



Introductory Section

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OFFICE OF THE COUNTY EXECUTIVE
Milwaukee County
CHRIS ABELE • COUNTY EXECUTIVE

September 26, 2013

Dear citizens of Milwaukee County:

I'm happy to present the 2014 Recommended Budget. This budget reaffirms my commitment to a sustainable government through disciplined decision making and a collaborative approach.

TAX IMPACT

My administration has worked hard since I've been in office to keep property taxes low and I'm happy to say for the third year in a row I am presenting a budget that does not raise taxes or rely heavily on fee hikes; both are very good news for the citizens of Milwaukee County who have had to tighten their belts at home.

LONG TERM DEFECIT

In 2011, when I took office, the Public Policy Forum looked at Milwaukee County's fiscal trend and predicted that by 2014 the County would be facing an \$86 million deficit.

There were a lot of reasons and plenty of blame for that dangerous trend. But I'm happy to say that, because of the difficult budget decisions we have made the past two years, we are in much better shape today, and as a direct result we have been able to protect the County's most valued services from cuts. Instead of an \$86 million deficit, the challenge we actually confronted in putting this budget together was a \$15 million deficit. That's still too high, but it's a \$71 million dollars swing in the right direction.

BUDGET PRORITIES

Every year we must make tough choices in our budgets and this year is no different. My proposed budget puts us on an aggressive path to lower our long term debt, while providing critical services. This budget also focuses on a collaborative approach to public safety and takes us a big step forward transistion to a community-based mental health system that prioritizes quality care for individuals in need of treatment. This plan provides nearly five million dollars for better, evidence-based care that will lead to better outcomes and more dignity for people who are often ignored or forgotten.

DEBT SERVICE RESERVE

As the Public Policy Forum has rightly pointed out for a number of years, Milwaukee County does not have an appropriate rainy day fund. While the structural problem needs to be rectified at the state level, this budget does what we can locally. It takes us in the right direction by setting

aside millions of surplus money to keep in reserve and I hope we continue to add more to it each year.

Having a significant amount of money set aside is not just prudent budgeting, but demonstrates to bond rating agencies that we are serious about sound budgeting and prudent fiscal management. We improved our credit rating earlier this year, but it can get better - and in the long term could save us tens of millions of dollars.

The County has not always been in the position to make this commitment; our recent decisions have put us in the position to increase our resilience, and we need to responsibly take advantage of this opportunity.

ECONOMIC DEVELOPMENT

This budget includes a number of initiatives to help us expand economic opportunities across the County.

I'm adding \$400,000 for workforce training to help unskilled and under skilled workers access better opportunities to increase their wages and quality of life.

This budget realigns the Economic Development Department to better function and manage the County's primary assets. The more deals we can get done the more jobs we create.

EFFICIENCY INITIATIVE

This budget features an Efficiency Initiative that uses one-time dollars to help Milwaukee County become more sustainable. Anything we can do to increase our efficiency saves money, serves more people and helps the County for years to come.

My budget plan calls for spending four million dollars to fund a number of efficiency projects, from LED lighting in County Parks to a software system for the DOT to track billing. These projects will position the County better in the long-term.

ACKNOWLEDGMENTS

I want to give a special thank you to Budget Director Josh Fudge and to all the people who worked so hard on this budget. They are a testament to the many great Milwaukee County employees whose hard work is key to the services we provide, but too often goes unnoticed by the public.

If we make responsible decisions, this County can be even stronger, and this budget presents the County Board with the beginning of a path to sustainability.

Not all the decisions in this budget are easy, but none of us were elected to do the easy thing. This budget provides good options and the opportunity to do the right thing.



Chris Abele, Milwaukee County Executive

Milwaukee County Executive Chris Abele

**Director of Administration
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- Staff of the Office of the Comptroller
- Staff of the Departments on Aging and Health and Human Services for your hospitality during the Courthouse closure

Milwaukee County Board of Supervisors

Chairwoman Marina Dimitrijevic, 4th District
First Vice-Chair Peggy Romo West, 12th District
Second Vice-Chair Steve F. Taylor, 9th District

1st District - Theodore Lipscomb Sr.
2nd District - Khalif Rainey
3rd District - Gerry P. Broderick
5th District - Russell Stamper II
6th District - James "Luigi" Schmitt
7th District - Michael Mayo, Sr.
8th District - Patricia Jursik
10th District - David Bowen
11th District - Mark A. Borkowski
13th District - Willie Johnson, Jr.
14th District - Jason Haas
15th District - David Cullen
16th District - John F. Weishan, Jr.
17th District - Anthony Staskunas
18th District - Deanna Alexander

