risk Management.

Debt Service Fund (Fund 0016)

The Debt Service Fund accounts for and reports the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt.

Capital Project Funds (various)

These funds, which are separated by functional area, account for and report the financial resources that are restricted, committed or assigned for the acquisition or construction of major capital facilities and other capital assets.

Enterprise Funds (various)

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or

recovered primarily through user charges.

Airport (Fund 0076) The Airport Fund accounts for the operations of General Mitchell International and Timmerman Airports. Airport passenger facility charges and related capital expenditures are not accounted for in the airport's enterprise fund but are accounted for as a special revenue fund.

Transit (Fund 0083) The Transit Fund accounts for the operations of the Milwaukee County Transit System and the Paratransit System.

Internal Service Funds (various)

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the County, or to

other governmental entities, on a cost-reimbursement basis.

IMSD (Fund 0026) This fund is used to account for electronic data processing, graphics, applications, mainframe, desktop support and replacement and telecommunications services provided to County departments.

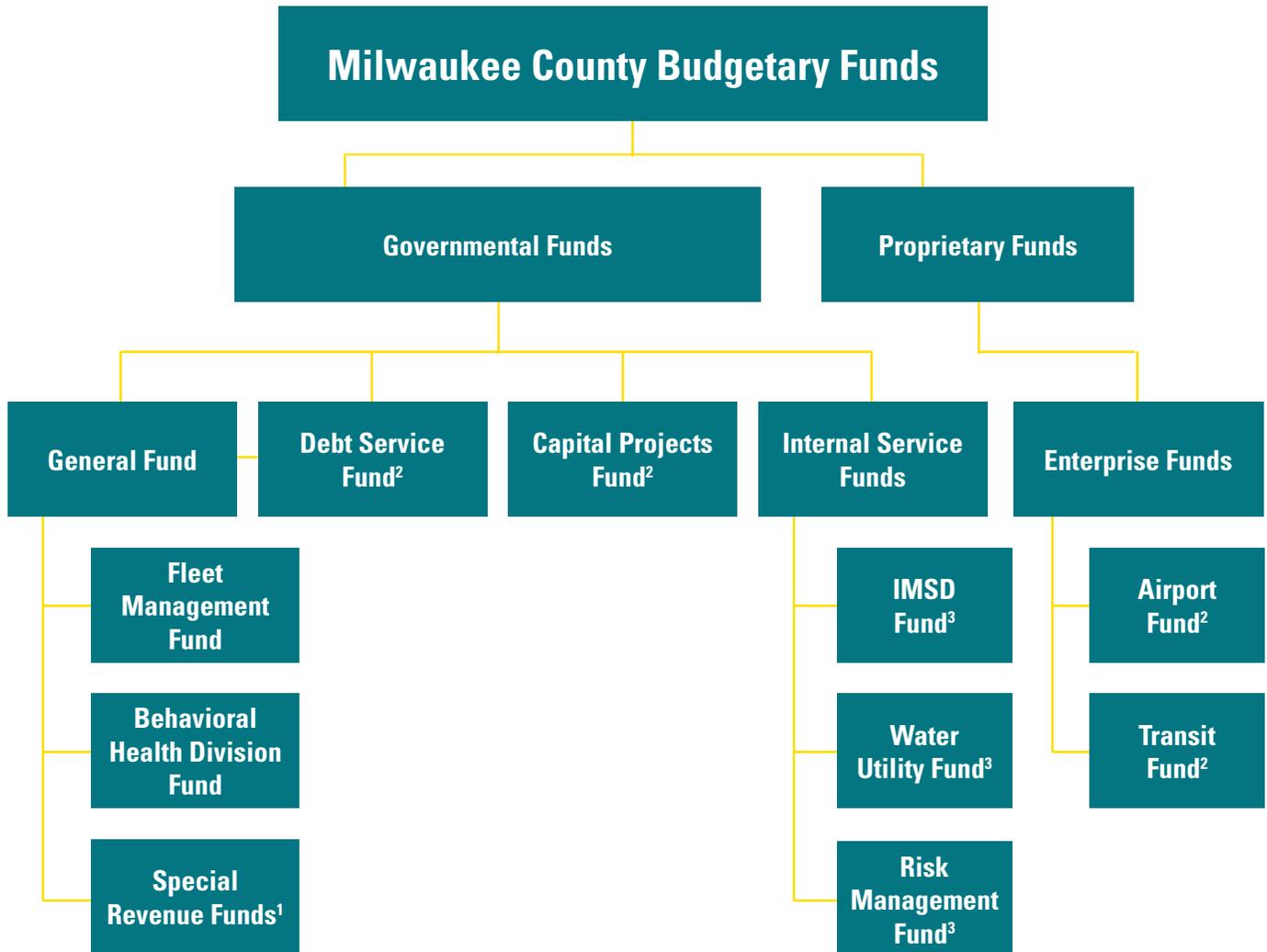
Water Utility (Fund 0029) This fund is used to account for maintenance of the water distribution system that is located on the Milwaukee County grounds and provides service to County departments.

