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**Milwaukee County Parks:
Heading Down the Path of Skilled Trade
Privatization**

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Milwaukee County Parks: Heading Down the Path of Skilled Trade Privatization

The talk of privatization started when Milwaukee County experienced a pension scandal in 2000. It rocked the foundation of county government. The fallout included the County Executive resigning, many County Supervisor recalls, and a taxpayer revolt that formed the organization Citizens for Responsible Government. The new County Executive became the first Republican ever to be in this office. With the change in leadership came a change in philosophy. Walker's platform was not to raise taxes even if it meant lay-offs and to implement widespread privatization in the parks. As the workforce dropped there was no effort to replace them. The Parks appeared headed down the path of privatization.

This paper compares attempts to privatize in the cities of Detroit and Indianapolis with efforts in Milwaukee County. Interviews were conducted with three Milwaukee County employees--a county supervisor, the Director of Facilities, and a county plumber to give multiple perspectives on privatization of the county. In the case studies there were similar situations during the introduction of privatization: An unresolved financial crisis within the government, new leadership with a different direction, and possible government improprieties. Milwaukee County should learn that with financial troubles the newly elected politician always seems to have a different philosophy than the last administration and a cure-all for budget deficits.

A closer examination looks at the Milwaukee County Parks plumber and the private contracting plumber. The evidence shows that the county plumber is more cost effective despite high administrative overhead. Since contractors are in business for profit and county employees give a service to constituents, it's apparent that the financial benefit would come from their current employees. Milwaukee County should embrace their most valuable commodities—their employees.

As Milwaukee County's Parks budget is consistently in the red, jobs are cut, and services reduced it appears politics have gotten in the way of common sense. The direct results of my research shows that politicians need to be brave and have the budget fit the parks system. Either more money needs to be infused or downsizing of the pools and golf courses needs to be addressed.

Milwaukee County Parks: Heading Down the Path of Skilled Trade Privatization

The Milwaukee County park system is a treasured legacy, handed down through the generations. Since the park system's inception in 1907, a program of coordinated buildings and grounds maintenance under a central authority has provided parks recognition for its high maintenance standards throughout the United States. Few, if any, cities in America enjoy parks lining rivers and the lakefront, a botanical garden, swimming pools, golf courses and places for people to take refuge in the city. The parks represent models of landscape architect- in fact both Washington Park and Lake Park were designed by Frederick Law Olmsted, the great American landscape architect, who also designed New York's Central Park (Schulz, 2003).

The deterioration of the Milwaukee County Parks has been a long slow process. When the parks department was at its peak back in the eighties, buildings were well maintained. Currently, with the shrinkage of employees, it has become reactive responding to emergencies more so than any preventative maintenance. State funding that used to help supplement park operations has recently been stopped with no other support to take its place. Additional strains put on the budget have made it increasingly difficult to keep continuity of service and repair.

The Park Services employees work primarily on repair and maintenance of structures, but they also provide valuable technical assistance for major alterations or remodeling of park facilities. Trade supervisors frequently inspect and monitor the work performed under County contract by private contractors. Without this technical staff being held responsible for this activity, it would be necessary for Park Regional Managers to not only inspect facilities in their jurisdiction, but then to make arrangements for work to be performed by outside contractors. In almost every case, technical

advice from engineering or a consulting firm would be necessary. With the reductions in parks budget, staffing, and different management styles, the winds of change are blowing privatization.

Most private contractors would insist on a, "time and material" contract which may result in variations in the final job costs. Under these conditions, each job would have to be inspected to make sure the proper work was performed.

The purpose of this paper is to analyze the claim that privatization of Milwaukee County Parks skilled trades would be politically motivated not financially driven. Questions arise; Is there a true budget savings by skilled trades' privatization? Is Milwaukee County Parks going in circles since a pension scandal? What is the answer to a smaller budget maintaining county parks? These questions lead to the hypothesis that privatization of Milwaukee County Parks skilled trades would not be beneficial to county taxpayers.

METHODOLOGY

The first part of this research, discusses Milwaukee County Parks possible path to privatization. It shows how a financial crisis, a change in leadership, a reduction in staffing, and politics may lead to privatization. Interviews were conducted with three varied positions among the Milwaukee County organization. The first interview, a county supervisor, is a political influence in county government. The next interview is the Director of Facilities, a non-represented position within the county organization. The final interview is a union county plumber with over forty years of plumbing experience.

The second part of this research uses case studies that examine multiple internet sites, newspaper articles, and documents on both attempts by the city of Detroit and the city of Indianapolis to privatize departments in their local governments. Both cities have comparisons to Milwaukee County.

This paper gives an analysis of the comparisons between the city of Detroit, the city of Indianapolis, and Milwaukee County. The literature review shows how each city budgetary restraints, changes in leadership, a reduction in staffing, and politics have all had influences in the decision to privatize specific departments.

Finally, the conclusion and recommendations are given. The references and appendices are included.

The Case Study Comparisons

In 2004, Detroit; had reduced city jobs by 610 positions, through abolishment or elimination. In 2005, another 1,654 jobs were cut from the remaining 16,800 workers, a similar story to Milwaukee County's 2,500 jobs lost in five years and 1,600 retirees since a pension scandal developed. Detroit has attempted to use private contractors to replace city skilled trades, a consideration in Milwaukee County. These attempts have proven disastrous in services offered to those less fortunate. It also opened the door to potential improprieties within the local government, lessons to be learned for Milwaukee County.

The city of Indianapolis governs the Indy Parks system throughout Marion County. It

maintains 103 parks within the county with 22 pools and 14 golf courses to maintain. Similarly, Milwaukee County has 144 parks in their system and maintains 12 big pools, 38 wading pools, and 15 total golf courses. When a budget crisis occurred in Indianapolis, one of the first things cut were positions in the parks. Recreation is a department that always seems to be expendable. For Milwaukee County's "quality of life" to be maintained it must not take the path of Indianapolis.

The populations of Detroit (951,270), Milwaukee County (928,018), and Indianapolis (783,438), are relatively equal in size when it comes to municipal governments. Although, Detroit has lost about 7.5% of its population; Milwaukee County has lost about 2% of its population; while Indianapolis has gained 7.4% over the past ten years.

BACKGROUND

The thoughts of privatization were entertained when Milwaukee County experienced a pension scandal in 2000 that changed local government in Milwaukee forever. When F. Thomas Ament was the County Executive, he wanted a new pension benefit for veteran employees. If Ament would have retired in 2004, he alone would have earned a lump-sum payment of \$1.2 million and still collect a \$92,000 annual pension for life. "We were sold a bill of goods," Supervisor Roger Quindel complains. "The County Board did not understand what was happening." Once the pension benefit is given, it cannot be taken away. By law, it is to protect the government from changing the pension for those about to retire.

Just after Ament's re-election, director of human resources, Gary Dobbert, began devising a new pension plan. The plan "was part of an overall package which has been designed to recruit and retain employees," according to a memo Dobbert wrote to the board. In fact, as Dobbert notes, the

number of county employees has plummeted by some 2,500 in the last five years. Other than a few start-up jobs, there has been no need to attract employees because the county is shrinking drastically. The real reason for the plan was tactical: The County was swimming in excess pension money that, by law, it could not use for any other purpose. To keep a lid on property taxes, Ament and Dobbert decided to offer big pension increases and ask employee unions to accept a near wage freeze and an increase in their co-payment on insurance. Because the county normally pays the same benefits to nonrepresented employees, veterans like Dobbert would go along for the ride, gaining a 25 percent increase in his pension.

A little understood feature was also added to this new pension plan. It was called “the backdrop.” “The backdrop is where the money’s really hidden,” says Cliff Van Beek, union negotiator and president of Local 1656. “It’s just mind-boggling. It’s going to be a huge windfall for them.” In essence, backdrop allows veterans like Ament and Dobbert to go back to the date they were first eligible for retirement and take the lower annual pension from that date. In Ament’s case, he was first eligible to retire in 1995. If he takes the lower pension owed him from then (a mere \$98,000 a year), the county will have to pay him the 13 years of annual pensions he should have been paid from 1995-2008, along with 8.5 percent interest compounded monthly. That nets Ament a cool \$2.04 million in addition to \$98,000 a year, if he retired in 2008. Ament never got to see those kinds of numbers. The County Executive resigned, many County Supervisors were recalled, and a taxpayer revolt formed the new organization Citizens for Responsible Government. Taxpayers wanted new ideas in an effort to resolve the budget crisis, so privatization was on the table (Murphy, 2002).

