



# Joe Sanfelippo



## Milwaukee County Supervisor - 17th District

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April 2010

### COMMITTEE ASSIGNMENTS

Parks, Energy and Environment (Vice-Chair)

Judiciary, Safety and General Services

Personnel

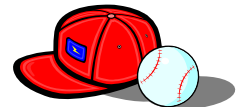
Dear Friends and Constituents,

It is always great to see spring arrive. As the days get longer and the temperatures get warmer, we are comforted by the fact that we have survived another winter, and that summer will soon be upon us.

More important than the prospects of summer weather is that spring also brings us Easter. The renewal and rebirth of all the plants and trees around us serve as reminders of all the blessings that have been bestowed upon us from our creator. As a result, each spring we are filled with a renewed sense of energy and hope for better things to come.

It is my sincere wish that you and your family have a peaceful and joyous Easter, and that you take time out of your busy schedules to notice and appreciate all the transformation that spring will undertake right before your eyes.

### Greenfield Little League Wins Grant Funding



Each year the County accepts applications from various organizations requesting financial aide from the federal Community Development Block Grant program. The County administers this program, which includes reviewing each application to determine the benefits to the community that would occur as a result of the award.

Greenfield Little League submitted an application for funding to help with improvements to the concession stand, install dugouts and add lighting on one of the diamonds at Kulwicki Park. I am happy to say that, with my strong backing, Milwaukee County has awarded a Community Development Block Grant in the amount of \$30,000 to the Greenfield Little League. In addition, thanks to Alderman Karl Kastner, the City of Greenfield is contributing another \$5,000 to the league bringing the total award to \$35,000.

Little League is a great program for teaching kids the fundamentals of baseball and instilling upon them the importance of teamwork and good sportsmanship. The Greenfield Little League program is one of the best in the area and I would like to thank all the coaches, staff and other volunteers who put a lot of time and effort into making this program the success that it is.

## Failure to Lead

Recognizing the fact that employee and retiree benefit costs are unsustainable and a major contributor to the County's long-term structural deficit, Supervisors approved wage and benefit modifications for county employees last fall as part of the 2010 county budget.

One of the modifications that took effect in January was a 20% reduction in the pension multiplier, which is the calculation used to determine the amount of pension an employee gets upon retirement. The language contained in the original resolution, however, specifically exempted elected officials from taking the cut.

As a result, I introduced a new resolution that called for all Milwaukee County elected officials to receive the same pension cut that we approved for other Milwaukee County employees. I am happy to report that four of my colleagues, Supervisors Joseph Rice, Mark Borkowski, Paul Cesarz and Jim "Luigi" Schmitt signed on as co-sponsors, and Supervisors Christopher Larson and Peggy West joined us in voting for the resolution at the March County Board meeting. Unfortunately, the resolution did not win approval from a majority of the Supervisors present.

Any responsible leader knows it is much easier to get people to follow you when you are leading from the front of the line. By not taking this cut ourselves, we are making the difficult task of asking union-represented employees to take this concession all the more difficult. Getting the unions to agree to this cut is a critical step required to close a self-inflicted \$20 million deficit in our 2010 budget. Without that cut, mass county layoffs are all but certain.

If we are truly going to cure the financial health of the County, we must be willing to take the same medicine that we are prescribing for other County employees. Therefore we will resubmit this resolution for approval later this year, once again giving the Board an opportunity to exercise its responsibility to lead.

### Curing the County's Financial Ills, Part I



You may recall in last month's [ENEWS](#) letter, I told you about Milwaukee County's structural deficit, how it is projected to grow to a \$153 million dollar shortfall by 2014, and what the primary causes of this structural deficit are. Beginning this month, I will discuss the primary causes in more depth and offer possible suggestions on how to correct them.

#### PENSION

In 2000, the county pension fund had \$171 million dollars more in assets than liabilities. Five years later, not only was that "overfunding" gone but we were \$455 million dollars short. By the end of 2008, we hit bottom at nearly \$900 million dollars "underfunded" in the pension. So how did we lose a billion dollars in eight years?

