



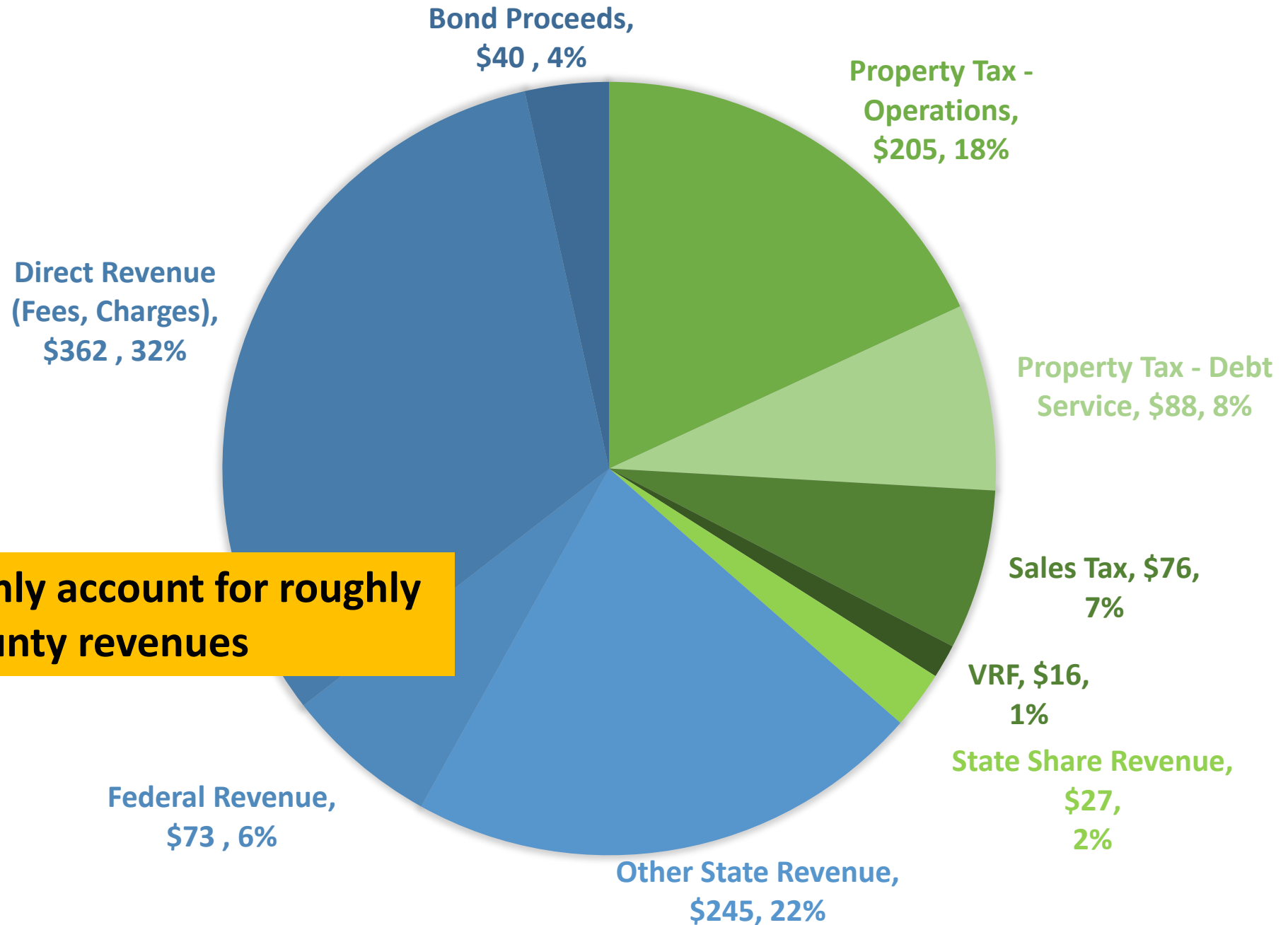
Milwaukee County

2019 Budget Planning: What You Need to Know

2018 MILWAUKEE COUNTY REVENUES: \$1.15 BILLION

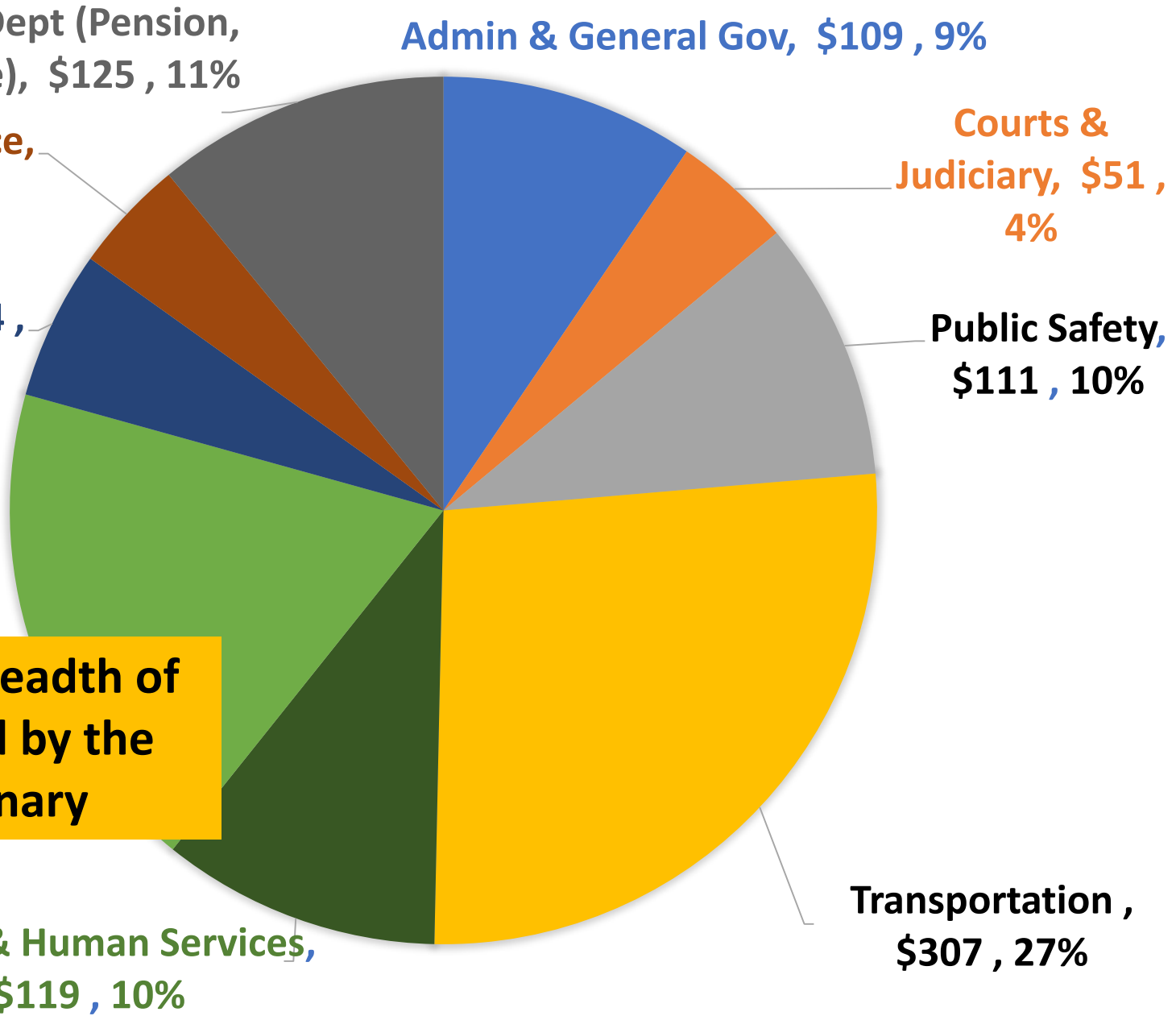


Local taxes only account for roughly a third of County revenues



\$ in millions

2018 MILWAUKEE COUNTY EXPENSES: \$1.15 BILLION



The County provides a breadth of services, some mandated by the State and some discretionary

\$ in millions

Forecast for 2019: Revenues expected to be nearly flat

- The bulk of our revenue comes from the State and Federal Governments and is expected to be flat
 - This trend dates back to 2012 and beyond
- For local revenues collected by Milwaukee County
 - **Property taxes** can only rise by amount of new construction in the County, or \$2.9 million for 2019
 - **County share of sales taxes** are limited to 0.5% and can be volatile based on economic conditions. Sales taxes are expected to rise by over \$3 million in 2019. This includes \$1.7 million of newly collected online sales tax revenue beginning in October 2018.
 - The County **Vehicle Registration Fee** expected to collect only \$700K more
- Offsetting these increases, we expect less revenue from debt service reserve and from parking fees in 2019 compared to the 2018 budget
- **Net impact: County forecasted revenues will increase \$2.0 million, or 0.2 percent**