The midterm election of Scott Walker put the first Republican in the County Executive office. Walker's policy was not to raise taxes whether services had to be cut or employees laid-off. Workers became scrutinized for their work ethics and work efficiencies. The Parks appeared headed down the path of staff reduction and outsourcing. This change in leadership along with the pension scandal was a recipe for privatization.

In 1983, Park Maintenance employees totaled 78, the year before the pension scandal 55 worked there, and in 2006 there were a grand total of 27 employees. The staff cuts were evenly made between trades and administration. The continued shrinking of the workforce and the monies has forced those who are left to become more efficient at what they do but work orders and capital improvements are becoming insurmountable. The question is how far can the trades be stretched?

Public talk of privatization in Milwaukee County Parks has been spurred by a public cry for change due to government scandal more so than the dissatisfaction with public employees. When you add into the equation a new leader of a different political party, you have the perfect brew for a new policy and privatization.

The Milwaukee County Parks and Privatization

In 2003, recently elected County Executive Scott Walker fired Parks Director Susan Baldwin, whom he has clashed over privatization. Walker's dismissal of Baldwin and her top four managers coincided with the controversial mid-August closings she endorsed-and Walker approved-as a way to close the projected \$2 million hole in the parks budget. Walker said he was frustrated that Baldwin did not present budget-cutting alternatives to closing pools. After complaints of pool closings, Walker said, "We should be able to save without taking away things people

treasure.” He ordered some pools reopened for the rest of the summer.

Walker thought Baldwin was dragging her feet on privatization and was not going far enough in considering elimination of county jobs in favor of private contractors. Dennis Weedall, Baldwin’s budget deputy, said parks managers facing the \$2 million revenue shortfall had only seasonal workers left to cut. Dismissing them required closing some pools and par-3 golf courses. The department’s plan for deficit-reduction also froze hiring and deferred non-essential purchasing.

Baldwin said the Parks Department was “open to all alternatives,” but she raised concerns about insuring quality and profitability under a private contractor and not driving away people with poor service.

The reported philosophical differences struck county observers as a more logical explanation for her removal than the argument that she was too slow in informing Walker of the \$2 million deficit in parks revenue. For one, the department collects most fees in summer, so a problem probably would not emerge until then. For another, county budget documents prove that no one should be surprised that the parks system budget was falling short.

Yearly, the budget loser to mandatory spending on social services and courts is the Parks Department. It was squeezed harder by Walker and some County Board supervisors who pushed for an absolute-zero tax increase.

Baldwin met Walker’s freeze goal in her budget proposal in 2003, seeking 0.3% less than in 2002. Walker submitted a budget that reduced the tax levy for parks by 12%, from \$25 million down to \$21.9 million in one year, and supervisors agreed budget records show.

Park officials and park users have complained that fees for golf, boat slips, picnics, and other services have gone so high that they discourage use. Community groups that advocate better parks

were not surprised to hear of the \$2 million parks deficit. “It’s just the latest development in a sad trend in declining public commitment to parks,” said John Vandilk, president of The Park People. “It shouldn’t be surprising to people that pools are closing. That’s the way things have been heading” (Umhoefer, 2003).

In 2004, more than 740 employees were expected to retire, as the pension deals kicked in leaving work piled up for short staffed county departments. Scott Walker confirmed that “a huge chunk” of the vacated positions will not be filled if his 2005 budget is approved. He unveils a budget that is expected to include several privatization measures (Umhoefer, 2004).

Moving forward to January 13, 2006, the *Milwaukee Journal Sentinel* reported that an estimated 2005 deficit of \$2.3 million in the Milwaukee County parks budget was revealed, leaving county officials scrambling to cut parks services and spending to avoid a repeat this year. This was the third straight year the county parks were in the red.

Parks Director Sue Black took full responsibility saying, “I was overzealous in trying to get parks projects done.” Her goal, she said, has been to make a dent in some \$19 million in backlogged parks maintenance projects. For now, only emergency repair work is being approved in parks, Black said.

County Executive Scott Walker said he was frustrated by the deficit and promised changes in fiscal oversight. He defended Black’s skills as parks director and said the public should not be able

to notice any cuts that are made. "There's no sense that we'll be pulling back on the services we provide," Walker said.

County tax levy support for parks has declined in recent years, forcing managers to find cuts and use workers differently. The maintenance budget for basic repairs has fallen from \$6 million to \$3 million, in part reflecting lower staff costs due to job reductions.

Union trades workers who complete repairs are operating more efficiently than in the past, but the reduced budgets have cut into the total repair work getting done, said Jack Takerian, facilities director. Takerian defended the work that helped cause the overruns, saying it was necessary to maintain the basic integrity of county parks buildings and infrastructure. He took some responsibility for the failure to track expenses adequately (Umhoefer, 2006).

On January 26, 2006, as reported by the *Milwaukee Journal Sentinel*, Milwaukee County Executive Scott Walker publicly gave county Parks Director Sue Black a deadline of up to six months to erase deficits or "I'll find somebody else to do that."

Black responded by recounting how she repeatedly rejected Walker's job offer in late 2003 because of her reluctance to take over a failing parks system struggling for adequate resources. Environmentalist Gaylord Nelson, a former U.S. senator and Wisconsin governor, finally persuaded her to try to turn it around.

Committee members quizzed her about a projected \$2.3 million parks deficit in 2005, forcing plans for 2006 cuts in parks spending. Black succeeded Sue Baldwin, whom Walker fired in mid-2003 after deficits in the perennially strapped parks budget forced layoffs and early closings of selected pools and golf courses.

Walker told the committee that he expected that with an infusion of new fiscal oversight,

Black would clean up the deficit by summer. Walker's budget office is seeking a grip on parks spending. He also answered supervisors' criticism that he had not taken responsibility for the bad news, which threatens to leave his third straight budget in the red at years end. "The buck stops with me, and that's why I'm here today," he said. Walker alluded to his campaign for governor and denied that it had caused him to take his eye off of county government.

Supervisor Gerry Broderick, blamed the deficit on Walker's tight budgeting and a problematic 2004 merger, initiated by Walker that folded parks and public works into one department. The merger was undone in January 2006. County auditors essentially predicted a fiscal breakdown in the parks in a review of the merger last summer. The lack of leadership above Black's level in the merged department and lack of a clear merger plan may have helped compromise accountability and budgetary controls (Umhoefer, 2006).

On February 1, 2006, a letter was sent to Milwaukee County Board of Supervisors, Parks Director Sue Black, Milwaukee County Executive Scott Walker, and the *Milwaukee Journal Sentinel* regarding the park department budget. It was written by Peter McKeever from the Milwaukee County Conservation Coalition, in support of Sue Black. The MCCC represent about 4,000 county residents who value and support the parks. As stated, high quality parks raise property values and encourage economic growth. He goes on to say park employees are dedicated to the parks and its mission. Responsibility for the deficit rests primarily with park governance structure and with the policy makers who have under funded the parks for years.

The MCCC will not tolerate or accept further cuts in the parks budgets. Residents of Milwaukee County are prepared to pay for the parks, but only if they know for certain their increased tax dollars will be used for the parks exclusively (Appendix A1 and A2).

After the pension scandal in 2000, citizens wanted a new leader with new ideas that would not increase taxes. In comes the Republican Scott Walker as the new County Executive. He was true to his word and has not raised taxes. Since this time, the parks department has become decimated by financial cuts as well as personnel cuts. In 1983, Milwaukee County park maintenance department had a budget of about \$6 million and 78 employees. In 1999, the year before the pension scandal the parks maintenance budget was reduced to about \$3.5 million and maintenance staff reduced to 55 employees. Currently, the parks maintenance budget is around \$3 million and staff is cut to 27 employees. How can we continue to maintain the parks as the budget and employees dwindle? With this downward death spiral, how much longer can the County Executive ignore park budget necessities? In August 2003, two years after Walker being elected, the parks department suffered a \$2 million deficit. Also, the county had to find a way to close a \$52 million budget gap while freezing property tax collections, a daunting task when trying to provide services.

Further observation in the park maintenance department revealed the stoppage of work orders until approval by parks management. This forced the maintenance department to disperse all skilled trades except trade supervisors, to other county facilities. For now, the department is performing only high-priority maintenance jobs. Is removal of skilled trades really solving the problem?