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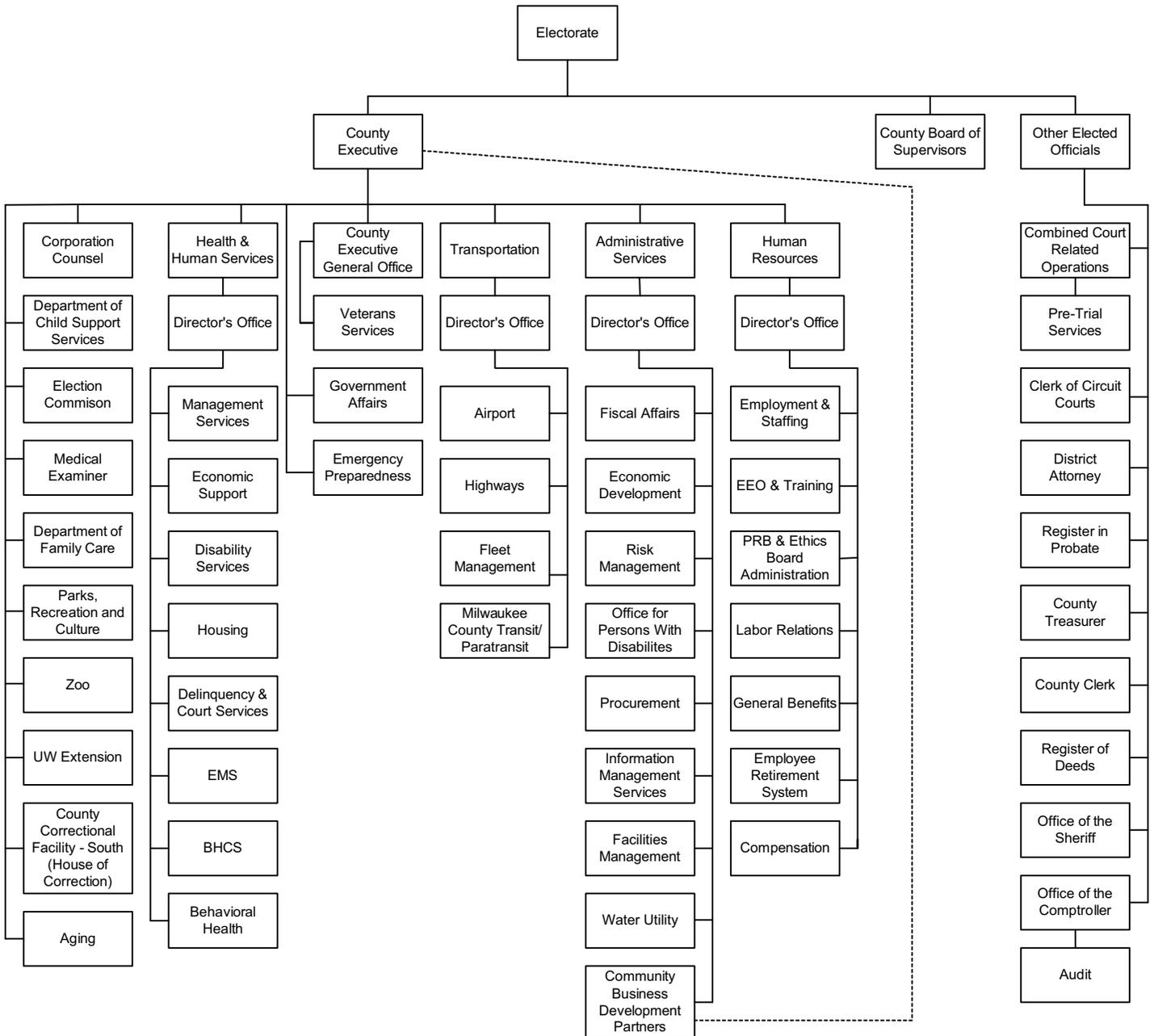
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Milwaukee County Organizational Chart



2014 Program Transfers

The 2014 Budget transfers a number of programs from one department to another. The following table provides a guide to which programs have been transferred, and which departmental narrative now contains that program. The table also shows whether the prior history (fiscal information for 2012 Budget and Actual, and 2013) has been “re-stated”; that is altered so that prior history is altered to show the data as if the program had always been in the new department. The decision whether or not to restate prior history has been made based on technical reasons either related to the County’s budget software, or a transition to a new fund type, in the case of Distribution Services.