Risk Management (Fund 0040) This fund accounts for risk financing, loss control and insurance-related activities for the County and its employees.

¹ Previously Special Revenue Funds were referred to as Expendable Trust Funds in prior budgets. The naming convention was changed to be consistent with the terminology used to refer to these accounts in the most recent Comprehensive Annual Fiscal Report.

Budgetary Funds

This diagram displays the general relationship of between fund types budgeted at Milwaukee County. It identifies governmental and proprietary funds. It also demonstrates the relationship between the major funds and non-major funds. This diagram details the general fund and its subsidiaries. It also distinguishes the internal service funds and enterprise funds.



1 In prior budgets Special Revenue Funds were referred to as Expendable Trust Funds. The naming convention was changed to be consistent with the terminology used to refer to these accounts in the most recent Comprehensive Annual Fiscal Report.

2 Major Funds include the General Fund, the Airport Fund, the Transit Fund, the Debt Service Fund and the combined Capital Projects Funds.

3 In prior budgets the Information Management Services Fund, Water Utility Fund and Risk Management Fund were categorized as proprietary funds. The organization of this table was changed to be consistent with organization used in the most recent Comprehensive Annual Fiscal Report.

2017 Functional Area Summary by Fund Type

REVENUES	General Fund^a	Enterprise	Internal Service	Debt	Capital Projects	TOTAL
Legislative & Executive	3,250					3,250
Administration	60,725,918		27,608,943		39,488,480	127,823,341
General Government	10,472,656					10,472,656
Courts & Judiciary	30,206,035					30,206,035
Public Safety	26,975,845				252,000	27,227,845
Transportation & Public Works	22,135,930	200,357,681			79,189,945	301,683,556
Health & Human Services	265,570,304					265,570,304
Recreation & Culture	39,895,226				15,261,800	55,157,026
Debt Service				17,787,728		17,787,728
Non-Departmental Revenues	110,188,438					110,188,438
Non-Departmental Expenditures	(47,696,809)					(47,696,809)
TAX LEVY	291,174,114					291,174,114
TOTAL	809,650,907	200,357,681	27,608,943	17,787,728	134,192,225	1,189,597,484

EXPENDITURES	General Fund^a	Enterprise	Internal Service	Debt	Capital Projects	TOTAL
Legislative & Executive	3,430,295					3,430,295
Administration	75,666,592		27,608,943		39,613,480	142,889,015
General Government	13,155,619					13,155,619
Courts & Judiciary	65,054,742					65,054,742
Public Safety	156,954,069				252,000	157,206,069
Transportation & Public Works	23,297,988	214,319,193			79,189,945	316,807,126
Health & Human Services	340,413,327					340,413,327
Recreation & Culture	76,111,609				15,261,800	91,373,409
Debt Service				51,404,166		51,404,166
Non-Departmental Revenues						
Non-Departmental Expenditures	7,863,716					7,863,716
TOTAL	761,947,957	214,319,193	27,608,943	51,404,166	134,317,225	1,189,597,484