As this research paper comes to an end, the privatization debate continues in Milwaukee. On February 12, 2006, in the *Milwaukee Journal Sentinel*, Jim Price president of The Park People of Milwaukee County wrote a commentary saying that privatization has instantly become the policy of the current County Executive. In one fell swoop, nearly 100 years of sound park management policy is junked in favor of a new one in today's flavor. Walker no doubt believes that there are some wonderful opportunities for "partnerships" out there, and he is no doubt correct. But by calling for

widespread privatization as a policy, he has created a fire-sale mentality. Everything is up for grabs, and everything must go (Price, 2006).

Recently, the county supervisors have weighed in on the parks budget as the *Milwaukee Journal Sentinel* reported. A proposed new sales tax is gaining momentum on the Milwaukee County Board that could generate an estimated \$30 million a year to bolster flagging county support for parks, museums, and arts. The County Executive Scott Walker is opposed to the tax. He vetoed a County Board-supported parks commission that would study alternative revenue sources for parks funding, calling the body a “Trojan horse” for a sales tax increase. “To me anything that opens the door to a sales tax increase is dead on arrival,” Walker told a reporter. “I don’t have people asking me to tax more.” In the final statement of this article Walker states that he will be examining privatizing more parks maintenance staffing, and looking at more private management of county golf

courses in the parks (Umhoefer, 2006). Walker believes in privatization, but do other people in county government agree? It is important to get other points of view on this matter, people who are integral parts of the county organization.

Privatization and Budget Interviews

On the week of February 20, 2006, interviews were conducted on the potential of privatization and the current Milwaukee County budget. Three individuals were selected holding varied positions within Milwaukee County. First to be interviewed was John Weishan Jr., County Supervisor of District #16. John’s father is a retired union sheet metal worker, his brother is a county zoo safety director, and his sister is a former county supervisor. The next interview was Jack H.

Takerian, Director of Facilities-Department of Public Works. Although he is non-represented, he has supported the trades in the past. Jack worked his way up from a lifeguard to his current position. The final interview was with Fabian Strong, union plumber at the county. Fabian is near retirement and has over forty years of job experience behind him. All were asked five questions in regards to potential privatization and budget constraints (For detail from these interviews see Appendix B1, B2, and B3). These interviews reveal a different perspective on privatization than that of Scott Walker. The interviewees mention that businesses exist for profit while the county provides services. The following is a summary of selected answers to those interviews:

- 1) Would privatization of skilled trades in the Milwaukee County Parks system be financially beneficial? Explain.

County Supervisor Weishan responded, "The number of skilled trade workers currently working for Milwaukee County is a relatively small number. The elimination of these workers would be of questionable financial value. To maximum financial benefit for Milwaukee County may actually be to increase the number of skilled trade's people to effectively manage their duties and responsibilities."

Director of Facilities Takerian answered, "No, due to the current pay structure of the Building Trades versus the outside market Milwaukee County is far better off with Building Trades of their own. Additionally, the current freezes that have happened within County Government would not be the same if the work was Time & Material out; businesses would need to mark up their service and turn a profit in order to stay in business."

- 2) Do you think the change in leadership in 2000, the yearly budget crisis, and staff reductions are all indicators leading to privatization? Explain.

Mr. Weishan said, “The indicators have become opportunities for privatization due to the ensuing chaos and the loss of institutional memory. Would-be politicians claim they can save taxpayers money with no documentation to back up their claims. The demonization of the public sector employee leaves the citizen with incomplete information on the pros and cons of privatization.”

Politicians claim that privatization is a way to save constituents money but do not show any documentation on how this will occur. Detroit and Indianapolis are good examples of political maneuvering that led to privatization and possible improprieties.

Mr. Takerian’s reply, “Yes and no, some areas it would make great sense to look to privatize (e.g.) the Milwaukee County Zoo or certain activities in the parks or Department of Human Services where there is someone already performing the service on the outside cheaper than we are or we can.”

- 3) What are Scott Walker’s reasons for talking about privatization of some county operations? What would your response be?

Milwaukee County Plumber Fabian Strong said, “I think he wants to privatize some operations simply because he doesn’t understand the full function of these operations. He looks at the window dressings and ignores the infrastructure.”

Mr. Weishan responded, “To position himself with the business right wing that believes any and all privatization is good and all government is bad and wasteful. (The continued search for campaign donations)”

The business right wing believes in minimal interference of government or even shrinkage of government that allows business to operate with fewer restrictions. It appears the current

administration would like to function without additional resources.

- 4) What do you think is the solution to a yearly park budget problem?

Mr. Strong concisely answered, "A separate tax levy like the old parks commission".

Mr. Weishan replied, "A dedicated income stream from non property tax source half a percent sales tax would go a long way to solving our current budget problems. Currently the property tax levy for parks, recreation, and culture venues equals 30 million. A half a percent sales tax would generate \$60 million offering the possibility for 30 million dollars of property tax relief and new revenue for parks, recreation, and culture".

In order to have revenue strictly for the parks a separate tax levy would help keep track of expenditures. It would also prevent other departments from taking money from the parks when they run short. Although, taxpayers at this time would be hard pressed for another tax, they know their investment is strictly towards parks interests.

- 5) If there was one thing you could cut in park services to help sustain the budget, what would it be?

Mr. Strong said, "Get out of the golf course business and the concessions."

Mr. Takerian explained, "Better partnerships where we are operationally breaking even or turning a small profit rather than the partner making the profit at our expense. Instead we have partners that have their hands out asking for more from us and less from them thus

costing us more money. Real partners work together to solve the financial problems for each other, so that both benefit.”

The County/ Private Plumber Debate

This research paper shows how a broader view of how budget problems leads to talk of privatization and at times implementation without honest documentation and research. A closer look shows a comparison of the plumbing trade as an internal financial commitment versus the external financial expense. Though only one trade is used as an example, it is indicative of all other building trades.

When comparing the outside union plumber to the county plumber there needs to be a look at both wage and benefit packages. As of May 2005 the union wage was \$31.35 per hour. The benefit package which includes Health Fund, Pension Fund, Education Fund, Industry Fund, Market Recovery Fund, and Dues Check off, totals \$11.48 per hour. This makes the total package \$42.83 per hour labor for a union plumber in Milwaukee. When you divide the wage and benefit package by the wages, a 26.8% overhead of benefits is calculated (Appendix C1).

Now, looking at the county plumber, they will receive 95% of the union plumber wages, which comes out to be \$28.31 per hour. The 5% difference accounts for county benefits such as health insurance, vacation, sick allowance, personal time, and holidays that an outside plumber would not receive. A Milwaukee County Annual Benefits Statement from a county plumber in 2004, showed a very striking observation.

The yearly wages of this plumber were \$61,160.79. The Total Compensation Including Benefits Paid was \$84,425.43. When we divide the Total Compensation by the Gross Wages a

27.6% overhead is calculated. That's only a .8% difference in overhead of compensation (Appendix D1).

The real problem for the in-house trades is an added overhead for a charge-out rate within the county system. When services are charged to a park, it is done as a percentage rate of the trade wage. Currently, the plumber's charge-out rate is at 293.1% of the wages or \$82.9766 per hour. This additional overhead of tools, equipment, and administrative services puts an extra burden on the skilled trades in the county parks. To put into a monetary context, it would cost approximately \$17 per hour more for overhead of a county tradesman (Appendix E1).

Accessing invoices of plumbing contractors revealed their mark-up on labor (wage and benefits) alone averaged 150%. Additionally, any material was 115% mark-up and any equipment also had a charge out rate. Plumbing contractors are in business to make a profit, while county employees are hired to do a service for its citizens. It is nowhere more apparent than on a contract proposal (Appendix F1, F2, F3, and F4).

Finally, as Plumbing Supervisor, I found some questionable business practices among our outside contractors. One contractor gave a time and material contract not to exceed \$7,849.00 to install a water heater. The water heater cost is \$2,886.30. If two plumbers spent 8 hours each on this job, the profit would still be \$2,995.32. Normally this job would take about 4 hours (Appendix G1 and G2). Are the contractors trying to sneak a high estimate through since they have nothing to lose? Or is it a high quote because they do not want the job?