Forecast for 2019: Expenses expected to climb 2.4 percent

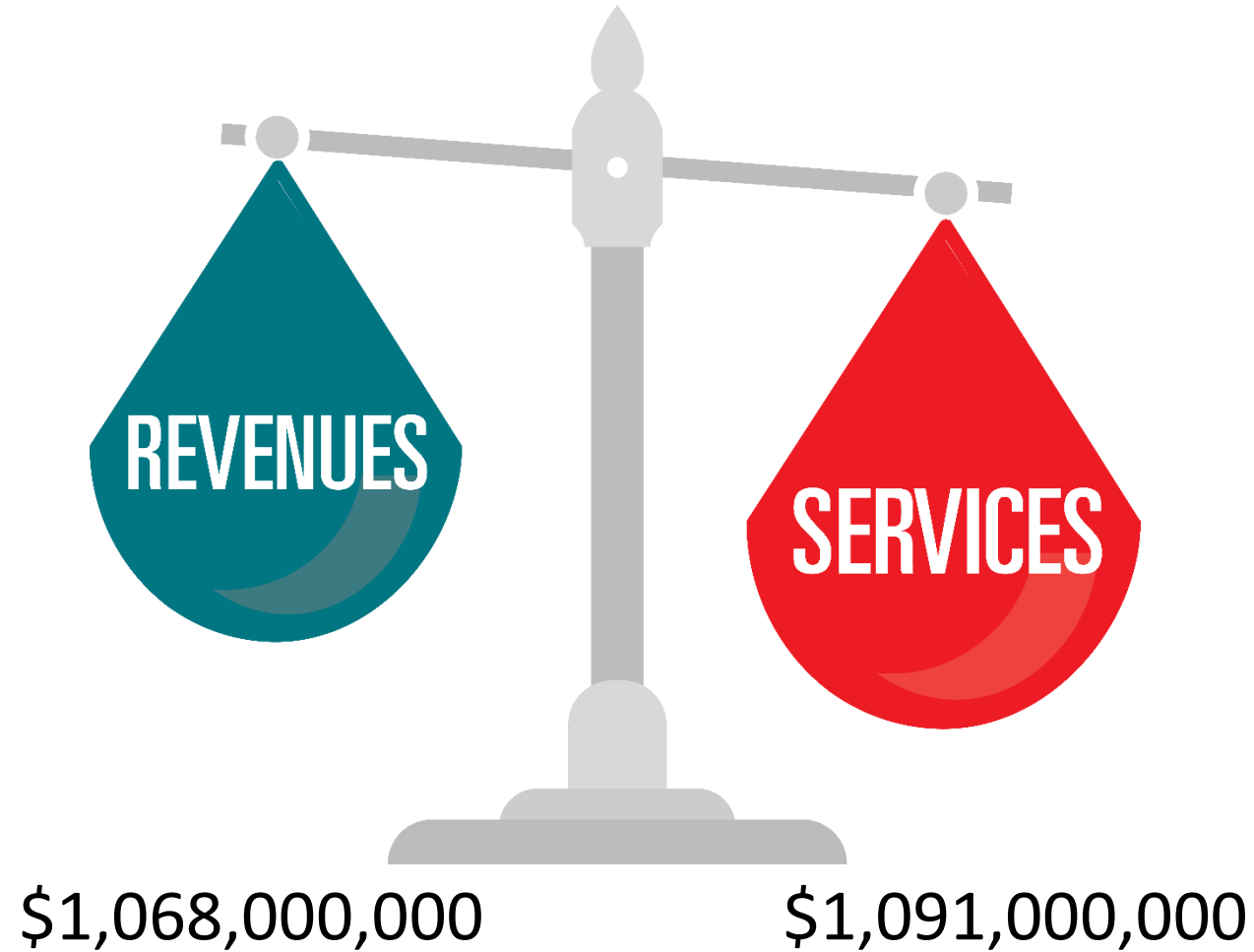
- Prices in Milwaukee area rising about 2.3 percent, based on most recent data
 - Energy, Commodities, utilities, contracts, etc.
 - Compensation increases
- But some County expenses growing faster than overall inflation
 - Healthcare costs cost increases have been volatile and significant. Actuarial projections have historically projected 7.5 percent growth in health care costs.
 - Pension expenses expected to be flat in 2019 as a result of high investment returns, but remain major cost driver, up 5% and 16% growth over past two years
- **Net Impact: County forecasted expenses will increase \$25.4 million, or 2.4 percent**



2019 OPERATING GAP: \$23.4 million



Facing flat revenues and increasing expenses every year is not sustainable



\$23.3 million gap: now what do we do?



- **Pursue New Revenue Options?** County's options are constrained by State statutes...
 - Property Tax, Sales Tax
 - State Revenues Flat
 - Vehicle Registration Fee
- **Manage Expenses?** We're working on it...
 - Developing New Ways to Deliver Services More Efficiently
 - Working Smarter
 - Consolidating Approaches
 - Managing Overhead

State funding mix is part of the solution

Finding fair solutions for state funding

MKE County taxpayers continue to contribute more to the state every year...

2008: \$2.1 billion

2015: \$2.5 billion

...but State revenues to Milwaukee County have been essentially flat over that period

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



Closing the Budget Gap

Any and all solutions must be:

Sustainable

Operating in a fiscally responsible manner for the future

Fair

Meeting our obligations and offering fair compensation

Efficient and Valuable

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



2019 Budget Timeline

October 1, 2018: Deadline for County Executive to present the Recommended Budget to the County Board of Supervisors

October 29, 2018 (6PM, Location TBD): County Board of Supervisors Annual Public Hearing on the Budget

November 5, 2018: County Board of Supervisors Budget Adoption Meeting

January 1, 2019: Adopted Budget goes into effect



For more information about the Milwaukee County budget, visit:

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