First, in 2000 and 2001, the County enacted some very generous pension enhancements including the famous “backdrop payments” and a 25% bonus to retirees who began working for the county prior to 1982. These two changes alone cost the county \$142 million. (Significant future losses related to these changes are expected as more eligible employees retire.) Furthermore, because of these changes, more employees than expected retired in 2002-2004, causing further funding problems. During this same general period, for the first time in 60 years the fund experienced losses for three years in a row, due to the 9/11 terrorist attacks on America. Finally, the 2008 stock market crash caused a steep decline, when roughly 25% of the overall value of the pension fund was lost.

After suffering a decade of large backdrop pension payouts, a high volume of retirements and unprecedented stock market losses, the County is now faced with the task of replenishing the pension fund. As more cash is used to cover pension expenses, less cash is available to pay for other County services. And because the County is mandated by the State to perform certain services, when cash is short, funds are cut from what are called “discretionary programs.” These are programs the County wants to do, such as parks and buses, rather than things we are *forced* to do by the State, like operating courts, jails and social services.

To provide relief from the cash being sucked up by the pension fund, the County must take significant steps to reduce current pension costs and future liabilities. I believe the best option for maximum savings would be to switch the pension from our current defined *benefit* plan to a defined *contribution* plan.

Defined benefit plans are favored by employees because they provide specific, guaranteed benefits. These types of plans, however, are very expensive to maintain, and fluctuating fund values can make it hard for the County to predict future pension funding requirements, which can strain cashflow and force program and/or service cuts.

In a defined contribution plan, the County would manage employee’s personal retirement funds, such as a 401(k), and could contribute a predetermined amount of money to the fund on behalf of each employee. These types of plans are much less expensive to manage and require a stable amount of funding, enhancing the County’s ability to project expenses and manage cashflow more effectively. The result would be a substantial cost savings that would allow us to spend more money on things like parks and buses.

As part of the 2010 adopted budget, the County Board approved an amendment that I cosponsored ordering an actuarial study to determine the benefits and cost savings that would be realized if Milwaukee County were to change from a defined benefit to a defined contribution pension plan. This study is currently underway and I expect to have results within the next month or two.

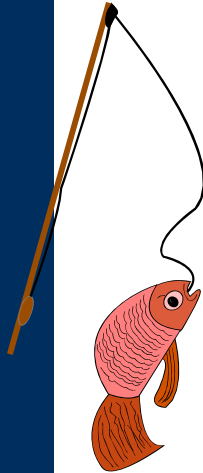


## Spring Fishing Clinics for the Kids!

**Saturday, April 10, 2010**

9:00 am-3:00 pm

Children age 15 and under can learn fishing basics from members of local fishing clubs to ensure fun and safe fishing. Children age 5 and under must be accompanied by an adult.



This is a free program and is open to the public.

Clinics start on the hour until 2:00pm

Information: (414) 263-8614

Clinics are at the following locations:

Brown Deer- 7835 N. Green Bay Rd.

Grant- Oak Creek- Mill Pond on Oak Creek Parkway

Greenfield- 2028 S. 124<sup>th</sup> St.

Humboldt- 3000 S. Howell Ave.

McCarty- 8214 W. Cleveland Ave. (wheelchair accessible)

McGovern- 5400 N. 51 Blvd. (wheelchair accessible)

Mitchell- 524 S. Layton Blvd.

Scout Lake- 5902 W. Loomis Rd. (wheelchair accessible)

Sheridan- 4800 S. Lake Dr.

Washington- 1859 N. 40<sup>th</sup> St.

Wilson Park- 1601 W. Howard Ave.

## Wisconsin Fishing Season Opens May 1, 2010

May 1, 2010 starts the fishing season for Game Fishing, Inland Trout, Bass South Zone, Bass N Zone (Catch & Release), Musky South Zone and Frog in Wisconsin.

As of April 1, 2010, your 2010 License is required by the Wisconsin Department of Natural Resources.

Resident Annual License is \$20.00

Husband & Wife Fishing License is \$31.00

Discounted Resident Annual Disabled Fishing and Veterans Disabled Licenses are available at the [Milwaukee County Clerk's Office](#).

901 North 9<sup>th</sup> Street, Room 105

Milwaukee, WI 53233

(414) 278-4067

## Free Day at the Milwaukee County Zoo



**Saturday, April 10, 2010**

9 a.m. to 4:30 p.m.

10001 West Blue Mound Road, Milwaukee

Information: (414) 256-5412 | Main Office: (414) 771-3040

Visit the Milwaukee County Zoo [website](#) for more information