The next example, a fire protection company tested our system at Park Administration and charged us \$567.34. That invoice did not seem to be in line with other inspections. Checking last

years inspection report showed a charge of \$256.38. They added a second worker to this job. Fortunately, it was corrected because there was a plumbing supervisor overseeing operations (Appendix H1 and H2). This was a blatant attempt to over charge a job with unnecessary workers.

The City of Detroit: A Case Study

Milwaukee County's budget crisis, change in leadership, and reduction in jobs seem to be following a parallel path as Detroit's privatization efforts. The case study of Detroit exposes a budget crisis inherited by a new mayor. A lesson for Milwaukee County to learn from this case was the mayor's solution to cut city jobs and introduce privatization was not the answer but created more problems. An examination of the water department and street lighting department attempts at privatization show disruption of services. Finally, the outsourcing led to a possible impropriety by the mayor rewarding contracts to friends.

Detroit was experiencing a financial crisis in 2001, so citizens voted for change and elected Kwame Kilpatrick their new mayor. He balanced the budget in 2001-2002 despite inheriting a \$75 million shortfall. Look back at the decade before Kilpatrick took office....From 1992-2001, Detroit lost 6 percent of its population, yet the number of city employees grew by 17 percent. General spending by city government grew by 22 percent during that same time.

Mayor Kilpatrick had many budget cuts that included 263 vacant positions that were eliminated in many city departments and laid off 347 employees in 2004-2005. The mayor himself cut his salary in 2005 to show a sign of sacrifice (7 Facts Mayor Kilpatrick's Leadership & Detroit's Financial Challenges).

On the other hand, in September 2002, contracts were still unsettled despite old contracts

expiring in July 2001. During a Labor Day Rally unions addressed waste caused by outsized executive salaries and expensive privatization in the cities government (Detroit city unions unite to win justice, 2002). A lesson to be learned for Milwaukee County.

Former Mayor Dennis Archer pledged not to privatize city services although he did set up public-private partnerships (Mayor Kilpatrick faces tough battles for privatization, 2002). Mayor Kilpatrick has taken the next step by privatizing the water department and attempting to do the street lighting by outsourcing with terrible results for the less fortunate.

Victor Mercado was chosen by Kilpatrick to head the water department and in 2003, hired an outside firm called Infrastructure Management Group (IMG) to do hands-on operations and senior management duties. IMG is one of the largest private utility companies in the world. Mercado himself, who makes \$240,000 a year with the city, came from the private company Thames Water. David Sole, president of United Auto Workers Local 2334, representing the chemists at the water department said, "IMG is not just a consulting firm. It is driven by a right wing philosophical agenda that is increasing the profit rate and the hell with the public and the workers. Is that the kind of advice our department needs?" The right wing philosophy Mr. Sole is referring to is a policy of minimal interference by government and minimal representation.

IMG has assembled a parallel structure of contractor maintenance workers, plumbers, and electricians which substitute for city workers at will. Kilpatrick aide Derrick Miller told the common

council, "The Mayor is committed to the citizens, and the administration is about ultimately implementing efficiencies within the department, while keeping control of the water department" (Bukowski, 2003).

Maureen Taylor, the State Chair of the Michigan Welfare Rights Organization, spoke of the privatization of water concept in Detroit as being operated under the guise of shutting off water for residents. Between June of 2001 and June of 2002, the city of Detroit had water turned off in 40,000 homes because people couldn't make their payments. In the last 90 days of the year 2004, the Water and Sewage Department, which is a municipal-owned entity, shut off water at 6,200 households. Because of such a horrible decline in the number of people working and a horrible increase in the number of people seeking government assistance; you are being punished if you are poor (World Water Day 2005: Water privatization in Stockton and Detroit, 2005).

Private greed has also turned off the street lights in Detroit, public lighting department employees told city council members. The workers and their union leaders said the city has deliberately depleted their ranks, even failing to buy lightbulbs, to cause a crisis that would make it necessary to hire a private contractor. They testified just as the city council was considering a \$1.8 million street light repair contract with Genesis Energy Solutions, LLC. "We had 23 workers in the lamp room in 1990, but now we have only seven," said Peavy Horton, a lamp room employee for 20 years. "And what happened to the money in the budget to purchase lightbulbs, fixtures, and the basic necessities of the department?" Horton said the department has 17 trucks that could be used for repair jobs, but only runs two of them a day. With adequate trucks and supplies, he said, city workers can fix the lights in a timely fashion, for less money than a private contractor, because they would only fix what is broken. Finally, he said city workers who repair street lights make only \$17.24 an hour, while the contractor would use skilled trades being paid twice as much (Bukowski, 2006).

Mayor Kilpatrick has chosen Dave Chardavoyne as new director of the Public Lighting Department suggesting a continued trend toward privatizing public services. The mayor's selection

has a demonstrated record of selling off city assets to private corporations and is closely associated with water department Chief Victor Mercado, another privatization advocate. Why is the city hell-bent on privatizing when there's proof that the city workers can do it for less cost? (Bukowski, 2006).

Mayor Kilpatrick wants to privatize the Lighting Department. He has supported Director Mercado in outsourcing different jobs of the Water Department which resulted in a great number of layoffs of city employees.

Some City Council Members have responded with a press release stating that they want a budget that calls for spending resources on prioritizing city services for the people, not on providing money for friends on contracts that outsource city jobs, with little to no management oversight on quality and spending. It is time to treat our city workers as our partners instead of simply "costs" that need to be controlled (Detroit city councilors call for a "people's agenda").

Critics are raising concerns about Kilpatrick's credibility on Detroit's budget. In the last three years, Detroit has spent in excess of \$225 million more than it brought in- even after borrowing from Wall Street to fill the gap. The administration borrowed about \$200 million each year to pay debts, and still ended up in the red. Does privatizing really have a great effect on this city's budget or was it politically motivated? (Collins, 2005).

The record shows, Mayor Kilpatrick has supported an increase in the cost of water, which resulted in some 40,000 Detroit residents without water. Some neighborhoods are dark because of lack of city lighting. On the surface privatization seemed to have financial advantages, but the results need to be avoided because of safety issues, human rights, and a misconception of financial savings.

With a never-ending attempt to solve the budget crisis, on May 6, 2005, Mayor Kilpatrick proposed a 2% sales tax on all fast-food restaurants in the city. This is another attempt to generate revenue for the city at the expense of those who may only be able to afford fast-food. Detroit has a looming \$300 million budget deficit without any concrete plan to correct this problem (Bhatnagar, 2005).

The City of Indianapolis: A Case Study

The case study of Indianapolis reveals a budgetary crisis that affected its park system after eight years of a “privatization type” mayor. The newly elected mayor believed privatization will cure all financial woes by giving up services to private contractors. Milwaukee County can learn from these past mistakes. After eight years of a privatization policy the budget deficit continued to grow, putting the next mayor in debt from the onset of his term.

As in Detroit and Milwaukee County, Indianapolis has experienced a change in leadership with changing ideas. It is important because politicians come up with ideas that make it seem as though the taxpayers will save money, but in the end it is not necessarily true. In 1991, Mayor Stephen Goldsmith wanted to become the “CEO of Indianapolis.” Within the first 18 months in office, Goldsmith privatized 14 city services, sold off the golf course and cut payroll. He regarded privatization as an end, not as a means, to better government. Goldsmith’s motto was “privatize at all costs”. However, after a short period of time there was an alteration of his privatization strategy. Goldsmith was impressed with the ability of city employees to perform better if the system allowed. The unloading of bureaucracy helped make the city employee more competitive with the private sector (Smith, Daniel A., Leyden, Kevin M.).

One example is when Indianapolis invited bids for street repairs. When the city workers discovered that high middle-management costs made their bid uncompetitive, Goldsmith agreed to cut 18 expensive management positions. The employees revised their proposal by sending one truck rather than two on most jobs, and reducing the crew from eight to five workers. This streamlining gave the contract to the city employees (*Labor Pains: A Win-Win Alternative*). It was this type of competition that made for a more creative atmosphere. It was not necessarily privatization but the ability to think “outside the box.” Sometimes governments’ middle-management and overhead costs are too high to compete with private contractors.

With this public-private competition for jobs, the city worker is much more stressed, always afraid of losing their job, and any sense of security has disappeared. The crack-sealing crew back in the late ‘90’s said their major complaint is that it takes a week to get supplies. The delays slow down productivity. In fact, the crew considered going private. David Walderop, the alternate crew leader said, “There’s money to be made out there and we all know it” (Eggers, 1993). Is this because a company is in business for profit and the bureaucratic government is not-for-profit?