For information on the particular program or service, please see the narrative for the new department.

Program/Service	Old Department	New Department	Prior History Re-Stated?
Distribution Services*	DAS-Info Mgmt Svcs Division (IMSD)	DAS-Facilities Management	No
Coggs Health & Human Services Building Facilities Maintenance*	Health & Human Services	DAS-Facilities Management	No
Community Services/ Alcohol & Other Drug Addition Svcs.	Health & Human Services – Behavioral Health Division	Health & Human Services	Yes
Emergency Management Services	Health & Human Services – Behavioral Health Division	Health & Human Services	Yes
Training Academy	Sheriff	House of Correction	Yes
Emergency Management	Sheriff	Emergency Preparedness	Yes
911 Communications & Dispatch	Sheriff	Emergency Preparedness	Yes
Government Relations	County Board	Government Relations	No
County Board Committee Services*	County Board	County Clerk	No
County Board Research Services	County Board	County Comptroller	No

* = This program/service is included within another program area narrative in the new department narrative.

2014 Budget – Readers’ Guide

Welcome to the updated Milwaukee County budget narrative. The budget narrative provides information to taxpayers, policymakers, stakeholders, community groups, and other interested parties about the County’s finances and policies – essentially its business plan – for the upcoming year.

The budget narrative has been completely reformatted from the prior version with two major goals: the first is to make it easier to read and more informative for everyone who has an interest in the County; the second is to comply with public sector budgeting best practices, which are exemplified by the Government Finance Officers Association’s (GFOA) Distinguished Budget Presentation Award.

Readability Design Changes

The prior version of the narrative was focused on changes made from the prior year budget. While this made changes easy to identify, it did not provide taxpayers, policymakers and stakeholders with substantial information about which specific programs departments provide, “how much” service they actually provide, the resources dedicated to those programs, and how well those services are performed. The new narrative is now focused on individual specific services provided by each department in a way that illustrates what taxpayers are receiving for their money (please note that, due to their complex nature, a few non-departmental narratives have yet to be reformatted. These narratives include Org Units 1900-Non Departmental Revenues, 1950-Employee Fringe Benefits, and 1991-Property Taxes; it is planned that these narratives will have the new format in the 2015 budget).

Each department will now have departmental summary pages. These pages will show expenditures, revenues, and tax levy for the entire department. Expenditure information is now consolidated into five broad categories, some of which include multiple appropriation units. Staffing information for the entire department will show FTE’s based on full-time and part-time (seasonal, hourly, pool, etc.) positions, and overtime by dollars. Following will be a brief overview of the department’s mission and structure.

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

- Whether the program is **mandated** by state or federal law, **committed** through a contract or long-standing arrangement, **discretionary** meaning the County has no legal obligation to provide the service, or **administrative** in that the service provides critical “back-office” administrative functions that enable other service areas to operate.
- To which Strategic Outcome the program is most closely aligned based on Milwaukee County’s mission. For instance, in many of the programs within the Office of the Sheriff, the Strategic Outcome will be listed as “personal safety”; likewise in many administrative departments, the Strategic Outcome will be listed as “high quality, responsive services”. Please see the “Strategic Planning” section for additional detail.
- “What we Do”: this will be 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 will show 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 overtime, special premium, salary adjustment, shift differential, or vacancy and turnover).
- “How Well we Do It”: this will show performance measures for the program area. This is a new process on which the County is embarking in the 2014 budget. Many departments have identified and developed performance measures for several program areas; however more will be created

and included in future budget years, as this is intended to be an iterative process. The performance measures are designed to be SMART goals: specific, measurable, attainable, relevant and time-bound.

- **Strategic Implementation:** This will be a brief overview of the resources to be provided for the service in the upcoming year, and will describe major policy and fiscal changes (note that these major changes will also be included in a budget summary – see the section on GFOA elements below).
- **Position Summary:** This table will provide information on the number of positions by title code budgeted in both the current and next budget year for the entire department. The prior version of the narrative showed only the changes to positions made by the budget. This version provides additional information by showing how many of each title code are budgeted with a comparison between years and explanation of changes.
- **Legacy Fringe Benefits:** The County presently allocates legacy fringe benefit costs out to departments based on a three-year rolling average FTE counts. Legacy fringe benefits are a fixed cost for which the County is responsible to fund regardless of changes made in the annual budget. A table is provided at the end of each departmental narrative showing the legacy fringe costs for prior year budget and actuals, and the current and next year budgets.