^a General fund includes subsidiary funds as noted in the Fund Descriptions section. These subsidiary funds include Fleet Management, Central Services, Behavioral Health Division and Expendable Trust Funds

Budgetary Unit–Fund Relationship

This chart presents each budgetary unit’s relationship to the Milwaukee County budgetary funds. The budget units are grouped by function. The funds are grouped by fund type. Funds in light teal are governmental funds. Funds in light yellow are proprietary funds. A check mark indicates that the budgetary unit utilizes that particular fund.

Budgetary Unit	Fleet Management (0030)	Behavioral Health (0077)	Special Revenue (various) ¹	Information Management Services Fund (0026) ³	Water Utility Fund (0029) ³	Risk Management Fund (0040) ³	General Fund (0001) ²	Debt Service (0016) ²	Capital Projects (various) ²	Transit Fund (0083) ²	Airport Fund (0076) ²
	Non-Major Funds and Other Fund Types ³						Major Governmental Funds			Enterprise Funds	
Legislative & Executive Function											
County Board of Supervisors							✓				
County Exec. — Gen'l Office							✓				
County Exec. — Gov Affairs							✓				
County Exec. — Vet's Svcs							✓				
Administrative Function											
Corporation Counsel							✓				
Civil Service/Pers Rev Bd							✓				
Human Resources							✓				
Dept of Admin Svcs (DAS)			✓				✓				
DAS — Risk Management						✓					
DAS — Information Svcs.				✓							
DAS — Water Utility					✓						
Ethics Board							✓				
Office On African American Affairs							✓				
Courts & Judiciary Function											
Combined Court Operations							✓				
Courts — Pre Trial Services							✓				
Child Support Services							✓				
Public Safety Function											
Office of the Sheriff							✓				
House of Correction							✓				
Office of the District Attorney							✓				
Emergency Management							✓				
Medical Examiner							✓				
General Government Function											
Office of the Comptroller							✓				
Office of the Clerk							✓				
Office of the Register of Deeds							✓				
Office of the Treasurer							✓				

(CHART CONTINUES ON NEXT PAGE)

Budgetary Unit	Fleet Management (0030)	Behavioral Health (0077)	Special Revenue (various) ¹	Information Management Services Fund (0026) ³	Water Utility Fund (0029) ³	Risk Management Fund (0040) ³	General Fund (0001) ²	Debt Service (0016) ²	Capital Projects (various) ²	Transit Fund (0083) ²	Airport Fund (0076) ²
	Non-Major Funds and Other Fund Types ³						Major Governmental Funds			Enterprise Funds	
Transportation & Public Works Function											
Director's Office							✓				
Airport											✓
Highway Maintenance							✓				
Fleet Management	✓										
Transit										✓	
Health & Human Services Function											
Health & Human Services							✓				
Behavioral Health Division		✓	✓								
Aging							✓				
Parks, Recreation & Culture Function											
Parks, Recreation & Culture							✓				
Zoo			✓				✓				
Univ of Wisc – Extension							✓				
Cultural Contributions							✓				
Debt Service Function											
Debt Service								✓			
Non-Departmental Expenditures Function											
Non-Departmental Expenditures							✓				
Non-Departmental Revenues Function											
Non-Dept. Revenues Function							✓				
Capital Improvements Function											
Capital Improvements									✓		

¹ In prior budgets Special Revenue Funds were referred to as Expendable Trust Funds. The naming convention was changed to be consistent with the terminology used to refer to these accounts in the most recent Comprehensive Annual Fiscal Report.

² Major Funds include the General Fund, the Airport Fund, the Transit Fund, the Debt Service Fund and the combined Capital Projects Funds.

³ In prior budgets the Information Management Services Fund, Water Utility Fund and Risk Management Fund were categorized as proprietary funds. The organization of this table was changed to be consistent with organization used in the most recent Comprehensive Annual Fiscal Report.