Back in 1996, it was said that probably no other city in the U.S. has done more to privatize public facilities than Indianapolis. The result was a city budget that was reduced by \$26 million in four years. While the city privatized golf courses and the wastewater treatment plant, the taxes have held steady (*Indianapolis Leads the Way*, 1996). Everything appeared a little rosier than it really was back in 1996, because things changed as the years rolled by. Goldsmith served eight years as mayor of Indianapolis. When he left office, Goldsmith left the city with about \$30 million in deficits. The

police and fire pensions needed to be paid up soon, bonds were coming up due for Circle Centre Mall, and there were deficits in the Indy Parks System. The person that replaced Stephen Goldsmith is the current mayor of Indianapolis, Bart Peterson. He was left with a city in financial distress (Howey, 2000). Here is a financial crisis and former Mayor Goldsmith's implementation of privatization has not proven to be a major solution to budgetary conditions.

Despite the praise, the Goldsmith administration has had critics. Goldsmith's constituents, referred to as his "customers" and "stakeholders," do not view privatization as a panacea for the city's ills. Property taxes have not gone down. Many services have not improved. More critically, the perception of impropriety has dogged the Goldsmith administration. Perhaps another lesson to be learned for Milwaukee County is the possibilities of improprieties when private contracting is done.

Private contractors who wished to bid on city of Indianapolis contracts were required to pay a fee of \$25 in order to be eligible to do business with the city. According to one employee, "the city does not receive the competitive pricing and quality work it needs." because "favored and [financial] contributors [are] getting most everything [contracts]." The city did not have an open process when opening city services for competitive bids. The conservative paper *Indianapolis Star*, a strong supporter of Goldsmith, criticized the administration for failing to "solicit public input" on its decisions to privatize services. Critics have charged that the former mayor's political supporters are the winners of the city's contracts (Smith, Daniel A., Leyden, Kevin M.).

As we fast-forward to 2004, Mayor Bart Peterson proposed a plan to consolidate the government services of Indianapolis and Marion County. Examples of consolidation would be the Police and Fire departments. Peterson said his consolidation plan, called Indianapolis Works, is necessary because local government would face a budget deficit of \$200 million by 2007 if nothing

is done. The plan could save the county \$35 million per year according to Peterson (Peterson Plan Would Merge Police, Fire Departments Mayor Says City, County Must Save Money, 2004).

In 2005, Mayor Peterson's Indianapolis Works plan was not passed, so the city was forced to make nearly \$35 million in cuts to remain fiscally sound. Part of this plan included Indy Parks cutback on operation hours at city pools as part of the budget savings for the remainder of 2005 and all of 2006.

Each year, Indy Parks spends more than \$1.5 million to operate its 22 indoor and outdoor pools. Unfortunately, the revenue generated from pool use does not cover these costs. In 2004, city pools generated \$878,000 in revenue, which still left a \$622,000 deficit.

There will be additional budget cuts in the parks department. Indy Parks will not be filling ten positions throughout the department that are currently vacant. There will be reductions in maintenance and park beautification, as well as hazardous tree response time. Has privatization really made that great an impact on the city's budget or was it originally a political ploy? (Indy Parks Budget Facts,).

Comparisons and Contrasts

Detroit experienced a budget crisis, a change in leadership, and a reduction of jobs, equal to Milwaukee County's situation. The possibility of impropriety by the Detroit mayor and the city's attempt at privatization had horrible results. Water was turned off and street lights were not being repaired. Privatization did not help the budget problems and created safety and health issues due to changes in services.

Indianapolis had a change in leadership that believed in privatization of services, similar to

Milwaukee County's Scott Walker. Then, eight years after their mayor implemented privatization of services, a budget crisis occurred. Soon to follow was the talk of possible improprieties within the mayor's office when it came to contracts awarded to friends. A new mayor was elected and inherited the budget deficit. The mayor cut park services and laid off workers to help the budget shortfall like Milwaukee County is currently doing to stave off their budget debts.

Conclusion

In reporting on the two case studies of privatization in Detroit and Indianapolis, there were similarities to Milwaukee County. The first was that the taxpayers wanted change of administration. The second was a change in leadership, with a different political point of view. Thirdly, in time both cities experienced a financial crisis, similar to Milwaukee County. At this juncture is where the case studies have taken a separate path. Their attempts to harness an operating budget that had gone wild were to implement privatization within local government.

Detroit privatized the water department and for the first time water was turned off to 40,000 customers. In attempts to privatize street lighting, the city stopped filling positions, stopped ordering material, and left streets without lighting. Health and safety appeared not as important as dollars and cents. Yet, the mayor has had critics who believe that some improprieties have occurred when it came to awarding contracts to private contractor friends.

Indianapolis had a mayor who was going to privatize before he even got into office. After entering, he realized that privatizing wasn't necessarily the answer. Instead, the street crews were able to come up with a plan that would use fewer workers on the job and cut middle management, to

make the city crews more efficient than an outside contractor. A question of impropriety had followed this administration over contract awards that favored contributors of the mayor's campaign. After the mayor left office, a financial crisis prevailed that affected the Indy Parks System. With their budget crunch, cut backs happened to a smaller scale, like Milwaukee County Parks.

The Parks Budget Puzzle

After years of state aid given to Milwaukee County to assist in social services, these resources stopped back in the nineties. The county needed to come up with other revenues to help offset this loss. Milwaukee County kept on attempting to operate as usual without acquiring additional funding.

The budget of the Milwaukee County Parks does not fit the size of the parks system itself. The park system stayed the same size, while the budget went from \$6 million to \$3 million to maintain it. The parts don't fit the puzzle.

Are the parks headed toward privatization? As with Detroit and Indianapolis, Milwaukee County has a budgetary crisis, a change in leadership, and a change in philosophy. The only difference is that the cities attempted privatization, but still have a budget crisis, so the solution hasn't been outsourcing. Hopefully, Milwaukee County will not travel down that same road to nowhere.

For three years, Milwaukee County Parks have been going in circles with budget deficits. A \$2 million deficit in 2003 with an old regime Parks Director and a \$2.3 million deficit at the end of 2005 with the Parks Director appointed by the County Executive. Where is there progress? Where are the solutions? Where is the county going?

The interviews concluded that privatization would not be financially beneficial to Milwaukee County since it is not for profit, while contractors need to make profits. They all agreed that some source of additional funding is required to sustain the parks, whether it's taxation or a form of partnership. County Supervisor Weishan felt that some politics and a right wing philosophy have created talk of privatization.

The Risk of Privatization

Privatization opens the door to potential improprieties. Since politicians rely on support and funding from businesses, it is possible a supporter could also bid on a county service contract. Bids could be awarded to a contractor as a favor from a particular politician. Perhaps this administration would not do this but, possibility the next...or the next... or the next. Detroit and Indianapolis have dealt with this problem because contracts were awarded to friends of each administration. With the recent pension scandal fresh on people's minds, any improprieties tied to privatization would be extremely devastating to public trust.

Evidence concludes that despite high overhead due to the inefficiencies of local government, Parks trades consistently come in under the contractors bids. The county plumber versus the contracted plumber revealed overhead that was 293.1% for the county plumber's labor, equipment, and administrative costs, while a contracted plumber was approximately 150% for labor only. The contractor charged 115% additionally for material mark-up and a separate equipment charge leading to a higher overall job cost. There is no service or financial benefit to the taxpayers privatizing the parks maintenance skilled trades.

It's not the Parks Director or the employees who work for the parks that are at fault. It's the inefficiencies of government bureaucracy. The imbalanced overhead and micro-managing of

governmental departments make it hard to compete with businesses that exist for profit. It must be remembered that government is providing a service to its constituents and businesses are made for profit.

Recommendations

In the eleven years I've worked at the Milwaukee County Parks the main topic of conversation has been that the budget doesn't fit the size of the parks anymore. If the County Executive refuses to allot money for the parks then an alternative must be implemented.

My solution based on the research findings, is a referendum given to the taxpayers to vote on. The question would be, "Would you agree to have a separate parks tax funding?" If the majority voted in favor of a separate taxation, then the people are willing to invest in their park system. If the vote is against a separate tax then the people are not interested in additional funding to the parks.

