



Testimony

of

**The Honorable Lee Holloway, Chairman
Milwaukee County Board of Supervisors**

Submitted for the Hearing Record

**Joint Committee on Finance
Wisconsin State Legislature**

March 25, 2009

Honorable Joint Committee on Finance Co-Chairs Senator Mark Miller and Representative Mark Pocan:

Thank you, Committee members, for coming to Milwaukee County and allowing me the opportunity to share with you some details on the major funding challenges we are currently facing in Milwaukee County.

Contrary to what you may have heard from the County Executive, Milwaukee County desperately needs stimulus funding to get our economy moving again. To be clear, Milwaukee County will be applying for and accepting stimulus funds. The County Board adopted that policy last week and we will override a veto from the County Executive next week, if necessary. The needs of Milwaukee County are great, from courts, to human services, to public safety.

You may have seen the Public Policy Forum report released this week detailing the long-term fiscal challenges faced by Milwaukee County. These challenges are not unique to Milwaukee County, and we already have several plans in place to address these concerns. Just last week, we approved the issuance of Pension Obligation Bonds, which will help us control our long-term pension costs. We thank the Legislature and Governor for granting Milwaukee County this authority.

Another major initiative aims to address Milwaukee County's soaring costs and over-reliance on the property tax levy, and that is the main reason I am here today. Some of our most visible and popular services are the most difficult to fund. Specifically, mass transit, parks, recreation, culture, and emergency medical services. We must identify a way to fully fund these programs while reducing our property tax burden.

On November 4, 2008, we held an advisory referendum to gauge for certain the public's interest in preserving these programs through a one percent increase in the County's sales tax. Even during a recession, 52% of our voters approved this model. If enacted this year, a one-percent sales tax to fund these areas would reduce the County's property tax levy from \$258 million to \$191 million, the lowest level since 1998. The average homeowner in the City of Milwaukee would save approximately \$175. Because visitors pay a significant portion of sales taxes, we can stimulate the economy by lowering property taxes while maintaining the 2nd lowest urban sales tax in the Midwest. In addition to property tax relief, the sales tax would generate dedicated funding for mass transit, parks, recreation, culture, and paramedics.

Mass Transit

The Milwaukee County Transit System currently operates approximately 482 buses and, compared to peer systems, transports the most passengers per capita and has the lowest cost per passenger. More than 42 million rides are provided every year. 75% of these riders have no other transportation option. 43% use the bus to get to and from work. Since 2000, due to route cuts and higher fares, ridership is down 20%. Since 2001, 46 routes have been cut or shortened. Bus replacements funds have been diverted to plug holes in the operating budget. No new buses have been purchased since 2006, and 155

buses are currently in need of replacement. Fareboxes are 22 years old and need to be updated. We need to reverse these trends.

Milwaukee County operates one of the last remaining transit systems in the nation that lacks a dedicated local funding source. By next year, if dedicated funding is not secured, we will be forced to cut service by 30% and eliminate all night, weekend and freeway flyer service. Fare increases, along with the cutting or shortening of most remaining routes, is also possible.

Recently, there has been considerable discussion of Regional Transit Authorities (RTAs). If there is interest in creating an RTA in southeastern Wisconsin, I ask you to consider designating Milwaukee County as the regional coordinator. We already have experience in working with our neighbors in operating routes that cross county lines. We are ready, willing, and able to work with regional partners on mass transit.

Parks, Recreation and Culture

The Milwaukee County Parks system encompasses 15,000 acres, including 150 parks, parkways, pools and golf courses. We operate the Milwaukee County Zoo, which attracts more than 1.3 million visitors annually, and we own the Milwaukee Public Museum. We also provide funding to the Milwaukee Art Museum, Charles Allis Museum, Villa Terrace Museum, Milwaukee County Historical Society and the Marcus Center for the Performing Arts.

We do face major challenges in our parks. With an estimated \$300 million deferred maintenance backlog, many of our parks facilities are at or near the end of their useful life. Bathrooms are in constant need of repair, the grounds are deteriorating, and sidewalks and trails are unsafe for pedestrians. Without dedicated funding, major revenue challenges will continue. We will be forced to cut additional full-time maintenance positions, increase use of seasonal staff, close more buildings and facilities, eliminate community enrichment programs, and deny public access to parks due to safety concerns.

Emergency Medical Services (EMS)

Milwaukee County partners with local municipalities to provide paramedics services. The average EMS response time is four minutes. More than 30,000 patients are treated or transported each year. Milwaukee County also operates a 911 cellular phone call center.

EMS funding challenges remain. The County's share of municipal paramedics costs has fallen from 75% to 50% over the last 30 years. Less County support puts additional burden on local property tax payers. The property tax is a fragile funding source for life-saving emergency medical services.

Solving this funding crisis

We must remove the burden from property tax payers and replace it with sales tax dollars. In doing so, we can lower property taxes for homeowners and collect more

revenue from those who do not pay Milwaukee County property taxes. 52% of Milwaukee County voters approved an advisory referendum to provide this dedicated funding and property tax relief. Transit, parks, recreation, culture and EMS should be removed the property tax and replaced with permanent, stable funding.

We need help from the Legislature and the Governor to carry out the wishes of the voters. We are requesting this enabling legislation, as endorsed by County voters. In November, 208,132 Milwaukee County voters approved a small increase in the sales tax to preserve these services and provide property tax relief. We have in front of us a plan to stimulate the economy by reducing property taxes and investing in our future. We ask for your help in achieving these goals.

Thank you again for hosting this public hearing in Milwaukee County. I appreciate the opportunity to submit this statement for the record.

Sincerely,

Lee Holloway
Chairman,
Milwaukee County Board of Supervisors