The budget narrative is also being reorganized so that all departments and other organizational units within a given functional area are located within the same section of the document so that readers can see which resources and services are being provided in a given area. For instance, the previous budget narrative placed the budget narratives for cultural non-departmental units (War Memorial, Historical Society, etc.) in a different section than those of Parks, Zoo, and the Museum.

GFOA Elements

Attaining the GFOA Distinguished Budget Presentation Award is a performance measure for the Department of Administrative Services – Fiscal Division in 2014. To receive the award, which is given to local governments that follow best practice standards in presenting budget information, the budget narrative must include several elements. Those elements are available online at:

<http://www.gfoa.org/downloads/BudgetCriteriaExplanationsFY2012.pdf>

The prior version of the budget narrative did not include many of these elements; the goal of the 2014 budget narrative is to include all elements, whether mandatory or not. Some of the new elements include:

- A budget message provided by the County Executive.
- A discussion of strategic planning and goals.
- Analyses of short and long-term fiscal trends and economic/demographic issues that impact the County's finances.
- Information about the County's financial structure, including data by fund.
- Information about the community, including demographics, economics, socioeconomics, etc.

The budget staff hope that the new narrative provides you with more information in a format that is simpler to read and easier to navigate.

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 955,205 residents. 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 597,900 residents to small villages such as Bayside with a population of 4,389.

The County anchors the Greater Milwaukee Metropolitan Area, which has a population of 2,025,900 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 developing into a worldwide leader in freshwater sciences and technology.

The tables on the following pages provide some demographic and economic data about Milwaukee County.

¹ Wisconsin Historical Society, online at http://www.wisconsinhistory.org/dictionary/index.asp?action=view&term_id=3824&term_type_id=2&term_type_text=places

County Data²:

Basic Data	Milwaukee County	Wisconsin
Land area in square miles, 2010	241	54,158
Population, 2012 estimate	955,205	5,726,398
Population Density	3,957	106
Demographic Data	Milwaukee County	Wisconsin
Persons under 5 years, percent, 2012	8%	6%
Persons under 18 years, percent, 2012	25%	23%
Persons 65 years and over, percent, 2012	12%	14%
High school graduate or higher	85%	90%
Bachelor's degree or higher	27%	26%
Veterans, 2007-2011	55,726	431,479
Economic Data	Milwaukee County	Wisconsin
Housing units, 2011	418,935	2,634,781
Homeownership rate, 2011	52.80%	69.10%
Median value of owner-occupied housing units	\$165,300	\$169,700
Households, 2011	378,527	2,279,738
Median household income, 2011	\$43,397	\$52,374
Private nonfarm establishments, 2011	19,534	138,045
Private nonfarm employment, 2011	445,979	2,354,284
Manufacturers shipments, 2007 (\$1000)	19,065,361	163,563,195
Merchant wholesaler sales, 2007 (\$1000)	10,955,307	59,996,244
Retail sales, 2007 (\$1000)	10,207,295	72,283,321
Retail sales per capita, 2007	\$10,720	\$12,904
Accommodation and food services sales, 2007 (\$1000)	1,570,614	9,247,311
Building permits, 2012	654	12,041

² U.S. Census Bureau Quickfacts, online at: <http://quickfacts.census.gov/qfd/states/55/55079.html>

Principal Taxpayers	
Taxpayer	2012 Equalized Value
Bayshore Town Center LLC	\$313,599,000
Northwestern Mutual Life Insurance Co.	\$311,900,000
US Bank Corp.	\$263,199,000
Mayfair Property Inc.	\$256,810,000
Bre Southridge Mall, LLC	\$155,498,000
Mandel Group	\$126,774,000
Metropolitan Associates	\$122,245,000
Columbia St. Mary's	\$112,183,000
Marcus Corp/Milw. City Center/Pfister	\$110,449,000
Centerpoint Properties	\$97,150,000

10 Largest Private-Sector Employers		
Employer	Industry	2012 Employees
Aurora Health Care	Health Care	22,000
Wheaton Franciscan Healthcare	Health Care	10,914
Roundy's Supermarkets Inc.	Retail Supermarkets	8,700
Froedtert Health	Health Care	8,600
Kohl's Corporation	Retail Sales	8,400
Quad/Graphics Inc.	Printing	6,900
GE Healthcare	Health Care	6,400
Medical College of Wisconsin	Education	5,400
Northwestern Mutual Life Insurance	Insurance & Finance	5,000
Pro-Health Care Inc.	Health Care	4,972