With this vote it gives the politicians a direction to lead. The support of funding will allow the parks to operate, "business as usual." If there is no backing of a separate tax then the parks must downsize. This would mean a cut back in pool operations from 12 full size pools and 38 wading pools to a strategically located 5 full size pools and 20 wading pools. Also, the current 8 standard golf courses and 7 Par Three courses cut back to 8 well maintained courses.

When the pools were built people weren't as mobile as they are now. Almost every neighborhood had a pool. Now, the county can't afford to operate pools, some built in the 1940's, that need yearly servicing. Instead, the county needs upgraded pools or water parks that can generate some monies. Currently, the pools are only a liability costing a lot more than what is charged. The County needs to invest in making these pools attractive to customers instead of putting on band-aids

for a temporary fix.

As for the golf courses, the County cannot afford to operate all 15 total courses. Temporary patchwork has been the method of repair lately because of the lack of funds. If the County held onto 8 golf courses, and leased out the remaining 7 perhaps they could be maintained at a higher level. Any monies profited from the golf leases would be re-invested in the existing golf courses.

The Milwaukee County Parks are at a crossroads. With miles of parkland throughout, the deterioration of buildings is rapidly approaching a point of no return. It will take a certain amount of courage for a politician to stand up alone to tell people to invest in your parks or else the parks will be downsized to the budget. It's time for Milwaukee County Parks to move forward, not in circles.

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Appendix A 1



February 1, 2006

Scott Walker
Milwaukee County Executive
901 N. 9th Street
Courthouse, Room 306
Milwaukee, Wisconsin 53233-1458

Re: The Park Department Budget

Dear County Executive Walker,

We believe Park Director Sue Black has done an admirable job with very limited resources. She has not been given sufficient resources to do the job. We write to urge the county executive and the county board of supervisors to appropriate more money to the Milwaukee County Parks Department. This deficit must not be solved by firing the park director or by further cutting park services.

We represent more than 4000 Milwaukee County residents who value and support the parks. High quality parks raise property values and encourage economic growth. They are good for business, good for residents, good for our health, and good for our visitors.

We are tired of seeing the parks being treated as the poor second cousin in county government. We are tired of restrooms and shelters in poor repair. We are tired of invasions by exotic plants and weeds that threaten to overrun the parks. We are tired of the lack of maintenance of roads and trails. We are tired of ball diamonds and soccer fields that are barely playable. We are tired of the failure of the County to take advantage of opportunities to work with partners to add new areas to the park system. We are tired of the loss of programs and the closing of swimming pools. We are tired of the deterioration of the investment of which this community once was so proud.

Parks employees are dedicated to the park system and its mission. Sue Black is an experienced, creative and qualified park director. She has community support. She has energy, insight, and ideas. The only thing she does not have is money enough to run the park system at a level that meets its needs.

We will not tolerate or accept further cuts in the park budgets. Residents of Milwaukee County are prepared to pay for the parks...but only if they know for certain their increased tax dollars will be used for the parks, and not for highways, pensions, or the many other county responsibilities.

MILWAUKEE COUNTY CONSERVATION COALITION

% Milwaukee Environmental Consortium, 1845 N. Farwell Avenue, Milwaukee, WI 53202

Members: (partial listing): Coalition on Lake Front Development; Friends of Milwaukee's Rivers; Friends of St. Francis Greenspace; Friends of Seminary Woods; Gathering Waters Conservancy; Glendale Natural Heritage Society; Glendale Environmental Group; Metro Audubon Society; Milwaukee Area Land Conservancy; Milwaukee Audubon Society; Greater Milwaukee Green Party; The Park People; Preserve Our Parks; Wild Ones - Milwaukee Chapters

1

Appendix A 2

We support a segregated funding source for the parks. There are many examples from other communities, and we are prepared to sit down with you to help find new sources of revenue.

Now is the time to consider new ways to fund the parks...and those new ways must not include selling parkland. Numerous studies and experts have found we already have too little parkland for the County's residents and visitors, not too much.

Responsibility for the deficit rests primarily with park governance structure and with the policy makers who have underfunded the parks for years. They have failed to give the park department the authority and resources it needs.

The residents of Milwaukee County admire the leadership of Sue Black and they will enthusiastically support a strong park system.

Sincerely,

Peter McKeever
Facilitator
Milwaukee County Conservation Coalition

cc: Milwaukee County Board of Supervisors
Park Director Sue Black
Milwaukee County Conservation Coalition membership
Milwaukee Journal Sentinel

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2

Privatization and Budget Interview of Milwaukee County Supervisor John Weishan Jr.

1. Would privatization of skilled trades in the Milwaukee County Parks system be financially beneficial? Explain.

The number of skilled trade workers currently working for Milwaukee County is a relatively small number. The elimination of these workers would be of questionable financial value. To maximize financial benefit for Milwaukee County may actually be to increase the number of skilled trades people to effectively manage their duties and responsibilities.

2. Do you think the change in leadership in 2002, the yearly budget crisis, and staff reductions are all indicators leading to privatization? Explain.

They have become opportunities for privatization due to the ensuing chaos and the loss of institutional memory. Would be politicians claim they can save tax payers money with no documentation to back up their claims. The demonization of the public sector employee leaves the citizen with incomplete information on the pros and cons of privatization.

3. What are Scott Walker's reasons for talking about privatization of some county operations? What would your response be?

To position himself with the business right wing that believes any and all privatization is good and all government is bad and wasteful. (The continued search for campaign donations).

4. What do you think is the solution to a yearly park budget problem?

A dedicated income stream from non property tax source, a half of percent sales tax would go a

long way to solving our current budget problems. Currently the property tax levy for parks,

Appendix B1 (Continued)

recreation and culture venues equals 30 million. A half of percent sales tax would generate 60 million offering the possibility for 30 million dollars of property tax relief and new revenue for parks, recreation and culture.

5. If there was one thing you could but in park services to help sustain the budget, what would it be?

The problem is right sizing. What is the right number of skilled trades workers that are needed by Milwaukee County to create an effective and efficient department. This may require increasing the number of skilled trades personnel.

Privatization and Budget Interview of
Milwaukee County Director of Facilities – Department of
Public Works
Jack H. Takerian

1. Would privatization of skilled trades in the Milwaukee County Parks system be financially beneficial? Explain.

No, due to the current pay structure of the Building Trades vs. the outside market, Milwaukee County is far better off with a Building Trades of their own. Additionally, the current freezes that have happened within County Government would not be the same if the work was T&M out; businesses would need to mark up their service and turn a profit in order to stay in business. Parts would also be an issue we currently pay straight or discounted cost for parts.
2. Do you think the change in leadership in 2002, the yearly budget crisis, and staff reductions are all indicators leading to privatization? Explain. Yes and no. Some areas it would make great sense to look to privatize. Example: the Milwaukee County Zoo or certain activities in Parks or Department of Human Services (DHS) where there is someone already performing the service on the outside cheaper than we are or we can.
3. What are Scott Walker's reasons for talking about privatization of some county operations? What

would your response be?

Yes, similar to the above question the Milwaukee County Zoo or certain activities in Parks or DHS where there is someone already performing the service. We need to look toward real partnerships with our Parks and Cultural assets to secure their longevity.

Appendix B2 (Continued)

4. What do you think is the solution to a yearly park budget problem?

Funding needs to be addressed.

5. If there was one thing you could do in park services to help sustain the budget, what would it be?

Better partnerships where we are operationally breaking even or turning a small profit rather than the partner making the profit at our expense. This allows for more partnership to be developed and thus brings in more money to offset the cost of running a particular park.

Example: With the partners we have at the O'Donnell Center we should be turning a profit. Instead we have partners that have their hands out asking for more from us and less from them thus costing us more money. Real partners work together to solve the financial problems for each other, so that both benefit.

Privatization and Budget Interview of Milwaukee County Plumber Fabian Strong

1. Would privatization of skilled trades in the Milwaukee County Parks system be financially beneficial? Explain.

No, it's an easy explanation. The county pays a reduced rate on wages, benefits, health and welfare. They also already own their own tools and equipment. To have a contractor do the work would take the same labor and equipment plus add in profit on the job, a markup on materials, and the cost of equipment. Usually a contractor charges 20% on markups and labor.

2. Do you think the change in leadership in 2002, the yearly budget crisis, and staff reductions are all indicators leading to privatization? Explain.

Yes, indirectly. First, the new leaders know nothing about running a municipality or any kind of business. They are inexperienced at budgeting and at planning. Therefore, it's easier for them to pay somebody else to put a patch on their problems rather than fix them for good.

3. What are Scott Walker's reasons for talking about privatization of some county operations?
What would your response be?

I think he wants to privatize some operations simply because he doesn't understand the full

function of these operations. He looks at the window dressings and ignores the infrastructure.

4. What do you think is the solution to a yearly park budget problem?

A separate tax levy like the old parks commission.

5. If there was one thing you could but in park services to help sustain the budget, what would it be?

Get out of the golf course business and the concessions.

Appendix C 1

**MILWAUKEE
2005 WAGE PACKAGE
JOURNEYMAN/APPRENTICES**

CLASSIFICATION	JUNE 1, 2004 WAGES	INCREASE	MAY 29, 2005 WAGES	UNION DUES
JOURNEYMAN	\$29.80	\$1.55	\$31.35	\$0.53
FOREMAN/GENERAL FOREMAN (12%)	\$33.38	\$1.74	\$35.11	\$0.53
APPRENTICES (After 05/09/96)				
1st Year (40%)	\$11.92	\$0.62	\$12.54	\$0.29
2nd Year (50%)	\$14.90	\$0.78	\$15.68	\$0.33
3rd Year (60%)	\$17.88	\$0.93	\$18.81	\$0.37
4th Year (70%)	\$20.86	\$1.09	\$21.95	\$0.41
5th Year (80%)	\$23.84	\$1.24	\$25.08	\$0.45
BENEFIT PACKAGE				
Health Fund	\$6.15	\$0.25	\$6.40	
Pension Fund	\$3.38	\$0.65	\$4.03	
Education Fund	\$0.46		\$0.46	
Industry Fund*	\$0.24		\$0.24	
Market Recovery Fund	\$0.10		\$0.10	**
Dues Checkoff	\$0.22	\$0.03	\$0.25	**
Union Dues	PER ABOVE		PER ABOVE	**

** Deducted from wages after taxes

Total Benefit Package
\$11.48

Total Wage & Benefit Package
\$42.83

F04

MILWAUKEE COUNTY ANNUAL BENEFITS STATEMENT

FOR

AS OF DECEMBER 31, 2004

PERSONAL INFORMATION

Social Security Number: 28. 3100
 Hourly Rate: 28. 3100
 Hire Date: 01/04/1988
 Birth Date: 11/21/1956
 Address:
 WI

ENTITLEMENT HOURS AND YEAR END BALANCES (278-4158)

Beginning 2001 Personal Hours: 24.0
 Vacation Hours: 200.0
 2001 Year End Accrued Hours: 222.6
 Holiday: 16.0 Overtime: 0.0
 Annual Work Year Hours: 0.0
 Sick Allowance: 222.6

INSURANCE INFORMATION (278-4326)

HEALTH PLAN: 1J FAM HUMANA PPO SHARED PREMIUM PRE-TAX HEALTH
 The County's Monthly Cost: 1,110.12
 Your Monthly Cost: (PRE-TAX) 100.00
 Insurance Waiver Payment: 0.00
 Dependents:
 LIFE INSURANCE
 Standard Coverage: 55,000
 The County's Monthly Standard Cost: 0.00
 Your Monthly Standard Cost: 0.00
 Optional Coverage Amount: 0
 Your Monthly Optional Cost: 0.00
 Beneficiaries:

DENTAL PLAN: NO FAM HUM PAID PREM - DENTAL
 The County's Monthly Cost: 65.71
 Your Monthly Cost: (PRE-TAX) 0.00
 Dependents:

SHORT TERM DISABILITY
 Your Cost Last Year: 0.00

RETIREMENT INFORMATION (278-4207)

PENSION PLAN: EMPLOYEES RETIREMENT SYSTEM
 2001 Service Credits: 1.00000
 Annuity Number: 44371
 Enrollment Date: 01/04/1988
 Annuity Earnings: 58,559.94
 *Membership Account Balances:
 Mandatory Voluntary
 Beginning: 0.00 0.00
 Your contribution: 0.00 0.00
 The County's Contribution: 0.00 N/A
 Withdrawals/Adjustments: 0.00 0.00
 Interest: 0.00 0.00
 Ending: 0.00 0.00
 SERVICE CREDIT BALANCES:
 County: 17.00000
 City: 0.00000
 Military: 0.00000
 Buy Back: 0.00000
 Adjustment: 0.00000
 Total: 17.00000
 State Service: 0.00000

COMPENSATION SUMMARY AND RECONCILIATION (278-4158)

Gross Wages (YTD YGRS):	61,160.79	Gross Wages:	61,160.79
Group Health Insurance Pretax Deduction:	1,200.00	SHI Cost to the County:	13,321.44
Group Dental Insurance Pretax Deduction:	0.00	GDI Cost to the County:	788.52
GLTI Imputed Income:	0.00	Std Life Insurance Cost to the County:	0.00
Deferred Compensation:	9,396.74	Estimated Retirement Contribution:	
Dependent Care:	0.00	Paid by the County:	4,567.68
Medical Spending Account:	0.00	Social Security Paid by the County:	4,587.00
Pretax Transportation Benefits:	0.00	Qualified Education Paid by the County:	0.00
Injury Pay:	0.00		
W-2 Federal Taxable Wages:	50,564.05		
TOTAL COMPENSATION INCLUDING BENEFITS PAID IN 2001:			\$ 84,425.43

* Generally, individual employee accounts do not exist for persons hired after 12/31/70.

2005 IN-HOUSE PROJECT RATES EFFECTIVE 01/01/05

<u>PARKS-TRADES</u>		293.1% CHARGE-OUT RATE	
CARPENTER	\$ 24.55	\$ 71.96	\$ 84.23
ELECTRICIAN	\$ 26.00	\$ 76.21	\$ 89.21
IRON WORKER	\$ 26.22	\$ 76.86	\$ 89.97
PAINTER	\$ 23.08	\$ 67.65	\$ 79.19
<u>PLUMBER</u>	<u>\$ 28.31</u>	<u>\$ 82.98</u>	<u>\$ 97.13</u>
HEATING & EQUIP. MECH	\$ 27.55	\$ 80.75	\$ 94.52
STONE MASON	\$ 27.61	\$ 80.92	\$ 94.73
CARPENTER FOREMAN/LEAD	\$ 27.14	\$ 79.55	\$ 93.12
HEAT. EQUIP. MECH. SUP.	\$ 30.30	\$ 88.81	\$ 103.96
ELECTRICAL FOREMAN	\$ 28.60	\$ 83.83	\$ 98.13
IRON WORKER FOREMAN	\$ 28.27	\$ 82.87	\$ 97.01
PLUMBER FOREMAN/LEAD	\$ 31.71	\$ 92.94	\$ 108.80
HWY CEMENT MASON (B. Spence)	\$ 23.39	\$ 49.01	\$ 60.71

<u>PARKS MAINTENANCE WORKERS</u>		293.1% CHARGE-OUT RATE	
PARK WORKER I (SEASONAL)	\$ 6.60	\$ 19.33	\$ 22.63
PARK WORKER II (SEASONAL)	\$ 8.25	\$ 24.17	\$ 28.29
PARK WORKER III (SEASONAL)	\$ 9.89	\$ 29.00	\$ 33.95
PARKS MNTCE WRKR I (SEASONAL)	\$ 16.40	\$ 48.06	\$ 56.26
PARKS MAINTENANCE WRKR III	\$ 21.44	\$ 62.84	\$ 73.56
PARKS MNTCE WRKR-MUDMIXER	\$ 21.44	\$ 62.84	\$ 73.56

In House Trade Rates 6/7/2005

Appendix F 1

1959
MILWAUKEE COUNTY PARKS
1150 NORTH 68TH STREET
MILWAUKEE WI 53213

ATTN:

INVOICE NO.: 106003

DATE: 02/12/02

YOUR ORDER NO.:

9410-01402-02

TERMS: NET 10 DAYS

Billing for construction services provided on the following project:

Project: 50819 WASHINGTON PARK-REPAIR IRRIGATION LINE

FIELD LABOR	<u>\$1,286.67</u>
MATERIAL	\$337.70
EQUIPMENT	<u>\$870.00</u>

TOTAL AMOUNT DUE THIS INVOICE:

\$2,494.37

Milwaukee County

Time and Material Record

Labor

Work Order No. 60819

Description Washington Park-Repair Irrigation Line

Contractor:

Date: 12-Feb-02

FIELD LABOR	Name	Date	Trade	Class	Hours	Reg/OT	Rate	Fringe	Total Rate	Premium Amount Extended	Reg Amount Extended
	4-Jan-02 OPERATOR		CLS2		6	100	26.34	7.58	33.92		203.52
	4-Jan-02 LABORER		JRNWMAN		8	100	20.73	7.58	28.31		226.48
	4-Jan-02 LABORER		JRNWMAN		2.5	105	31.10	7.58	38.68	25.93	70.76
	5-Jan-02 LABORER		SUPT		2	100	20.73	7.58	28.31		56.62
	5-Jan-02 LABORER		CLS4		10	100	20.73	7.58	28.31		283.10
=====										25.93	840.50
=====											
=====										28.50	

Approved: _____

Total 840.50
 Markup (50%) 420.25
 Premium 25.93
 Total Cost 1,286.67

Milwaukee County

Time and Material Record

Material

Work Order No. 50819 Description Washington Park-Repair Irrigation Line
 Contractor Date: 12-Feb-02

Description	Items w/o	
	Mark-up	Cost
CITY OF MILWAUKEE	55.00	0.00
US FILTER		117.15
FRANKLIN AGGREGATES		117.28
Subtotal	55.00	234.41

Tax 5.60% 13.13
 Mark-up 15.00% 36.16

 Total w/o markup items 55.00
 Total Cost 337.70

Approved: _____

Milwaukee County

Equipment

Time and Material Record

Work Order No. 50819

Description Washington Park-Repair Irrigation Line

Contractor:

Date: 12-Feb-02

Description	Date	Unit	Time Used	Rate	Ext Cost
DUMP TRUCK	4-Jan-02	DAILY	2	312.00	624.00
EQUIPMENT TRAILER	4-Jan-02	HRLY	2	19.00	38.00
FORD 655 TLB	4-Jan-02	DAILY	1	208.00	208.00

Total Cost 870.00

Approved: _____

Appendix F 4



December 27, 2005

FAXED
12-27-05

Milwaukee County Parks
1150 North 68th Street
Milwaukee, WI 53213
(414) 258-7411 fax

Re: South Marina - Hot Water Heater
Job #301-30545

Company proposes to furnish labor and material to install (1) electric commercial hot water heater, Bradford White (SP-BM111 2027 3S P0) 119 gallon electric 240 volt. Our price includes miscellaneous water piping to connect new heater and reinsulated the water piping. All electrical wiring to this unit is to be furnished and installed by Milwaukee County, including start-up.

T & M NTE \$7,849.00

Please feel free to call with any questions or concerns you may have.

Sincerely,

Deliver To:
 Comments: FOR MILW CTY PARKS WATER HEATER
 NEED PO# FOR CHARGE
 & VERIFY SRI# ADDRESS OK

14:39:41 SEP 27 2005

Page # 1

Order No...: CDC21690 Req Date: 10/02/05 Ship Via...: OUR TRUCK
 Order Date: 09/27/05 Writer.....: GAS Terms.....: NET 10TH PROX
 Sold To: MILWAUKEE COUNTY DEPT Ship To: MILWAUKEE COUNTY DEPT
 901 N NINTH ST - RM 103 10310 WATERTOWN PLANK RD
 MILWAUKEE, WI 53233 WAUWATOSA, WI 53226

Cust PO#...: MILW CTY PARKS Job Name: MILW CTY PARKS

Item	Description	Quantity	Net Price	UM	Total
SP-BMH12027SF	MILES 119 GAL COMM	1	2886.300	EA	2886.30
	TAG MILW CTY PARKS				

Net Total: 2886.30
 Tax: 0.00
 Total: 2886.30

WARRANTY PROVISIONS

The purchaser's sole and exclusive warranty is that provided by the manufacturer, if any. Seller makes no express or implied warranties. SELLER DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL SELLER BE LIABLE FOR ANY INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING DIRECTLY OR INDIRECTLY FROM THE OPERATION OR USE OF THE PRODUCT. SELLER'S LIABILITY, IF ANY, SHALL BE LIMITED TO THE NET SALES PRICE RECEIVED BY SELLER. Complete Terms and Conditions are available upon request or can be viewed on the web at www.ferguson.com/sales-terms.html.

Appendix H 1

Invoice

Work Order Details	
Job Type	Service --6
Work Order #	3C25270
Date Created	10/07/2004 11:07AM
Date Completed	11/24/2004 12:30PM
Lead Technician	
Job Status	Closed
Customer P.O. #	
Contract # / Type	/
Dispatcher	
Caller	
Cross Reference #	92418
Business Unit	

Job Site Address	Billing Address
MILW COUNTY PARKS 9480 WATERTOWN PLANK ROAD WAUWATOSA, WI . USA Site #: 37292 Suite:	MILW CO - PARKS 9480 WATERTOWN PLANK ROAD MILWAUKEE, WI 53226 USA Customer #: 1959 AR #: 1959
Contact: Phone: (414) 258-2322	

Reason For Call
Problem Code: Fire Prot Inspection Milw County Park - Annual NFPA25 sprinkler inspection on dry pipe valve and backflow preventor.

Equipment Services					
Equip #	Tag #	Make	Model	Type	Serial #

Work Performed
Annual NFPA 25 inspection of 1 wet and 1 dry system with RPZ BFP. Main drain and alarm test of wet system. Function trip test of dry system. Clean and reset DPV. Drain low points. Add prime water and 45PSI air. Test RPZ BFP and bypass with forward flow. Clear alarms and put systems into service.

Labor									
		Start	End	Work Type	Hours	Rate	x	Charge	
Tech	15257	11/24/2004	11/24/2004	Regular Time	3.50	\$73.25	1.00	\$256.38	
Level	Foreman	09:00AM	12:30PM						
Offsite	No	Wednesday	Wednesday						
Desc									
Cost Code	00090 - Fire Protection								
Billable	Yes								
					3.50				
								Total Charge:	\$256.38
								Total Tax:	\$0.00
								Total Price:	\$256.38

Materials				
	Qty Used	Unit of Measure	Tax Amount	Part Price
Part #				
Desc				
P.O. #				
Source				
Billable				

Appendix H 2

Invoice

Job Order Details	
Job Type	Service - -6
Work Order #	3034553
Date Created	10/7/2005 11:39:45AM
Date Completed	12/8/2005 10:30:00AM
Lead Technician	
Job Status	Complete
Customer P.O. #	Agreement
Contract # / Type	/
Dispatcher	
Caller	
Cross Reference #	92518

From	Billing Address
MILW COUNTY PARKS 9480 WATERTOWN PLANK ROAD WAUWATOSA, WI . USA Site #: 37292 Suite:	MILW CO - PARKS 9480 WATERTOWN PLANK ROAD MILWAUKEE, WI 53226 USA Customer #: 1959 AR #: 1959
Contact: Phone: (414) 258-2322	

Problem Code: Fire Prot Inspection
 Milw Parks-Annual dry pipe valve inspection with backflow test.

Equip #	Tag #	Make	Model	Type	Serial #

Annual NFPA 25 inspection of 1 dry system, 1 wet system and 1 RPZ detector check with forward flow. Function trip test of DPV, alarm and flow test of wet system. Annual test of BFP. Clean and reset DPV, add prime water and 40 PSI air. Clear alarms and put system into service.

Time							
		Start	End	Work Type	Hours	Rate	x
Tech	40477 /	12/8/2005	12/8/2005	Regular Time	3.50	\$76.75	1.00
Level		7:00:00AM	10:30:00AM				
Offsite	No	Thursday	Thursday				
Desc	Regular						
Cost Code	00090 - Fire Protection						
Billable	Yes						
Tech	1525 /	12/8/2005	12/8/2005	Regular Time	3.50	\$76.75	1.00
Level	Foreman	7:00:00AM	10:30:00AM				
Offsite	No	Thursday	Thursday				
Desc	Regular						
Cost Code	00090 - Fire Protection						
Billable	Yes						
					7.00		
					Total Charge:		
					Total Tax:		
					Total Price:		

